

**APEX AT LAWRENCE STATION OWNERS ASSOCIATION
RULES FOR ELECTIONS BY SECRET WRITTEN BALLOT**

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APEX AT LAWRENCE STATION OWNERS ASSOCIATION RULES FOR ELECTIONS BY SECRET WRITTEN BALLOT

The following Election Rules are adopted in accordance with California Civil Code Section 4340 et seq. and pursuant to the authority of the Association's governing documents, are intended to comply with California Civil Code Section 5105 et seq., and shall apply to elections regarding (1) Assessments, (2) selection of Directors, (3) removal of Directors, (4) amendments to the governing documents, (5) grants of exclusive use of common area property pursuant to California Civil Code Section 4600, and (6) any other matter that may be the subject of a vote of Association Members. Unless the context clearly indicates otherwise, capitalized terms used herein shall have the same meaning as in the Association's governing documents. The following Election Rules are intended to replace and supersede any previously-adopted Election Rules.

Section 1: Elections Regarding Selection of Directors

This Section 1 shall apply to elections regarding selection of Directors.

A. Nomination of Candidates. In addition to any nomination procedures set forth in the Association's Bylaws (except as noted below), people shall become candidates for election to the Board of Directors as follows:

1. **Candidate Solicitation Announcement.** Not less than 35 days before the Association provides the "Election Notification" required by Section 1, Paragraph F of these Election Rules, the Association shall distribute (via "general delivery", as that term is defined in California Civil Code Section 4045) a notice to all Members inviting people to become candidates for election to the Board ("Candidate Solicitation Announcement"). The Candidate Solicitation Announcement shall contain at least the information set forth in the attached EXHIBIT "A" and shall be presented in a manner substantially consistent with the sample in attached EXHIBIT "B".
2. **Self-Nomination.** Each person who wishes to become a candidate must submit a written notification to the Association indicating the person's desire to become a candidate ("Notice of Desire to be a Candidate"). Each person's Notice of Desire to be a Candidate must either be mailed, hand delivered or emailed to the Association at the address(es) designated by the Board of Directors for that purpose, and must be received by the Association prior to the time specified in the Candidate Solicitation Announcement ("Nomination Deadline"). The Nomination Deadline shall not be (1) earlier than 5:00 p.m. on the date that is 30 days after the date the Candidate Solicitation Announcement was mailed to the Members and (2) later than 5:00 p.m. on the date that is 35 days after the date the Candidate Solicitation Announcement was mailed to the Members. It is each person's responsibility to confirm that his or her Notice of Desire to be a Candidate was received by the Association prior to the Nomination Deadline. Each person who meets the qualifications set forth in Section 1, Paragraph D of these Election Rules and whose Notice of Desire to be a Candidate is received by the Association prior to the Nomination Deadline shall automatically be a candidate. There shall be no nominations from the floor at membership meetings.

B. Class “A” Election. The Board shall determine whether a Class “A” Election must be conducted.

(1) If it is the First Membership Election, then a Class “A” Election must be held.

(2i) At any election of Directors after a Class “A” Election has been conducted, a Class “A” Election must be held if:

- (a) there are two (2) classes of Membership or Declarant is entitled to cast a majority of the votes which may be cast by all Members; and
- (b) the term of the Director elected at a Class A Director Election will expire at the election or will terminate due to resignation or removal.

C. Director Election Statements. Candidates and Members advocating a point of view may, but are not required to, submit a statement ("Director Election Statement") which (1) when printed, shall not exceed one side of a single 8 ½ " x 11" page and (2) shall be reasonably related to the election. (If the Association receives a Director Election Statement that, when printed, exceeds one side of a single 8 ½ " x 11" page, the Director Election Statement shall be deemed to be only the first printed page.) Each person's Director Election Statement must either be mailed, hand delivered or e-mailed to the Association at the address(es) designated by the Board of Directors for that purpose; and must be received by the Association prior to the Nomination Deadline. It is each person's responsibility to confirm that his or her Director Election Statement was received by the Association prior to the Nomination Deadline.

