

# Paradise Cove Homeowners Association

C/O C&C Property Management

## ELECTION RULES

### REVISED AND EFFECTIVE AS OF: *August 5, 2025*

1. General. These Rules are intended to comply with Civil Code Sections 5100–5145 and shall apply to Member voting regarding: (1) election and removal of directors; (2) assessments legally requiring a vote; (3) amendments to the governing documents; (4) the granting of exclusive use of common area property; and (5) at the discretion of the Board of Directors, any other matter that may be the subject of a vote of Association Members. Such elections shall be held by secret ballot (printed secret ballot or online electronic secret ballot) in accordance with the procedures set forth in these Rules.

2. Ballots. As used in these Rules, “ballot” shall mean a secret ballot used in an election that is conducted in accordance with the procedures set forth in these Rules; a ballot may be a printed secret ballot or an online electronic secret ballot.

2.1 A “printed secret ballot” means a ballot conducted by a paper voting system that ensures the secrecy and integrity of a ballot pursuant to the requirements of Civil Code Sections 5100–5145. Only printed secret ballots shall be used for assessments legally requiring a vote.

2.2 An “online electronic secret ballot” means a ballot conducted by an electronic voting system that ensures the secrecy and integrity of a ballot pursuant to the requirement of Civil Code Sections 5100–5145. Online secret ballots shall not be used for assessments legally requiring a vote.

3. An election may be conducted entirely by printed secret ballot, or by a combination of printed secret ballot and online electronic secret ballot, pursuant to Civil Code Section 5105.

4. Frequency of Elections to the Board of Directors. Each of the five members of the Board of Directors is elected to a term of two years. The terms are staggered so that two members’ and three members’ terms expire in alternate years. Each term begins and ends at the quarterly Homeowner’s Association meeting held in February.

5. Equal Access to Association Media and Facilities

5.1 No candidate or Association member advocating a point of view for purposes related to an election covered by these Rules shall be allowed access to any form of Association media, including newsletters and/or common area bulletin board, after written ballots are distributed as specified in Section 10.1 until the conclusion of the election.

5.2 No Association funds shall be used for campaign purposes in connection with any election which is subject to these Rules.

6. Qualifications of Candidates

6.1 Candidates for the Board of Directors must meet qualifications as set forth in the Association Bylaws (so long as they are not in conflict with these Election Rules) and as set forth

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hereafter. Before any candidate for nomination or serving Director may be disqualified, the Member must be provided the opportunity to engage in internal dispute resolution as provided in the Davis-Stirling Act.

6.2 To the extent not in conflict with the Bylaws, a candidate must also:

6.2.1 Be a member of the Association at the time of the nomination.

6.2.2 Not be delinquent by more than sixty (60) days in the payment of any regular or special Assessment, except:

a. A Member may not be disqualified from nomination for nonpayment of fines, fines renamed as assessments, collection charges, late charges or costs levied by a third party. A Member may not be disqualified from nomination for nonpayment of fines, fines renamed as assessments, collection charges, late charges or costs levied by a third party.

b. A Member may not be disqualified from nomination because the Member has paid the regular or special assessment under protest.

c. A Member may not be disqualified from nomination if the Member has entered into a payment plan with the Association pursuant to Civil Code Section 5665 and is fulfilling the terms of the payment plan.

6.2.3 Not be a candidate at the same time as another person who holds a joint ownership interest in the same parcel as the candidate.

6.2.4 Not have a past criminal conviction that would either prevent the association from purchasing the fidelity bond coverage required by Civil Code Section 5806 should the person be elected or terminate the association's existing fidelity bond coverage as to that person should the person be elected.

## 7. Solicitation/Nomination Procedure for Board of Directors

7.1 The process to solicit candidates for the Board of Directors is set forth in the Association Bylaws and is set forth hereafter.

7.2 To the extent not in conflict with Association Bylaws:

7.2.1 Not later than 90 days before an election of Directors, the Inspector of Elections shall send by mail or electronic transmission to all members a solicitation to become a candidate for the Board of Directors;

7.2.2 Not later than 60 days before the pending election of Directors, interested persons must inform the Inspector of Elections in writing of their request to be a candidate for the Board of Directors (self-nomination). The receipt of self-nominations shall close 60 days prior to the conclusion of the election. Only nominations received in this way can be accepted, no nominations from the floor at any membership meetings prior to the election may be accepted.

