

ELECTION RULES EASTERN GARDENS COOPERATIVE

The following election rules are adopted to comply with the requirements of the Davis-Stirling Act and to provide for fair elections, subject to all applicable and enforceable: (a) provisions of law, and (b) Articles of Incorporation and Bylaws.

I. NOMINATIONS

- A. Number of Directors. The Board shall consist of five (5) Regular Directors with an additional two (2) members elected as Alternate Directors. Such Alternate Directors shall attend all Board meetings and if a Regular Director is absent, then an Alternate Director may vote in the absent Regular Director's absence.
- B. Qualifications. No person may be a candidate for the Board, or once elected shall automatically cease to be a director, if that person: (i) is not a member of the Corporation; (ii) is delinquent in the payment of their carrying charges owed to the Corporation and is not in good standing; (iii) is currently engaged as an opponent in litigation against the Corporation or a Director or Officer of the Corporation regarding the volunteer service to the Corporation and/or decisions may by the Director or Officer on behalf of the Corporation while serving on the Board of Directors; or (iv) has a felony conviction.
- C. Nominations.
1. **Self Nomination.** Any qualified person may nominate himself or herself for election to the Board of Directors by submitting to the Corporation a written statement signed and dated by the person nominating himself or herself. The Corporation shall set a cut-off date for the receipt of self-nomination statements, which date shall be publicized in advance to the members.
 2. **No Write-Ins.** No write-ins are allowed on ballots and no floor nominations can be made at any "call for election" or other voting meetings by the membership.
- D. Uncontested Elections. If the number of nominations received is less than the number of seats open on the Board, then ballots will need to be mailed to the membership. Even if seats are uncontested, the Annual Meeting will still be held at which candidates running for uncontested seats will be declared the winners.

II. CAMPAIGNING

- A. Access to Media.
1. **No Use of Corporation Resources.** The Corporation's newsletter, website, bulletin board, or other media, if any, may not be used for campaign purposes, no exceptions.
 2. **No Management Company Campaigning.** Neither the Corporation's management company nor any of the Corporation's property managers shall be permitted

to advocate for or against a candidate. They are expressly prohibited from endorsing – in writing or verbally – any such candidate or position – and shall remain strictly neutral if asked by a member.

B. Use of Common Area During Election Campaign.

1. **No Cost for Use.** During an election campaign, each candidate and each member advocating a point of view reasonably related to the election shall be allowed to use, if available, the Corporation's clubhouse meeting room at no cost to the member or candidate. Aside from the waiver of a clubhouse rental fee when such rental is reasonably related to a pending election, any such member's or candidate's use of the Corporation's clubhouse shall be in a manner consistent with its reservation policy set forth in the Membership Handbook, and as it may be changed from time to time.

C. No Use of Corporation Funds for Campaign Purposes. Corporation funds may not be used for campaign purposes in connection with any board election and may not be used for campaign purposes in connection with any other Corporation election. This restriction does not preclude directors from advocating the election or defeat of any issue or candidate on the ballot. However, they may not use Corporation funds to do so.

III. INSPECTORS OF ELECTION

A. Selection.

1. **Process.** Prior to the date ballots are first sent out, the Board of Directors shall, at an open meeting of the Board, select either one (1) or three (3) persons as Inspectors of Election.

2. **Eligible Inspectors.** The Board may select any of the following to serve as an Inspector of Elections:

- a. **Poll Worker.** A volunteer poll worker with the County Registrar of Voters;
- b. **Accountant.** A licensee of the California Board of Accountancy, including any such licensee under contract to the Corporation;
- c. **Notary.** A notary public;
- d. **Corporation Members.** Members of the Corporation, but not: (i) members of the Board, including Alternate Directors, (ii) candidates for the Board, (iii) persons related to a member of the Board, including Alternate Directors, or (iv) persons related to a candidate for the Board;
- e. **Person or Entity Under Contract to the Corporation.** A person, business entity, or subdivision of a business entity, that specializes, is familiar with, or otherwise serves as professional Inspectors of Election or assists in facilitating corporate elections and votes, who is retained by the Corporation

for compensation in connection with a specific election, but is not otherwise hired, retained, or engaged by the Corporation to provide ongoing services such as for property management who are expressly prohibited from serving as the Corporation's Inspectors of Election;

