



NOTICE TO ALL ORCHARD LANE TERRACE HOMEOWNERS

August 28, 2006

Dear Orchard Lane Terrace Homeowner:

Enclosed please find documentation regarding "Election Rules and Procedures" pursuant to Civil Code Section 1363.03 and 1363.03(e). The Board of Directors for your Association has adopted these Rules and Regulations Amendments, effective July 1, 2006.

Please keep a copy of these Rules and Regulations Amendments along with the other permanent records for your Association.

Very truly yours,

BOARD OF DIRECTORS
ORCHARD LANE TERRACE HOMEOWNERS ASSOCIATION



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ORCHARD LANE TERRACE

HOMEOWNERS ASSOCIATION

ELECTION RULES AND PROCEDURES

NOMINATION PROCEDURES

1. **Qualifications of Candidates:** All persons authorized by the Bylaws to be directors may be nominated for election to the board of directors. The qualifications for candidates for the board of directors are as follows:

All directors must be owners of lots in Orchard Lane.

2. **Nominations of Candidates:** Candidates for the board of directors shall be nominated by the following procedures:

Not less than sixty (60) days prior to the date set for the election of directors, the association shall mail to each member, at the member's address listed on the association's records, a nomination form soliciting nominations of candidates for election to the board of directors. Members may nominate themselves or any other person who meets the qualifications for directors. Completed nomination forms must be received by the association not less than forty-five (45) days prior to the date set for the election of directors. All nominated individuals who meet the qualifications of candidates will be listed on the ballot for election of directors.

ELECTION CAMPAIGNS

1. **Access to Association Media:** If any candidate or member advocating a point of view is provided access to association media, newsletters, or Internet website during a campaign, 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 of directors, for purposes that are reasonably related to the election. The association shall not edit or redact any content from these communications but may include a statement specifying that the candidate or member, and not the association, is responsible for that content.
2. **Access to Common Area Meeting Space:** The board shall allow access to any common area meeting space during a campaign, 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 the election.
3. **No Association Funds Used for Campaign Purposes.** Association funds will

not be used for campaign purposes in connection with any association board election. Association funds will 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. "Campaign purposes" include, but are not limited to, the following:

(a) Expressly advocating the election or defeat of any candidate that is on the association election ballot.

(b) Including the photograph or prominently featuring the name of any candidate on a communication from the association or its board, excepting the ballot and ballot materials, within thirty (30) days of an election, provided that this is not a campaign purpose if the communication is one for Rule 1 to this section requires that equal access be provided to another candidate or advocate.

QUALIFICATIONS FOR VOTING; PROXIES; VOTING PERIOD; POLLS

1. **Qualifications for Voting** All association members shall be entitled to vote in any association election, provided, however, that the owners of each separate interest may only cast the number of votes available to the separate interest for the election.
2. **Proxies**: Any member may name in writing any other person as the member's proxy to be present and vote at all association membership meetings. All proxies must be filed with the secretary before the time set for each meeting. Any instruction given in a proxy issued for an election that directs the manner in which the proxy holder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. The proxy holder shall cast the member's vote by secret ballot for all elections requiring secret ballots.
3. **Voting Period**: The voting period for all elections will begin when the election materials are mailed to all members and will end on the date and at the time specified by the board for the counting of the ballots.
4. **Polls**: If polls are established by the board of directors for the collection of ballots, the times for collection of ballots will be as specified in a written notice to all association members.

INSPECTORS OF ELECTION

1. **Appointment of Inspectors of Election**: The board of directors shall appoint either one or three inspectors of election. If the board fails to appoint inspectors of election, the association members, by majority vote at a meeting at which a quorum of members are present, shall appoint either one or three inspectors of election. The inspector or inspectors of election may be any independent third

party or parties, whose qualifications are set forth below.

2. **Qualifications for Inspectors of Election:** The inspectors of election shall be independent third parties. An independent third party may be a member of the association, but may not be a member of the board of directors or a candidate for the board of directors or related to a member of the board of directors or a candidate for the board of directors. An independent third party may be a person who is currently employed or under contract to the association for any compensable services.
3. **Duties of Inspectors of Election:** The inspector or inspectors of election shall do all of the following:
 - (a) Determine the number of memberships 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 applicable law and these Election Rules and Procedures regarding the conduct of the election.
4. **Performance of Duties by Inspectors of Election:** An inspector of elections 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 inspectors of election, 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 election is prima facie evidence of the facts stated in the report.

SECRET BALLOT VOTING FOR CERTAIN MATTERS

1. **Matters which Require Secret Ballot Voting:** Voting on the following matters

must be conducted by secret ballot:

- (a) Elections and removal of directors.
- (b) Votes on assessments.
- (c) Votes on amending the governing documents of the association.
- (d) Votes on the possible grant of exclusive use of common area property to one or more owners.

2. **Secret Ballot Procedures:** Ballots and two preaddressed envelopes with instructions on how to return ballot shall 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. The association shall use as a model those procedures used by California counties for ensuring confidentiality of voter absentee ballots, including all of the following:

- (a) The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter prints and signs his or her name, address, and lot, or parcel, or unit number that entitles him or her to vote.
- (b) The second envelope is addressed to the inspector or inspectors of election who will be tallying the votes. The envelope may be mailed or delivered by hand to a location specified by the inspector or inspectors of election. The member may request a receipt for delivery.

3. **Counting of Votes:** All votes shall be counted and tabulated by the inspector or inspectors of election 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.

4. **Reporting Election Results:** The 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 next meeting of the board of directors and shall be available for review by 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.

5. **Custody of Ballots Before and After Election:** The sealed ballot 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, at which time custody shall be transferred to the association.

6. **Storage of Ballots After Election:** After tabulation, election ballots shall be stored by the association in a secure place for no less than one (1) year after the date of the election. In the event of a recount or other challenge to the election process, the association shall, upon written request, make the ballots available for inspection and review by association members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.
7. **Cumulative Voting for Election of Directors:** Cumulative voting for the election of directors is authorized.