

CAPTAIN'S HILL HOMEOWNERS ASSOCIATION MEMBERSHIP MEETING AND VOTING RULES

Campaigning

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, all candidates and Members advocating a point of view will be provided equal access. The Association shall not edit or redact any content from these communications. Any views, comments or opinions set forth in any communication from a candidate or Member are those solely of the candidate or Member, and the Association is not responsible or liable for such content. The candidate or Member, and not the Association, is solely responsible for the content of all materials and/or communications presented by the candidate or Member.

Access to the Common Area meeting space will be provided during a campaign, at no cost, to all candidates and to all Members advocating a point of view for purposes reasonably related to the election.

Association funds will not be used for campaign purposes in connection with any Association Board election. Funds of the Association shall 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. For the purposes of this section "campaign purposes" include, but are not limited to, the following:

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

(2) Including the photograph or prominently featuring the name of any candidate on a communication from the Association or the Board, excepting the ballot and ballot materials, provided that this is not a campaign purpose if the communication is one for which the law requires that equal access be provided to another candidate or advocate.

Board Member Qualifications

Directors must be Members of the Association. If title to a separate interest parcel 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 the purpose of elections.

Nomination Procedures

All individuals eligible to serve on the Board of Directors may declare their candidacy for the Board by issuing a statement from the floor of a Board or Membership meeting which is recorded into the official Minutes of any meeting of the Board or by submitting a written statement to the offices of Dana Pacific Management Services, Inc. at least 60 days prior to the election. The Association shall give general notice to the Members of the deadline for submitting nominations at least 30 days before the nominations are due. Any written declaration of

candidacy received after the printing of the Notice of the Annual Meeting will be announced by the Chair at the Annual Meeting. Candidates' names not shown on the official printed notice, proxy or Secret Ballot, may be added to the Secret Ballot by the Member wishing to vote for the candidate as a write in candidate.

Nomination for election to the Board of Directors may also be made by a Nominating Committee pursuant to Article VIII of the Bylaws. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the Members to serve from the close of such Annual Meeting until the close of the next Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board as it may in its discretion, determine, but not less than the number of vacancies that are to be filled. Nominations may also be made from the floor.

All nominees for a Board seat, and all Directors during their Board tenure, must be current in the payment of regular and special assessments. A Member shall not be disqualified as a nominee for nonpayment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party. A Member shall not be disqualified as a nominee for failure to be current in payment of regular and special assessments if the person has paid the regular or special assessment under protest, the person entered into a payment plan pursuant to Civil Code section 5665, or the Member has not been provided the opportunity to engage in internal dispute resolution with respect to such non-payment.

A person shall be disqualified from nomination as a candidate if the person is not a Member of the Association at the time of the nomination. A Member shall be disqualified as a nominee under the following circumstances: (1) 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 separate interest parcel as the person, and the other person is either properly nominated for the current election or is an incumbent director; (2) The person has been a Member for less than one year at the time of the nomination; (3) The person discloses, or the Association is aware of becomes aware, of a past criminal conviction that would, if the person was elected, either prevent the Association from purchasing the fidelity bond covered required by Civil Code section 5806 or terminate the Association's existing fidelity bond coverage.

At least 30 days before the Secret Ballots are distributed, the Association shall provide general notice to the Members of: (1) The date and time by which, and the physical address where, Ballots are to be returned by mail or handed to the Inspector(s) of Elections; (2) The date, time, and location of the meeting at which Ballots will be counted; (3) The list of all candidates' names that will appear on the Ballot.

Voting Qualifications

Each Member of record whose voting rights have not been suspended by the Board of Directors is entitled to vote. Voting shall be by secret written ballot. Members shall be entitled to cast one (1) ballot for each home owned within the community.

If a record date for voting is not fixed by the Board of Directors, Members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the Meeting of the Members.

Voting Procedures

In any election of the Board every Member entitled to vote shall have the right to cumulate his/her votes and give one candidate, or divide among any number of candidates, a number of votes equal to the number of Directors to be elected.

The Bylaws and applicable law require the use of Secret Ballots for elections regarding assessments legally requiring a vote, election and removal of directors, amendments to governing documents, or the grant of exclusive use of common area pursuant to Civil Code section 4600. The Bylaws authorize the use of proxies, as set forth herein.

Elections will be conducted in accordance with the following procedures:

1. Ballots and two pre-addressed envelopes (with instructions), a cop of the Election Rules (or posing of such Election Rules to the Association's website with a notation on the Ballot as to the website address where the Election Rules can be found) shall be delivered or mailed by first-class mail to every Member not less than thirty (30) days prior to the deadline for voting, along with instructions for Members and Notice of the Meeting. No Member shall be denied a ballot for any reason other than not being a Member at the time when ballots are distributed. No person with general power of attorney for a Member shall be denied a ballot. The ballot of a person with general power of attorney for a Member shall be counted if returned in a timely manner.
2. Ballots are *not* to be signed by the voter. A Member that places any identifying marks or signature on his or her ballot will waive his or her right to secrecy.
3. Completed ballots must be placed into an inner envelope that has no identifying information on it (*e.g.*, no Member name, no property address, no signature, etc.), and the inner envelope is then sealed by the Member.
4. The inner envelope is then inserted into the outer envelope that is pre-addressed to the Inspector(s) of Election and then sealed by the Member.

