

Holloway Terrace Homeowners Association, Inc.

Election and Voting Rules

(Adopted September 20, 2017)

These Election and Voting Rules (these “**Election Rules**”) have been adopted by the Board of Directors of Holloway Terrace Homeowners Association, Inc. (the “**Association**”), in accordance with applicable statutory requirements. These Election Rules are intended to comply with Sections 5100 through 5145 of the California Civil Code, as well as any successor statutes thereto, and the Association’s Governing Documents.

I. Definitions

- A. Whenever used in these Election Rules, the following capitalized terms shall have the following meanings:
1. The term “**Board**” or “**Board of Directors**” shall mean the board of directors of the Association.
 2. The term “**Bylaws**” shall mean the bylaws of the Association.
 3. The term “**Candidate**” shall mean a candidate for election to the Association’s Board of Directors, including both incumbents and non-incumbents.
 4. The term “**CC&Rs**” shall mean the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Holloway Terrace Homeowners Association, Inc. recorded on August, 26, 2011 as Document/Instrument No. 20111156978 in the official records of Los Angeles County, California (as may be amended from time to time, the “CC&Rs”), applicable to the Association’s common interest development.
 5. The term “**Director**” shall mean a person who serves on the Board of Directors.
 6. The term “**Governing Documents**” shall mean the governing documents of the Association, including, without limitation, (1) the Bylaws, (2) the CC&Rs and (3) any rules, regulations and policies adopted by the Board from time to time that apply generally to the conduct of the business and affairs of the Association.

7. The term “**Inspector**” or “**Inspector of Elections**” shall mean an independent third party acting as the inspector of elections in any Association election conducted by Secret Ballot.
 8. The term “**Member**” shall mean a member of the Association.
 9. The term “**Secret Ballot**” shall mean a ballot used in (1) an Association election which is subject to the secret ballot voting requirements of the California Civil Code or (2) an election on any topic that is expressly identified in the Governing Documents as required to be held by secret ballot, if any.
- B. Other capitalized terms used in these Election Rules shall have the same meanings given to them in the CC&Rs, unless otherwise defined herein.

II. Equal Access

- A. 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 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 communications by a Candidate or a Member, but the Association may include a statement specifying that the Candidate or Member, and not the Association, is responsible for that content; the Association shall not be responsible for the content of Candidate or Member communications, regardless of whether such a statement is included.
- B. Access to common area meeting space, if any exists, shall be made available 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. Such access, as may be applicable, shall be made available upon the request of a Candidate or Member, and shall be scheduled at a reasonable time(s) by the Board.

III. Qualifications for Candidates

- A. An individual shall not qualify as a Candidate if (1) previously convicted of a felony or (2) declared of unsound mind by a final order of court.
- B. To be eligible to serve on the Board, a Candidate must satisfy the qualifications for Directors set forth in the Bylaws (Article III, Section 3.2).

IV. Procedures for Nomination of Candidates

- A. The Association shall distribute to all Members a notice seeking Candidates for the Board (the “**Candidacy Notice**”) at least forty-five (45) days prior to the date of each annual meeting of Members at which Directors will be elected. The Candidacy Notice shall provide a space for any Member interested in being a Candidate to indicate his or her name, separate interest address within the Association’s development, mailing address (if different), other contact information and signature, and include a deadline for return of the completed Candidacy Notice to the Association. Any Member submitting a completed Candidacy Notice will be required to certify on the Candidacy Notice that he/she (1) has not been convicted of a felony, (2) has not been declared of unsound mind by a final order of court and (3) meets the qualifications for Candidates and Directors set forth in the Governing Documents. Any Member submitting an incomplete Candidacy Notice or failing to submit a completed Candidacy Notice by the stated deadline shall not have his or her name included in the Secret Ballot or other voting materials for that election.
- B. The Candidacy Notice shall include a space for each Candidate to submit a written statement (the “**Candidacy Statement**”) reasonably related to the election, including advocating a point of view; the Board of Directors may limit the length of the Candidacy Statement. A Candidacy Statement will be included with the Association’s mailing of the voting materials for the election if the Candidacy Statement is provided to the Association with a completed Candidacy Notice by the stated deadline.
- C. If a fully completed Candidacy Notice is not timely received by the Association, a Candidate may also nominate himself or herself, or may be nominated by another Member, as a write-in Candidate. A Member who desires to nominate any Member as a Candidate may write in such nominated Member’s name on the Secret Ballot for that election, and such action shall constitute a nomination of such Member as a Candidate. A Member nominated by write-in on a Secret Ballot must accept the nomination in order to be a valid Candidate and/or seated on the Board. Further, such Candidate shall be required to certify that he/she (1) has not been convicted of a felony, (2) has not been declared of unsound mind by a final order of court and (3) meets the qualifications for Candidates and Directors set forth in the Governing Documents.

V. Qualifications for Voting

- A. Record dates for determining Members entitled to receive notice of a meeting, and for determining Members entitled to vote at a meeting, shall be established in accordance with the Bylaws (Article II, Section 2.22) and Section 7611 of the California Corporations Code.

