

**RULES AND PROCEDURES FOR ELECTIONS  
CORONADO SHORES CONDOMINIUM ASSOCIATION #4**

Enclosures: Exhibit A – Nominations for Las Flores Tower  
Exhibit B – Envelope #1 (Inner Envelope)  
Exhibit C – Envelope #2 – Options 1 and 2 (Outer Envelope)  
Exhibit D – Envelope #3 – Proxy, if needed (on Outer Envelope)  
Exhibit E – Facsimile Cover Sheet

**INTRODUCTION**

The California Assembly passed a revised election procedure law, effective July 1, 2006. Under the new law Associations must conduct a number of homeowner votes by means of a statutorily-defined “secret ballot.” The provisions of the law are found in Civil Code Section 1363.03. Essentially, the statute provides that homeowner votes must be conducted by means of a double-envelope balloting system, which ballots may be cast in person or by mail. The votes in question are most often for the election (or removal) of directors, however, the statute also applies to other types of homeowner votes such as: amendments of the governing documents, votes to allow homeowners to use certain portions of the common area for exclusive use, and votes on certain types of assessments. While many questions are raised by the new law, it is clear that Associations must adopt election rules and procedures to implement the new statutory requirements. These rules represent our Association’s efforts to comply with the law.

Unfortunately, the new law does not specifically answer critical questions such as:

- Must there be a quorum of members before an election can take place?
- Can the ballots cast by members count for quorum, or does quorum require personal attendance and/or proxies?

Where the new law does not cover certain rules, the Association’s governing documents will prevail.

1. **GENERAL:** These rules, policies and procedures shall apply to all items legally requiring a vote of the membership required by Civil Code §1363.03, and any amendments thereto, including but not limited to, elections of directors, all votes to remove one or more directors, all votes on assessments that require owner approval, amendments of the governing documents, grants of exclusive use of common areas, and such other votes the Board determines should be conducted by secret ballot.

2. **APPLICABLE LAWS:** All elections and ballots-by-mail shall be conducted in accordance

with applicable laws and these rules.

3. **INSPECTORS OF ELECTION:** Approximately 120 days prior to the annual meeting of members, or approximately 60 days prior to the anticipated deadline for mailing ballots for amendments to the Association's governing documents, votes on assessments, and votes to grant exclusive use of common areas to one or more members, the Board of Directors will appoint three Inspectors of Election to oversee and certify the results of the voting. Inspectors of Election may not be Board members or the candidates for election or related to or reside with Board members or the candidates for election. A maximum of one of the three Inspectors of Election may be an employee of the Association or Association's management company or may be the Association's certified public accountant or its attorney. At least one Inspector of Election shall be a member of the association, although all three Inspectors of Election may be members of the Association if so appointed by the Board of Directors. If not members of the Association, Inspectors of Election may be compensated for their services. Members of the Association and employees shall not be compensated for serving as Inspectors of Election.

4. **DUTIES OF INSPECTORS OF ELECTION:** The Inspectors of Election shall be responsible to:

- a. Determine the number of members entitled to vote and the voting power of each;
- b. Determine the authenticity, validity and effect of proxies, if any;
- c. Receive the ballots and determine the location to which all ballots are to be returned;
- d. Hear and determine all challenges and questions to the balloting or election;
- e. Count and tabulate all ballots;
- f. Determine when the polls shall close;
- g. Determine the results of the election or balloting;
- h. Report the results of the election or balloting to the Board of Directors within 10 days of the date the polls shall close;
- i. Perform such other acts as may be necessary to conduct the election or balloting in fairness to all members and in accordance with all rules of the Association.

5. **CANDIDATE QUALIFICATION:** The Association's bylaws specify that the affairs of the Association shall be managed and its duties and obligations performed by a Board of five (5) Directors, each of whom shall be Members of the Association and not a convicted felon. Where a Member is a corporation, partnership, trust or some other entity, which is not a natural person, any officer, director, principal or duly authorized agent of such Member shall be qualified to serve as a Director.

6. **CANDIDATE COMMUNICATION:** The Association will publish a request for candidates in the Association's newsletter, posted notice, e-mail and/or first class mail approximately 150 days prior to the date of the annual meeting.

7. **NOMINATIONS:** Any Member may nominate a qualified member or him/herself for a position on the Board. The nomination must be in writing to the Inspectors of Election, Manager

or Nominating Committee and received by the date designated each year by the Board of Directors (approximately 90 days prior to the Annual Meeting), as indicated on the Nomination Form (Exhibit A). Where the nomination is being submitted by the nominee, the Candidate's Qualification Form should be attached thereto.