B. Duties. Duties of Inspectors of Election shall include the following:

1. **Membership.** Determine the number of memberships entitled to vote and the voting power of each.
2. **Closing and Reopening of Polls.** Determine when the polls shall close.
3. **Receive Ballots.** Receive all ballots. Once a secret ballot has been received by an Inspector of Elections, it shall be irrevocable.
4. **Custody.** Maintain custody of the sealed ballots at all times. 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 *Corporation's Code* §7527 for challenging the election has expired, at which time custody shall be transferred to the Corporation. No person, including a member of the Corporation 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. The Inspector of Elections or his or her designee may verify the member's information and signature on the outer envelope prior to the meeting at which ballots are tabulated.
5. **Challenges.** Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote. If there is a recount or other challenge to the election process, the Inspector or Inspectors of election shall make the ballots available for inspection and review upon written request. A Corporation member may authorize a representative to review the ballots on his or her behalf. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.
6. **Counting.** Count and tabulate all votes. All votes shall be counted and tabulated by an Inspector of Elections 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 Corporation may witness the counting and tabulation of the votes.
7. **Appoint Assistants.** Appoint and oversee additional independent third parties (which can include appointment of members to serve as assistants, so long as they are not a candidate or related to a candidate) to verify signatures, and to count and tabulate votes as the Inspectors of election deem appropriate.
8. **Results.** Determine the tabulated results of the election.
9. **Impartiality.** Perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical. Any report made by the Inspectors of Election is prima facie evidence of the facts stated in the report.

C. Removal. The Board shall have the power to remove Inspectors who cease to meet the required qualifications, are unable or unwilling to perform their duties, or for other good reason, and to appoint new Inspectors in their place.

IV. BALLOTS AND PROXIES

A. Voting Rights.

1. **Number of Votes.** Each member shall be entitled to one (1) vote per unit on all matters presented to the members for a vote.

2. **Record Date.** Unless the Board sets a “Record Date” for an election, the Record Date shall be the date that ballots are mailed to the Membership. Only those Owners on title as of the Record Date shall be entitled to vote. Persons acquiring a share in the Corporation after the Record Date can attend the membership meeting but cannot vote.

3. **Proof of Membership.** No person or entity may exercise the rights of membership without an ownership interest in property which is subject to a Subscription Agreement and an Occupancy Agreement. If the Board should request proof of ownership, such proof shall be in the form of an approved and fully executed Subscription Agreement and an Occupancy Agreement or a Shareholder’s Certificate.

4. **No Cumulative Voting.** Cumulative voting shall not be permitted.

5. **Co-Owners.** Where there is more than one (1) owner of a share (“co-owner”) subject to the Corporation’s governing documents, all such co-owners shall be members and may attend any meeting of the Corporation. In such a situation where there are co-owners of a share, each co-owner shall be entitled to cast a ballot, however, their ballot shall count for a half vote. Because the Corporation is obligated to provide for secret balloting under applicable laws, but the Bylaws permit co-owners to each submit a vote.

6. **Voting for Candidates Properly Nominated.** Members must vote only for those candidate(s) who have been properly nominated prior to the close of nominations.

B. Proxies.

1. **Proxies.** Proxies are not permitted.

C. Ballots.

1. **Official Ballots & Voting Instructions/Non Revocable.** Only those ballots and voting instructions printed by the Corporation or the Inspector of Elections shall be considered official secret ballots and voting instructions. Any other ballots and/or voting instructions are void and shall not be counted. Official secret ballots shall be delivered by the Corporation to every member. Voters cannot substitute their own ballots and/or voting instructions for official ballots. Once an official secret ballot has been received by an Inspector of Elections, it shall be irrevocable.