By submitting a Director Election Statement, the author accepts full responsibility for the content thereof and agrees to indemnify the Association and its agents and representatives for any and all damage arising from or related to any such content.

D. Qualifications for Candidacy and Election to the Board.

1. A person who has a criminal conviction that would, if the person was elected, either prevent the Association from purchasing the fidelity bond coverage required by California Civil Code Section 5806 or terminate the Association's existing fidelity bond coverage, is not eligible to become a candidate and is not eligible for election to the Board.
2. In order to be eligible to become a candidate, a person must, as of the date he or she submits his or her Notice of Desire to be a Candidate, be a Member of the Association. *
3. In order to be eligible for election to the Board, a candidate must, as of the date scheduled for close of the balloting period, be a Member of the Association. *

** This section does not restrict a developer from making a nomination of a nonmember candidate consistent with the voting power of the developer, as set forth in the regulations of the Department of Real Estate and the association's governing documents.*

E. Access to Association Media and Common Area Meeting Space. The Association shall ensure that the legal requirements set forth in California Civil Code Section 5105(a)(1) and (2) are met by implementing the following:

1. Access to Association Media.
 - a. Candidates and Members advocating a point of view may, but are not required to, submit a Director Election Statement which
 - (1) when printed, shall not exceed one side of a single 8½" x 11" page and
 - (2) shall be reasonably related to the election. All Director Election Statements must be received by the Association prior to the Nomination Deadline. The Association shall not edit or redact any content from the Director Election Statements.
 - b. Black-and-white copies of all Director Election Statements received prior to the Nomination Deadline will be included in the Ballot Packets that are mailed to all Members (see Section 1, Paragraph H of these Election Rules).
 - c. No other access to Association media, newsletters or Internet Web sites shall be provided by the Association to any candidate or Member advocating a point of view during a campaign for purposes that are reasonably related to the election.
 - d. Nothing in these Election Rules shall preclude the Association, during the balloting period, from communicating to the Members (via e-mail to all Members who have consented to receiving documents from the Association by e-mail, and in other ways):
 - (i) reminders of the ongoing election, (ii) encouragement to return ballots prior to the close of the balloting period, (iii) instructions for obtaining a replacement ballot and/or
 - (iv) information on how and where to return completed ballots.
2. Access to Common Area Meeting Space. Access to common area meeting space, if any exists, shall be provided during a campaign to all candidates and Members advocating a point of view for purposes reasonably related to the election, at no cost, subject to procedural rules as may be adopted by the Board to assure orderly use of such meeting space.

F. Election Notification. Not less than 30 days before the Association mails out the Ballot Packets (see Section 1, Paragraph H of these Election Rules), the Association shall provide "general notice", as that term is defined in California Civil Code Section 4045, of all of the following ("Election Notification"):

1. The physical address where ballots are to be returned by mail or handed to the Inspector of Election;
2. The date and time by which ballots are to be returned by mail or handed to the Inspector of Election (NOTE: The balloting period may be extended if sufficient ballots have not been received to establish a quorum - see Section 1, Paragraph G.4 and Section 1, Paragraph L.2 of these Election Rules);
3. The date, time, and location of the meeting at which the ballots are scheduled to be counted; and
4. The list of all candidates' names that will appear on the ballot.

The Election Notification shall be presented in a manner substantially consistent with the sample in attached EXHIBIT "C".

G. Content of Ballots. Each candidate's name shall be included on the official ballot form, listed in alphabetical order by last name. The ballots shall further state all of the following:

1. the number of Directors to be elected;
2. the date and time the initial balloting period will close;
3. the quorum requirement;
4. a statement that the balloting period may be extended if sufficient ballots have not been received to establish a quorum; and
5. the internet website address where these Election Rules are posted, together with the following phrase (in at least 12-point font): "The rules governing this election may be found here". (Alternatively, in lieu of posting these Election Rules on an internet website and including this phrase on the ballot itself, the Association may instead include a copy of these Election Rules in the Ballot Packets.)

