

# THE COMMUNITY OF HARBOR BAY ISLE OWNERS' ASSOCIATION, INC.

## Voting and Election Rules

*These Voting and Election Rules were adopted by the board on April 30, 2014 and are intended to comply with the requirements of Civil Code section 5105. These Rules supersede any other voting rules of the Association and shall remain in effect until modified by the board.*

### Article 1 **VOTING PROCEDURES**

1.1 Election of Directors by Electors. Directors representing all Villages other than Village 1C are elected at the Community annual meeting by electors that are members of the appropriate Village project boards.

1.2 Voting by Secret Ballot. All voting by Community members shall be conducted by secret ballot using a "double envelope system" as required in Civil Code 5105 and modeled after the procedures used by the County to ensure confidentiality of absentee ballots. Ballots and two envelopes with instructions on how to return ballots shall be mailed by first class mail or delivered by the Association to all members, including the Class C commercial members, entitled to vote in the election. Ballots shall be distributed a minimum of 30 days prior to the deadline for voting. Ballots can be delivered to the Inspector(s) of election via the US Postal Service or any other independent delivery service such as UPS or FedEx, hand delivered to the Community office or presented in person at the annual meeting prior to the start of counting. No ballots will be accepted once counting has begun.

1.3 Confidentiality of Ballots Cast by Class C Commercial Members. Inspector(s) of election shall take all reasonable steps to protect the confidentiality of ballots cast by Class C commercial members. Such members cast ballots of varying voting weight, thus the ballots will necessarily indicate the voting weight of the entity or person casting them. The Inspector(s) shall announce the tabulation of the total commercial member ballots cast by rounding up to the next whole number, unless doing so would cause the

balloting to have a different result, in which case decimal tabulation is deemed unavoidable even though it could reveal the way in which a commercial member voted on the measure or election. In any re-count of ballots cast by commercial members in the election of the Village 1C representative or of ballots cast in a Community vote, the inspector(s) of elections shall conduct the re-count in a manner that, under the circumstances at the time, reasonably preserves the confidentiality of ballots cast by the Class C commercial members.

## Article 2 INSPECTOR(S) OF ELECTION

2.1 Appointment of the Inspector(s). Whenever there is a membership vote or election, the Community board shall appoint one or three inspector(s) of election.

2.2 Qualification of Inspector(s) of Election. The Inspector(s) may be any person or persons the Community board reasonably believes to be independent with respect to the matter or matters being voted on and may include the Community's manager, certified public accountant, legal counsel or Community members. A member of the board or a candidate for election to the board or a family member or a current member of the board or of a candidate for election of the board may not be appointed or serve as an inspector of election.

2.3 Indemnification of Inspector(s); Liability Insurance. The Inspector(s) of election shall be deemed to be agents of the Association for purposes of Corporation Code section 7237 and shall be entitled to indemnification to the fullest extent provided by law. As provided in Corporations Code section 7237(i), the Association shall have the power to purchase and maintain insurance on behalf of any agent of the Association 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 as such, whether or not the Association would have the power to indemnify the agent against such liability under the provisions of Corporations Code section 7237.

Article 3

CANDIDATES FOR THE BOARD

3.1 Qualification of Candidates. Candidates for the board shall be persons who have not been declared of unsound mind by a final order of the court or been convicted of a felony (Corporations Code section 722 (a)).

3.2 Nominations. The Inspector(s) of election will send out a "call for candidates" to all members in good standing in each Village which has a seat up for election (terms are for two years and are staggered so that three are up for election one year and four the next year). This will occur on the first business day in December. Responses are required to be returned by the end of January. The content and format of the response will be determined by the Inspectors of election. Ballots will be sent out to the electors the first week in February. Each Project board may also recruit qualified candidates to represent their Village on the Community board. Class C commercial members may submit names of candidates to the Community board to serve as the Village 1C representative, if made at least 40 days prior to the date of the Community annual meeting. Thereafter nomination for the Village 1C representative shall close.

Article 4

VOTING

4.1 Qualification for Voting and Voting Powers. For residential Villages, only members of the Village boards on the date of the Community annual meeting may vote for the seat that represents their Village. For Class C commercial members, each shall have five votes for each acre of property owned in a commercial lot or parcel within the community. Once a ballot is received by the Inspector(s) of election, it may not be rescinded.

4.2 Ties. In the event of a tie, the candidates who are tied can agree among themselves who the representative will be. If not, the Inspector(s) of election shall immediately send out another round of ballots explaining the results to the electors and hold a special meeting to count the ballots thirty day from when the ballots were sent out.

4.3 Proxies. As defined in Civil Code § 6130 a "Proxy" means a written authorization signed by a member or the authorized representative of the member that gives another member or members the power to vote on behalf of that member. In any election or vote of the electors conducted by the Community, only official ballots delivered to the inspector(s) of election per Article 1.2 of these rules shall be counted. **Proxies will not be counted as votes.**

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