2. **Secret Ballot.** All items legally requiring a vote of the membership shall be held by secret ballot, including but not limited to assessments, selection and removal of members of the Corporation's Board of Directors, amendments to the governing documents, or the grant of exclusive use of common area property. **The Corporation will no longer mail "absentee ballots" because such practice conflicts with applicable law. Rather, all members will receive their official secret ballots, voting instructions, and envelopes from the Corporation (or Inspector) at least 30-days before the vote tabulation meeting.**

- a. **Signature.** The ballot should be filled out, but not signed by the voter.
- b. **Inner Envelope.** After the unsigned ballot is filled out, it must be inserted into an inner envelope which is then sealed. There should be no markings or other information on the outside of the inner envelope that would identify the voter. This sealed inner envelope must be inserted into a second envelope, which is also sealed.
- c. **Second Envelope.** In the upper left hand corner of this second envelope, the voter must sign his or her name, print his or her name, and indicate the address including the unit number.
- d. **Delivery to Inspector of Election.** The envelope may be mailed to the address on the envelope or delivered by hand to a location specified by the Inspectors of Election. The member may request a receipt for delivery.

3. **Quorum by Ballot.** Each ballot received by an Inspector of Elections shall be treated as a member present at a meeting for purposes of establishing a quorum.

4. **Ballot Delivery to Members.** A ballot and one (1) preaddressed envelope (second envelope) and one (1) envelope (inner envelope) marked "ballot" on the outside along with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Corporation to every member not less than thirty (30) days prior to the deadline for voting. Again, in order to preserve voter confidentiality, a voter may not be identified by name, address, or unit number on the ballot.

5. **Ballot Markings.** A ballot which contains any of the following symbols shall be counted and tabulated as if said symbol was the number "1": an "x", a checkmark, or any non-numerical symbolic designation indicating the voter's intent to vote for any particular candidate, issue or ballot measure. A ballot shall not be invalidated solely due to the inclusion of a signature thereon.

V. PETITIONS

A. Purpose. The purpose of the petition for a membership meeting must be set forth in the petition so members know what they are signing. Meetings may only be called for a lawful purpose.

B. Signatures. Only members may sign petitions. Signatures by spouses not on the Certificate share and by tenants are not valid. The Corporation may validate signatures by comparing them against signatures on file with the Corporation or by contacting signers to verify their signatures.

C. Withdrawal of Signatures. A petition can be rendered invalid if a sufficient number of signers withdraw their names such that the number of remaining signers falls below 10% of total voting power of the membership.

D. Setting the Date. The date of the special meeting shall be set by the Board and may not be less than 35 nor more than 60 days from receipt of request. Notice of the date shall be given to the membership not more than 20 days from receipt of the petition.

E. Recall Petitions. Recalls may not be started against the board as a whole or any individual director if: (a) the board or director has held office during the current term for less than 90 days; (b) a recall election has been determined in the board's or director's favor within the last six months; or (c) an annual meeting will be held within 180 days or less. Additionally, if a recall of the entire board fails, a six-month waiting period must be observed before recall petitions may be filed against individual directors.

VI. MEETING PROCEDURES

A. Chair of Meeting. The President of the Board shall call the membership meeting to order and shall chair the meeting unless a majority of the Board selects another person to chair the meeting.

B. Quorum. The quorum requirement for membership meetings is twenty-five percent (25%) of the voting power of the Corporation, excluding those members whose voting rights have been suspended. The members may be represented in person or by their secret ballots. When a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote, and voting on any matter shall be the act of the members as provided by *Corporation's Code* §7512, unless a greater approval percentage is required under any of the Corporation's governing documents including, without limitation, amendments to the Bylaws or changes to the Articles of Incorporation, in which case said express provisions shall control.

C. Loss of Quorum. The members present at a duly called meeting at which a quorum is present may continue to transact business until the loss of a quorum. The business must be approved by enough members to constitute at least a majority of a quorum had a quorum been present pursuant to *Corporation's Code* §7512.