- B. Members who are in good standing may vote in all Association elections. A Member is in "good standing" for voting purposes unless his or her voting rights have been suspended. A Member's voting rights may be suspended after proper notice and an opportunity to be heard before the Board of Directors, in accordance with the Bylaws (Article II, Section 2.3) and CC&Rs (Article III, Section 3.5(d)).

VI. Voting Power of Each Member

- A. Members shall have one (1) vote per separate interest owned, pursuant to the Bylaws (Article II, Section 2.1) and CC&Rs (Article III, Section 3.3).
- B. For elections of Directors, cumulative voting will be allowed, pursuant to the Bylaws (Article II, Section 2.6). Each Member entitled to vote at any election of Directors where two (2) or more positions are to be filled shall have the right to cumulate his or her votes by giving one (1) Candidate a number of votes equal to the number of Directors to be elected, multiplied by the number of votes to which the Member is entitled, or by distributing the Member's votes on the same principle among as many Candidates as that Member desires.
- C. No fractional votes are allowed in the election of Directors, or otherwise.

VII. Proxies

Voting by proxy shall not be allowed.

VIII. Procedures for Elections by Secret Ballot

- A. The Association shall utilize a Secret Ballot process for elections regarding any of the following matters:
 - 1. Assessments legally requiring a vote of the Members.
 - 2. Election or removal of Directors.
 - 3. Amendments to the Governing Documents.
 - 4. The grant of exclusive use of the common area.
 - 5. An election on any other topic that is expressly identified in the Governing Documents or the California Civil Code as required to be held by Secret Ballot.
- B. Prior to the mailing of the Secret Ballots by the Association, the Inspector shall specify a location where the sealed Secret Ballots may be mailed or hand delivered, which location can include the office of the managing agent,

management company or manager for the Association, as may be applicable.

- C. Secret Ballots and two (2) pre-addressed envelopes with instructions on how to return the Secret Ballots 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. The deadline for voting and the times at which the polls will open and close shall be noticed with the Secret Ballot.
- D. In order to preserve confidentiality, a voter may not be identified by name, address, or separate interest on the Secret Ballot. The Association shall use as a model those procedures used by California counties for ensuring confidentiality of vote by Secret Ballots, including all of the following:
 - 1. The Secret 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 shall sign the voter's name, indicate the voter's name, and indicate the address of the separate interest that entitles the voter to vote.
 - 2. The second envelope is addressed to the Inspector or Inspectors, who will be tallying the votes. The envelope may be mailed or delivered by hand to the location specified by the Inspector or Inspectors. The Member may request a receipt for delivery.
- E. A quorum shall be required only if so stated in the Governing Documents or as may be required by law. If a quorum is required, each Secret Ballot received by the Inspector shall be treated as a Member present at a meeting for purposes of establishing a quorum. For Director elections only, there shall be no quorum requirement pursuant to the Bylaws (Article II, Section 2.9).
- F. In an election to approve an amendment of the Governing Documents, the text of the proposed amendment shall be delivered to the Members with the Secret Ballot.
- G. A Member who owns multiple separate interests must submit separate sealed Secret Ballots for each separate interest owned.
- H. Once a Secret Ballot is received by the Inspector, it shall be irrevocable. If more than one valid Secret Ballot is received for any Member's separate interest, the first secret ballot received will be the one counted; if it cannot be determined which Secret Ballot was the first received, the Secret Ballots will not be counted, except for the purpose of establishing quorum.

- I. All votes shall be counted and tabulated by the Inspector or Inspectors, or the designee of the Inspector or Inspectors, in public at a properly noticed open meeting of the Board 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 Association's management company, shall open or otherwise review any Secret Ballot prior to the time and place at which the Secret Ballots are counted and tabulated; provided, however, the Inspector, or the designee of the Inspector, may verify the Member's information and signature on the outer envelope prior to the meeting at which Secret Ballots are tabulated.
- J. Except for the meeting to count the votes required above, an election may be conducted entirely by mail.
- K. The sealed Secret Ballots at all times shall be in the custody of the Inspector or Inspectors or at a location designated by the Inspector or Inspectors until after the tabulation of the vote, and until the time allowed by the California Civil Code for challenging the election has expired, at which time custody shall be transferred to the Association.
- L. In the event of a tie vote among any number of Candidates, the Association will notice a special meeting of Members and send Secret Ballots to all Members for a runoff vote to break the tie. Such runoff vote shall be conducted in accordance with the Secret Ballot procedures set forth herein to the extent they are applicable to a runoff vote. No previously cast Secret Ballots from the prior election will apply or be counted in the runoff vote.
- M. All secret ballots must be legible and clearly marked. If a Secret Ballot is marked to cast more votes than the maximum number of votes allowed for an election, the Secret Ballot will be used for quorum purposes only and shall not count towards the vote.

IX. Inspectors of Elections

- A. At an open session Board meeting prior to the date Secret Ballots for an election are to be distributed to the Members, the Board shall select an independent third party or parties as an Inspector or Inspectors for any election by Secret Ballot; the number of Inspectors shall be one (1) or three (3).
- B. The Board may, but shall not be required to, submit the selection of the Inspector or Inspectors to a vote of the Members. If an Inspector is required by state statute, and if the Board fails to appoint an Inspector or if any person(s) so appointed fail to appear or refuse to act, the chairperson of any meeting of the Members shall appoint Inspector(s) at such meeting.