8. **CANDIDATE'S QUALIFICATION FORM:** Each member desiring to run for a position on the Board of Directors must complete a Candidate's Qualification Form and return the completed form to the Inspectors of Election, Manager or Nominating Committee no later than the date as specified each year by the Board of Directors for Nomination submissions as covered in paragraph #7 (approximately 90 days prior to the Annual Meeting). Members failing to submit a Candidate's Qualification Form by the deadline date will not have his/her name placed on the ballot nor have any candidate materials mailed out with the ballots.

The Candidate's Qualification Form must be signed and include a statement from the nominee that he/she is qualified to serve as required by the bylaws, and if elected will serve for the term elected. The candidate may include any other relevant information he/she wishes to present as to his/her qualifications, experience and reasons for running for a Board position. The Form must be submitted in a completed format so that it can be copied onto, at a maximum, both sides of an 8 ½ x 11 inch white sheet of paper. The Association office will copy the Form for Association distribution, but cannot be responsible for making any additions, corrections or changes to the submitted document.

The Candidate's Qualification Form submitted by each candidate will be posted on the Association's web site approximately 90 days prior to the annual meeting of members. The Association will post a general statement of non-responsibility for the content of all posted forms. Any candidate may request in writing that his/her form not be posted on the website, and the Association will honor any such request received prior to the date of posting all forms.

9. **NOMINEE MAILING:** Upon the written request of any nominee for election to the Board and the payment of the reasonable costs of mailing (including postage), the Association shall, within ten (10) business days after such request (provided payment has been made), mail to all Members, or such portion of them as the nominee may reasonably specify, any material which the nominee may furnish and which is reasonably related to the election, unless the Association, within five (5) business days after the request permits the nominee to have a copy of the names and addresses of all the Members, or the right to inspect and copy such list.

10. **CAMPAIGN EQUAL ACCESS:** As provided in Section 6.2 of the Bylaws, the Association may not refuse to publish or mail material, which is otherwise required by law or these rules to be published or mailed on behalf of any nominee, on the basis of the content of such material. Neither the Association nor its agents, Officers, Directors, or employees may be held criminally liable, liable for any negligence (active or passive) or otherwise liable for damages to any person on account of any material which is supplied by a nominee for Director and which it mails or publishes pursuant to law or the Bylaws, but the nominee, on whose behalf such material was published, shall be liable and shall indemnify and hold the Association, its agents, Officers, Directors

and employees harmless from all demands, costs, including reasonable legal fees and expenses, claims, damages and causes of action arising out of such material or any such mailing or publication. Nothing in these rules shall prevent the Association or any of its agents from seeking a court order relieving the Association from its obligations on the ground that the material will expose the moving party to liability.

11. **ASSOCIATION FUNDS:** No Association funds may be expended to support a nominee for Director. However, the Association may use its funds as needed to carry out the tasks necessary to conduct the election and to mail out or distribute materials of the candidates, so long as each candidate is given the same opportunity and on the same terms as all other candidates.

12. **CANDIDATE FORUM:** In each election of Directors, the Board may hold a candidate's forum between 15 - 30 days prior to the election where members will be provided an opportunity to meet and ask questions of the candidates. All candidates standing for election will be invited to attend the forum. Attendance by the candidates is optional.

13. **ASSOCIATION NEWSLETTER:** No Candidate's Qualification Form or other editorial or campaign material will be published in the Association's newsletter.

14. **CANDIDATE MEETING:** All candidates for election and other members may reserve Association facilities to conduct campaign activities or advocate a point of view on an election or balloting issue pending before the membership. All candidates and members will be provided an equal opportunity to reserve the Association's facilities for these purposes. At their own expense any candidate may reserve any complex common area facilities (not controlled by the Association) for conducting campaign activities or advocating a point of view on an election or balloting issue pending before the membership.

15. **CONTENT OF ELECTION MATERIALS:** Any information sent to the homeowners using addresses provided by the Association or in any media provided by the Association shall contain the following statement: *"As a matter of law the Association may not edit or redact any content from any communication originating with a member standing for election. The Candidate and not the Association is responsible for any views expressed by the candidate."*

16. **VOTING METHOD:** Votes may be cast by members either in person, by proxy or, in specific instances designated by the Board of Directors, in a ballot-by-mail. In any election or voting procedure in which proxies are authorized, the Inspectors of Election shall be responsible to authenticate and determine the validity and effect of, any submitted proxy. Owners may submit proxies on their own, but because of the requirement for secret ballots, the Board will not plan to prepare or send proxies for any vote or election.

