

ALBERHILL RANCH COMMUNITY ASSOCIATION

ELECTION RULES

Date Adopted: May 17, 2006

Section 1. Application of Rules: These rules shall apply to any meeting of the membership or solicitation of membership approval by a ballot vote.

Section 2. Qualifications for Membership Voting: Pursuant to the Association's governing documents, the Association has the following voting classes:

Class A Members. Class A Members shall be all Owners except Declarant. Each Class A Member shall be entitled to one vote for each Lot owned. When more than one person owns a Lot required for Membership, each such person shall be a Member and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B Members. The Class B Member shall be Declarant. Declarant shall be entitled to three (3) votes for each Developer Lot; provided, that solely for the purpose of counting votes in order to determine when Class B Membership shall cease and convert to Class A Membership as provided in subparagraph (i) below, Declarant shall be entitled to five (5) votes for each Developer Lot. Class B Membership shall cease and be converted to Class A Membership on the happening of the earliest of the following events:

- (i) when the total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership;
- (ii) ten (10) years from the date of issuance of the most recent Final Subdivision Public Report with respect to any part of the Development (including the Annexation Property) (the "**Conversion Date**"); provided that if at the time of the Conversion Date less than seventy five percent (75%) of the projected Lots for the Development have been sold to Retail Purchasers, the Conversion Date shall be extended for consecutive two (2) year periods until at least seventy-five percent (75%) of the projected Lots for the Development have been sold to Retail Purchasers; or
- (iii) fifteen (15) years after the Initial Sale Date.

The Board may fix a record date in accordance with Corporations Code Section 7511 or as addressed in the Bylaws.

Following Notice and Hearing in compliance with Corporations Code section 7341, the Association's Board of Directors may terminate or suspend any Owner's right to vote as a penalty for violation of the Association's governing documents.

The authenticity, validity and effect of all ballots shall be determined by the Inspector(s) of Election on the night of any election. The polls for any vote of the membership shall be open from the date the Secret Ballot is mailed and shall be closed at the time that envelopes are opened, unless the Inspector determines another time for the polls to close. The polls for any vote of the membership shall close when the Inspector(s) of Election has determined that the ballots shall be counted.

Section 3. Qualifications of Candidacy on the Board: The affairs of the Association shall be managed by a Board of five (5) Directors each of whom must be a Member of the Association or representative of Declarant designated by Declarant.

Section 4. Nominations: The President of the Association shall appoint a committee to select qualified candidates for election to the Board at least ninety-five (95) days before the date of the election, and the Secretary shall forward to each Member, with the notice of meeting required by Section 5.2 of the Bylaws, a list of candidates nominated by office.

Members representing five percent (5%) of the membership may nominate candidates for directorship at any time before the fiftieth (50th) day preceding such election. On timely receipt of a petition signed by the required number of Members, the Secretary shall cause the names of the candidates named on it to be placed on the ballot along with those candidates named by the nominating committee. At the meeting to elect Directors, any Member present at the meeting, in person or by proxy, may place names in nomination.

Nominations will be solicited by candidacy statements being sent out by management on behalf of the association prior to the annual election and must be returned by the date specified in order to be sent with the balloting materials.

Section 5. Solicitation Materials: Every Candidate and Member shall have equal access to the Association mailings, newsletters, and website, if any access is provided, for the publication of view points reasonably related to any issue presented for membership vote.

Section 5.1. Content: The Association shall not edit or redact any content from these messages, but may include a statement specifying that the Candidate or Member, and not the Association, is responsible for the content of any published statement.

Section 5.2. Limitation on Publication Space Made Available: So long as each Candidate and/or Member is provided the same opportunities for publication, the Association may restrict the availability of any publication by limiting the printing space made available or the number of words that will be included from each Candidate or Member included in the publication. In the absence of more restrictive limitations adopted by the Board for any particular matter, each Candidate and/or Member should be

limited to no more than 200 words for any one publication. The Board may, in its sole discretion, present a candidacy questionnaire with questions for all interested Candidates and/or Members to complete. If such a questionnaire is provided, then the Association will only print the answers to such questions and may impose a limitation upon the number of words for the response to any question presented.

Section 6. Proxies: Every member entitled to cast a vote at a meeting of the members shall be entitled to vote either in person, or by proxy. The Association shall make available to owners upon written request, proxy materials for use at any meeting of members whereat the members are entitled to vote. The granting of a proxy shall not authorize the retrieval of any ballot previously cast. Ballots, once cast, are final and irretrievable.

Section 7. Availability of Meeting Space: Access to common area meeting space, shall be made equally available, at no cost, to all Candidates and/or Members desiring to use such space for any reason reasonably related to a membership vote. The Association may meet the requirements of this section by hosting a “Meet the Candidates Night”, or other such special meeting, so long as every Candidate and/or Member is provided with an equal opportunity to participate in the event.

Section 8. Selection of Inspector of Election: Prior to the presentation of any issue to the members for a membership vote, the Association shall appoint one (1) Inspector of Election. The Inspector appointed by the Board may be any person or entity other than: (1) a Director; (2) a Candidate; (3) a Director’s relations; or (4) a Candidate’s relations. The appointed Inspector of Election must be an independent third party and may include, but not be limited to, a Member of the Association or any person or entity employed by and receiving compensation from the Association.

Section 9. Meeting Conduct: Any inspection of ballots shall be done at an open meeting of the membership or the Board of Directors. Any Candidate or Member may observe the count, but shall stand at least five feet away from the Inspector(s). Candidates and/or Members may not harass, cajole or otherwise interfere with the Inspector(s) of Elections while the count is taking place. Members or persons not specifically authorized to do so may not touch any secret ballot or other election materials. All ballots will be made available for inspection by any Candidate or Member during regular business hours at the Association’s management office once the meeting is concluded. Any person violating this Section may be asked by the Inspector of Elections to leave the meeting to prevent further disruption.