- C. For purposes of these Election Rules, an independent third party includes, but is not limited to, a volunteer poll worker with the County registrar of voters, a licensee of the California Board of Accountancy, or a notary public. An independent third party may be a Member, but may not be a Director, a Candidate, or be related to a Director or to a Candidate by blood, marriage, adoption, or domestic partnership. 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, unless expressly authorized by these Election Rules.
- D. The Association's managing agent, management company and/or manager are expressly authorized by these Election Rules to act as the Inspector or Inspectors and may be appointed by the Board accordingly.
- E. The Inspector or Inspectors shall do all of the following:
 - 1. Determine the number of memberships entitled to vote and the voting power of each.
 - 2. Receive Secret Ballots, and determine the validity of those Secret Ballots and their compliance with the Secret Ballot requirements of these Election Rules and the Governing Documents.
 - 3. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
 - 4. Count and tabulate all votes.
 - 5. Determine when the polls shall close, consistent with the Governing Documents.
 - 6. Determine the tabulated results of the election.
 - 7. Perform any acts as may be proper to conduct the election with fairness to all Members in accordance with provisions of the law.
- F. An Inspector shall perform all duties impartially, in good faith, to the best of the Inspector's ability, and as expeditiously as is practical.
- G. The Inspector or Inspectors may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector or Inspectors deem appropriate, provided that such persons are independent third parties.
- H. The Inspector has the authority to confer with the Association's legal counsel in advance of or at the meeting where Secret Ballots are to be counted. By the adoption of these Election Rules, the Association's legal counsel has been authorized by the Board of Directors to provide advice, as

determined necessary or prudent by the Association's legal counsel, for the limited purpose of informing and advising the Inspector regarding issues related to the Inspector performing his or her duties for the Association, and the Association waives the attorney-client privilege for that limited purpose.

- I. If there are three (3) Inspectors, the decision or act of a majority of the Inspectors shall be effective in all respects as the decision or act of all. Any report made by the Inspector or Inspectors is prima facie evidence of the facts stated in the report.
- J. The Board may, in its discretion, pay compensation to the Inspector.
- K. Prior to the election, the Association shall provide the Inspector with a current list of all Members and a list of those Members whose voting rights have been duly suspended. The Inspector will take appropriate steps, including making notations or otherwise marking the membership list and/or sealed Secret Ballot envelopes, to prevent Members not in good standing from voting at the meeting.
- L. If any election meeting is adjourned due to lack of quorum, the Inspector shall retain custody of such secret ballots and bring them to the adjourned meeting; new Secret ballots will not be required from any Member who has cast a valid Secret Ballot vote in accordance with these Election Rules.
- M. The Inspector may request that the meeting be recessed to allow the Inspector 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, date and time when the counting and tabulation will resume. The Inspector will continue to maintain custody of all Secret Ballots until the counting and tabulation is complete.

X. Registration of Members in Person

- A. A Member who chooses to vote in person at a meeting of the Members or Board must present himself or herself at the registration table area at the meeting to submit his or her ballot.
- B. If a Member has lost or misplaced his or her voting materials, the Member can request replacement voting materials at the registration table area at the meeting of the Members or Board. For elections by Secret Ballot, the Inspector or the Inspector's designee may request photo identification from the Member to confirm the Member's identity.
- C. When voting in person at a Member or Board meeting, in order for a Member's vote to count, the Member must comply with all of the procedures and requirements contained in these Election Rules.

XI. Election Results

- A. The tabulated results of the election shall be promptly reported to the Board, shall be recorded in the minutes of the next meeting of the Board, and shall be available for review by Members of the Association.
- B. Within fifteen (15) days of the election, the Board shall give general notice of the tabulated results of the election, in accordance with the requirements of the California Civil Code.

XII. Recount or Challenge to the Election Process

- A. The time period in which a Member may challenge an election shall be subject to the limitations set forth in the California Civil Code and the California Corporations Code.
- B. If there is a recount or other challenge to the election process, the Inspector or Inspectors shall, upon written request, make the ballots available for inspection and review by a Member or his or her authorized representative. The Member shall be responsible for all costs and expenses related to such recount.
- C. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

XIII. Use of Association Funds for Campaign Purposes

- A. Association funds may 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. "Campaign purposes" include, but are not limited to, the following:
 - 1. Expressly advocating the election or defeat of any Candidate.
 - 2. Including the photograph or prominently featuring the name of any Candidate on a communication from the Association or the Board, excepting the ballot, ballot materials, or a communication that is legally required, within thirty (30) days of an election; provided, however, this is not a campaign purpose if the communication is one for which the California Civil Code requires that equal access be provided to another Candidate or advocate.
- B. Unless otherwise provided by the California Civil Code, the foregoing restrictions on the use of Association funds for campaign purposes shall apply only to the election and removal of Directors.

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