17. **NOTICE AND SUBMISSION OF BALLOTS:** The Board shall provide notice of any meeting at which an election will be held or other balloting conducted or in any announcement containing a ballot-by-mail and shall announce the applicable voting period, including any deadline for submission of ballots-by-mail. Ballots-by-mail may be submitted at any time from the members'

receipt of the ballot-by-mail until the announced deadline or any extension thereof as set by the Inspectors of Election. The Inspectors of Election shall determine when ballots may be submitted and the time when the polls shall close at any meeting at which ballots are cast. Ballots must be submitted in envelopes substantially like those in Exhibit B & C. All ballots must be mailed out to all members at least 30 days before the annual meeting. Once a ballot has been mailed, faxed or otherwise delivered to the Inspectors of Election, it may not be revoked. Thus any attempt to submit a second ballot could result in both ballots being disqualified by the Inspectors of Election, if the first ballot sent cannot be distinguished from the second.

State law now requires a member's ballot to be placed inside an envelope that cannot be identified as to who sent it. This envelope should look substantially like Envelope #1 in Exhibit B. The Exhibit B envelope must be placed inside an envelope that is substantially like Envelope #2 in Exhibit C. **THE LAW REQUIRES THE INFORMATION ABOUT THE MEMBER IN THE UPPER LEFT HAND CORNER, AND REQUIRES THE MEMBER TO SIGN THE OUTER ENVELOPE IN THE UPPER LEFT HAND CORNER.** The Association and/or Inspectors of Election may choose to use an envelope like Option #2 in Exhibit C where the member's information, except for the member's signature, is contained on a pre-printed label affixed to Envelope #2.

18. **SUBMISSION OF BALLOTS VIA FACSIMILE:** The Association recognizes that it has many members who reside outside the United States, most of whom live in Mexico. Many or most of these members have not voted and will not vote unless they can return their ballots by facsimile. Any member, whether living outside the United States or not, may choose to return a ballot via facsimile, subject to the terms of this section. Electronic facsimile ballots will be accepted as long as they are received on a fax machine available only to the Inspectors of Election and are accompanied by a facsimile cover sheet substantially similar to that attached as Exhibit E that includes the unit number and signature of the unit owner. Ballots received by fax will be put in the required envelopes by the Inspectors of Election to maintain privacy of the ballot. If a member voluntarily chooses to send a ballot via facsimile, that member shall be deemed to designate the Inspectors of Election to affix the member's name on his or her behalf and to have voluntarily waived his or her right to cast a secret ballot using the ballot-by-mail procedure that is otherwise provided by these rules.

19. **QUORUM FOR ANNUAL MEETING:** The mailed secret ballots described in these rules do not serve to establish a quorum at any meeting of members. To establish a quorum for a membership meeting where a quorum is required as described in the Bylaws, members must be present at the meeting either in person or by proxy, provided however, that if Civil Cod 1363.03 is amended to permit such ballots to count for quorum, then mailed ballots shall count toward quorum. If Civil Code 1363.03 is not so amended, the mailing of election materials will include a proxy solely for the purposes of establishing a quorum. At the option of the Board of Directors, the proxy form may be printed on the back of the second (outer) envelope in a form substantially similar to that shown in Exhibit D.

20. **POSITIONS FILLED AT MEETING:** At each annual meeting of the Association, the

Members shall fill, by election, all vacant positions on the Board. However, if an annual meeting is not held or does not include an election, the election may be held at a special meeting of Members called for that purpose. At an election, the Member or the Member's proxy holder may cast, in respect to each vacancy, as many votes as the Member is entitled to exercise under the provisions of the Bylaws. Any member who attends the annual meeting and wishes to cast a ballot must be given a complete ballot using a double envelope procedure in the same manner as those members who sent in their ballots by mail.

21. **VOTES:** In accordance with the governing documents of the Association, members shall be entitled to one vote per unit, except in the election of directors where each unit may cast one vote per candidate up to the number of candidates to be elected.

22. **COUNTING OF BALLOTS:** The ballots for election of directors shall generally be counted at the annual meeting, if a quorum is established, or at a reconvened membership meeting, unless the Inspectors of Election, based upon a showing of good cause, authorize a postponement or extension of the counting of the ballots to another date and time. Ballots on other issues shall generally be counted at the next regularly scheduled meeting of the Board of Directors following the expiration of the voting period. The counting of the ballots shall be open to the membership to observe the counting process either at the annual meeting, a reconvened annual meeting or at an open Board meeting and shall be announced to the membership at that meeting. Inability to complete the counting of the ballots prior to 10:00 p.m. shall constitute good cause for a delay or extension of the counting of the ballots. In case of a delay or extension of the time to complete the counting of the ballots, the Inspectors of Election shall retain custody of all ballots.

23. **ELECTION:** The candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected.

24. **STORING BALLOTS:** Ballots will be retained by the Association, or its designated agent, for a period of one year following the election or voting deadline, as the case may be. At the conclusion of the one-year period, the ballots will be destroyed.

**Exhibit A**

**Nominations for Las Flores Tower  
C.S.C.A #4 Board of Directors**

In November, Coronado Shores Condominium Association #4 will elect five (5) new Board members. Now is the time to nominate those that you think will make a good addition to the Board (you may nominate yourself).

