



Coral Tree Plaza



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DATE: June 25, 2020
TO: HOMEOWNERS
FROM: Tyler Boelts, GENERAL MANAGER
RE: PROPOSED ELECTION RULES

Pursuant to Civil Code §4360, the Board of Directors will be considering the proposed operating rule changes at the Board of Directors meeting to be held via Zoom Teleconference on **July 29, 2020**, at **5:30 p.m.** If you wish share your opinion regarding the proposed operating rule changes, please send your written comments to management's office so it can be delivered to the Board prior to the Board Meeting. Alternatively, if you can attend the Board Meeting, your constructive comments will be considered by the Board of Directors prior to its making a decision on the proposed rule change. Any and all comments made at the Board Meeting will be subject to the standing rules of the Board related to member comments at Board meetings.

❖ The proposed rule changes are as follows:

Please see the attached document for the proposed rule change text.

❖ The purpose and effect of the rule change:

This rule change is to bring Coral Tree Plaza into compliance with the recently passed bill SB 323, effective January 1, 2020. The association rules must be changed to conform to statutory requirements.

❖ Member Comments: If you wish to provide written comment, please send your comments to the onsite management office, 3634 7th Ave. San Diego, CA 92103. Please date, identify your property address, print your name and sign. Anonymous/unsigned comments will not be considered.

CORAL TREE PLAZA OWNERS ASSOCIATION

ELECTION AND VOTING RULES

I. INTRODUCTION

Pursuant to the CC&Rs, Bylaws and these Election and Voting Rules (“Rules”), the Association will hold meetings of the Membership to elect Directors and to conduct Association business. These Rules are intended to establish certain procedural rules for the successful management of membership meetings and the successful implementation of the relevant provisions of the Association’s Bylaws concerning membership elections and membership voting. These procedural Rules are written pursuant to Civil Code §5105 and are not intended to conflict with, replace, or supersede the provisions of the Association’s Bylaws concerning voting rights, Board Member qualification, or any other matter addressed in the Bylaws. Any inconsistency provision between these Rules and the Bylaws shall be governed in accordance with the Civil Code. Other than the time frames set forth in Civil Code section 5100 et seq., the time frames stated in these Rules are guidelines, generally setting forth fair and reasonable procedures for the conduct of voting and elections. However, the failure of the Board or Inspector(s) to strictly adhere to these time frames will not invalidate any election or vote so long as the procedures used allow all members an equal opportunity to participate in the election or voting process and did not affect the results of the election.

II. MEMBERSHIP MEETINGS

- A. The Association’s Annual Meeting, as required by the Association’s Bylaws, will be held on a date and time specified in these Rules and consistent with the Association’s Bylaws. In the alternative, other meetings of the Members (“Special Membership Meetings”) may be noticed and held by the Association to elect directors and/or to consider and vote on any other matters, which are of concern to the Members, required by the Bylaws or State statute.
- B. In the alternative, and only for the Election of Directors, the Board may schedule a Board or Membership meeting to allow for the counting of Secret Ballots.
- C. The Association’s Annual Meeting will be held in the same month of the preceding Annual Meeting and in no event later than fifteen (15) months from the date of the preceding annual meeting. The Association shall send out a Notice of Annual Meeting (“Notice”) to all Members pursuant to the Governing Documents, these Rules and applicable state statute.
- D. The Notice shall include the following:
 1. Times when polls will open (when Ballots may/can be cast).
 2. Times when the Members and Candidates may witness the Member registration, as applicable, and the review, counting and tabulation of Secret Ballots by Inspectors of Election.

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III. CANDIDATES

- A. The Board of Directors will consist of 5 Directors. Directors are elected and serve a term of 2 years.
- A. In a year where 3 Directors are elected, the following year 2 Directors are elected.
- B. In order to run for the Board of Directors, a member must meet the qualifications identified below:
1. 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.
 2. The Candidate must be current in the payment of all regular and special assessments. (Consider defining "current"; e.g. For the purposes of these election rules, "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).
 3. The Candidate may not hold a joint ownership interest in the same separate interest as any other candidate or incumbent director.
 4. The 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.
- C. In order to remain eligible to serve, a sitting director must meet all of the following director requirements:
1. Be current in the payment of all regular and special assessments; and
 2. Not be absent from more than three (3) consecutive regularly scheduled meetings of the Board or Comply with the Governing Documents and correct,, any violation of the Governing Documents for which that Director has been determined to be responsible pursuant to applicable due process requirements, etc.].
- D. Directors must be elected solely by Secret Ballot as provided in these Rules and Civil Code §5100, as amended, and any successor statute. Voice vote, show of hands, or any method, other than Secret Ballot, shall be prohibited.
- E. The nomination process to nominate a candidate to run for the Board of Directors shall be as follows:

