

TESORO HOMEOWNERS ASSOCIATION

ELECTION RULES AND PROCEDURES

Section 1. Application of Rules: These rules shall apply to any meeting of the membership or solicitation of membership approval by a ballot vote (i) regarding matters specified in California Civil Code Section 5100(a), and (ii) any other matter unless the Association's Board of Directors has elected to conduct such vote or solicit such member approval for such other matter in accordance with California Corporations Code Section 7513, in which case the provisions of (A) Corporations Code Section 7513, (B) the Association's Bylaws, and (C) other applicable provisions of the California Corporations Code will apply to the exclusion of these Election Rules and Procedures. The Election Rules and Procedures contained herein are intended to be in compliance with Civil Code Section 5100 et seq., and should be interpreted as such.

Section 2. Membership Voting: Pursuant to the Association's governing documents, the Association has one class of voting membership. Each Member shall be entitled to one vote for each Lot owned, and the vote for such Lot shall be exercised as the Owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 3. Record Date: The Board may fix a record date in accordance with Corporations Code Section 7511 or as addressed in the Bylaws. In the absence of a specific resolution of the Board for any given election, the record date for determining the right of a Member to receive notice and to vote shall be the date that ballots are processed for mailing, and shall include all separate interests reflected in the Master Association membership list as of such record date. Members may verify and update their individual information contained in the Master Association's records anytime up to five (5) business days before the date ballots are processed for mailing, and are encouraged to review their personal information by the deadline set for submitting nominations of candidates. The voter list shall include for each separate interest: (1) name; (2) voting power; (3) the separate interest address, parcel number or both; and (4) the mailing address, if different.

Section 4. Candidate Qualifications: The Board shall consist of five (5). Subject to Civil Code §5105, all Candidates for the Board must meet the following qualifications:

(a) The Candidate must be an Owner. If title to a separate interest is held by a legal entity, such entity may appoint a natural person to serve or vote on such entity's behalf by delivering evidence of an appropriate written appointment to the Association.

(b) The Candidate must be current in the payment of all regular and special assessments. For the purposes of this section, "current" means no regular or special assessment is past due by more than thirty (30) days, or such period of time as is specifically defined in the Association's collection policy.

(c) The Candidate may not hold a joint ownership interest in the same separate interest as any other candidate or incumbent director.

(d) A Candidate is not eligible to run if the Association is aware or becomes aware of a past criminal conviction that would, if the Candidate were elected, either prevent the Association

from purchasing the fidelity bond coverage required by Civil Code §5806 or terminate the Association's existing fidelity bond coverage.

Section 5. Director Requirements: To remain qualified to serve on the Board of Directors, an Owner who has been elected to the Board of Directors must be current in the payment of all regular and special assessments. For purposes of these election rules, "current" means no regular or special assessment is past due by more than thirty (30) days.

Section 6. Nominations: Nominations for election to the Board may be made from among qualified Members. Any Member may nominate themselves as a candidate. Every qualified Member returning a candidacy form by the deadline established in any candidate solicitation shall be included on the ballot and in any associated ballot materials.

Section 7. Candidate Materials: Every Candidate and Member shall have equal access to the Association mailings, newsletters, and website during a campaign, if any access is provided, for the publication of viewpoints reasonably related to any issue presented for membership vote.

Section 7.1. Content: The Association shall not edit or redact any content from these messages, but may include a statement specifying that the Candidate or Member, and not the Association, is responsible for the content of any published statement.

Section 7.2. Limitation on Publication Space Made Available: So long as each Candidate and/or Member is provided the same opportunities for publication, the Association may restrict the availability of any publication by limiting the printing space made available or the number of words that will be included from each Candidate or Member included in the publication. In the absence of more restrictive limitations adopted by the Board for any particular matter, each Candidate and/or Member should be limited to no more than 200 words for any publication. The Board may, in its sole discretion, present a candidacy questionnaire with questions for all interested Candidates and/or Members to complete. If such a questionnaire is provided, then the Association will only print the answers to such questions and may impose a limitation upon the number of words for the response to any question presented.

Section 8. Availability of Meeting Space: Access to common area meeting space, shall be made equally available, at no cost, to all Candidates and/or Members desiring to use such space for any reason reasonably related to a membership vote. The Association may meet the requirements of this section by hosting a "Meet the Candidates Night", or other such special meeting, so long as every Candidate and/or Member is provided with an equal opportunity to participate in the event.

Section 9. Proxies: Every member entitled to cast a vote at a meeting of the members shall be entitled to vote either in person, or by proxy. In order to be valid, proxies must satisfy the requirements of California Civil Code Section 5130, the California Corporations Code, and the Bylaws. The granting of a proxy shall not authorize the retrieval of any ballot previously cast. Ballots, once cast, are final and irrevocable.

Section 10. Ballots: A ballot shall be distributed to every Member reflected in the Master Association membership list as of the Record Date. A replacement ballot will be provided upon request to anyone who was a Member as of the Record Date. The Master Association shall not deny a ballot to a person with general power of attorney for a Member. A ballot submitted by a person with general power of attorney for a Member, if valid and returned before polls close, shall be counted by the Master Association.

The voting period shall start when ballots are distributed and shall close when the ballots are counted. The polls shall close for any Member vote as specified in the ballot materials or as otherwise determined by the Inspector of Election at any Member meeting.

In the absence of a more specific determination by the Inspector(s) of Election, the Master Association's management company shall be designated as the location for the return and receipt of ballots.

Section 11. Selection of Inspector of Election: Prior to the presentation of any issue to the members for a membership vote, the Association shall appoint one (1) or three (3) Inspector(s) of Election. In the absence of a specific appointment by the Board, or in the event that an appointed Inspector is unable or unwilling to serve, then the Members in attendance at any duly held meeting of the Members at which a quorum is present may elect an Inspector or Inspectors to serve.

The Inspector may be any person or entity other than: (1) a Director; (2) a Candidate; (3) a Director's relations; or (4) a Candidate's relations. The appointed Inspector of Election must be an independent third party. An independent third party may not be a person, business entity, or subdivision of a business entity who is currently employed or under contract to the Association for any compensable services other than serving as an Inspector(s) of Election.

The inspector of election may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the inspector of election deems appropriate, provided that the persons satisfy the eligibility requirements for service as an inspector of election.

In the absence of a more specific determination by the Inspector(s) of Election, the Association's management company shall prepare and retain the association election materials (i.e., the candidate registration list, voter list, ballots, signed voter envelopes, and any proxies) for a period of three (3) years following any election.

An Inspector(s) of Election shall perform all duties impartially, in good faith, to the best of the Inspector of Election's ability, as expeditiously as practical, and in a manner that protects the interest of all Members of the Association.

Section 12. Meeting Conduct: Any inspection of ballots shall be done at an open meeting of the membership or the Board of Directors. Any Member may observe the count, but shall stand at least five feet away from the Inspector(s). No person may harass, cajole or otherwise interfere with the Inspector(s) of Elections while the count is taking place. Members or persons not specifically authorized to do so may not touch any secret ballot or other election materials. Any person violating this Section may be asked by the Inspector of Elections to leave the meeting to prevent further disruption.

Adopted February 10, 2020