
ELECTION PROCEDURES

These Election Rules for the Neighborhood Association shall govern all elections of the Neighborhood Association Board of Directors.

1. EQUAL ACCESS

1.1 If, in the course of an election campaign for a position on the Board, any candidate or member of the Neighborhood Association advocating a point of view is provided access to a form of media (including, but not limited to, newsletters and Internet web sites) that is owned or entirely run by and for the Neighborhood Association, for a purpose that is reasonably related to that election, equal access shall be provided to all candidates and members of the Neighborhood Association for the same purpose ("Equal Access").

1.2 Equal Access, as described above in Section 1.1, shall also apply to members of the Neighborhood Association and candidates not endorsed by the current Board, and shall be for the purpose of advocating a point of view reasonably related to the election.

1.3 The Neighborhood Association shall not edit or redact any content from the presentation of the points of view described in this Section, to the extent that such content does not violate any provision in the Neighborhood Declaration, Neighborhood Bylaws or Neighborhood Association Rules promulgated by the Neighborhood Board, or any applicable state, federal or local laws, but may include a statement specifying that the candidate or member of the Neighborhood Association, and not the Neighborhood Association, is responsible for the content of such point of view.

1.4 The Neighborhood Association shall give all candidates, including those candidates who are not incumbents, and those who are not endorsed by the Board, Equal Access to the common meeting area (i.e., time and space available for such candidate's use), if any, to present a point of view reasonably related to the upcoming election.

1.5 The Neighborhood Association shall not charge candidates a fee for access to the common meeting area for the purposes described in this Section.

2. QUALIFICATIONS AND PROCEDURES FOR NOMINATION OF CANDIDATES

2.1 Subject to California Civil Code § 5105, all candidates for the Board must meet the following qualifications:

2.1.1 The candidate must be an Owner or a nominee or designee of Declarant so long as Declarant owns any property within the Community. If title to a Residential Unit is held by a legal entity, such entity may appoint a natural person to serve or vote on such entity's behalf by delivering evidence of an appropriate written appointment to the Neighborhood Association.

2.1.2 The candidate must be current in the payment of all regular and special assessments. For purposes of these Election Rules, "current" means no regular or special assessment is past due by more than 30 days, or such period of time as is specifically defined in the Neighborhood Association's collection policy.

2.1.3 A nominated Member is not eligible to run if the Neighborhood Association is aware or becomes aware of a past criminal conviction that would, if the Member were elected, either prevent the Neighborhood Association from purchasing the fidelity bond coverage required by California Civil Code § 5806 or would result in the termination of the Neighborhood Association's existing fidelity bond coverage.

2.1.4 Any nominated Member must be at least 18 years old.

2.1.5 Joint Owners of a Residential Unit may not serve on the Board concurrently.

2.2 Nominations for election of the Board may be made by any qualified Member. Any Member may nominate themselves as a candidate.

2.3 The Neighborhood Association shall provide a general notice of the procedure and deadline for submitting a nomination for a candidate at least 30 days before any deadline for submitting a nomination.

2.4 After collecting all properly submitted nominations, the current Board shall: (a) confirm or cause to be confirmed each nominated person's eligibility under Section 2.1; (b) confirm or cause to be confirmed each individual's acceptance of nomination; (c) at least 30 days before the ballots are distributed, distribute or cause to be distributed to the Neighborhood Association's membership a general notice which contains a list of the confirmed candidates and all other information required under California Civil Code Section 5115(b); and (d) prepare or cause to be prepared a ballot for distribution to all Members of the Neighborhood Association for voting purposes, which ballot shall not be distributed prior the date which is 30 days from the date the general notice is distributed to the Members in accordance with Subsection (c) above. Each such ballot must satisfy the requirements set forth in Section 3 below.

3. SECRET BALLOT

3.1 Pursuant to California Civil Code Section 5100, elections and votes related to assessments, selection of Members of the Board of the Neighborhood Association, amendments to the governing documents adopted by the Neighborhood Association, and the grant of certain exclusive use easements shall be by secret ballot. The secret ballot must satisfy the requirements set forth in the California Civil Code and this Section.

3.2 At least 30 days after the general notice is provided in accordance with Section 2.4(c) and not less than 30 days prior to the voting deadline for the election, the Neighborhood Association shall send to each eligible Member of the Neighborhood Association a ballot and 2 pre-addressed envelopes along with a copy of these Election Rules. Delivery of these Election Rules may be accomplished by posting them on an internet website and including on the ballot the corresponding internet website address together with, in at least 12 point font, the phrase: "The rules governing this election may be found here."

3.3 Ballots may not identify the voter's name, address, or unit number.

3.4 The ballot itself may not be signed by the voter. It must be inserted into a sealed envelope. That sealed envelope must then be sealed within a second outer envelope. The outer envelope shall have, in the upper left-hand corner, space for the voter to print and sign his or her name, and print his or her address.

3.5 The outer envelope is pre-addressed to the inspector or inspectors of election, as defined below, who will be counting the votes. The envelope containing the ballot shall then be hand delivered or mailed via first class mail to a location specified by the inspector or inspectors of the election. The Member of the Neighborhood Association may request a receipt for delivery.