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1. The Association shall provide general notice to all Members of candidate(s) for the Board (“Request for Candidates”), at least thirty (30) days prior to deadline set for candidate nominations to be received. The Request for Candidates shall include a demand for certification by the Candidate that s/he meets the qualifications set by Civil Code and these rules.
 2. The Request for Candidates shall also include a form for each Candidate to submit a written statement reasonably related to the election, including advocating a point of view. The Board of Directors may limit the length of the Candidacy Statement. Candidates’ Statements will be included with the Association’s mailing of the Notice and Secret Ballot materials if the Statements are provided prior to the stated deadline.
 3. Any eligible member is permitted to self-nominate himself/herself for election to the Board of Directors by submitting a candidate statement by the deadline date contained within the Request for Candidates. The Association shall accept into nomination all candidates whose statements are received by the deadline date.
 4. The Request for Candidates will provide a candidacy application that must be completed by the Candidate and received by the Association by the deadline stated in the application in order for a Candidate’s name to appear on any Notices associated with the Annual Meeting and on the Secret Ballot. Notwithstanding the foregoing, if the fully completed application is not timely received by the Association, the Chairperson may call for nominations from the floor at the Annual Meeting. Any eligible member may nominate himself/herself, or may nominate another eligible individual if the individual being nominated is present to accept the nomination. If the individual is not present to accept the nomination, s/he will not be included on the Secret Ballot. Once the nominations have been announced, the Chairperson, upon a motion and second from the floor, shall call for a voice vote of those eligible voters in attendance to close the nominations. Members who desire to vote for a Candidate(s) nominated from the floor must request and complete a Secret Ballot at the Annual Meeting if the Member has not previously voted the Member’s Secret Ballot. A Secret Ballot once voted may not be rescinded by the Member and may not be replaced by subsequently voting a second Secret Ballot.
- F. No member shall be provided access to Association media within thirty (30) days of an Association election for campaign purposes. For purposes of this paragraph, “Association *media*” means the Association’s newsletters, internet websites and/or Association cable channel. The term “*within thirty (30) days of an Association election*” shall mean the thirty (30) days prior to the date the first election ballot material is sent to the membership. The term “Association *media*” shall not include the official ballot materials sent to the membership inclusive, for Board of Directors election, biographical description and photographs of the nominees that are running for the Board of Directors.
- G. In each election for the Board of Directors, the Association shall hold a forum for the nominees during the Annual Meeting. The forum will be for the purposes of allowing the members to meet and ask questions of all nominees and all nominees standing for election shall be invited to attend the forum. Access to common area meeting space will be made available to all Candidates and Members advocating a point of view, for purposes reasonable related to the election, at no charge, on the specific dates and times which may be contained

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in the Notice of the Membership meeting or such other dates as requested in writing by the Candidate and/or Member.

- H. Association funds shall not be used for campaign purposes in connection with any Association election, except to the extent necessary to comply with the duties of the Association imposed by law. For purposes of this paragraph, the Association can use its funds to have legal counsel (or other Board-designated individuals) prepare and review appropriate ballots as well as the copying, printing and mailing costs necessary to provide the ballots to the membership consistent with the Association's governing documents and California law. The Association can also add background information and an explanation of ballot material. The Association may use funds to distribute, for election of the Board of Directors, a biographical description and photograph of the nominees within said election materials. For elections other than the Board of Directors, the Board can add a one sentence recommendation, requesting approval or disapproval of such election (the Board, however, may not advocate the election or defeat of any Candidate or an Association ballot).