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7.2.3 The Board may also recruit qualified candidates, however, if the nominee is interested in being a candidate, that individual must still notify the Inspector of Elections as described in Section 7.2.2 prior to the published deadline;

7.2.4 The Inspector of Elections shall review all persons so responding for compliance with the qualifications identified in Section 6;

7.2.5 All qualified persons who timely respond to the Association's solicitation shall be candidates for the Board of Directors at the next election.

7.3 Nominated candidates for the Board of Directors may provide a "candidate statement," which the Association shall enclose with the voting packet mailed to each Association member. The statement shall not exceed 250 words, and shall be delivered to the Association's managing agent in final form at least 45 days before the scheduled conclusion of the election.

7.4 The Inspector of Elections in conjunction with the Association shall review all persons so responding for compliance with the qualifications identified in Section 6.2 of these Rules. Within seven (7) business days of receiving a nomination, the Inspector of Elections in conjunction with the Association must provide: 1) a written or electronic communication acknowledging the nomination to the Member who submitted the nomination; and 2) a written or electronic communication to the nominee, indicating whether the nominee is or is not a qualified candidate. If the nominee is not a qualified candidate, the Inspector of Elections in conjunction with the Association must communicate the basis for the disqualification and the procedure by which the nominee may appeal the disqualification (which procedure shall be compliant with Civil Code section 5900).

7.5 All qualified persons who timely respond to the Association's solicitation shall be candidates for the Board of Directors at the next election.

7.6 For any election of Directors and any recall election, the Inspector of Elections shall provide general notice of the following at least thirty (30) days before the ballots are distributed.

7.6.1 The date and time by which, and the physical address where printed secret ballots are to be returned by mail or handed to the Inspector of Elections.

7.6.2 For an election where voting by online electronic secret ballot is permitted, the date and time by which online electronic secret ballots are to be transmitted to the Internet-based voting system and preliminary instructions on how to vote by online electronic secret ballot upon commencement of the voting period.

7.6.3 The date, time and location of the meeting at which a quorum will be determined and at which ballots will be counted.

7.6.4 The list of all candidates' names that will appear on the ballot.

7.6.5 A statement that the Board of Directors may call a subsequent meeting at least twenty (20) days after a scheduled election if the quorum required by the governing documents is not reached, at which time the quorum of the membership to elect Directors will be twenty percent (20%) of the Association's Members voting in person, by proxy, or by ballot.

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## 8. Inspector of Elections

8.1 The Board shall appoint an independent third party as the Inspector of Elections during the quarterly Homeowner's Association meeting held in November. No person, business entity, or subdivision of a business entity that is employed by or under contract to the Association for any compensable services other than serving as an Inspector of Elections may serve as the Inspector of Elections

8.2 The Association shall provide the Inspector of Elections with a current list of Members, their mailing addresses, their valid e-mail address, and their preferred ballot for elections allowing online electronic secret ballots.as soon as the Inspector of Elections is appointed.

8.3 The Inspector of Elections may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector of Elections deems appropriate, provided that the persons are independent third parties.

8.4 The Inspector of Elections shall perform all functions required by Civil Code Section 5110(c), including:

8.4.1 Determine the number of memberships entitled to vote and the voting power of each;

8.4.2 Determine the authenticity, validity and effect of proxies, if any;

8.4.3 Receive and be the custodian of ballots, and direct the location to which ballots shall be sent until tabulated by the Inspector of Elections;

8.4.4 Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;

8.4.5 Count and tabulate all votes;

8.4.6 Determine when the election shall close, with the discretion to extend the deadline for voting as necessary;

8.4.7 Determine the results of the election; and

8.4.8 Report the results of the election to the Board of Directors.

8.5 Eligible Inspectors of Elections may include:

8.5.1 Any Association members who are not members of or candidates for the Board of Directors nor relatives of members or candidates for the Board of Directors; and

8.5.2 Any individuals with no relationship to the Association.

8.6 The Association shall indemnify the Inspector of Elections in connection with expenses and services performed in good faith by the Inspector of Elections related to the election.

8.7 The Inspector of Elections shall have the sole authority to determine whether to issue a replacement ballot to a member if requested by the member.

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## 9. Voting Rights

9.1 Each Association membership shall be entitled to a single vote with regard to each matter that is the subject of a pending election. If the joint owners of a separate interest are unable to agree among themselves as to how their vote is to be cast, they shall lose their right to vote on the matter in question.

9.2 With regard to an election of Directors, because the Association's Bylaws permit cumulative voting, each membership shall be entitled to cast a number of votes equal to the number of Directors to be elected multiplied by the number of Lots owned by that member, and each member may cumulate their votes.

