CYPRESS POINT CONDOMINIUM ASSOCIATION

ELECTION RULES

These Election Rules (also known as Election Operating Rules) are intended to comply with the requirements of newly revised Civil Code sections 5100-5145. These rules may be further amended due to future changes in the law. Provisions that are in conflict with the law shall be null and void.

INSPECTOR(S) OF ELECTION

Inspector(s): There may be one or three inspectors of election ("Inspectors"). The board of directors shall have the authority to decide on the number of inspectors and to appoint persons to fill those positions. An Inspector shall be an independent third party which may include a volunteer poll worker with the county registrar of voters, a licensee of the California Board of Accountancy, a notary public, or a member of the Association who is not a member of the board of directors or a candidate for the board of directors or related to a member of the board of directors or a candidate for the board of directors. An independent third party may not be a person, business entity, or subdivision of a business entity who is currently employed by or under contract with the Association for compensation, other than persons/entities in the business of performing inspector duties.

Duties of Inspectors: Inspectors may delegate the duties to be performed under California law, including but not limited to, preparation and delivery of the notices and election material, correction of addresses on the Voter List, verification of members' information and signatures on the sealed/signed voter envelopes, counting/tabulation of ballots and other duties pursuant to California law, to the property management company or another designee. However, the Inspector(s) shall perform the following duties:

1. Determine the number of memberships entitled to vote and the voting power of each;
2. Determine the authenticity, validity, and effect of proxies pursuant to the Association's proxy rules;
3. Receive ballots;
4. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
5. Count and tabulate all votes;
6. Determine when the polls shall close consistent with the governing documents;
7. Determine the tabulated results of the election;
8. Perform any acts as may be proper to conduct the election with fairness to all members in accordance with the Civil Code, Corporations Code, and Election Rules that are not in conflict with such law.
9. The Inspector(s) shall perform all duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical. If there are three Inspectors, the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the Inspector(s) of election is prima facie evidence of the facts stated in the report.

CANDIDATE QUALIFICATIONS

A candidate for the board of directors shall meet the following qualifications at the time of nomination:

1. The candidate must be a member of the Association (i.e. record owner). If title to the property is held by a legal entity that is not a natural person (i.e. LLC, corporation, trust, etc.), the entity shall have the right to appoint a natural person as the "member" for these purposes;
2. The candidate must have been a member of the Association for at least one (1) year;

3. The candidate must be current in payment of the principal sum of regular assessments, and any special assessments. The member shall be considered "current " if payments have been made under protest per Civil Code Section 5658, or the member has entered into a payment plan pursuant to Civil Code Section 5665;
4. The candidate must not have a joint ownership interest in the same Unit as a person who is already serving on the board or who is re-rerunning for a board position;
5. The candidate must not have a past criminal conviction that would if elected prevent the Association from obtaining or would result in cancelation of the Association's fidelity bond coverage (crime/dishonesty insurance coverage);
6. The candidate will be provided the opportunity to engage in Internal Dispute Resolution (Civil Code Section 5900 et. seq.) with respect to any disqualification.

NOMINATING PROCEDURES

The procedures for nominating a candidate for the board of directors are as follows:

1. A member may nominate themselves as a candidate if they meet the candidate qualifications.
2. A member may nominate any other member as a candidate, provided such nominee agrees to be nominated and meets the candidate qualifications.
3. The board may appoint a three-person nominating committee, chaired by a board member, to nominate as many candidates as there are open positions. Such nominee(s) must agree to be so nominated and meet the candidate qualifications.
4. Nominations of qualified candidates may be made from the floor at the annual meeting.

CALL FOR CANDIDATES/NOTICE OF PROCEDURE AND DEADLINE FOR NOMINATION

The Association shall provide general notice to the membership (and shall provide individual notice at a member's request) of the procedure and deadline for submitting a nomination at least 30 days before any deadline for submitting a nomination. <u>The notice shall include candidate qualifications. A candidate shall have the opportunity to participate in IDR (Internal Dispute Resolution) prior to being disqualified.</u>

NOTICE OF MEETING, LIST OF CANDIDATES, BALLOT DEADLINE AND RIGHT TO VERIFY ACCURACY OF MEMBER INFORMATION

The Association shall provide general notice to the membership (and shall provide individual notice at a member's request) of the following at least 30 days before the ballots are distributed (which shall also serve as the record date):

(1) The date and time by which ballots are to be returned, and physical address to which ballots are to be returned by mail or hand delivery to the Inspector;
(2) The date, time and location of the meeting at which ballots will be counted;
(3) The list of all candidates' names that will appear on the ballot (those nominated by the deadline for nomination and who meet the candidate qualifications) ("Candidate Registration List");
(4) Members' right to verify accuracy of their individual information on (a) the Candidate Registration List and (b) the Voter List which shall consist of a list of members' names, voting power, and either the physical address of the voter's separate interest (Unit), the parcel number (i.e. Unit number), or both, mailing address for the member if differing from the physical address or if only the Unit number is used. The Association or members shall report errors/omissions on either list, which shall be corrected within two business days.

VOTING RIGHTS

Voting Power: Each Unit shall have one (1) vote for each vacant director position to be elected. Where there are multiple members of a single Unit, they shall decide how to cast their vote among themselves. If votes are cast on behalf of a single Unit, then it shall be conclusively presumed that the vote was cast by an authorized member. If more than one ballot is cast with conflicting votes, such ballots shall be voided.

