



NELLIE GAIL RANCH OWNERS ASSOCIATION ELECTION RULES

Adopted October 16, 2018

Section 1. Application of Rules: These rules shall apply to any meeting of the membership or solicitation of membership approval by a ballot vote.

Section 2. Qualifications for Membership Voting: Pursuant to the Association's governing documents, each Member shall be entitled to cast one (1) vote for each open director positions, per Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be cast as the Lot owners determine among themselves, but in no event shall more than one (1) vote be cast with respect to any Lot. The Record Date for entitlement to notice shall be the date that the election materials are sent. The Record Date for voting shall be the day of the Annual Meeting.

Following Notice and Hearing in compliance with Corporations Code section 7341, the Association's Board of Directors may terminate or suspend any Owner's right to vote as a penalty for violation of the Association's governing documents.

The authenticity, validity and effect of proxies shall be determined by the Inspector(s) of Election on the night of any election. The polls for any vote of the membership shall be open from the date the Secret Ballot is mailed and shall be closed at the time that envelopes are opened, unless the Inspector(s) of Election determines another time for the polls to close. The polls for any vote of the membership shall close when the Inspector(s) of Election has determined that the ballots shall be counted.

Section 3. Qualifications of Candidacy and Directors for the Board: Pursuant to the Association's governing documents, prospective candidates and Directors must satisfy the following requirements for a position on the Association's Board of Directors and the failure to satisfy these requirements shall be grounds for disqualification as a prospective candidate and sitting Director:

- (a) Comply with all state and federal labor laws with respect to board members, committee members, vendors, the property manager and staff, and any other persons associated with or retained by the Association; and
- (b) Be a Member in good standing.
- (c) Is not married to, has a family member, or relative, or shares a common household with, any Association employee.
- (d) Is not married to, or related by blood, or sharing a common household with any other Member of the Board of Directors.

For purposes of these rules a member who is not “in good standing” shall mean that the Member:

- (i) Owes the Association an undisputed debt for assessments, penalties, costs, interest, late charges, judgment or fine, which is more than 90 days old. For purposes of this rule such a debt is “undisputed” if the Member has: (A) not challenged the debt with credible written evidence, or (B) the Member has requested and attended a hearing before the Board of Directors, or other appropriate Association committee, which resulted in an overall determination favorable to the Association;
- (ii) Has current violation(s) of the Association’s Governing Documents (as defined in the California Civil Code §4150) which is/are un-remedied for more than 30 days following notice of the violation from the Association or which are unsuccessfully challenged by the Member at a hearing. For purposes of this rule a violation is successfully challenged by the Member when the Member has: (A) opposed the violation with credible evidence, and (B) requested and attended a hearing before the Board of Directors or other appropriate Association committee, where the hearing resulted in a determination generally favorable to the Member. Any other action by the Member or result following a hearing is an unsuccessful challenge;
- (iii) Is currently, or within the 36 months prior to the election has been, a party in litigation against the Association in which the Association was the prevailing party.

If deemed appropriate, or if required by the Association’s governing documents, the Board of Directors may appoint a nomination committee to solicit and coordinate candidate nominations. In any event, any qualified candidate may nominate themselves to run for a director position, which may be made in advance or from the floor at an annual meeting. In the absence of any more specific appointment, then the Association’s management agent may act as the Association’s nomination committee and shall place into nomination the names of all qualified candidates presenting a completed candidacy statement by the deadline for submittals to be received.

Section 4. Solicitation Materials: Every Candidate and Member shall have equal access to the Association mailings, newsletters, and website, if any access is provided, for the publication of viewpoints reasonably related to any issue presented for membership vote.

Section 4.1. Content: The Association shall not edit or redact any content from these messages, but may include a statement specifying that the Candidate or Member, and not the Association, is responsible for the content of any published statement.

Section 4.2. Limitation on Publication Space Made Available: So long as each Candidate and/or Member is provided the same opportunities for publication, the Association may restrict the availability of any publication by limiting the printing space made available or the number of words that will be included from each Candidate or Member included in the publication. In the absence of more restrictive limitations adopted by the Board for any particular matter, each Candidate and/or Member shall be limited to no more than 150 words for any one publication. The Board may, in its sole discretion, present a candidacy questionnaire with questions for all interested Candidates and/or Members to complete. If such a questionnaire is provided, then the Association will only print the answers to such questions and may impose a limitation upon the number of words for the response to any question presented.

Section 5. Availability of Meeting Space: Access to common area meeting space, if any, shall be made equally available, at no cost, to all Candidates and/or Members desiring to use such space for any reason reasonably related to a membership vote. The Association may meet the requirements of this section by hosting a "Meet the Candidates Night", or other special meeting, so long as every Candidate and/or Member is provided with an equal opportunity to participate in the event.

Section 6. Inspector(s) of Election: Prior to the presentation of any issue to the members for a membership vote, the Association shall appoint one (1) Inspector of Election.

Section 6.1 Selection of Inspector(s) of Election: The Inspector appointed by the Board may be any person or entity other than: (1) a Director; (2) a Candidate; (3) a Director's relative; (4) a Candidate's relative. The appointed Inspector(s) of Election must be an independent third party and may include, but not limited to, a Member of the Association or any person or entity employed by and receiving compensation from the Association.

Section 6.2 Specific Instructions Pertaining to Elections:

1. The Association and/or the Inspector of Election shall not distribute lists, or other documentation or information, describing who from the membership of the Association has or has not voted in an election, and said information shall not be distributed to any Member of the Association, including Candidates.
2. The Association and/or the Inspector of Election shall not distribute lists indicating when a particular ballot was received by the Inspector and/or the Association and said information shall not be distributed to any Member of the Association, including Candidates.
3. Confirmation that a Member's ballot has or has not been received, and the date received, may be communicated to that requesting Member only.
4. Candidates will not be provided with additional ballots for campaigning purposes. Any Member of the Association (including Candidates), who loses his or her personal household ballot, may request a replacement ballot from Management staff at no cost.

Section 7. Meeting Conduct: Any inspection of ballots shall be done at an open meeting of the membership or the Board of Directors. Any Candidate or Member may observe the count but shall stand at least five feet away from the Inspector(s) of Election. Candidates and/or Members may not harass, cajole or otherwise interfere with the Inspector(s) of Election while the count is taking place. Members or persons not specifically authorized to do so may not touch any secret ballot or other election materials. All ballots will be made available for inspection by any Candidate or Member during regular business hours at the Association's management office once the meeting is concluded. Any person violating this Section may be asked by the Inspector(s) of Election to leave the meeting to prevent further disruption.