9.3 Each member's qualifications for voting shall be as specified in the Bylaws.

9.4 Voter List. The Association shall maintain a current "Voter List," which shall include for each separate interest: the Member's name and, unless the Member has "opted out" of the public distribution of their address, the physical address of the Member's separate interest, and the mailing address of the Member if it is different than the physical address of the separate interest.

9.5 In addition to their mailing addresses, members may provide their valid email address and opt in or opt out to receive periodic Association mailings by email. This selection to receive periodic mailings must be in writing.

9.5.1 Members who have provided a valid e-mail address may also specify their preferred ballot for elections allowing online electronic secret ballots.

9.5.2 The option and procedures to either opt out of or opt into voting by online electronic secret ballot, as applicable, will be provided in the annual mailing prepared pursuant to Civil Code section 5310.

9.5.3 A Member may change their preferred method of voting from online electronic secret ballot to printed secret ballot, or printed secret ballot to online electronic secret ballot, no later than ninety (90) days before an election.

9.5.4 A request to opt out of or opt into voting by online electronic secret ballot shall be in writing.

9.6 The Association shall permit Members to verify the accuracy of their individual information on the Voter List at least 90 days before the ballots are distributed. The Member shall report any errors to the Association's managing agent who shall make the correction within two business days and advise the Inspector of Elections. The Voter List shall be retained as association election materials as required by law.

9.7 The Association shall permit Members to verify or correct, by providing documentary evidence (including, but not limited to, a grant deed or general power of attorney) satisfactory to the Inspector of Elections, the accuracy of their individual information on the candidate registration list (as applicable).

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9.8 The voting period will run from the date on which ballots are distributed (as specified in Section 10.1, below) until the conclusion of the election.

## 10. Voting Procedures

10.1 Notwithstanding the secret balloting requirement of Section 1, when, as of the close of nominations for Directors on the Board, the number of Director nominees is not more than the number of vacancies to be elected, as determined by the Inspector of Elections, the Director nominees shall be declared elected by the Board of Directors at an open meeting of the Board of Directors (the agenda for which must reflect the name of each qualified candidate that will be seated by acclamation if the item is approved), after which written notice of the election results shall be given to the Members as described in Section 12.8.

10.2 Voting Period. The voting period will run from the date on which ballots are distributed (as specified in Section 10.5.1) until the conclusion of the election.

10.3 Voting by the Members shall be conducted by secret ballot for a vote on any of the matters specified in Civil Code Section 5100(a): (1) election and removal of directors; (2) assessments legally requiring a vote; (3) amendments to the governing documents; (4) the granting of exclusive use of common area property; and (5) at the discretion of the Board of Directors, any other matter that may be the subject of a vote of Association Members.

10.4 Cumulative voting is allowed, whereby a Member may cast more than one vote for a particular candidate for election to the Board of Directors, as long as the total number of votes is not more than the number of open positions.

## 10.5 Printed Secret Ballots.

10.5.1 At least thirty (30) days before the election, the Inspector of Elections shall distribute one voting packet containing one printed secret ballot by first class U.S. mail, to:

- a. Each Association member for assessments legally requiring a vote.
- b. Each Association member who has not opted to receive online electronic secret ballots.
- c. Each Association member who has opted in to receive online electronic secret ballots but has no e-mail address, and to each Association member with an email address that is returning automated undeliverable replies.

10.5.2 Printed secret ballots shall use the double-envelope system described in Civil Code Section 5115(a). Ballots and two envelopes with instructions on how to return the ballots shall be mailed by first class mail or delivered to all Members in such vote or election.

10.5.3 The double-envelope system consists of two preaddressed sealable envelopes. The smaller (inner) envelope shall have no visible markings. The larger (outer) envelope shall be pre-addressed to the Inspector of Elections using the address details supplied by the Inspector of Elections. The upper left corner of the larger envelope shall contain the

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owner's name and lot number and provide a place for the date and the owner's signature. In addition, the larger envelope shall include the following statement: "This envelope may be considered as a proxy to establish a quorum for the membership meeting held to conclude the election."

10.5.4 The printed secret ballots will include instructions on how to use the two-envelope system, and provide notice of the date of the membership meeting during which the votes will be counted.

10.5.5 Once a printed secret ballot has been returned to the Inspector of Elections, it may not be revoked.

10.5.6 Text of Amendment. If the Association conducts an election to approve an amendment of governing documents by printed secret ballot, the Association shall deliver a written copy of the text of the proposed amendment to the Member with the ballot.

