



## FAIRWIND

### ELECTION RULES AND PROCEDURES

1. All candidates or members advocating a point of view shall have equal access to Association media, newsletters, and websites during a campaign for purposes reasonably related to that election. The Association will not edit or redact any content from these communications; however, the Association may include a statement specifying that the candidate or member, as applicable, and not the Association, is solely responsible for the content of the communication and that the Association was required by law to publish the communication verbatim, regardless of content.
2. All candidates or members advocating a point of view will have equal access, at no cost, to any common area meeting space during a campaign for purposes reasonably related to the election.
3. Pursuant to Section 2.2.1 of the Association's Bylaws, in order to be a candidate for election to the Association's Board of Directors, you must
  - (a) Be in compliance with the Governing Documents for the three (3) months immediately preceding the date of the election at which the Owner is being considered for election to the Board of Directors. To be in compliance, the Owner must correct, within five (50 days of receipt of notice, any violation of the Governing Documents for which the Owner has been determined to be responsible pursuant to applicable due process requirements;
  - (b) The Owner must be current in the payment of all Assessments for the three (3) months immediately preceding the date of the election at which the Owner is being considered for election to the Board of Directors; and
  - (c) The Owner must not be related by blood or marriage to or reside in the same household with any other Board member.
4. Owners who satisfy the eligibility requirements for election to the Board of Directors may become candidates by either (a) submitting a "Declaration of Candidacy" form (available from the management company) at least sixty (60) days prior to the date of the annual meeting, or (b) being nominated from the floor at the annual meeting (self nominations from the floor are permitted) and accepting such nomination either in person at the meeting or by written authorization submitted to the Association in advance of the meeting.
5. Record dates for determining members entitled to receive notice of the meeting and for determining members entitled to vote at the meeting shall be established in accordance with Corporations Code Section 7611.

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6. Each member of record whose voting rights have not been suspended by the Board of Directors is entitled to vote. Each membership is entitled to one (1) vote on each issue being voted on (except election of directors, in which case each membership is entitled to one (1) vote for each position on the board to be filled at the election.).
7. The Association will not distribute proxies for elections subject to Civil Code Section 5105 (a) For those elections in which proxies are used, in order to be counted the 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 will 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.
8. The voting period for the member meeting subject to Civil Code Section 5105 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, in accordance with Civil Code. The voting period for member meetings not subject to Civil Code shall commence at the meeting at such time as the person presiding over the meeting declares the voting period commences, and shall end at such time as the inspector(s) of election determine the polls close, in accordance with Civil Code. For those elections conducted by written ballot without a meeting in accordance with the Corporations Code Section 7513, the voting period shall commence when the first ballot is mailed or delivered to a member of the Association, and shall end at such time as is specified in the ballot.
9. The Association's Board of Directors shall select either one (1) or three (3) independent third parties, in its discretion, to serve as inspector(s) of election. An "independent third party" who serves as an inspector of election may include, but is not limited to, (a) a volunteer poll worker with the county registrar of voters, (b) a licensee of the California Board of Accountancy, (c) a notary public, (d) a member of the Association who is neither a director, a candidate for election as director, nor related to a director or candidate for election as director, (e) a person who is currently employed by or under contract to the Association for compensable services. If no Association members are appointed as inspector(s) of election at least ninety (90) days in advance of the meeting (or, in the instance of elections conducted without a meeting pursuant to Corporations Code Section 7513, at least ninety (90) days prior to the deadline by which ballots must be received in order to be counted), then the Board of Directors may hire an outside third party to act as inspectors(s) of election.

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10. The inspector(s) of election shall perform the following duties:

- (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 results of the election; and
- (h) Perform any acts as may be proper to conduct the election with fairness to all members in accordance with Civil Code and all applicable Association rules regarding the conduct of the election that do not conflict with Civil Code.

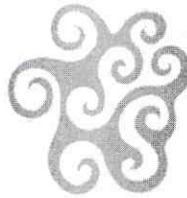
11. An inspector of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. If there are three (3) inspectors of election, then the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the inspector(s) of election is prima facie evidence of these facts stated in the report. If permitted by applicable law, the inspector(s) of election may appoint and oversee additional persons to count and tabulate the votes.

12. Elections subject to Civil Code Section 5105 shall be conducted in accordance with the following procedures:

- (a) Ballots and two preaddressed envelopes with instructions on how to return ballots substantially in the form of Exhibit "A" attached hereto and incorporated herein by this reference shall be delivered or mailed by first-class mail to every member not less than thirty (30) days prior to the deadline for voting (a member may not be identified by name, address, lot, parcel, or unit number on the ballot);
- (b) Ballots are *not* to be signed by the voter;
- (c) Completed ballots must be placed into an inner envelope that has no identifying information (e.g., no member name, no property address, no signature, etc.) on it, and the inner envelope is then sealed by the member;
- (d) The inner envelope is then inserted into the outer envelope that is preaddressed to the inspector(s) of election in care of the management company and then is sealed by the member;

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- (e) In the upper left hand corner of the outer envelope, the member *must* print his name and the address of the property in the community that entitles the member to vote in the Associations' election, and then the member *must* sign his or her name in the upper left hand corner of the outer envelope. Ballots received in improperly completed envelopes may not be counted;
  - (f) The envelope may be mailed or delivered by hand to the inspector(s) of election, and the member may request a receipt for delivery;
  - (g) Once cast, a ballot may not be changed, i.e., ballots are irrevocable;
  - (h) Write-in candidacies are acceptable so long as a written nomination (including a self-nomination) has been received from the candidate, or the candidate is present at the meeting to either self-nominate or accept a nomination;
  - (i) All properly returned votes shall be counted and tabulated by the inspector(s) of election in public at a properly noticed meeting of the Association's Board of Directors or members;
  - (j) Any candidate or other Association member may witness the counting and tabulation of the votes;
  - (k) No person, including any Association member or management company employee, may open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated;
  - (l) The inspector(s) of election shall promptly report the election results to the Association's Board of Directors, and such results shall be (i) recorded in the minutes of the next meeting of the Board of Directors, (ii) available for review by the Association's members, and (iii) publicized within fifteen (15) days of the election in a communication directed to all members;
  - (m) The sealed ballots shall at all times be in the custody of management company as designated by the inspector(s) of election until after tabulation of the vote, at which time custody shall be transferred to the Association;
  - (n) After tabulation, the Association shall store all ballots in a secure place for no less than one (1) year after the date of the election;
  - (o) 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 members or their authorized representatives.
13. Association funds may not be used for campaign purposes in connection with any Association election except to the extent necessary to comply with duties of the Association imposed by law. As used in this paragraph, "campaign purposes" includes, but is not limited to, including the photograph or prominently featuring the name of any candidate on a communication from the Association or its Board of Directors (other than the ballot and ballot materials) within thirty (30) days of election. "Campaign purposes" does not include communication for which equal access is required to be provided pursuant to Paragraphs 1 and 2 above.

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