

BEACON HILL VILLAGE HOMEOWNERS ASSOCIATION ELECTION RULES AND PROCEDURES

Campaigning

If any candidate or member advocating a point of view is provided access to Beacon Hill Village Homeowners Association ("Association") media, newsletters, or websites during a campaign, for purposes that are reasonably related to that election, all candidates and members advocating a point of view will be provided equal access.

Any views, comments, or opinions set forth in any communication from a candidate or member are those solely of the candidate or member, and the Association is not responsible or liable for such content. The candidate or member, and not the Association, is solely responsible for the content of all materials and/or communications presented by the candidate or member.

Access to the common area meeting space will be provided during a campaign, at no cost, to all candidates and to all members advocating a point of view for purposes reasonably related to the election. Members and residents shall not be prevented from peacefully assembling or meeting with members, residents, and their invitees or guests during reasonable hours and in a reasonable manner for purposes relating to association elections. Residents may use the common area and homes for an assembly when the common area is not otherwise in use. Canvassing, petitioning, and circulating materials to the members in connection with an election is permitted if done in a reasonable manner and during reasonable hours and is not otherwise prohibited by law, municipal or otherwise.

Association funds will not be used for campaign purposes in connection with any Association Board election. Funds of the Association shall 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. For the purposes of this section "campaign purposes" include, but are not limited to, the following:

1. Expressly advocating the election or defeat of any candidate that is on the Association election ballot.
2. Including the photograph or prominently featuring the name of any candidate on a communication from the Association or the Board, excepting the ballot and ballot materials, within thirty (30) days of election, provided that this is not a campaign purpose if the communication is one for which the law requires that equal access be provided to another candidate or advocate.

Nominee Qualifications

The Association is required by law to disqualify a person from nomination as a candidate if the person is not a member of the Association at the time of the nomination. To be a “member” of the Association a person must be a record owner of a lot. If title to the Lot is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person to be a member for purposes of candidacy.

Additionally, the Association may disqualify a person from nomination based on any of the following:

1. If the person, if elected, would be serving on the board at the same time as another person who holds a joint ownership interest in the same separate interest parcel as the person and the other person has already been properly nominated for the current election or is an incumbent director.
2. If that person has not been a member of the Association for at least one (1) year.

However, the foregoing option to disqualify a member shall not apply if the member has not been provided the opportunity to engage in IDR.

Voting Qualifications

Every person that is a member at the time the ballots are distributed is entitled to receive a ballot. Persons with a general power of attorney for a member shall be entitled to obtain a ballot and vote after providing a copy of the signed general power of attorney to the Association. Those with specific powers of attorney are generally not entitled to a ballot. Members shall be entitled to cast one (1) ballot for each lot owned.

In any election of the Board in which more than two (2) positions on the Board are to be filled, every member entitled to vote shall have the right to accumulate his/her votes and give one candidate, or divide among any number of candidates, a number of votes equal to the number of Directors to be elected, provided that no member shall be entitled to cumulate votes for a candidate or candidates unless the candidate's name or candidates' names have been placed in nomination prior to the voting and the member has given notice at the meeting prior to the voting of the member's intention to cumulate votes. If any one member has given this notice, all members may cumulate their votes for candidates in nomination.

If a record date for voting is not fixed by the Board of Directors, those who are members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the meeting of the Association.

Joint Owner Disputes

The vote for each lot shall be cast by a single vote, and fractional votes shall not be allowed. If any owner casts a vote representing a certain lot, it will thereafter be conclusively presumed for all purposes that he/she or they were acting with the authority and consent of all owners of the same lot.

Voter List

The Association shall maintain a voter list to include the name, voting power, and either the physical address of the voter's lot, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list if it differs from the physical address of the voter's Lot or if only the parcel number is used. Members may verify the accuracy of their individual information on the voter lists at least thirty (30) days before the ballots are distributed. The Association or member shall report any errors or omissions to the list to the Inspector(s) who shall make the corrections within two (2) business days. The member should simultaneously convey this information to the management company.

Nomination Procedures

The Association will provide general notice, as defined by *Civil Code* section 4045, of the procedure and deadline for submitting a nomination at least thirty (30) days before any deadline for submitting a nomination.

Nomination for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting. If a Nominating Committee is not appointed, the Board shall serve as the Nominating Committee. The Nominating Committee shall make as many nominations for election to the Board as it may in its discretion, determine, but not less than the number of vacancies that are to be filled.