H. Distribution of Ballot Packets. Not less than 30 days prior to the date scheduled for the close of the initial balloting period, the Inspector of Election shall mail, or cause to be mailed, (via first-class U.S. mail, postage prepaid) one ballot packet ("Ballot Packet") to each Member. (If the Inspector of Election does not actually perform the mailing, the mailing may be done by any person or entity designated by the Inspector of Election, including without limitation the Association's management company.)

Each Ballot Packet shall contain all of the following:

1. one official ballot;
2. black-and-white copies of all Director Election Statements received by the Association prior to the Nomination Deadline;
3. a statement specifying that the Association was not permitted to edit or redact any content from the Director Election Statements and thus the author of each Director Election Statement, and not the Association, is responsible for the content of his or her Director Election Statement;
4. two sealable envelopes, a smaller envelope ("Inner Envelope") and a larger envelope ("Outer Envelope"); and
5. instructions on how to vote using the two-envelope system ("Secret Ballot Voting Instructions").

The Inner Envelope shall either (1) be totally blank or (2) contain such wording as may be determined or approved by the Inspector of Election. There shall be no Member-identifying markings on the Inner Envelope. The Outer Envelope shall be pre-addressed to the Inspector of Election at the address specified by the Inspector of Election. The Outer Envelope shall contain either (1) blank lines in the upper left hand corner for the voter to sign his or her name, indicate his or her name, and indicate the address(es) or separate interest identifier(s) that entitles/entitle him or her to vote or (2) a pre-printed label that indicates the voter's name and the address(es) or separate interest identifier(s) that entitles/entitle him or her to vote and

contains at least one blank line for the voter to sign his or her name.

I. Rules Regarding Voting Using the Two-Envelope System.

1. The ballot shall not be required to be signed by the voter.
2. Once completed, the ballot must be inserted into the Inner Envelope and the Inner Envelope must be sealed. The Inner Envelope containing the completed ballot must then be inserted into the Outer Envelope and the Outer Envelope must be sealed.
3. In the upper left-hand corner of the Outer Envelope, the voter shall sign his or her name, indicate his or her name, and indicate the address(es) or separate interest identifier(s) that entitles/entitle him or her to vote. The Inspector of Election has the power to invalidate any ballot if the Outer Envelope does not comply with this Paragraph I.3.
4. Once a ballot is cast, it cannot be revoked. A ballot is deemed "cast" when it is received at the location(s) designated by the Inspector of Election.
5. The sealed Outer Envelopes shall remain in the custody of the Inspector of Election, or at a location designated by the Inspector of Election, at all times prior to completion of the tabulation process.
6. If the Inspector of Election designates the Association's mailing address as the location to which the Outer Envelopes containing the ballots must be mailed or delivered by hand, the Association shall (i) maintain a log of all Outer Envelopes received and (ii) put all Outer Envelopes in the order designated by the Inspector of Election.
7. The Outer Envelopes shall not be opened until the Inspector of Election instructs them to be opened.

J. Balloting Period. The initial balloting period shall begin on the date the ballots are distributed and shall close at such time(s) and on such date(s) established by the Board, which shall be not less than 30 days from the date the Ballot Packets are mailed to the Members. Ballots received after that time (or, if applicable, after the time established for any extension of the balloting period) will not be accepted or counted.

K. Inspector of Election.

1. Appointment and Term. Before the Association provides the "Election Notification" required by Section 1, Paragraph F of these Election Rules, the Board shall appoint one or three people to serve as the Inspector of Election. Each Inspector of Election shall serve at the pleasure of the Board until he or she resigns or is discharged by the Board.
2. Qualifications. The Inspector of Election shall be an "independent third party". For the purposes of this section, 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. Except as provided below, an independent third party may be a Member of the Association. 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 other than serving as the Inspector

of Election.

Notwithstanding the foregoing, in no case shall a person serve as an Inspector of Election if he or she is:

- a. a member of the Board or a candidate for the Board; or
- b. related to a member of the Board or a candidate for the Board.