5. In the upper left hand corner of the outer envelope, the Member *must* print his name and the address of the property, and then the Member *must* sign his or her name in the upper left hand corner of the outer envelope. RETURN ADDRESS LABELS SHOULD NOT BE USED. Ballots received in improperly completed envelopes (*e.g.*, not completed by hand, not signed) may *not* be counted.

6. The envelope may be mailed or delivered by hand to the Association's management office, unless another place is designated by the Inspector(s). The Member may request a receipt for delivery.

7. Once a ballot is received by the Association, in the place designated by the Inspector(s), it is deemed irrevocable, even if it is unopened.

8. The sealed ballots shall be in the custody of the Inspector(s) of Election or in the place designated by the Inspector(s) at all times.

9. No person may open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.

10. The voting period for Member meetings shall commence when the first ballot is mailed or delivered to a Member of the Association, and shall end at such time as the Inspector(s) of Election determine the polls close.

Use of Proxies

The Bylaws for your Association authorize the use of proxies. If a Member chooses to use a proxy, the proxy must be filed with the Secretary of the Association. A proxy must (A) identify a proxyholder (who must physically attend the meeting for which the proxy is being exercised), (B) contain voting instructions, and (C) be signed by the Member giving the proxy.

A proxy that does not satisfy these requirements may not be counted. Any instruction given in a proxy issued for an election that directs the manner in which the proxyholder is to cast the vote must be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain. The proxyholder must cast the Member's vote by secret ballot. Every proxy shall be revocable and shall automatically cease when the ownership interest or interests of such Member entitling him to Membership in the Association ceases.

Inspectors of Election

Inspector(s) of Election will be appointed by the Board of Directors at a Board meeting held prior to the election and will serve as Inspectors until such time that their successors are appointed by the Board of Directors. There shall be one (1) or three (3) Inspectors of Election for the Association. If there are three (3) Inspectors of Election, the decision or act of a majority shall be effective in all respects as the decision or act of all.

Inspector(s) may be a volunteer poll worker with the County Registrar of voters, a licensee of the California Board of Accountancy, or a notary public. Inspector(s) may also be a Member of the Association, but may not be a Member of the Board, a candidate for the Board, or related to a Member of the Board or candidate for the Board. Inspectors may not be a person who is currently employed or under contract to the Association for any compensable services other than serving as an inspector of elections.

Role of Inspectors of Elections

Inspector(s) will determine the number of memberships entitled to vote and the voting power of each in accordance with the governing documents. Inspector(s) will determine the authenticity, validity, and effect of proxies, if any. Inspector(s) will hear and determine all challenges and questions in any way arising out of or in connection with the right to vote. Inspectors will oversee the registering of Owners attending the meeting and determining when quorum is achieved, and receive the Ballots. Inspectors determine when quorum has been reached. Each Ballot received by the Inspector(s) shall be treated as a Member present at the meeting for the purposes of establishing a quorum. Inspector(s) will determine when the polls shall close. Inspector(s) will determine and announce the results of the election.

Inspector(s) may also perform any acts as may be proper to conduct the election with fairness to all Members in accordance with the Inspector(s) of Election rules and all applicable rules of the Association regarding the conduct of the election that are not in conflict with the Inspector(s) of Election rules. Inspector(s) must perform all duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical.

Tabulation of Votes

Inspector(s) count and tabulate all votes. All votes shall be counted and tabulated by the Inspector(s) at a duly noticed Meeting of the Members. Any candidate or other Member of the Association may witness the counting and tabulation of the votes. Members who are not Inspectors or being overseen by an Inspector must remain at least five feet away from the counting area. Members who are not Inspectors may not participate in the counting or tabulation process or any discussions that may arise among the Inspectors or their designated assistants.

Every Inspector(s) of Election must sign the Election Report and Oath for the Association's corporate records.

The sealed Ballots, signed voter envelopes, voter list, proxies, and candidate registration list shall at all times be in the custody of the Inspector(s) or at a location designated by the Inspector(s) until after the tabulation of the vote, and until the time allowed by Civil Code section 5145 for challenging the election has expired, at which time custody shall be transferred to the Association. If there is a recount or other challenge to the election process, the Inspector(s) shall, upon written request, make the Ballots available for inspection and review by an Association Member or their authorized representative. The ballots, signed voter envelopes, voter list of names, parcel numbers and/or mailing address, and voters to whom Ballots were to

be sent, proxies, and the candidate registration list shall be maintained as “Enhanced Association Records” pursuant to Civil Code section 5200, *et seq.*

Tie Votes

In the event of a tie vote among any number of the candidates, another run-off election of only the candidates involved in the tie shall be held immediately following the announcement of the results. In this case, all Members voting in person and proxyholders in attendance shall re-register and upon which issued a new ballot marked with the word "RUN-OFF" and showing only the names of the candidates involved in the tie vote. Those voting in person and those holding proxies will then cast their ballots. All Election and Voting Rules shall apply in the run-off election and shall be enforced to the same degree as in any other election. The person receiving the highest number of votes will be elected.

Recording and Announcing Election Results

Inspector(s) must report the results of the election promptly to the Board of Directors and the results will be recorded in the next regular session Board meeting Minutes. In addition to recording the election results in the next regular session Board meeting Minutes, the Association shall keep Annual Meeting Minutes that reflect the results of the election.

The Board of Directors will publicize the results of the election in a communication directed to all Members within fifteen (15) days of a successful (quorum achieved) election.

Amendment

These Membership and Voting Rules may not be amended less than 90 days prior to any election.