IV. INSPECTOR(S) OF ELECTION

- A. One (1) Inspector of Election or three (3) Inspectors of Election shall be appointed by the Board of Directors, and shall perform the duties set forth below and shall sign a report or certificate evidencing the voting results. In the event three Inspectors are appointed, the decision of a majority of the Inspectors shall control.
- B. The Board may not designate a member of the Board, a nominee for the Board, an individual related to or residing with a member of the Board or related to or residing with a nominee running for the Board as Inspector(s).
- C. The Board may, at its sole discretion, select a Non-Member of the Association as Inspector, provided, however, that such Non-Member is an independent third party, including, but not limited to:
1. a volunteer poll worker with the county registrar of voters;
 2. a California notary public
 3. a licensee of the California Board of Accountancy; or
 4. other designated individual that the Association generally uses, provided that such Non-Member is not currently employed by or under contract to the Association for other compensable services.
- D. When the Board does select a Non-Member of the Association as Inspector, the Inspector shall be required to obtain errors and omission insurance and provide proof of same to the Board prior to the commencement of the Inspector's work. The errors and omissions insurance policy shall be in an amount not less than one million dollars (\$1,000,000), that indemnifies the Association and its Board Members from liability and provides that the Association is a named insured of the policy.
- E. The Board may, in its discretion, pay compensation to the Inspector.
- F. Duties of Inspector(s) of Election:
1. Determine the number of memberships entitled to vote and the voting power of each;
 2. Receive the proxies and ballots;
 3. Confirm the number of lots represented at the meeting;

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4. Confirm the existence of a quorum;
5. Hear and determine the authenticity, validity and effect of proxies and ballots;
6. Hear and determine all challenges and questions in any way arising in connection with the right to vote;
7. Determine when the polls shall close;
8. Count and tabulate all ballots;
9. Determine the results of election; and
10. Perform any acts which may be proper to conduct the election with fairness to all members in accordance with Civil Code §5000 through 5145, and any successor statutes, and the Governing Documents.

G. The Inspector(s) of Election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as practical.

H. Any report made by an Inspector is prima facie evidence of the facts stated in the report.

I. Prior to the mailing of the Secret Ballots by the Association, the Inspector(s) of Election shall pass a Resolution designating the management office as the location to receive the sealed Secret Ballots and maintain the custody of the sealed Secret Ballots until the time upon which tabulation of the Secret Ballots by the Inspector(s) shall occur.

V. ISSUANCE OF BALLOTS

A. The Association shall utilize a Secret Ballot process, as described below, for any or all of the following matters:

1. A vote of the Membership regarding assessments per Civil Code §5605;
2. Election of Members of the Association's Board of Directors;
3. Amendments to the Governing Documents;
4. Grant of exclusive-use Common Area property pursuant to Civil Code §4600;
5. Any other purpose as required in the Civil Code.

B. The record date for members entitled to receive notice of any Association election, as well as entitled to vote shall be the date that ballots are distributed by the Association.

C. Notwithstanding any other law or provision of the Association's Governing Documents, elections required to be submitted to the membership pursuant to Civil Code §5100 shall be conducted by a Secret Written Ballot submitted to the member pursuant to Corporations Code §7513 and Civil Code §5000 through 5145. Ballots and two pre-addressed envelopes with instructions on how to return ballots, and a Notice of Meeting, if applicable, must be mailed by first class mail or delivered by the Association to every Member not less than thirty (30) days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address or lot, parcel or unit number on the ballot itself. The balloting materials shall include all of the following:

1. One Secret Ballot shall be issued for each separate interest owned and the owner of each separate interest is entitled to cast one ballot, regardless of the number of owners shown on the Association's membership roster. If more than one owner of a jointly-owned separate interest attempts to submit a ballot, even by mistake, the first ballot received will be counted.

