

15. ELECTIONS

15.1. Media Access

15.1.1. To the extent that the Association permits access to Association media by a candidate (or a member advocating a point of view) for purposes that are reasonably related to an election, equal access shall be provided to all other candidates (or members advocating a point of view) that are reasonably related to the election at issue. The Association will not edit or redact any content from a candidate or member communication related to an election, provided, that the candidate or member offering statement or commentary is responsible for the content and any published comment or comments made. The Association may include a disclaimer specifying that the candidate or member, and not the association, is solely responsible for the content of the communication.

15.1.2. All candidates (including those candidates who are not incumbents) and all members advocating a point of view (including those not endorsed by the Board) shall have access to the common area, at no cost, for purposes reasonably related to the election.

15.1.3. Use of the SVLA logo and/or a representation of the SVLA logo is not to be used in campaign materials or other materials without prior SVLA approval.

15.1.4. No SVLA election campaign signs may be posted prior to March 1.

15.2. Candidate Forum

15.2.1. In each election for the Board of Directors, the Association shall hold a forum at no charge ("Meet the Candidates") for the nominees at the Association clubhouse (or other common area meeting space) prior to the date that the election materials are sent to the membership. The forum will be for the purposes of allowing the members to meet and ask questions of all nominees and all nominees standing for election shall be invited to attend the forum. The Association shall ensure that each nominee is given an equal opportunity to participate in the forum.

15.2.2. Ordinarily the forum will be held in early April of each year. The Board shall select a moderator to conduct the forum. The moderator will provide each candidate with information concerning the format of the forum and sample questions to be answered, subject to reasonable review by the Board. Any current Board member who is a candidate for election shall abstain from participating in any Board review of the moderator's actions.

15.2.3. For ballot measures that are required to be submitted to the membership that are unrelated to

Board of Directors election, the Association shall have a town hall meeting (not a formal membership meeting, but an informal gathering of the members in which the members can express their points of view) prior to the time election materials are sent to the membership to amend the bylaws/CC&Rs or similar ballot measures requiring membership approval.

15.3. Qualification of Directors. In order to run for the Board of Directors, a member must meet the eligibility / qualifications identified below:

15.3.1. Be a current owner of record of real property within Spring Valley Lake.

15.3.2. If title to a Lot is held by a legal entity (e.g., Corporation, Limited Liability Company, Limited Partnership, etc.), the governing authority of that legal entity shall have the power to appoint a natural person to be a member for purposes of being a candidate for the Board.

15.3.3. The Association shall not disqualify a person from nomination if the person has not been provided the opportunity to engage in Internal Dispute Resolution ("IDR") with the Association, in accordance with the Association's established IDR Procedures.

15.4. Nomination of Candidates. The nomination process to nominate a candidate to run for the Board of Directors shall be as follows:

15.4.1. Notice of Nomination Form & Nomination Deadline: Not less than thirty (30) days before the nomination deadline, the Association shall provide via general delivery a "Nomination Form" that discloses the nomination procedures and nomination deadline. The deadline for submitting a nomination ("Nomination Deadline") shall not be less than thirty (30) days before ballots are distributed. The Nomination Form shall be delivered by individual notice pursuant to California Civil Code section 4040 if requested by a member.

15.4.2. Nominating procedure: In order to become a candidate for election to the Board, a member shall submit a letter of intent to the Board of Directors. Letters of intent must reach the Association office by or before the Nomination Deadline.

15.4.3. Candidates may be required by the Board of Directors to submit proof of their qualifications for serving as a Board member. The Board of Directors' decision as to whether the member's proof is adequate is binding. Failure of a candidate to provide satisfactory proof of qualification for Board membership shall result in the candidate being removed from nomination.

15.4.4. Candidate Educational Seminar: Within approximately seven (7) to ten (10) days after the Nomination Deadline, the Board will sponsor a seminar for announced candidates which includes information regarding board responsibilities, legal liabilities, conflicts

of interest, amount of time demanded by Board membership, etc. At the seminar, the Board will announce the deadline by which any candidate may withdraw their name from nomination prior to ballot materials being printed.

1545. Candidates may withdraw their names from nomination by giving written notice to the Association office at any time, however candidates are encouraged to do so by the deadline established by the Board under 15.4.4 above.