## 10.6 Online Electronic Secret Ballots.

10.6.1 For Members who opted to use online electronic secret ballots, the Inspector of Elections shall confirm, at least 32 days before the voting deadline, the validity of the Member's email address and that the Member's electronic device can communicate successfully with the Internet-based voting system.

10.6.2 Members failing the confirmation attempt in Section 10.6.1 will be provided printed secret ballots as described in Section 10.5.

10.6.3 The Inspector of Elections shall be required to send online electronic secret ballots only to those Members who have opted into voting by online electronic secret ballot and whose email address and ability to communicate successfully with the Internet-based voting system has been confirmed as described in Section 10.6.1.

10.6.4 The Inspector of Elections shall deliver, at least thirty (30) days before the election, individual notice of the electronic secret ballot to each Member who will vote via electronic secret ballot. The notice may be delivered by electronic submission to an address, location, or system designated by the Member and shall contain instructions on both on the following.

- a. How to obtain access to the Internet-based voting system; and
- b. How to vote by online electronic secret ballot.

10.6.5 Each Member voting by online electronic secret ballot shall be provided with all of the following:

- a. A method to authenticate the Member's identity to the Internet-based voting system.
- b. A method to transmit an online electronic secret ballot to the Internet-based voting system that ensures the secrecy and integrity of each ballot.

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10.6.6 A vote made by online electronic secret ballot is effective when it is transmitted electronically to an address, location, or system designated by an Inspector of Elections.

10.6.7 A vote made by online electronic secret ballot shall not be revoked.

10.6.8 Any Internet-based voting system that is used shall have the ability to accomplish all of the following:

- a. Authenticate the Member's identity.
- b. Authenticate the validity of each online electronic secret ballot to ensure that the electronic secret ballot is not altered in transit.
- c. Transmit a receipt from the Internet-based voting system to each Member who casts an online electronic secret ballot.
- d. Separate permanently any authenticating or identifying information from the online electronic secret ballot, rendering it impossible to connect an online election ballot to a specific Member.
- e. Store and keep online electronic secret ballots accessible to elections officials or their authorized representatives for recount, inspection, and review.

10.6.9 Text of Amendment. If the Association conducts an election to approve an amendment of governing documents by online electronic secret ballot, the Association may email the text of the proposed amendment to those Members who vote by online electronic secret ballot. The Association shall also deliver a written copy of the text of the proposed amendment to those Members upon request and without charge. If a Member votes by written secret ballot, the Association shall deliver a written copy of the text of the proposed amendment to the Member with the ballot.

10.7 Ballot Content. Each ballot shall contain the following:

10.7.1 In an election of Directors, each candidate's name listed alphabetically;

10.7.2 The identification of any other matter that is the subject of a pending member vote;

10.7.3 In any election conducted in whole or part by online electronic secret ballot, the electronic secret ballot and a printed secret ballot shall contain the same list of items which are the subject of the vote.

10.7.4 A statement of the required quorum;

10.7.5 A statement that printed secret ballots to be returned by mail must be received no later than 12:00 Noon. on the day of the scheduled conclusion of the election or the day of the membership meeting; and

10.7.6 A statement indicating where printed secret ballots may be returned personally or by courier in lieu of being returned by mail. Such delivery will be at the expense of the Member.

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## 10.8 Receipt of Ballots

10.8.1 Ballots will not be accepted at the meeting.

10.8.2 The Inspector of Elections shall maintain a log of all ballot envelopes received, noting whether the envelopes were signed or unsigned.

10.8.3 Once a printed secret ballot has been received by the Inspector of Elections, it may not be revoked. A printed secret ballot shall be considered received when the voting packet envelope (the outer envelope containing the inner envelope containing the ballot) has been received by the Inspector of Elections.

10.8.4 A vote made by online electronic secret ballot is effective when it is transmitted electronically to an address, location, or system designated by an Inspector of Elections.

10.8.5 Each printed secret ballot and each online electronic secret ballot received by the Inspector of Elections shall be treated as a Member present at a meeting for purposes of establishing a quorum.

10.8.6 For purposes of determining a quorum, a member voting electronically pursuant to this subdivision shall be counted as a member in attendance at the meeting. Once the quorum is established, a substantive vote of the members shall not be taken on any issue other than the issues specifically identified in the electronic vote.

10.8.7 No person, including a member of the Association or an employee of the management company, shall not open or otherwise review any tally sheet of votes cast by online electronic secret ballots before the time and place at which the ballots are counted and tabulated by the Inspector of Elections at a properly noticed, open membership meeting or meeting of the Board of Directors..