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2. The Secret Ballot shall contain the names of Candidates who timely delivered the required forms to the Association as referenced above. If there are no such Candidates, or if there are fewer Candidates than the number of Directors to be elected, the Secret Ballot will include the names, if any, of the Candidates and/or blank lines for write-in Candidates.
3. A write-in Candidate, unless nominated by the Candidate in writing and submitted with the Secret Ballot, must also be nominated from the floor of the Annual Meeting (or other Membership or Board meeting where voting by Secret Ballot will occur), by him or herself, or by another Member.
4. The Secret Ballot shall NOT identify the Member (or their designee) by name, address, lot, parcel number or number. If the Member does sign the Secret Ballot or identify him/her self, the Member shall waive his or her right to secrecy and the Ballot shall, at the option of the Inspector(s), be accepted by the Inspector(s) as a valid Secret Ballot.
5. The Secret Ballot itself is NOT signed by the Member (or their designee), but is placed into a ballot envelope (“Ballot Envelope”), which is then sealed. The Ballot Envelope is then inserted into the second pre-addressed envelope (“Address Envelope”) that is then sealed. In the upper left hand corner of the Address Envelope, the Member (or their designee) must indicate his/her name and property address that entitles him/her to vote. The Member must also sign his/her name on the Address Envelope.
6. The owners of multiple properties (with the exception of the Declarant) must submit separate sealed Secret Ballot envelopes for each separate interest owned.
7. The Address Envelope is addressed to the Inspector(s) of Election for the tallying of votes. The Address Envelope can be mailed or delivered by hand by the Member to the location designated by the Inspector(s) of Election. Any member can request a receipt for hand-delivery of his or her Secret Ballot. Any Member desiring a receipt for mail delivery shall send the Secret Ballot by certified mail, return receipt requested, to the location designated by the Inspector(s).
8. The sealed Secret Ballots shall be kept in the custody of the Inspector(s) of Election or at a location designated by the Inspector(s) of Election until the tabulation of the Secret Ballots by the Inspector(s), at which time custody can then be transferred to the Association. After tabulation, Secret Ballots shall be stored by the Association in a secure place for no less than one (1) year after the date of the election.
9. Ballots distributed to each and every member shall identify the proposed action, provide an opportunity to specify approval or disapproval and provide at least thirty (30) days upon which to return the ballot to the Inspector(s) of Election. The voting instructions contained within the ballot materials will show a date by which the ballots must be delivered to the location designated by the Inspector(s) of Election by either the United States Postal Service, overnight delivery service or hand delivery.
10. Only Secret Ballots prepared by the Association will be accepted by the Inspector(s) either by mail or in person.

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11. When the Chairperson announces, following a motion duly seconded and approved by the membership, that balloting is closed, no further members may submit a ballot to be counted.
12. Once a Member mails or delivers his/her Secret Ballot to the location designated by the Inspector(s), that Secret Ballot cannot be changed or revoked.

VI. ISSUANCE OF PROXIES

- A. Proxies will be accepted for quorum purposes pursuant to the Bylaws, Article 4.4, Section C, only if those Proxies are determined by the Inspector(s) to meet the requirements of the Bylaws, and the California Corporations and Civil Codes. The Association shall not be obligated to prepare and mail proxies to the owners.
- B. In order to ensure quorum, one revocable proxy for quorum purposes only will be issued per each separate interest. The member, through the execution of this instrument, appoints any member of the Board of Directors, as the non-voting Proxy for quorum purposes only and for no other purpose, for all Annual and general Membership Meetings for a term of three (3) years from the date of the execution of this Proxy. Personal attendance at a meeting, or submission of a Secret Ballot, will suspend the Quorum Proxy only for that Membership Meeting or any adjournments. This Proxy is automatically revocable upon sale of the property, third anniversary of the date of execution or written revocation.
- C. All proxies received by mail prior to the election shall be held by the Inspector(s) of Election in the location designated by Resolution and shall be brought to the meeting for validation and registration at the meeting.

VIII. REGISTRATION - GENERAL

- A. The Inspector(s) will register all Secret Ballots at the meeting (Annual Membership, Special Members, or Board). A membership roster will be maintained at each registration station for purposes of registering each separate interest present and voting at the meeting, whether in person or by proxy. Each separate interest is entitled to only one registration, regardless of the number of votes the separate interest is entitled to cast. Neither the Association nor its Managing Agent shall register any of the Secret Ballots or Proxies received by the Association.
- B. The Inspector(s) shall verify that all Secret Ballots are sealed in two preaddressed envelopes and contain all required information on the upper left-hand corner of the Address Envelope.
- C. If a Member brings Secret Ballots for other Members to the Annual Membership Meeting, Special Members meeting, or Board meeting, the Secret Ballots must also be sealed in separate individual Ballot and Address Envelopes as required above. The Inspector(s) will register and make all necessary determinations regarding the sealed Secret Ballot envelopes.
- D. The Inspector(s) will review the information provided on the upper left-hand corner of the Address Envelope. The Inspector(s) will require, at a minimum, the following:
 1. That the printed name of the Member be legible and match the name of at least one of the record owners of the property as shown on the Association's Membership list;
 2. That the Member's signature is on the Address Envelope; and