Cumulative Voting: In accordance with Section 4.05(a) of the Association's Bylaws, a member may cumulate his or her votes in any election of more than two directors if (a) the candidate's name or candidates' names have been placed in nomination before the voting, and (b) such member, or any other member, has given notice at the meeting before the voting of such member's intent to cumulate votes. If a member cumulates their votes, then such member shall have the right to give one (1) candidate a number of votes equal to the number of directors to be elected, or to distribute his or her votes on the same principle among as many candidates as he or she desires.

Qualifications for Voting: All members shall be entitled to receive a ballot. No member's right to vote in elections shall be suspended. Persons with a written general power of attorney for a member shall be entitled to request a ballot on behalf of such member. Only non-members (i.e. tenants, non-record owners, etc.) may be denied a ballot.

Proxies: In accordance with Section 2.04 of the Association's Bylaws, votes may be cast in person or by proxy. The board of directors may but shall not be required to include a proxy form for the members. Proxies must be in writing and filed with the Secretary of the Association in advance of an election. Every proxy is revocable and automatically ceases after completion of the meeting for which the proxy was filed. Proxies may be used to give another person a member's right to vote or for quorum purposes only.

Quorum: A quorum of at least a majority of the voting power of the members is required for elections; provided, however, that if a meeting cannot be held because a quorum is not present, the meeting may be adjourned in accordance with Section 3.06 of the Bylaws, and the quorum requirement for the adjourned meeting shall be reduced to twenty-five percent (25%) of the voting power of the members. Each ballot received by the Inspector(s) or its designee shall be treated as a member for purposes of establishing a quorum.

No Write-In Candidates: No candidates other than those listed on the official Association ballot or those qualified candidates nominated from the floor may be written in or added onto the ballot.

VOTING PROCEDURES

Distribution of Material at Least 30 Days Before Election: Not less than 30 days prior to the election/deadline for voting, the following shall be mailed by first-class mail or delivered to each member:

(1) A ballot;
(2) A copy of these Election Rules. If the Association has a website, notice of the election rules may be provided per *Civil Code* Section 5105 (g)(4)(B)(i).
(3) Two pre-addressed envelopes with instructions on how to return the ballot.

Voting By Secret Ballot: In order to preserve confidentiality, a voter will not be identified by name or address, or Unit number on the ballot. The ballot itself is not signed by the voter, but is to be inserted into an envelope that is sealed. This envelope is then inserted into a second envelope addressed to the

Inspector(s). The voter then seals the outer envelope and in the upper left-hand corner prints and signs his/her name and address which entitles him/her to vote.

Voting Period: Ballots may be mailed or hand-delivered to the location/address specified by the instructions sent by the Inspector or its designee. The location for return of ballots shall be the property management company unless a different location is specified. The ballot must be received by the Inspectors(s) before the end of the voting period or it will be disregarded. A member may request a receipt upon delivery of a ballot. Once a secret ballot is received by the Inspector(s), it shall be irrevocable.

Tabulation of Ballots: The Inspector(s) or its designee will count and tabulate all votes in public at a properly noticed open meeting of the members or board of directors. Any candidate or other member of the Association may witness the counting and tabulation of the votes in a manner so as to not violate the intent of preserving the confidentiality of members' votes. No person, including a member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. The Inspector(s) or its designee may verify the member's information and signature on the outer envelope prior to the meeting at which ballots are tabulated.

Reporting Results: The Inspector(s) will promptly report the results of the election to the board. The board will record the results in the minutes of the next meeting of the board and make the results available for review by any member at any time after the results are received from the Inspector(s). Within 15 days of the election, the board shall give general notice pursuant to *Civil Code* Section 4045 of the tabulated results of the election.

RETENTION AND CUSTODY OF ELECTION RECORDS

Before Election: The sealed ballots, signed voter envelopes, Voter List, proxies if any, and Candidate Registration List shall at all times remain in the custody of the Inspector(s) or at a location designated by the Inspector(s) until after the tabulation of the vote.

After Election: The following Association records shall also be retained by the Inspector after the election/tabulation until the time allowed by *Civil Code* Section 5145 for challenging the election has expired, at which time custody will be transferred to the Association: returned/cast ballots, signed voter envelopes, Voter List, proxies if any, and the Candidate Registration List.

Recount/Challenge: If there is a recount or other challenge to the election process, the Inspector(s) shall, upon written request, make such records available for inspection and review by a member or member's authorized representative. Signed voter envelopes are subject to inspection but not copying. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

ACCESS IN CONNECTION WITH ELECTIONS

Access to Association Media: If any candidate or member advocating a point of view is provided access to Association media, newsletters, or internet websites during a campaign, for purposes that are reasonably related to that election, equal access shall be provided to all candidates and members advocating a point of view, including those not endorsed by the board, for purposes that are reasonably related to the election. The Association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or member and not the Association, is responsible for that content.

Access to Association Meeting Space: The Association will provide access to the common area meeting space during a campaign to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those not endorsed by the board, for purposes reasonably related to the election. Access shall be provided at no cost to the members and candidates.

Campaign Fund Restrictions: Association funds shall not be used for campaign purposes in connection with any Association board election. Funds of the Association will not be used for campaign purposes in connection with any other Association election except to the extent necessary to comply with duties of the Association imposed by law. Campaign purposes include, but are not limited to, the following: (a) expressly advocating the election or defeat of any candidate that is on the Association's election ballot; and (b) including the photograph or prominently featuring the name of any candidate on a communication from the Association or its board, excepting the ballot and ballot materials, or a communication that is legally required in connection with an election. This restriction does not prevent distribution of campaign materials as otherwise specifically allowed under the equal access provisions of these rules.

MODIFICATION OF RULES

These rules shall be construed in accordance with and are subject to further change pursuant to California law. No changes to these rules shall be made within 90 days of an election.