1546. Notice of Candidates. Not less than thirty (30) days prior to the distribution of ballots, the Board shall provide general notice of the following: (1) the list of all candidates that will appear on the ballot, (2) the date, time and address of where the ballots are to be returned by mail or handed to the Inspector, (3) the date, time and address of the meeting at which ballots will be counted, (4) a statement of each member's right to verify the accuracy of their individual information on both the Candidate List and the Voter List (as defined below), and (5) a statement of each member's right to request individual delivery of the foregoing items. The foregoing shall be delivered by individual notice pursuant to California Civil Code section 4040 to any member requesting individual notice.

1547. Written ballots shall provide a space for a write-in candidate's name to be inserted.

1548. Any write-in candidate elected to the Board shall also provide the Board of Directors proof of their qualifications for serving as a Board member. The Board of Directors' decision as to whether the member's proof is adequate is binding. Failure of a candidate to provide satisfactory proof of qualification for Board membership shall result in the candidate's seat being declared vacant by the Board of Directors.

15.5. Election Materials. Election materials will be prepared by the General Manager or contract vendor with Board approval and shall be reviewed by the Association's general counsel prior to printing.

1551. Candidate List & Voter List: The Association shall retain, as association election materials, both a candidate registration list ("Candidate List") and voter list ("Voter List"). The Voter List shall include the name, voting power, and the physical address of the member's Lot. The mailing address for the ballot shall be listed on the Voter List if different from the physical address of the member's Lot.

1552. Right to Verify Accuracy of Individual Information: Members shall be notified of their right to verify the accuracy of their individual information on the Candidate List and Voter List at least thirty (30) days before ballots are distributed. The Association or Member shall report any errors or omissions to the

Candidate List or Voter List to the Inspectors who shall make the corrections within two (2) business days.

1553. Custody of Election Materials: The sealed ballots, signed voter envelopes, Voter List, proxies, and Candidate List shall at all times be in the custody and control of the Inspector, or at such location designated by the Inspector, until after the final tabulation of votes, and until the time allowed by California Civil Code section 5145 for challenging the election has expired, after which time the custody and control of the ballots shall be transferred to the Association. If there is a recount or other challenge to the election process, the Inspector shall, upon written request, make the ballots available for inspection and review by the requesting Member.

15.6. Inspectors of Election. The Board of Directors shall select one (1) or three (3) inspector(s) of election ("Inspector"). The Inspector shall be any one of the following, as determined by the Board of Directors at an open Board meeting prior to the distribution of the ballot material: 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 Board member, candidate for the Board, or a person related to a Board member or candidate for the Board. 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 Inspector. The Inspector shall perform the following functions:

1561. The Inspector shall have the responsibilities described in California Civil Code section 5110, or any successor statute, and shall perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as practical;

1562. Deliver, or cause the delivery of, at least thirty (30) days before an election, to each member the following documents: (a) the ballot or ballots; and (b) a copy of these Election Rules. For purposes of this subsection, the delivery of these Election Rules may be accomplished by either of the following methods: (i) Posting the Election Rules to an internet website and including the corresponding internet website address on the ballot together with the phrase, in at least 12-point font: "The rules governing this election may be found here."; or (ii) individual delivery pursuant to California Civil Code section 4040; and

1563. Receive reports of errors or omissions contained on the Candidate List and Voter List (both defined elsewhere herein) and shall correct said errors within two (2) business days.

1564. If there are three (3) Inspectors, the decision or act of a majority shall be effective in all

respects as the decision or act of all Inspectors;

1565. The Inspector shall have the right to appoint and oversee such additional persons as the Inspector deems appropriate to verify signatures and to count and tabulate votes, provided that the persons are independent third parties.

15.7. Election by Secret Ballot Without Meeting.

Notwithstanding any other law or provision of the association's governing documents, Board of Directors elections, and other elections required to be submitted to the membership pursuant to California Civil Code section 5100 shall be conducted by a secret written ballot submitted to the members without a meeting.

157.1. Eligibility to Vote: A person is eligible to vote if, at the time ballots are distributed, (i) the person is a member of the Association, or (ii) the person has a general power of attorney for a member. Members may cast one (1) ballot per Lot owned by that member within the Association. If more than one (1) person is the record owner of a Lot, the vote for that Lot shall be decided by said parties between themselves. In the event one or more persons who share ownership of a particular Lot each cast separate ballots, the ballot received first by the Inspector shall be treated as the ballot representing that Lot.