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3. The address shown on the Address Envelope corresponds to the Member's address on the Association's voter list.
- E. If, in the sole discretion of the Inspector(s), the requirements above are not met, the envelope/Secret Ballot will not be registered, and will not be valid for any purpose, including establishing a Quorum. If the requirements are met, subject to verification of membership and the member's ability to vote, the Inspector(s) of Election shall register each Secret Ballot received by placing a "B" on the membership roster alongside the member's name.
- F. If a person brings Proxies to the Annual Membership, Special Members, or Board meeting, the Inspector(s) will review and make all necessary determinations regarding those Proxies, including their validity. Subject to this verification, the Inspector(s) of Election shall register each Proxy received by placing a "P" on the membership roster alongside the member's name.
- G. Any Candidate or other Member of the Association may witness the counting and tabulation of Secret Ballots. Any Candidate or Member may observe the count, but shall stand at least five feet away from the Inspector(s) of Election. No person may harass, cajole or otherwise interfere with the Inspector(s) of Election while the count is taking place. Persons not specifically authorized to do so may not touch any secret ballot or other election materials.
- H. No person, including any Member of the Association, or any employee or Association Manager, may open or otherwise review, or register any Secret Ballot prior to the time and place at which the Secret Ballots are counted and tabulated.
- I. A Member who chooses to vote in person at the Annual Membership, Special Members, or Board meeting must present himself/herself at the registration table area and must sign the membership roster alongside his or her name and unit address.
- J. If a Member has not previously voted his or her Secret Ballot, the Inspector(s) shall give the Member a Secret Ballot and two envelopes to mark and cast in secret at the Annual Membership, Special Members, or Board meeting.
- K. Members voting in person at the meeting must use the Ballot and Address Envelopes, and satisfy all other requirements for a valid Secret Ballot.
- L. If a member attends the meeting and registers to vote, with the intent to suspend any Proxy previously submitted by that member, all Proxies previously submitted by the member shall be deemed suspended, but maintained in the Association's records. Provided that a valid Secret Ballot signed by a different owner has not already been registered on behalf of the separate interest, the member shall be issued a Secret Ballot. The member's Proxies shall be so marked to indicate their suspended status.
- M. If two Proxies are registered for the same separate interest and one is dated and one is undated, the dated Proxy prevails.
- N. If two dated Proxies are registered for the same separate interest, the most current dated Proxy prevails.

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- O. If a Proxy and a Secret Ballot are registered for the same separate interest, the Proxy shall be suspended and the Secret Ballot shall prevail.
- P. If the property is co-owned (i.e., husband and wife) or if the property is owned by a corporation, partnership, etc, and two or more co-owners or two or more representatives submit separate Proxies, the most current dated Proxy prevails. If a Proxy and a Secret Ballot are submitted, the Proxy shall be suspended and the Secret Ballot shall prevail.
- Q. If more than one Secret Ballot is received for any property, the first Secret Ballot received will be the one counted. If it cannot be determined which Secret Ballot was the earliest received, no Secret Ballot will be counted for that Member's property except for the purpose of establishing quorum.
- R. If a Proxy is signed by a person whose name does not appear on the membership roster, the Proxy shall be invalid. As an exception, in the case of a legally married couple, if a Proxy is signed by a spouse, whose name does not appear on the membership roster, the Proxy shall be valid, due to the State's community property laws.
- S. All unsigned Proxies shall be invalid and shall not be used for quorum purposes.
- T. All voided/invalidated Proxies and Secret Ballots are to have "VOID" written across them, the reason for voiding and the initials of the Inspector(s) of Election.

IX. DETERMINATION OF QUORUM

- A. The Inspector(s) of Election shall confirm the memberships verified as being in attendance in person or by proxy, as indicated on the official membership roster and shall inform the Chairperson that a quorum is or is not in attendance. Except as otherwise provided in the Bylaws, the presence in person or by proxy of **50% or more** of the Association's voting power constitutes a quorum.
- B. When the Chairperson announces, following a motion duly seconded and approved by the membership, that registration is closed, no further members may be registered, except for those who are in line and recognized by the Chairperson at the moment the announcement is made.
- C. Once registration has been closed, if a Quorum is present, the meeting, if it is a meeting of the Membership or Members (and if nominations are allowed in the Bylaws) may proceed with nominations from the floor from additional Candidates. Further, unless the Candidates have submitted their written nomination to the Board, write in Candidates must also be nominated from the floor.