3. Duties and Powers. The Inspector of Election shall have all powers of an inspector of election as set forth in California Corporations Code Sections 7517 and 7614 and other applicable provision of California law. Without limiting the generality of the foregoing, the Inspector of Election shall also have the power to do all of the following:

- a. specify one or more locations to which the Outer Envelopes containing the ballots must be mailed or delivered by hand;
- b. determine the number of memberships entitled to vote and the voting power of each;
- c. determine the authenticity, validity, and effect of proxies, if any, and ballots;
- d. receive ballots;
- e. hear and determine all challenges and questions in any way arising out of, or in connection with, the right to vote;
- f. hear and determine all challenges and questions in any way relating to the envelopes and the ballots;
- g. count and tabulate all votes;
- h. appoint and oversee additional people to open envelopes, count and tabulate votes, and undertake other tasks in connection with the election that the Inspector of Election deems necessary or appropriate, provided that each such person meets the same qualifications as the Inspector of Election as set forth in Section 1, Paragraph K.2 of these Election Rules;
- i. establish and apply such rules and procedures as the Inspector of Election deems appropriate to assure that the Members witnessing the opening of the envelopes and the counting and tabulation of the ballots do not interfere with the process, including establishing locations where such Members must, or cannot, be while the envelopes are being opened and the ballots are being counted and tabulated;
- j. determine when the polls close, consistent with the governing documents;
- k. determine the tabulated results of the election;
- l. conduct a random drawing or other method of chance as determined by the Inspector of Election to break a tie in the number of votes cast for election of candidates to the Board;
- m. prepare a written "Report of Inspector of Election" in such format as may be determined or agreed to by the Board; and
- n. perform any acts as may be proper to conduct the election with fairness to all Members in accordance with California Civil Code Section 5105, the California Corporations

Code, and all applicable rules of the Association regarding the conduct of the election that are not in conflict with California Civil Code Section 5105.

The Inspector of Election shall not invalidate a ballot solely because (i) the voter signed the ballot or otherwise marked the ballot in a manner that allows the voter to be identified, (ii) the voter marked the Inner Envelope in a manner that allows the voter to be identified, (iii) the voter marked the Inner Envelope in a manner that distinguishes it from the other Inner Envelopes, (iv) the Inner Envelope was not sealed, (v) the Outer Envelope was not sealed, or (vi) the voter inserted the ballot into the Outer Envelope without first inserting it into the Inner Envelope.

The 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 people serving as the Inspector of Election, the decision or act of a majority shall be effective in all respects as the decision or act of the Inspector of Election.

L. Opening of Envelopes / Counting and Tabulation of Ballots.

1. No Outer Envelope containing a ballot may be opened prior to the time at which the ballots are to be counted and tabulated.
2. Envelopes may only be opened and ballots tabulated if a sufficient number of Outer Envelopes exist to meet the quorum requirement for Member action under the governing documents. Although the Inspector of Election has the power to invalidate any ballot if the Outer Envelope does not comply with Paragraph I.3 of these Election Rules, any such Outer Envelope shall be counted toward meeting the quorum requirement for Member action under the governing documents. In the event that there are not enough Outer Envelopes to meet the quorum requirement, the Inspector of Election shall not proceed with opening the Outer Envelopes, shall notify the Board that a quorum has not been established, and may extend the balloting period. If the Inspector of Election extends the balloting period, the Inspector of Election shall instruct the Board how to communicate such extension to the Members. Notwithstanding the foregoing, the balloting period shall not be extended more than once, unless the Board has authorized a greater number of extensions. In order to apply to the current election, such authorization must have taken place prior to the distribution of the Candidate Solicitation Announcement.
3. The envelopes shall be opened and the ballots shall be counted and tabulated in public, at a properly noticed Membership meeting or properly noticed Board meeting which may, but need not, be scheduled to take place concurrently with the Annual Membership Meeting.
4. Only the Inspector of Election and individuals designated by the Inspector of Election shall open the envelopes and count and tabulate the ballots. No other person may touch any envelope, ballot or other material used in connection with the election, without the Inspector of Election's express consent. No person may copy and/or transmit (photographically, by video, digitally or otherwise) any portion of any envelope, ballot or other material used in connection with the election, without the Inspector of Election's express consent.