An owner who is qualified to serve on the Board shall be entitled to nominate himself or herself for election by submitting his or her name as a candidate using a candidacy form provided by the Association for that purpose prior to the deadline set forth on the candidacy form. Nominations may be from members or non-members. Nominations may also be made from the floor at the annual meeting. Self-nominations are permitted.

Candidate List

The candidate list shall include the name and address of individuals nominated as a candidate for election to the Board. Members may verify the accuracy of their individual information on the candidate list at least thirty (30) days before the ballots are distributed. The Association

or member shall report any errors or omissions to the list to the Inspector(s) who shall make the corrections within two (2) business days.

Pre-Election Notice

An association shall provide general notice, as defined by Civil Code section 4045, at least 30 days before the ballots are distributed of the following:

1. The date and time by which, and the physical address where ballots are to be returned by mail or handed to the inspector(s).
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.

Voting Procedures

The Bylaws for the Association authorize the use of secret ballots and proxies. Secret ballots will be provided to all members for their use.

Elections will be conducted in accordance with the following procedures:

1. The Inspector(s) shall cause the ballots and two pre-addressed envelopes (with instructions) to be delivered or mailed by first-class mail to every member not less than thirty (30) days prior to the election;
2. The Inspector(s) shall cause these Election Rules to be "delivered" to the members not less than thirty (30) days prior to the election. Delivery may be accomplished by posting these Election Rules to an internet website and including the corresponding internet website address on the ballot together with the phrase, in at least 12-point font: "The rules governing this election may be found here www.otishoa.com" or by personal delivery or first-class mail.
3. Ballots are not to be signed by the voter and a member that places any identifying marks or signature on his or her ballot will waive his or her right to secrecy;
4. Completed ballots must be placed into an inner envelope that has no identifying information on it (e.g., no member name, no property address, no signature, etc.), and the inner envelope is then sealed by the member;
5. The inner envelope is then inserted into the outer envelope that is pre-addressed to the Inspector(s) of Election and then sealed by the member;
6. In the upper left-hand corner of the outer envelope, the member must indicate his or her name and the address of the property within the Association and then the member must sign his or her name in the upper left-hand corner of the outer

envelope. Ballots received in improperly completed envelopes (e.g., not signed or without identifying information) may not be counted by the Inspector(s);

7. The envelope may be mailed or delivered by hand to the management office unless another place is designated by the Inspector(s). The member may request a receipt for delivery;
8. Once a ballot is received by the Association, in the place designated by the Inspector(s), it is deemed irrevocable, even if it is unopened;
9. The sealed ballots shall be in the custody of the Inspector(s) or in the place designated by the Inspector(s) at all times;
10. No person may open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated; and
11. The voting period for member meetings shall commence when the first ballot is mailed or delivered to a member of the Association and shall end at such time as the Inspector(s) determine the polls close.

Use of Proxies

Every member entitled to vote or execute consents shall have the right to do so either in person or by proxy. All proxies must be in writing and filed with the Secretary prior to the commencement of the meeting at which the proxy is to be exercised. The Association is under no obligation to distribute proxies.

A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect unless (1) revoked by the member executing it before the vote cast pursuant to that proxy by a writing delivered to the Association stating that the proxy is revoked, (2) by personal attendance and voting at a meeting by such member, or (3) if written notice of death or incapacity of the maker of the proxy is received by the Association before the vote pursuant to the proxy is counted; provided that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three (3) years from the date of execution.

A proxy must (1) identify a proxyholder (who must physically attend the meeting for which the proxy is being exercised), (2) contain voting instructions, and (3) be signed by the member giving the proxy. Any instruction given in a proxy issued for an election that directs the manner in which the proxyholder is to cast the vote must be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain. The proxyholder must cast the member's vote by secret ballot. A proxy that does not satisfy these requirements may not be counted.

Vote by Acclamation

Notwithstanding the secret balloting requirements contained in these Election Rules, if on the deadline for submitting nominations, the number of qualified candidates is not more than the number of directors' seats to be filled, as determined by the inspector of elections, the Association may, but is not required to, consider the qualified candidates elected by acclamation. To do so, the Association must have held at least one regular election for the directors in the last three years. The three-year period begins the date ballots were due in the last full election to the start of voting for the upcoming election. The following procedures may be used to elect directors by acclamation:

