

THE RIDGE OWNERS ASSOCIATION
Oroville, CA 95966
ELECTION RULES

Civil Code Sections 5100, 5105, 5110, 5115, 5125, 5145,5200 and 5910.1, as amended, requires the Board of Directors to establish procedures for elections in Common Interest Developments such as The Ridge Owners Association. In order to comply with the spirit and intent of the Civil Code's requirements for adoption of election rules, the Board of Directors hereby enacts the following rules and procedures concerning elections:

ARTICLE 1 DEFINITIONS

- 1.1 Definitions and Incorporation by Reference. When the words and phrases are used in the Election Rules, they will have the meanings set forth in the Bylaws, the Articles of Incorporation and the Declaration of Covenants, Conditions, and Restrictions for The Ridge Owners Association. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires.
- 1.2 May or Shall. The use of the term "may" in these Election Rules indicates discretion or choice, and the use of the term "shall" in these Election Rules mean imperative, mandatory or imposing an absolute duty. The terms defined in the Bylaws, the Articles of Incorporation, and the CC&Rs shall have the same meaning when used herein unless the context clearly indicates a contrary intention.
- 1.3 Election Inspector. "Election Inspector" shall mean one or three independent third parties as an Inspector or Inspectors of Election that the Board has selected. As more particularly described in Article 6 of these Election Rules.

ARTICLE 2 GENERAL ELECTION RULES

- 2.1 Media. The Board shall ensure that if any candidate or Member advocating a point of view is provided access to Association media, newsletters, or Internet Web sites during a campaign for any matter in which the Members will vote, 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 shall include a statement specifying that the Candidate or Member, and not the Association, is responsible for that content.
- 2.2 Meeting Space. The Board shall ensure access to a meeting space or area within the Common Area during normal business hours, at no cost, 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 an election or vote by the Association's Members.

- 2.3 Secret Ballots Required. An Association vote or election regarding any of the following issues shall be by secret ballot:
- (a) Increasing Assessments. Increasing Regular Assessments more than 20% in any fiscal year;
 - (b) Levy of Assessments. The levy of a Special Assessment in excess of 5% of the Association's budgeted gross expenses for the fiscal year;
 - (c) Governing Documents. Amendments to the Governing documents;
 - (d) Grant of Exclusive Use. The grant of exclusive use of Common Area property to an individual Member; or
 - (e) Election and Removal. The election and removal of Members of the Association's Board.
- 2.4 Secret Ballots Optional. The Board shall have the discretion to utilize secret ballots for any vote or election not otherwise required by the Governing Documents or California law to be conducted by secret ballot.
- 2.5 General Notice. The Association shall provide general notice of the following at least thirty (30) days before the ballots are distributed:
- (a) The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the Inspector of Elections.
 - (b) The date, time and location of the meeting at which the ballots will be counted.
 - (c) The list of candidates' names that will appear on the ballot.
 - (d) Individual notice of the above must be given where a member has requested such.
- 2.6 Amendment of Governing Documents. If the vote is for the proposed amendment of the governing documents for the Association, a copy of the proposed amendment shall be delivered to the members with the ballot.

ARTICLE 3 QUALIFICATIONS/DISQUALIFICATIONS

- 3.1 Board Qualifications. All candidates for the Board shall meet both of the following qualifications:
- (a) Current in Assessments. Only Members current in the payment of regular or special assessments, have made payments under protest or under a payment plan to pay past due assessments or are past due in payment of assessments but have been denied an opportunity to participate in IDR are qualified; and
 - (b) One Member Per Lot. Only one Owner of a particular Lot may serve on the Board at any time.
- 3.2 Board Disqualifications. All candidates for the Board shall be disqualified under the following circumstances:
- (a) Less Than One Year of Membership. Owners with less than one year of Membership in the Association;
 - (b) Criminal Conviction. The candidate has been convicted of a crime that would prevent the Association from purchasing a fidelity bond coverage under Civil Code section 5806 or would cause a termination of the Association's existing fidelity bond coverage;

ARTICLE 4 NOMINATIONS

- 4.1 Deadline Date. The Board shall establish a nomination deadline date for all Members seeking election to the Board of Directors. The Association shall provide general notice of the call, procedure and deadline for submitting a nomination at least thirty (30) days before any deadline for submitting a nomination. Individual notice shall be delivered to any member requesting individual notice.
- 4.2 Nomination Procedures. Any Member meeting the qualifications, and not otherwise disqualified, may be nominated for election to the Board of Directors by any of the following procedures:
- (a) Nomination Committee. A nominating committee may be appointed each year by the Board of Directors. The nominating committee shall consist of a chairperson, who shall be a Director, and two other Members of the Association.