10.8.8 All voting packet envelopes containing ballots shall remain sealed and in the possession of the Inspector of Elections (at a location designated by the Inspector of Elections) until opened and tabulated by the Inspector of Elections at a properly noticed, open membership meeting or meeting of the Board of Directors.

## 10.9 Proxies

10.9.1 The Association shall have the option, but shall not be obligated, to distribute proxies for any election covered by these Rules. If the Association distributes a proxy form, any instruction given in that proxy directing the manner in which the proxy holder is to 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 may then cast the member's vote by secret ballot which will be provided by the Inspector of Elections upon presentation of the proxy.

10.9.2 If a member attempts to use a proxy, any instruction given in that proxy directing the manner in which the proxy holder is to vote should 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 may then cast the member's vote by secret ballot which will be provided by the Inspector of Elections upon presentation of the proxy.

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## 11. Quorum

11.1 The number of ballots received for the originally scheduled election must constitute a quorum, which is one third of Association Members. Members may return a blank ballot intentionally if they wish the ballot to count toward a quorum but not to cast a specific vote.

11.2 The Board of Directors may call a subsequent meeting at least twenty (20) days after a scheduled election if the quorum required by the governing documents is not reached, at which time the quorum of the membership to elect Directors will be twenty percent (20%) of the Association's Members voting in person, by proxy, or by ballot.

## 12. Tabulation of Ballots

12.1 The voting packets shall be opened by the Inspector of Elections after the close of the election as determined by the Inspector. The outer envelopes and each ballot shall be separately retained by the Inspector of Elections. The Inspector of Elections, or their designees, may verify the Member's information and signature on the outer envelope prior to the meeting at which ballots are tabulated.

12.2 The voting packet envelopes shall be opened and the ballots tabulated by the Inspector of Elections in public at a properly noticed open meeting of the members or of the Board of Directors.

12.3 A person, including a Member of the Association or an employee of the management company, shall not open or otherwise review any tally sheet of votes cast by online electronic secret ballots before the time and place at which the ballots are counted and tabulated.

12.4 Any candidate or other member of the Association may witness the counting and tabulation of the votes. However, no Association member or candidate shall communicate with the Inspectors during the tabulation process, and all members and candidates must remain at least five feet away from the counting area. The Inspector of Elections may cause the removal of any observer who interferes with or disrupts the counting or tabulation process.

12.5 While the ballots are counted at a membership meeting, the Inspector of Elections may announce to the membership those members who neglected to sign the outer envelope and provide an opportunity for them to sign the outer envelope prior to tabulation of the ballots.

12.6 Each ballot received by the Inspector of Elections shall be treated as a member present at a meeting for purposes of establishing a quorum.

12.7 In the event there is a tie between candidates for the last open position on the Board, a runoff election shall be conducted via secret written ballot in accordance with these Rules. Only candidates who tied for the position will be in the runoff. An incumbent Director whose seat was tied will continue in office until a runoff election determines the winner for the position.

12.8 The results of the election shall be promptly reported to the Board of Directors, shall be recorded in the minutes of the current meeting of the Board of Directors, and shall be available for review by the members of the Association.

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## 13. Post-Election Procedures

13.1 The Board of Directors shall publicize the results of the election no later than the next scheduled meeting of the Association by a communication directed to all members.

13.2 Following general notice of the tabulated results of the election being provided to the Members, the Inspector of Elections shall designate that custody of all ballots, signed outer voter envelopes, voter list, proxies (if applicable), candidate registration list and tally sheet of votes cast by online electronic secret ballot (if applicable) (collectively, "Association election materials") be transferred to the custodian of records for the Association. After such designation has been made, the Inspector of Elections shall immediately transfer the Association election materials to the Association and the Association shall maintain the Association election materials for such time period as required by Civil Code section 5210.

13.3 In the event of a re-count or challenge, the Inspector of Elections shall, upon written request, make the Association election materials available for inspection by the challenging Association Member or their authorized representative. Outer voter envelopes may be inspected but may not be copied. The Association shall be entitled to redact the address of any Member on the voter list who has opted out of the membership list and the voter list. Any re-count shall be conducted in a manner designed to preserve the confidentiality of the vote.

13.4 The Association shall retain the "association election materials" for the current fiscal year and prior two (2) fiscal years, after which they shall be destroyed in accordance with its records retention policies.

## 14. Amendments

14.1 These Election Rules may be amended from time to time. Amendments may not be made less than ninety (90) days prior to an election unless there is a requirement to conform to nondiscretionary changes in the law.