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2006 CALIFORNIA RIDGE OWNERS' ASSOCIATION ELECTION RULES

Pursuant to Civil Code §§ 1363.03, 1363.04 and 1363.09, effective July 1, 2006 and including other superseding statutes, if any, California Ridge Owners' Association ("Association") hereby adopts the following Rules regarding Elections and Voting in order to comply with the election rules set forth in those sections of the Civil Code:

Article 1. Equal Access.

Section 1.1. All candidates and members advocating a point of view shall be provided equal access to any Association common area meeting space, as well as any Association media, bulletin board, newsletters, or Internet Web sites during a campaign for purposes related to an election. Equal access shall be provided to all candidates and members advocating a point of view, including those not endorsed by the Board of Directors ("Board"), for purposes that are reasonably related to the election. The Association shall not edit or redact any content from these communications. Candidates and/or members making such communications are solely responsible for content. The Association and Board shall be immune from any liability for the content of such communication(s).

Section 1.2. All candidates and members shall have equal access to the common area meeting space, during a campaign. There shall be no cost for this access and it shall be available to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election. The Association and Board shall be immune from any liability for the content of such communication(s).

Article 2. Qualifications to Serve on Board of Directors.

The affairs of the Association shall be managed by a Board of Directors comprised of three (3) Directors. The following qualifications must be met by candidates for the Board and certified by the Association Secretary:

- (a) Candidates must be Members of the Association in good standing.
- (b) Candidates may not be the subject of any disciplinary action by the Association at the time of nomination. Nor may candidates have any rights or privileges under the governing documents suspended or revoked at the time of nomination.
- (c) Candidates must be current in payment of all Assessments under the Association governing documents.

Article 3. Nomination of Candidates for Board Election.

Section 3.1. Any Member of the Association may nominate himself or herself for election to the Board by notifying the Board at least thirty (30) days prior to the election for which the Member intends to stand as a candidate.

Section 3.2. In order to comply with the secret ballot procedure provisions of Civil Code §1363.03, nominations may not be made from the floor at any election. Nominations may be made, as if they are from the floor, in advance of the secret ballots being prepared and sent to the membership.

Section 3.3. Nominations for election to the Board shall be made by a Nominating Committee appointed by the Board and consisting of a Chairperson, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board and announced at each annual meeting. Members of the nominating committee shall serve from the close of the meeting at which their appointments are announced until the close of the next annual meeting. The Nominating Committee shall have the discretion to make as many nominations as it may determine proper but not fewer the number of Board vacancies to be filled. All nominations shall be made from among members in accord with Article 2, above.

Article 4. Voting.

Section 4.1. There shall be one (1) class of voting membership.

Section 4.2. Each Owner of a Lot shall be a Member of the Association and those entitled to vote are Members of the Association. Members are entitled to one (1) vote per Lot owned. When more than one person owns an interest in a Lot, all such persons shall be Members and the vote for such Lot shall be cast as a majority of the co-owners shall determine. Any vote cast by a single Member shall be deemed the authorized vote for that Lot. If a majority of co-owners cannot agree as to how to cast a vote for a Lot, no vote shall be cast for that Lot. In no event shall more than one (1) vote be cast with respect to any Lot.

Section 4.3. For the purpose of determining which Members are entitled to vote, all Members of record on the Association's books as of the date on which the first written ballot is mailed are so entitled. The written ballots shall be mailed to the Member's address last appearing on the Association's books, or as supplied by the Member for purposes of receiving a written ballot.

Section 4.4. Membership in the Association shall be appurtenant to, and may not separate from, ownership of a Lot.

Section 4.5. Only Members of the Association in good standing are entitled to vote. Members may not be the subject of any disciplinary action by the Association in order to vote. Nor may Members have any rights or privileges under the governing documents suspended or revoked at the time of voting. Members must be current in payment of all Assessments under the Association governing documents in order to vote.

Section 4.6. Cumulative voting may be used in election of Board members. In cumulative voting, the number of Lots owned by a Member is multiplied by the number of open seats on the Board and shall constitute the number of votes which may be cast by the Member. A Member may allocate his or her votes among several candidates or choose to cast all of those votes for one candidate.

Section 4.7. In order to comply with the secret ballot procedure provisions of Civil Code §1363.03, voting by proxy shall not be permitted. A proxy may not serve as an official secret ballot as required by the Civil Code and are not valid as votes in an election under these Rules. Voting by use of the secret ballot system will allow all members to vote and obviate the proxy system.

Section 4.8. Notwithstanding any other succeeding law, an election within the Association regarding assessments, selection of members of the Association Board of Directors, amendments to the governing documents, or the grant of exclusive use of common area property pursuant to Civil Code Section 1363.07 shall be held by secret ballot in accordance with the procedures set forth in this section

Section 4.9. Voting by secret ballots distributed to membership by first class mail or personal delivery at least thirty (30) days prior to the deadline for voting or the meeting of membership to consider the matter to be voted upon. The Voting period for elections will be set in accord with the Annual Meeting and Agenda. Polls close at 5:00 p.m. unless otherwise indicated. A written ballot may not be revoked.

Article 5. Election Inspectors.

Section 5.1. The Association shall use three (3) independent third parties as inspectors of elections.

Section 5.2. Appointment of the inspectors shall be made by the Board.

Section 5.3. For purposes of serving as the Election Inspector, an independent third party may be a person employed or under contract to the Association.

Section 5.4. Indemnification of Inspectors and Liability Insurance. Election Inspectors shall be deemed to be agents of the Association for purposes of Corporation Code §7237 and shall be entitled to indemnification by the Association to the fullest extent provided by law. As provided in Corporations Code §7237(i), the Association shall have the power to purchase and maintain insurance on behalf of any Association agent against any liability asserted against or incurred by the agent in his or her capacity as an agent of the Association or arising out of the agent's status and duties as such, whether or not the Association would have the power to indemnify the agent against such liability under pertinent provisions of the Corporations Code.

Section 6. Prohibition of Use of Association Funds for Campaign Purposes.

Section 6.1. Association funds may not be used for campaign purposes in connection with any Board of Directors election.

Section 6.2. Association funds may not be used to advocate the election or defeat or any candidate that is on the ballot of election to the Board of Directors.

Section 6.3. Association funds may not be used to include a photograph or prominently feature the name of any candidate in a communication from the Association or Board except for the ballot or ballot materials.