1. The Association must provide individual notice of the election and the procedure for nominating candidates at least 90 days before the deadline for submitting nominations and the notice must include (a) the number of board positions to be filled at the election, (b) the deadline for submitting nominations, (c) the manner in which nominations can be submitted, and (4) a statement informing members that if, at the close of the time period for making nominations, there are the same number or fewer qualified candidates as there are board positions to be filled, then the board of directors may, after voting to do so, seat the qualified candidates by acclamation without balloting
2. A reminder notice is sent 7-30 days before the deadline for submitting nominations and includes (a) the number of board positions that will be filled at the election (b) the deadline for submitting nominations (c) the manner in which nominations can be submitted, (d) a list of the qualified candidates to fill the board positions as of the date of the reminder notice and (e) a statement reminding members that if, at the close of the time period for making nominations, there are the same number or fewer qualified candidates as there are board positions to be filled, then the board of directors may, after voting to do so, seat the qualified candidates by acclamation without balloting.
3. For each nomination received, a written or electronic communication will be sent within seven business days acknowledging the nomination to the member who submitted the nomination and a written or electronic communication will be sent to the nominee indicating that the nominee is a qualified candidate for the board of directors or that the nominee is not a qualified candidate for the board of directors, in which case the communication will also explain the basis for the disqualification, and the procedure by which the nominee may appeal the disqualification.

The Association must permit all qualified and nominated candidates to run and may vote to consider the qualified candidates elected by acclamation at a board meeting for which the agenda item reflects the name of each qualified candidate that will be seated by acclamation if the item is approved. The directors elected by acclamation will take office on the date originally scheduled for the election and an organizational meeting may be conducted at the first scheduled board meeting on that date or thereafter.

Inspectors of Election

Inspector(s) of Election (“Inspector(s)”) will be appointed by the Board of Directors at a board meeting held prior to the election and will serve as Inspectors until such time that their successors are appointed by the Board of Directors. There shall be one (1) or three (3) Inspectors for the Association. If there are three (3) Inspectors, the decision or act of a majority shall be effective in all respects as the decision or act of all. Inspector(s) may be a member of the Association, but may not be a member of the Board, a candidate for the Board, or related to a member of the Board or candidate for the Board. An Inspector may not be a person or entity who or which is currently employed or under contract to the Association for any compensable services, other than inspection services.

Role of Inspectors of Elections

Inspector(s) will determine the number of memberships entitled to vote and the voting power of each in accordance with the Association's governing documents. Inspector(s) will determine the authenticity, validity, and effect of proxies, if any. Inspector(s) will hear and determine all challenges and questions in any way arising out of or in connection with the right to vote. Ballots will be returned to the Association’s managing office, unless another location is designated by the Inspectors. Inspector(s) will determine when the polls shall close. Inspector(s) will determine and announce the tabulated results of the election.

The Inspector(s) may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector(s) deem appropriate, provided that the persons are independent third parties.

Inspector(s) may also perform any acts as may be proper to conduct the election with fairness to all members in accordance with the Inspector of Election rules and all applicable rules of the Association regarding the conduct of the election that are not in conflict with the Inspector of Election rules. Inspector(s) must perform all duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical, and in a manner that protects the interest of all members of the Association.

Tabulation of Votes

Inspector(s) count and tabulate all votes. All votes shall be counted and tabulated by the Inspector(s) at a duly noticed board or membership meeting. Any candidate or other member of the Association may witness the counting and tabulation of the votes. Members who are not Inspectors or being overseen by an Inspector must remain at least five feet (5') away from the counting area. Members who are not Inspectors may not participate in the counting or tabulation process or any discussions that may arise among the Inspectors or their designated assistants.

Every Inspector(s) must provide an inspection report for the Association's corporate records. After the final tabulation of the votes, custody of all election materials will be transferred to the custody of the Association, unless first retained by the Inspector in a secure place for no less than one (1) year after the date of the election. Once retained by the Association, the election materials shall be stored for a period not less than the current fiscal year, plus two (2) additional fiscal years.

Recording and Announcing Election Results

Inspector(s) must report the results of the election promptly to the Board of Directors and the results will be recorded in the next regular session board meeting minutes. In addition to recording the election results in the next regular session board meeting minutes, the Association shall keep Annual Meeting Minutes that reflect the results of the election.

The Board of Directors will publicize the results of the election in a communication directed to all members within fifteen (15) days of a successful (quorum achieved) election.

Retention and Inspection of Records

The ballots, signed voter envelopes, the voter list of names, parcel numbers, and voters to whom ballots were to be sent, proxies, and the candidate registration list (collectively "election materials") will be maintained by the Association for one year after the date of the election. Election materials are subject to inspection. Signed voter envelopes may be inspected but may not be copied. If there is a recount or other challenge to the election process, the Inspector(s) shall, upon written request, make the ballots available for inspection and review by an Association member or the member's authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.