4. SELECTION OF INSPECTORS

4.1 The current Board of the Neighborhood Association shall select either 1 or 3 independent third parties to serve as the inspector or inspectors of the election ("Inspector(s)"). An Inspector may not be a person, business entity, or subdivision of a business entity who is currently employed or under contract to the Neighborhood Association for any compensable services other than serving as an inspector of elections. An Inspector may be a Member, but may not be a director or a candidate for director or be related to a director or to a candidate for director.

4.2 The Inspector shall have the responsibilities described in California Civil Code Section 5110 and shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as practical and in a manner that protects the interest of all Members of the Neighborhood Association.

4.3 If there are 3 Inspectors, the decision or act of a majority shall be effective in all respects as the decision or act of all Inspectors.

4.4 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.

5. VOTING

5.1 Ballots and all related materials required for voting under these procedures shall be sent to eligible Members of the Neighborhood Association at least 30 days before the date set for tabulation of votes.

5.2 Members may cast their ballots by any 1 of the following methods:

5.2.1 Members may mail their ballots to the location designated by the Inspector(s) provided that any ballot so mailed is postmarked no later than the date that is 3 business days before the date set for tabulation of votes; or

5.2.2 Members may deliver their ballots (or have their ballots delivered) to the location designated by the Inspector(s) no later than 2 business days before the date set for tabulation of votes; or

5.2.3 Members may deposit their ballots with the Inspector(s) at the meeting in which votes are to be tabulated prior to the time set by the Inspector(s) for closing of the polls.

5.3 Once a ballot is received by the Inspector(s), it is irrevocable.

5.4 No ballots shall be accepted, by mail or otherwise, after the date and time set by the Inspector(s) for closing of the polls. Any ballots received after the polls have closed shall be disqualified and will not be counted by the Inspector(s). A Member of the Neighborhood Association whose ballot has been disqualified will not be entitled to notification of such action and shall not have the right to cast another vote in the present election. Such disqualified ballots shall not be counted in any subsequent recount or challenge to the election procedures.

6. ELIGIBILITY AND VESTING OF VOTING RIGHTS

6.1 A Member of the Neighborhood Association is eligible to vote if: (a) the Member's voting rights have not been suspended pursuant to the Declaration, the Kensington at The Square Bylaws or the Neighborhood Association Rules; (b) the Member closed escrow on his or her Residential Unit on or before the "Record Date" for voting, being the date of the meeting notice and first ballot which are mailed to or solicited from Members of the Neighborhood Association for voting purposes; and (c) the Member is at least 18 years old.

6.2 Except where cumulative voting is authorized, Class A Members may cast only 1 vote per Residential Unit. If more than 1 party is record owner of a Residential Unit, the vote for that Residential Unit shall be cast as the owners among themselves determine or forfeited if the owners cannot agree, as provided in the Declaration.

6.3 Such voting rights attributed to any given Residential Unit shall vest as provided in the Declaration.

7. PROXIES

7.1 Any eligible Member of the Neighborhood Association may authorize another person to act by proxy, pursuant to the Bylaws of the Neighborhood Association.

7.2 Any instruction given in a proxy that directs the manner in which the proxy is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. The proxy holder shall cast the vote by secret ballot, in the manner prescribed in these procedures. The Inspector(s) shall determine the authenticity, validity and effect of proxies. Proxies shall be presumed valid if executed in accordance with California Corporations Code Section 7613 and the bylaws of the Neighborhood Association.

8. VOTING PROCEDURES AND CUSTODY

8.1 All votes shall be counted and tabulated by the Inspector(s) in public at a properly noticed open meeting of the Board of the Neighborhood Association and/or Members of the Neighborhood Association. Any candidate or Member of the Neighborhood Association may witness the counting and tabulation of the votes. No person, including, but not limited to, Members of the Neighborhood Association and employees of the management company, if one has been selected, shall open or otherwise review any ballot prior to the time the ballots are counted and tabulated by the Inspector.

8.2 The results of the election, as tabulated by the Inspector(s), shall be promptly reported to the current Board of the Neighborhood Association and shall be recorded in the minutes of the next meeting of the Board of the Neighborhood Association, and shall be made available for review of Members of the Neighborhood Association. The Board of the Neighborhood Association shall publicize the results of the election in a communication directed to all Members of the Neighborhood Association, within 15 days of the date the final tabulation of votes has occurred.

8.3 The sealed ballots, signed voter envelopes, voter list, proxies, and candidate registration list shall at all times be in the custody and control of the Inspector(s), or at such location designated by the Inspector(s), until after the

final tabulation of votes and expiration of the time allowed by California Corporations Code Section 7527 for challenging the election, after which time the custody and control of the ballots shall be turned over to the Neighborhood Association.

8.4 After the final tabulation of the votes has been completed by the Inspector(s) and custody and control of the ballots has been turned over to the Neighborhood Association, the Neighborhood Association shall store the ballots or cause them to be stored, in a secure location for not less than 1 year from the date of final tabulation of votes.

8.5 The Neighborhood Association shall retain, as Neighborhood Association election materials, both a candidate registration list and a voter list. The voter list shall include name, voting power, and either the physical address of the voter's separate interest, 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 separate interest or if only the parcel number is used. The Neighborhood 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 Neighborhood Association or Member shall report any errors or omissions to either list to the inspector or inspectors who shall make the corrections within two business days.