5. Members may witness the opening of the envelopes and the counting and tabulation of the ballots, so long as they observe all procedural rules established by the Inspector of Election pursuant to Section 1, Paragraph K.3 of these Election Rules.
6. Each Outer Envelope received by the Inspector of Election shall be treated as a Member present at a meeting for purposes of establishing quorum.
7. Write-in candidates are permitted.

M. Election Results.

1. The Inspector of Election shall determine election results in accordance with the Bylaws. At the Initial Election of Directors: The Class A Members shall elect two (2) Homeowner Directors for two-year terms, and the Class B Members shall designate three (3) Directors for three-year terms. At subsequent elections: Candidates receiving the greatest number of votes are deemed elected, unless it would result in not having at least two (2) Homeowner Directors (as defined in Section 2.5 of the Bylaws) on the Board. In that case, the two (2) candidates who receive the greatest number of votes and who are not related to the Declarant will fill the Homeowner Director positions. After the two (2) requisite Homeowner Director positions are filled, then the remaining candidates receiving the greatest number of votes will fill the remaining positions on the Board, if any.
2. The Inspector of Election shall promptly report the tabulated results of the election to the Board. The Board shall record the results in the minutes of the next Board meeting (which can be accomplished by attaching the Report of Inspector of Election as an exhibit to such minutes) and shall make the results available for review by Members.
3. Within 15 days following the meeting at which the ballots were counted and tabulated, the Board shall notify the Members (in accordance with California Civil Code Section 4045) of the tabulated results of the election.

N. Inspector of Election Report. Following the conclusion of the meeting at which the ballots are counted and tabulated, the Inspector of Election shall prepare and submit to the Board a written "Report of Inspector of Election" in such format as may be determined or agreed to by the Board.

O. Custody, Storage and Retention of Election Materials.

1. After the Inspector of Election reports the tabulated results of the election to the Board, the ballots, Outer Envelopes, Voter List (see Section 3, D.2), proxies (if any), and Candidate Registration List (if applicable; see Section 3, D.1) (collectively, the "Election Materials") shall be in the custody of the Inspector of Election or at a location designated by the Inspector of Election until the time allowed by California Civil Code Section 5145 for challenging the election has expired, at which time the Inspector of Election shall transfer custody of the Election Materials to the Association.
2. In the event of a recount or other challenge to the election process, the Inspector of Election shall, upon written request, make the ballots available for inspection and review by Members or their authorized representatives. Any recount shall be conducted in a manner

that preserves the confidentiality of the vote. The signed Outer Envelopes may be inspected but may not be copied.

3. After the transfer of custody of the Election Materials to the Association, the Election Materials shall be stored in a secure place for at least one year after the date of the meeting at which the ballots were counted and tabulated.

Section 2: Elections Regarding All Other Matters

This Section 2 shall apply to elections regarding (i) Assessments, (ii) removal of Directors, (iii) amendments to the governing documents, (iv) grants of exclusive use common area property pursuant to California Civil Code Section 4600 and (v) any other matter that may be the subject of a vote of Association Members.

A. Access to Association Media and Common Area Meeting Space. The Association shall ensure that the legal requirements set forth in California Civil Code Section 5105(a)(1) and (2) are met by implementing the following:

1. Access to Association Media.

- a. If the Association provides access to Association media, newsletters, or Internet Web sites during a campaign to any Member advocating a point of view for purposes that are reasonably related to the election, then all Members advocating a point of view for purposes that are reasonably related to the election shall have equal access to the forum provided. The Association shall not edit or redact any content from these communications; however, the Association may include a statement specifying that the Member, and not the Association, is responsible for the content of the communication, and that the Association was required by law to publish the communication verbatim, regardless of content.
- b. Nothing in these Election Rules shall preclude the Association, during the balloting period, from communicating to the Members (via e-mail to all Members who have consented to receiving documents from the Association by e-mail, and in other ways):
 - (i) reminders of the ongoing election,
 - (ii) encouragement to return ballots prior to the close of the balloting period,
 - (iii) instructions for obtaining a replacement ballot and/or
 - (iv) information on how and where to return completed ballots.