X. ADJOURNED MEETING - ISSUANCE OF BALLOTS

If the meeting is adjourned to another date due to lack of quorum, at the adjourned meeting date, new Secret Ballots and two pre-addressed envelopes are to be issued to all members present. Any Secret Ballots which are cast at the Annual Meeting and put directly into the Secret Ballot box without the Ballot and Address Envelopes will not be valid for that or the adjourned meeting. Secret Ballots which are mailed or delivered to the Inspector(s), or which are cast at the Annual

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Meeting and put directly into the Secret Ballot box, in properly completed, sealed Ballot and Address Envelopes will be valid for adjourned meetings. As stated above, if two ballots are received for the same separate interest, the earliest dated Secret Ballot shall prevail.

XI. COUNTING AND TABULATION OF BALLOTS

- A. Once the Secret Balloting has been closed, the Inspector(s) shall open the sealed envelopes and begin the counting and tabulation of the Secret Ballots.
- B. The tabulation and counting of the votes by the Inspector(s) of Election shall be conducted at a properly noticed open meeting of the Members or Board of Directors, after verification of a Quorum of the Membership.
- C. Any Member of the Association may witness the counting and tabulation of votes from a distance of no less than five (5) feet from any Inspector. Members, including Candidates, may not communicate with the Inspector(s) during the inspection, registration, counting or tabulation process. Inspector(s) may cause the removal of any witness who interferes with the counting or tabulation process.
- D. All Secret Ballots must be legible and clearly marked. All questionable proxies and ballots are to be separated for a determination of validity by the Inspector(s).
- E. If the number of votes cast on a Secret Ballot exceeds the number of positions to be elected, no votes will be counted, and the Secret Ballot will be used for quorum purposes only.
- F. When a box is checked or otherwise marked for a candidate, and it is the only box **checked or marked**, all of the member's votes shall be counted for that candidate. When fewer boxes are checked on the ballot than the number of Directors to be elected, the count shall be one vote per check not to exceed the number of authorized votes.
- G. When counting the valid ballots, one Inspector(s) will call the vote, one Inspector(s) will keep the tally and one Inspector(s) will oversee the count.
- H. At the discretion of the observing Inspector(s), the votes may be recounted by rotating Inspector(s), i.e., the person that counted will then tally and the person that tallied will count.
- I. The Inspector(s) will provide the members of the Board with a final count and tabulation of the Secret Ballots.
- J. The Inspector(s) shall not:
 - 1. Provide members and Candidates with information regarding the Secret Ballot;
 - 2. Answer questions concerning the Secret Ballot and vote; and
 - 3. Provide any interim counts or tabulations.
- K. The Inspector(s) may request that the meeting be recessed to allow the Inspector(s) to complete the counting and tabulation of the Secret Ballots to another time. Notice of the recessed meeting will be given to all Members at the meeting where the counting and tabulation occurs and will identify the location, dates and times when the counting and tabulation will be resumed. The Inspector(s) will continue to maintain custody of the Secret Ballots at the designated location until the counting and tabulation is complete.

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L. The Inspector(s) will certify the results of the Membership election by completing a report and providing it to the Board.

XII. ANNOUNCEMENT OF RESULTS

The results of any election shall be promptly reported to the Board of Directors and shall be recorded in the minutes of the next Board meeting and shall be available for review by all Members of the Association. Within fifteen (15) days of the election, the Board shall publicize the results of the election in a communication directed to all members (this could be done in the form of a newsletter if it is mailed to the members within the 15 day timeline).

XIII. TIE VOTES

In the event of a tie vote among any number of the Candidates, the Association will notice a Special Membership or Board meeting and send out Secret Ballots to all Members for a vote to break the tie. Said vote shall be conducted in accordance with the procedures set forth herein, to the extent they are applicable to a run-off vote. No previously cast Secret Ballots will be used at the meeting to break the tie.

XIV. RECOUNTS AND ELECTION CHALLENGES

A. A recount may be requested by any unsuccessful Candidate, in writing which sets forth good cause for the request. A recount may granted in the sole discretion of the Inspector(s), and upon such terms and conditions (including assumption of costs by the requesting Candidate) as the Inspector(s) may reasonably impose. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

B. Upon receipt of a written request from a Member, the Association will make the Secret Ballots available for inspection and review by Association Members or their authorized representatives. In order to protect the security of the Secret Ballots, one or more Association representatives must be present during such review.