157.2. Ballots and two pre-addressed envelopes with instructions on how to return ballots, must 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.

157.3. In order to preserve confidentiality, a voter may not be identified by name, address or lot, parcel or unit number on the ballot itself. The balloting materials shall include all of the following:

157.3.1. The ballot itself is not signed by the voter, but is placed into a ballot envelope, which is then sealed ("Ballot Envelope"). The Ballot Envelope is then inserted into the second pre-addressed envelope ("Address Envelope") that is then sealed. In the upper left-hand corner of the Address Envelope, the voter prints and signs his/her name, separate interest identifier (such as the address of the separate interest, member number, lot, parcel or unit number that entitles him/ her to vote).

157.3.2. The Address Envelope is addressed to the Inspector. The Address Envelope can be mailed by the member to the Inspector or delivered by hand to a location specified by the Inspector. Any member can request a receipt for delivery of their ballot.

157.3.3. Ballots distributed to each and every member shall identify the proposed action, provide an opportunity to specify approval or

disapproval and provide at least thirty (30) days upon which to return the ballot to the Inspector. The voting instructions contained within the ballot materials will show a date by which the ballots must be delivered to the location designated by the Inspector by either the United States Postal Service, overnight delivery service or hand delivery.

15.7.3.4. For elections to the Board of Directors, ballots must be returned to the Inspector at the close of business on the day prior to the annual meeting, at which point the polls will close and no further ballots will be accepted. Since the election process will be done by balloting and not at the annual meeting, no ballots will be cast at the annual meeting.

15.7.3.5. All votes shall be counted by the Inspector, starting six (6) hours prior to commencement of business at the annual meeting, in an open setting allowing members and candidates to witness the counting and tabulation of the votes. No person may interfere with, harass or otherwise communicate with the inspector(s) and/or Inspector Designee(s) while the count and tabulation is taking place (other than corporate counsel as deemed necessary by the inspector(s) of election). The inspector(s) of election can cause the removal of any observer who causes interference with or disrupts the counting or tabulation process. Once the inspector(s) of election have finished counting, the inspector(s) of election will thereafter announce the results of the election for Board of Directors during the annual meeting. No person, including any member of the Association or an employee of a management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated by the Inspector.

15.7.3.6. Written ballots may not be revoked once they are submitted to the Inspector.

15.7.3.7. Incumbent Directors will be listed first on the Notice of Meeting and ballot itself. Subsequent non-incumbent candidates' names will be listed next in alphabetical order.

15.8. The balloting process for amendments to governing documents shall be submitted to the membership in a similar manner as the election for the Board of Directors, except that:

158.1. The addressed envelope should include a statement above the signature line by the owner which would provide, to comply with the governing documents, the following words: *By signing below, my vote shall act as my written approval or, if applicable, my written disapproval of the pending ballot measure.*

158.2. The tabulation and counting of the votes by the Inspector shall be conducted six (6) hours before

commencement of business at a properly noticed open meeting of the Board of Directors. No person, including any member of the Association or an employee of a management company shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated by the Inspector.

15.9. Lost Ballots. If the owner loses his/her ballot, they may request another ballot, along with the appropriate envelopes from the Inspector, but they must sign a statement, under penalty of perjury that the original ballot was either lost, destroyed or never received. The Inspector shall maintain a record of each such request and, if it is determined that the owner voted twice, even by mistake, neither ballot would be counted.

15.10. Election results. The results of any election shall be promptly reported to the Board of Directors and shall be recorded in the minutes of the next Board meeting and shall be available for review by members of the Association. Within fifteen (15) days of the election, the Board shall publicize the results of the election in a communication directed to all members (this could be done in the form of a newsletter if it is mailed to the members within the 15 day timeline).

15.11. Use of Association Funds Relating to Elections. Association funds should 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. For purposes of this paragraph, the Association can use its funds to have corporate counsel (or other Board-designated individuals) prepare and review appropriate ballots as well as the copying, printing and mailing costs necessary to provide the ballots to the membership consistent with the Association's governing documents and California law. Association can also add background information and explanation of ballot material. The Association may use funds to distribute, for election of Board of Directors, a biographical description and photograph of the nominees within said election materials. The Board shall not advocate the election or defeat of any candidate that is on an Association election ballot for the Board of Directors.