2. Access to Common Area Meeting Space. Access to common area meeting space, if any exists, shall be provided during a campaign to all Members advocating a point of view for purposes reasonably related to the election, at no cost, subject to procedural rules as may be adopted by the Board to assure orderly use of such meeting space.

B. Election Notification. Not less than 30 days before the Association mails out the Ballot Packets (see Section 2, Paragraph D of these Election Rules), the Association shall provide "general notice", as that term is defined in California Civil Code Section 4045, of all of the following:

1. The physical address where ballots are to be returned by mail or handed to the Inspector of Election;
2. The date and time by which ballots are to be returned by mail or handed to the Inspector of Election (NOTE: The balloting period may be extended if sufficient ballots have not been received to establish a quorum - see Section 2, Paragraph C.4 and Section 2, Paragraph H of these Election Rules); and
3. The date, time, and location of the meeting at which the ballots are scheduled to be counted.

C. Content of Ballots. Each ballot shall contain:

1. the identification of the matter that is the subject of a pending Member vote;
2. a statement that the initial balloting period will close at such time and on such date established by the Board, which shall be not less than 30 days from the date of the Ballot Packets are mailed to the Members;
3. a statement specifying that the Association was not permitted to edit or redact any content from the communications provided pursuant to Section 2, Paragraph A.1 of these Election Rules and thus the author of each such communication, and not the Association, is responsible for the content of his or her communication; and
4. a statement that the balloting period may be extended; and
5. the internet website address where these Election Rules are posted, together with the following phrase (in at least 12-point font): "The rules governing this election may be found here". (Alternatively, in lieu of posting these Election Rules on an internet website and including this phrase on the ballot itself, the Association may instead include a copy of these Election Rules in the Ballot Packets.)

D. Distribution of Ballot Packets. Not less than 30 days prior to the date established by the Board for the close of the initial balloting period, the Inspector of Election shall mail, or cause to be mailed (via first-class U.S. mail, postage prepaid), one Ballot Packet to each Member. (If the Inspector of Election does not actually perform the mailing, the mailing may be done by any person or entity designated by the Inspector of Election, including without limitation the Association's management company.) Each Ballot Packet shall contain all of the following:

1. one official ballot;
2. two sealable envelopes, a smaller envelope ("Inner Envelope") and a larger envelope ("Outer Envelope");
3. the Secret Ballot Voting Instructions; and
4. if the election is regarding an amendment of a governing document, the text of the proposed amendment.

The Inner Envelope shall either (1) be totally blank or (2) contain such wording as may be determined or approved by the Inspector of Election. There shall be no Member-identifying markings on the Inner Envelope. The Outer Envelope shall be pre-addressed to the Inspector of Election at the address specified by the Inspector of Election. The Outer Envelope shall contain either (1) blank lines in the upper left hand corner for the voter to sign his or her name, indicate his or her name, and indicate the address(es) or separate interest identifier(s) that entitles/entitle him or her to vote or (2) a pre-printed label that indicates the voter's name and the address(es) or separate interest identifier(s) that entitles/entitle him or her to vote and contains at least one blank line for the voter to sign his or her name.

E. Rules Regarding Voting Using the Two-Envelope System. See Section 1, Paragraph I of these Election Rules.

- F. **Balloting Period.** See Section 1, Paragraph J of these Election Rules.
- G. **Inspector of Election.** See Section 1, Paragraph K of these Election Rules.
- H. **Opening of Envelopes / Counting and Tabulation of Ballots.** See Section 1, Paragraph L of these Election Rules.
- I. **Election Results.** See Section 1, Paragraph M of these Election Rules.
- J. **Inspector of Election Report.** See Section 1, Paragraph N of these Election Rules.
- K. **Custody, Storage and Retention of Election Materials.** See Section 1, Paragraph O of these Election Rules.