(b) Self-Nomination. Any person qualified may place his or her name in nomination for election to the Board of Directors by giving written notice to the president or secretary of the Association at any time prior to the nomination deadline date established by the Board.

(c) Nominations from the Floor or write-in- Candidates. Nominations from the floor of the membership meeting or write-in-candidates shall not be allowed.

(d) Notice of Nomination Procedures. Notice of the nomination procedures and a call for nominations shall be made at least 30 days before the deadline for receipt of nominations.

ARTICLE 5 ELECTION PROCESS

5.1 Ballots. The names of all persons who have been nominated as candidates for election to the Board of Directors by the nomination deadline shall be set forth on the ballot. The Board shall identify the commencement date and cut-off date for the receipt of ballots cast by the Association's Members.

5.2 Director Elections. Elections for directors must be held at least once every four years.

ARTICLE 6 INSPECTOR OF ELECTION

6.1 Independent Third Party Inspector. In order to insure Members' rights to privacy and to aid in the voting process, the Board shall utilize the services of Election Inspectors during any Member vote. The Board shall select one or three independent third parties as an inspector or inspectors of election utilizing one of the following methods:

(a) Board Appointment. Appointment of the inspector or inspectors by the Board in advance of the membership meeting; or

(b) Other Method. Any other method for selecting the inspector or inspectors.

6.2 Independent Third Party. Any person appointed as an Election Inspector must be independent, neutral (i.e., not advocating an outcome on any matter in which the Members will be voting) and of good repute. An independent third party includes, but is not limited to, the following:

(a) Poll Worker. A volunteer poll worker with the county registrar of voters;

- (b) CPA. A licensee of the California Board of Accountancy; or
- (c) Notary Public. A commissioned notary public in the State of California.
- (d) Vendors. Vendors who specialize in providing Election Inspector services (and who provide no other services to the Association);
- (e) Member. A member of the Association may act as the independent third party Inspector of Elections so long as said member is not a director or a candidate for director.

An independent third party may not be any person or entity or associate with any entity that is employed, under contract or doing business with the Association other than serving as an Inspector of Elections.

6.4 Inspector Duties. The Election Inspector shall do all of the following:

- (a) Custody of the Ballots. The sealed ballots, signed voter envelopes, vote list, proxies, and candidate registration list shall at all times be in the custody of the Inspector(s) of Elections or at a location designated by the Inspector(s) of Elections until after the tabulation of the vote, and until the time allowed by Civil Code section 5145 for challenging the election has expired, at which time custody shall be transferred to the Association. If there is a recount or other challenge to the election process, the Inspector(s) of Elections shall, upon written request, make the ballots available for inspection and review by a co-op member or the member's authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.
- (b) Number of Members. Determine the number of memberships entitled to vote and the voting power of each.
- (c) Distribute Ballots. The Inspector of Elections shall distribute ballots to all members at least thirty (30) days before an election.
- (d) Distribute Election Rules. The Inspector of Elections shall distribute election operating rules to all members at least thirty (30) days before the election. Said distribution may be done by posting the election operating rules on an internet website and referencing that web address on the ballot in at least 12-point font stating that "The rules governing this election may be found here" or by individual delivery.

- (e) Receive Ballots. Receive ballots and maintain the ballots (or designate a location of the ballots).
 - (f) Validity of Ballots. Determine the authenticity, validity, and effect of ballots.
 - (g) Determine Challenges. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
 - (h) Count Votes. In a public place at a properly noticed meeting, count and tabulate all votes.
 - (i) Closure of the Polls. Determine when the polls shall close, consistent with the Governing Documents.
 - (j) Determine Election Results. Determine the tabulated results of the election. Specifically, the Election Inspector shall determine if Member approval requirements were satisfied.
 - (k) Fairness. Perform any act as may be proper to conduct the election with fairness to all Members in accordance with Civil Code Section 5110, the Corporations Code, and all applicable rules of the Association regarding the conduct of the election that are not in conflict with Civil Code Section 5105.
- 6.5 Inspector Report. An Election Inspector shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. If there are three (3) Election 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 Election Inspector is prima facie evidence of the facts stated in the report.
- 6.6 Signatures. Allow the Election Inspector to appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Election Inspector deems appropriate, provided that the persons are independent third parties.

ARTICLE 7 MEMBER VOTING

- 7.1 Amount of Ballots. For elections under Section 2.3 (a) through (e), as set forth above, Members shall receive one (1) ballot for each lot owned.
- 7.2 Cumulative Voting. Cumulative voting shall not be permitted.