Nominees must be members in good standing of Coronado Shores Condominium Association #4, willing to serve a one (1) year term on the Board. The Board is composed of five (5) people who must be elected each year. An interest in C.S.C.A. #4 Las Flores Tower, a desire to keep it a great place to live, and a willingness to work with others of a like mind is essential.

Please complete and return this form to the Building Manager or Nominating Committee no later than August 18, 2006. If you fail to meet this deadline, the name of your nominee will not be on the ballot mailed to members. The form may be dropped off at the Association Office or mailed to 1770 Avenida Del Mundo, Coronado, CA 92118 Attn: Nominating Committee.

<b>2006 Board Nomination Form</b>	
<b>Nominee Name</b>	_____
<b>C.S.C.A. #4 Unit No.</b>	_____
<b>Phone No.</b>	_____ <b>Email</b> _____
<b>Nominated By</b>	_____
<b>C.S.C.A. #4 Unit No.</b>	_____
<b>Phone No.</b>	_____ <b>Email</b> _____
<b>Why I think this person would be a good Board Member:</b>	
_____	
_____	
_____	
_____	
_____	
_____	
_____	
Signature	

**Exhibit B**

**Envelope #1**

Envelope #1

**Place ballot in this envelope and seal.**

**Place this envelope in Envelope #2**

**You MUST COMPLETE the upper left corner of Envelope #2**

**AND**

**Sign Your Name**

**Exhibit C**

**Envelope #2 - Option 1  
(Member-completed Return Information and Signature)**

Member's Name: \_\_\_\_\_  
Member's Address: \_\_\_\_\_  
Unit Number: \_\_\_\_\_  
Member's Signature: \_\_\_\_\_



Inspectors of Election  
Coronado Shores Condominium Association No. 4  
c/o 1770 Avenida del Mundo  
Coronado, California 92118-3042

**Sign Your Name Above  
Ballot Enclosed - Do Not Open**

**Envelope #2**

**Envelope #2 - Option 2  
(Pre-Printed Return Label and Signature Line)**

(Member's Name Preprinted)  
(Member's Return Address Preprinted)  
  
(Property Address/Unit No. Preprinted)  
Member's Signature: \_\_\_\_\_



Inspectors of Election  
Coronado Shores Condominium Association No. 4  
c/o 1770 Avenida del Mundo  
Coronado, California 92118-3042

**Sign Your Name Above  
Ballot Enclosed - Do Not Open**

**Envelope #2**

**Exhibit D**  
**Envelope #3 - Proxy, if needed**

(Back Side / Flap Side of Envelope #2)

**PROXY TO ESTABLISH QUORUM**

I/we hereby appoint (check only one box)  Board of Directors or  \_\_\_\_\_ (If neither of the boxes is checked, this proxy will be assigned to the Board of Directors) to be the proxy holder of the undersigned, to attend the annual membership meeting of the Association on \_\_\_\_\_, 20\_\_\_\_, or any adjournments thereof, and shall act for the undersigned in the same manner and with the same effect as if the undersigned were personally present. This proxy is authorized to be used only to establish a quorum. This Proxy is executed in accordance with the provisions of California Corporations Code Section 7613. This proxy may be revoked by the attendance of the undersigned at the meeting for which this proxy is valid, or by express revocation by execution and delivery of a subsequent proxy. Unless earlier revoked, this proxy shall automatically expire after the completion of the meeting(s) or adjourned meeting(s), referred to above, for which this proxy is valid.

Signature: \_\_\_\_\_

Dated: \_\_\_\_\_

**Exhibit E**  
**Facsimile Cover Sheet**

To: Inspectors of Election  
Coronado Shores Condominium Association No. 4  
1770 Avenida del Mundo  
Coronado, California 92118-3042

I am returning my ballot to you via facsimile.

By completing the blanks below and signing my name, I am appointing you to act as my proxy holder or agent on my behalf, to cast my ballot on my behalf and to place my ballot, as marked, in an inner envelope and to complete any information required on the outside envelope so that my vote will count. I understand that I have a right to cast a completely secret and anonymous ballot by returning my ballot by mail. However, I am voluntarily waiving my right to cast a completely secret ballot and sending it in by mail. I understand that the Inspectors of Election may see my vote, but that they will put the facsimile of my ballot into the proper envelopes and that they will tape this facsimile cover sheet to the outside envelope as proof of my eligibility to vote.

Fax this cover sheet to: **(619) 437-1269**

To the Member: You must complete any blanks below and sign your name.

Member's Name \_\_\_\_\_

Member's Address \_\_\_\_\_

Member's Unit No. \_\_\_\_\_

Member's Signature: \_\_\_\_\_