C. Any recount will be conducted in a manner that preserves the confidentiality of the vote. To preserve the confidentiality of the vote, members will not be entitled to inspect the Inspector(s) of Elections' tabulation documents or notes submitted to the Association.

D. Should a professional Inspector(s) of Elections act as the Association's Inspector(s) of Elections, the member or members challenging the election or demanding a recount of the ballot will bear the costs charged by the professional Inspector(s) of Election as a result of the election challenge and/or ballot recount. A professional Inspector of Elections is defined as an Inspector of Elections who may be compensated for their services.

E.

XV. CONSULTATION WITH ASSOCIATION LEGAL COUNSEL

The Inspector(s) have the authority to confer with Association legal counsel in advance of, or at the meeting where Secret Ballots are to be counted. Legal counsel represents the Association and does not represent the Members, Inspector(s), Board Members, management or any other person. By the adoption of these Rules, the Association waives the attorney-client confidential communication privilege, and Association legal counsel has been authorized by the Board of Directors to provide advice to, as determined necessary or prudent by the attorney, for the limited

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purpose of informing and advising the Inspector regarding issues related to the Inspector performing its duties for the Association.

SECTION 1 - RECALL ELECTIONS

1.1 To initiate the recall of one or more directors or the entire Board, the Board must receive a petition signed by at least five percent (5%) of the Association's Members calling for a special meeting for the recall election. The recall petition signed by at least five percent (5%) of the Association's Members must also include the members' printed names and the addresses of their Units for verification purposes. Pursuant to Corporations Code 7510(e), a vote for a recall may also be initiated by the Board.

1.2 Upon receipt of a valid recall petition, the Board will promptly appoint an Inspector(s) of Elections.

1.3 Within twenty (20) days of the Board's receipt of a valid recall petition, the Board will notice the Members of and will set the time, date, and location of the special meeting to hold the recall election.

1.4 The special meeting must be held between thirty-five (35) and ninety (90) days of the Board's receipt of the petition.

1.5 Any recall election as well as any election for the replacement directors must be conducted by secret ballot. In an effort to avoid recalled directors remaining on the Board until replacement directors are elected, the election for replacement directors will be held at the same time as the recall vote. As such, the members will vote on two issues: (i) the recall of directors, and (ii) the replacement of directors. The Inspector(s) of Elections will tabulate the votes on the replacement of directors immediately following the recall vote, if the recall is successful.

1.6 Generally, when there is a recall election, it is desirable and often necessary to include an election of replacement directors on the same ballot as the recall vote. If the recall election is successful in whole or in part, the Association cannot be left without a functioning Board until a later election can be conducted. Given the statutory notice requirements for an election as outlined in these Rules, if the election to fill any vacancies created by a removal vote is not conducted at the same time as the recall vote, the Association could be left without a Board to conduct the necessary and essential business of the Association, potentially causing great harm to the Association.

1.7 While Corporations Code section 7511(c) requires the Association to fix the date of the recall election not less than thirty-five (35) days, but not more than ninety (90) days after the Association's receipt of the request, the various notification requirements of Civil Code sections 5105(g)(4) and 5115(a)-(b) for the election of any replacement Directors make it difficult, if not impossible, for the Association to schedule the recall election meeting before the ninety (90) day deadline of Corporations Code section 7511(c). In an effort to meet the ninety (90) day deadline of Corporations Code section 7511(c), the Association may shorten the deadline to submit the Candidate Nomination Forms as needed to comply with the requirements of Corporations Code section 7511(c) for the recall election.

1.8 In order to curb a potential superfluous use of Association funds, a recall election may not be initiated against a Board member(s) if the targeted Board member(s)'s term expires within one-hundred (100) days from the date the Board received the recall petition unless the recall petition is petitioning to recall the entire Board.

1.9 The Association may facilitate the production of and pay for the cost of all recall election materials and the mailing of the same. If, however, a valid recall petition is received by the Board within twelve (12) months from the date of a prior recall election, whether the prior recall election was successful or not, the Association may facilitate the production of all recall election materials and the mailing of same, but the cost of the recall election will be borne by the petitioning party.

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ELECTION AND VOTING RULES - Page 13**

Adopted by the Board of Directors at a duly called meeting held on _____.