Section 3: General Election / Voting Provisions

This Section 3 shall apply to all Member voting matters including, without limitation, elections regarding (i) Assessments, (ii) selection of Directors, (iii) removal of Directors, (iv) amendments to the governing documents and (v) grants of exclusive use common area property pursuant to California Civil Code Section 4600.

A. Qualifications for Voting. Only Members are entitled to voting rights. The Association shall not deny a ballot to a Member for any reason other than not being a Member at the time when ballots are distributed. The Association shall not deny a ballot to a person with general power of attorney for a Member. The ballot of a person with general power of attorney for a Member shall be counted if returned in a timely manner.

B. Voting Power of Memberships.

1. Director Elections. Cumulative voting shall be used in any vote to elect or remove Directors, as follows:
 - a. Class "A" Members shall be entitled to cast a number of votes equal to the number of Directors to be elected multiplied by the number of Units owned.
 - b. Class "B" Members shall be entitled to cast a number of votes equal to the number of Units owned multiplied by three (3) multiplied by the number of Directors to be elected.
 - c. Every Member may cumulate votes and give them to a single candidate or distribute them among as many candidates as the Member thinks fit, as long as the total number of votes cast does not exceed the total number allotted.

Notwithstanding the foregoing, at the Initial Election of Directors, the Class B Members have the right to designate three (3) Directors without the need for balloting.

2. All Other Matters. In all other matters, each Member may cast one vote for each Lot owned by such Member, except that Class "B" Members shall be entitled to cast a number of votes equal to the number of Units owned multiplied by three (3).

C. Proxies. The authenticity, validity and effect of proxies with respect to any Member voting matter shall be as set forth in the Association's Bylaws, as such Bylaws may be amended from time to time, and in California law (including without limitation California Corporations Code Section 7613 and California Civil Code Section 5130). The Association is not required to solicit proxies with respect to any Member voting matter.

D. "Candidate Registration List" and "Voter List". The Association shall maintain a "Candidate Registration List" and a "Voter List".

1. Candidate Registration List. The Candidate Registration List shall consist of the name of each person whose Notice of Desire to be a Candidate was received by the Association prior to the Nomination Deadline.
2. Voter List. The Voter List shall include the name, voting power, and either the physical address of the voter's Lot, the parcel number, or both. The mailing address for the ballot

shall be listed on the Voter List if it differs from the physical address of the voter's Lot or if only the parcel number is used.

The Association shall permit Members to verify the accuracy of their individual information on both lists at least 30 days before the ballots are distributed. The Association or the Member shall report any errors or omissions to either list to the Inspector of Election who shall make the corrections within two business days.

EXHIBIT "A"
REQUIRED INFORMATION FOR "CANDIDATE SOLICITATION ANNOUNCEMENT"

The Candidate Solicitation Announcement shall contain at least the following information:

1. Interested people must notify the Association, in writing, that they would like to be a candidate.
2. The time and date by which the Notice of Desire to be a Candidate and the optional Director Election Statement must be received by the Association (the "Nomination Deadline").
3. Except as provided in Section 1.D of the Election Rules, in order to be eligible to become a candidate, a person must, as of the date he or she submits his or her Notice of Desire to be a Candidate, be a Member of the Association.
4. Except as provided in Section 1.D of the Election Rules, in order to be eligible for election to the Board, a candidate must, as of the date scheduled for close of the balloting period, be a Member of the Association.
5. A person who has a criminal conviction that would, if the person was elected, either prevent the Association from purchasing the fidelity bond coverage required by California Civil Code Section 5806 or terminate the Association's existing fidelity bond coverage, is not eligible to become a candidate and is not eligible for election to the Board.
6. Candidates and Members advocating a point of view may, but are not required to, submit a "Director Election Statement" which (1) when printed, shall not exceed one side of a single 8½" x 11" page and (2) shall be reasonably related to the election. By submitting a Director Election Statement, the author accepts full responsibility for the content thereof and agrees to indemnify the Association and its agents and representatives for any and all damage arising from or related to any such content.
7. The "Notice of Desire to be a Candidate" and the Director Election Statement must either be mailed, hand delivered or e-mailed to the Association at the address(es) designated by the Board of Directors for that purpose; and must be received by the Association prior to the Nomination Deadline. It is each person's responsibility to confirm that his or her Notice of Desire to be a Candidate and Director Election Statement were received by the Association prior to the Nomination Deadline.