- 7.3 Number of Votes. For each ballot category, the person or persons receiving the greatest number of votes shall be elected. For all other issues subject to the ballot process, the ballot shall contain the voting requirements for the approval or disapproval of the proposed issue.
- 7.4 Quorum. The receipt of completed ballots from thirty-three and one-third percent (33-1/3%) of the Members entitled to cast ballots shall constitute a quorum for the transaction of business as set forth in the Bylaws.
- 7.5 Right to a Ballot. A member may not be denied a ballot for any reason other than not being a member at time of distribution of the ballots. A person with a general power of attorney for a member may not be denied a ballot. Any ballot submitted by a person with a general power of attorney of a member must be counted if timely submitted.

ARTICLE 8 BALLOTS

- 8.1 Ballot Procedure. Ballots and two pre-addressed envelopes with instructions on how to return ballots shall be mailed by first-class mail to every Member not less than thirty (30) days prior to the deadline for voting.
- 8.2 Confidentiality. In order to preserve confidentiality, a voter may not be identified by name, address, Lot number on the ballot. The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. The envelope containing the ballot is then inserted into a second envelope that is sealed.
- 8.3 Envelope Appearance. In the upper left hand corner of the second envelope, the following shall be pre-printed:
- (a) Voter's name;
 - (b) Mailing Address;
 - (c) Lot number that entitles him or her to vote; and
 - (d) A line provided where the voter shall sign his or her name.
- 8.4 Second Envelope. The second envelope shall be addressed to the Election Inspector, who will be tallying the votes. The envelope may be mailed or delivered by hand to the location specified by the Election of Inspectors. The Member may request a receipt for delivery.

ARTICLE 10 TABULATION

- 10.1 Vote Tabulation. All votes shall be counted and tabulated by the Election Inspector or his or her designee in public at a properly noticed open meeting of the Board of Directors or Members. Any candidate or other Member of the Association may witness the counting and tabulation of the 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.
- 10.2 Signature Verification. The Election Inspector may appoint and oversee additional persons to verify signature and to count and tabulate votes, as the Inspector or Inspectors deem appropriate, provided that the persons are independent third parties.
- 10.3 Results. The tabulated results of the election shall be promptly reported to the Board of Directors of the Association and shall be recorded in the minutes of the meeting of the Board of Directors if the tabulation is conducted during a meeting or in the next meeting of the Board of Directors if the tabulation is conducted outside of a meeting and shall be available for review by Members of the Association. Within fifteen (15) days of the election, the Board shall publicize the tabulated results of the election in a communication directed to all Members.
- 10.4 Sealed Ballots. The sealed ballots at all times shall be in the custody of the inspector or inspectors of election or at a location designated by the inspector or inspectors until after the tabulation of the vote, and until the time allowed by Section 7527 of the Corporations Code for challenging the election has expired, at which time custody shall be transferred to the Association.
- 10.5 Recount. If there is a recount or other challenge to the election process, the inspector or inspectors of election shall, upon written request, make the ballots available for inspection and review by an Association Member or his or her authorized representatives. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.
- 10.6 Retention of Ballots. The ballots shall be stored by the Inspector of Elections in a secure place for no less than one (1) year after the date of the election.

ARTICLE 11 USE OF PROXIES

- 11.1 Proxies shall not be allowed

ARTICLE 12 RETENTION OF ELECTION MATERIALS

12.1 At least 30 days before the ballots are distributed, the Board of Directors shall cause to be prepared a candidate list and a voter list. The voter list shall include the name, voting power, and either the physical address of the voter’s home, the parcel number or both. Members shall be entitled to verify the accuracy of their information on the candidate list and the voter list at least 30 days before ballots are sent. Any reported errors must be corrected within 2 days by the Inspector of Elections.

ARTICLE 13 FILLING VACANCIES

13.1 In the event that a member of the Board of Directors resigns or is no longer qualified to sit on the Board after being elected or appointed, the resulting vacancy shall be filled by the remaining Board members within thirty (30) days of the seat becoming vacant. The remaining members of the Board shall appoint the candidate receiving the next highest number of votes in the last election shall be appointed to fill the vacant seat. In the event that the individual does not accept appointment to the Board, the remaining Board members shall make a call for candidates for appointment and vote to fill the vacant seat with any qualified member responding to the call for candidates.

13.2 Any member of the Board who resigns is entitled to vote on their replacement so long as the vote takes place before the effective date of the resignation. Any vote to fill a vacant seat on the Board shall take place at an open and duly noticed meeting of the Board of Directors.