

PARKSIDE PLACE HOMEOWNERS ASSOCIATION

ELECTION OPERATING RULES

Adopted July 22, 2020

[Signature] Secretary PPHOA

These Election Operating Rules apply whenever the Members vote to elect or remove Directors, to amend the governing documents, to grant exclusive use of common area property, or to impose a regular assessment that is more than twenty percent (20%) greater than the regular assessment for the Association's preceding fiscal year or impose special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

1. The Board shall select an independent third party or parties as an inspector of elections at least sixty (60) days prior to the election. There shall be one (1) or three (3) inspectors of election. Any Member may be an inspector, except for Directors or candidates for the Board, or Members related to Directors or candidates. An independent third party may not be a person, business entity, or subdivision of a business entity who is currently employed or under contract to the Association for any compensable services other than serving as an inspector of elections. The inspectors shall do all of the following:

- (a) Determine the number of Members entitled to vote and the voting power of each;
- (b) Determine the authenticity, validity, and effect of proxies, if any;
- (c) Receive ballots;
- (d) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
- (e) Count and tabulate all votes;
- (f) Determine when the polls shall close;
- (g) Determine the result of the election;
- (h) Perform any acts as may be proper to conduct the election with fairness to all Members in accordance with the Civil Code, the Corporations Code and all applicable rules of the Association regarding the conduct of the election.

An inspector of elections shall perform all duties impartially, in good faith, to the best of the inspector of election's ability, as expeditiously as is practical, and in a manner that protects the interest of all Members of the Association. If there are three inspectors of elections, 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 or inspectors of elections is prima facie evidence of the facts stated in the report.

2. All Members shall be provided equal access to Association media, including but not limited to newsletters or internet website during a campaign for purposes that are reasonably related to that election. The Association shall not edit or redact from these communications, but may include a statement specifying that the Member, and not the Association, is responsible for that content.

3. The sole qualification for voting is a recorded fee simple ownership interest in any Condominium in the Association. There shall be one (1) vote for each Condominium. If record title to a Condominium 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 these Election Operating Rules.

4. The denial of a ballot to a Member for any reason other than not being a Member at the time when ballots are distributed is prohibited. The denial of a ballot to a person with general power of attorney for a Member is prohibited. The ballot of a person with general power of attorney for a Member is required to be counted if returned in a timely manner.

5. The Association shall hold an election for a seat on the Board of Directors in accordance with the procedures set forth in these Election Operating Rules at the expiration of the corresponding Director's term and at least once every four (4) years.

6. The Association shall provide general notice of the procedure and deadline for submitting a nomination for the Board of Directors at least 30 days before any deadline for submitting a nomination. Individual notice shall be delivered pursuant to Civil Code Section 4040 if individual notice is requested by a Member.

7. Candidates may be nominated by any Member pursuant to the nomination procedures adopted by the Board, by proxy or ballot, or from the floor of the annual meeting. However, only nominations received prior to mailing ballots to the Members will be included on the ballot.

8. A Person shall be disqualified from nomination as a candidate

(a) if the person has not been a Member of the Association for 1 year prior to the time of the nomination.

(b) if the person is not current in the payment of regular or special assessments. The Association may disqualify a person from nomination for nonpayment of regular or special assessments, but may not disqualify a nominee for nonpayment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party. The person shall not be disqualified for failure to be current in payment of

regular or special assessments if either of the following circumstances is true:

(i) The person has paid the regular or special assessment under protest pursuant to Civil Code Section 5658.

(ii) The person has entered into a payment plan pursuant to Civil Code Section 5665.

(c) 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 Condominium as the person and the other person is either properly nominated for the current election or an incumbent director.

(d) if the person has a past criminal conviction that would, if the person was elected, either prevent the Association from purchasing the fidelity bond coverage required by Civil Code Section 5806 or terminate the Association's existing fidelity bond coverage.

9. The Association shall not disqualify a person from nomination if the person has not been provided the opportunity to engage in internal dispute resolution pursuant to Civil Code Section 5900 et seq.

10. The Association shall provide general notice of all of the following at least 30 days before the ballots are distributed. Individual notice shall be delivered pursuant to Civil Code Section 4040 if individual notice is requested by a Member.

(a) The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the inspector or inspectors of elections.

(b) The date, time, and location of the meeting at which ballots will be counted.

(c) The list of all candidates' names that will appear on the ballot.

11. The Association shall permit Members to verify the accuracy of their individual information on the candidate registration list and the voter list at least 30 days before the ballots are distributed. The Association or Members shall report any errors or omissions to either list to the inspector who shall make the correction within 2 business days.

12. The inspector or inspectors of elections is required to deliver, or cause to be delivered, at least 30 days before an election, to each Member both of the following documents:

(a) The ballot or ballots.

(b) A copy of the Election Operating Rules. Delivery of the Election Operating Rules may be accomplished by either of the following methods:

(i) Posting the Election Operating 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:"

(ii) Individual delivery.

13. Ballots and instructions on how to return the ballots shall be mailed or delivered to every Member not less than thirty days (30) prior to the deadline for voting. The ballot shall be mailed or delivered with two envelopes. The executed ballot shall be sealed in an envelope labeled "SECRET BALLOT." The envelope labeled "SECRET BALLOT" shall be sealed in a second envelope identifying the Member and the Member's address in the upper left corner and addressed to a location specified by the inspectors. The ballot may be returned by mail or hand delivery. Members may request a receipt for hand-delivered ballots. Sealed ballots shall be kept under the control of the inspectors at a location designated by the inspectors until after the vote.

14. The use of proxies is allowed. Proxies must comply with Civil Code Section 5130 and Corporations Code Section 7514.

15. All votes shall be cast by secret written ballot.

16. All ballots shall be counted by the inspectors at a properly noticed open meeting of the Board or the Members. Any Member, including candidates to the Board, may witness the counting. Ballots will be opened under the supervision of the inspector(s) of election.

17. The results of the election shall be reported to the Board and recorded in the minutes of the next Board meeting. The results of the election shall be mailed to the Members within fifteen (15) days of the election.

18. After tabulation, election ballots shall be stored by the inspector in a secure place for no less than one year after the date that the inspectors notify the Board and the Members of the election results. In the event of a recount or other challenge to the election process, the inspector shall, upon written request, make the ballots available for inspection and review by any Member or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

19. The Association is required to retain election materials, both a candidate registration list and a voter list. The voter list shall include name, voting power, and either the physical address of the voter's separate interest, 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 separate interest or if only the parcel number is used. The Association shall permit Members to verify the accuracy of their individual information on both lists at least 30 days before the ballots are distributed. The Association or Member shall report any errors or omissions to either list to the inspector or inspectors who shall make the corrections within two business days.