D. Lack of Quorum. In the absence of a quorum, no business may be transacted except to adjourn the meeting to another date and time. A majority of the members present and entitled to vote may adjourn the meeting. An adjournment for lack of a quorum shall be to a date at least 48-hours and no later than forty-five (45) days from the date the original meeting was called. If a new date for the adjourned meeting is announced prior to adjournment, notice will need to be given to the membership. If a new date is not announced prior to adjournment, the Board President (or the remaining directors in the

President's absence or failure to act) may set the date for a subsequent meeting and shall be given either personally or by first-class mail, charges prepaid, and addressed to each member: (i) at the address appearing on the books of the Corporation, (ii) at the address given by the member for the purpose of notice, or (iii) at the address of the member's unit, if no address appears on the Corporation's books and no other address has been given. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail.

E. Counting Ballots. The Inspectors of Election, or his or her designee, shall count and tabulate all official ballots in public at a properly noticed open meeting of the Board of Directors or members. No person, including a member of the Corporation 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. Any candidate or other member of the Corporation may witness the counting and tabulation of the votes.

F. Breaking a Tie. In the event of a tie, all other newly elected Directors shall immediately begin serving their terms. An incumbent Director whose seat was tied shall continue in office until a runoff election determines the winner for his/her seat. Only those candidates who tied for the seat shall be in the runoff. In lieu of a runoff and if the tied candidates agree, the winner may be decided by a coin toss or the drawing of names by the Inspector of Elections.

VII. POST-ELECTION RESULTS

A. Results of the Election. The tabulated results of the election shall be announced immediately after all the ballots have been counted. The tabulated results of the election shall be promptly reported to the Board of Directors and shall be recorded in the minutes of the next Board meeting. Within fifteen (15) days of the election, the Board shall publicize the tabulated results of the election in a communication directed to all members.

B. Status of the Ballots after Election. 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 *Corporations Code §7527* for challenging the election has expired, at which time custody shall be transferred to the Corporation. After the transfer of the ballots to the Corporation, the ballots shall be stored by the Corporation in a secure place for no less than one (1) year after the date of the election, after which the election materials may be disposed of.

C. Election Recount. Any member of the Corporation may demand a recount of the ballots provided (i) demand is made in writing to the Inspector of Elections within five (5) days after the election results have been announced, and (ii) the member pays in advance for the cost of the recount. Monies advanced by the member shall be refunded if the outcome of the election is changed by the recount. The recount shall be commenced not less than seven (7) days following the request for the recount and shall be done under the supervision of the Inspector(s) of Elections.

1. The recount may be observed by members of the Corporation.

2. No election materials may be touched or handled by any person(s) without the express consent of the Inspector(s) of Elections and under the supervision of the Inspector(s).

3. The results of the recount shall be reported to the Board of Directors and shall be recorded in the minutes of the next Board meeting and reported to the membership.

D. Inspection of Ballots. Election materials may be inspected by any member upon payment in advance of costs related to the inspection. No election materials may be touched or handled by any person without the express consent of the Inspector of Elections and under the supervision of the Inspector.

<Sample>

CANDIDATE SELF NOMINATION FILING FORM
For the 20__ Election of Directors

Filing Deadline: This form must be received by the Corporation no later than 5:00 p.m. <insert day and date>.

Qualifications: All candidates for the Board are subject to meeting the qualifications set forth in the governing documents.

I hereby nominate myself as a candidate for the Board of Directors. *(Please legibly print or type the information below.)*

Name _____

Mailing address _____

City _____ State _____ Zip _____

Home telephone _____ Work _____

E-mail address _____

Signature _____ Date _____

.....OFFICE USE ONLY

Date received _____ Received by _____

Comments _____

<Sample>
BALLOT

There are _____ open Board seats. Place an X or check mark next to the candidates of your choice. Do not vote for more than _____ candidates.

Candidate #1 _____

Candidate #2 (incumbent) _____

Candidate #3 _____

Voting Instructions

<can be on a separate page and stapled to the ballot>

To ensure secrecy, do NOT sign the ballot.

1. Once voted, place the ballot in the “Secret Ballot” envelope #1 and seal it.
2. Place the sealed envelope into the larger envelope #2 addressed to the Inspector of Elections and seal it.
3. Sign your name in the upper left-hand corner of envelope #2.
4. Return your ballot by personal delivery or mail to the following address by <insert time, day and date of the annual meeting>:

Attn: Inspector of Elections
Eastern Gardens Cooperative
<insert address ballots should be sent to>