EXHIBIT "B"
GENERAL FORMAT FOR "CANDIDATE SOLICITATION ANNOUNCEMENT"

Apex at Lawrence Station Owners Association
Important Announcement #1 Regarding Upcoming Election of Directors

You are invited and encouraged to become a candidate for election to the Apex at Lawrence Station Owners Association's Board of Directors. There are ___ seats up for election this year, currently held by _____ and _____. The ___ candidates who receive the highest number of votes in the election will serve ___-year terms.

To become a candidate, you must notify the Association in writing, by completing and submitting the enclosed Notice of Desire to be a Candidate form. Your Notice of Desire to be a Candidate must be submitted either by e-mail to _____ or by mail or hand delivery to the following address:

Apex at Lawrence Station Owners Association
c/o The Helsing Group
4000 Executive Pkwy., Suite 100
San Ramon, CA 94583

Your Notice of Desire to be a Candidate and your optional Director Election Statement (described below) must be received by the Association prior to 5:00 p.m. on _____, 20__ (the "Nomination Deadline"). Each person who meets the qualifications set forth below and whose Notice of Desire to be a Candidate is received by the Association prior to the Nomination Deadline shall automatically be a candidate. There shall be no nominations from the floor at the Annual Meeting. It is each person's responsibility to confirm that his or her Notice of Desire to be a Candidate was received by the Association prior to the Nomination Deadline. This includes e-mailed Notices, as the Association is not responsible for lost or misdirected e-mails.

Candidate / Director Qualifications:

1. Except as provided in Section 1.D of the Election Rules, in order to be eligible to become a candidate, a person must, as of the date he or she submits his or her Notice of Desire to be a Candidate, be a Member of the Association.
2. Except as provided in Section 1.D of the Election Rules, in order to be eligible for election to the Board, a candidate must, as of the date scheduled for close of the balloting period, be a Member of the Association.
3. A person who has a criminal conviction that would, if the person was elected, either prevent the Association from purchasing the fidelity bond coverage required by California Civil Code Section 5806 or terminate the Association's existing fidelity bond coverage, is not eligible to become a candidate and is not eligible for election to the Board.

Director Election Statements:

Each candidate and each Member advocating a point of view may, but is not required to, submit (to the addresses listed above) a Director Election Statement that is reasonably related to the

election. Director Election Statements shall not, when printed, exceed one side of a single 8½" x 11" page. All Director Election Statements that are received prior to the Nomination Deadline will be reproduced as submitted (in black and white) and will be included with the ballot packet which will be mailed to all Association Members.

By submitting a Director Election Statement, you accept full responsibility for its content and agree to indemnify the Association and its agents and representatives for any and all damage arising from or related to any such content. It is each person's responsibility to confirm that his or her Director Election Statement was received by the Association.

EXHIBIT "C"
GENERAL FORMAT FOR "ELECTION NOTIFICATION"

Apex at Lawrence Station Owners Association
Important Announcement #2 Regarding Upcoming Election of Directors

Within the next 30-40 days, you will be receiving your Ballot Packet for the election of Directors to the Association's Board of Directors. Please note the following important information regarding that election:

- 1. The ballots are to be returned by mail or handed to the Inspector of Election at the following address:**

- 2. The balloting period is scheduled to end at [time] on [date]. That means that your ballot must be received by the Inspector of Election by that time/date.** (Note: The balloting period may be extended if sufficient ballots have not been received to establish a quorum.)
- 3. The meeting at which the ballots are scheduled to be counted will be held at [time] on [date], at [location].** (Note: If the balloting period is extended because sufficient ballots were not received to establish a quorum, the Board will provide notice of the date, time and location of the rescheduled meeting at which the ballots will be counted.)
- 4. The following candidates' names will appear on the ballot:**

