

Watergate Community Association (“WCA”) Election Rules and Procedures

These longstanding voting and election rules were approved June 19, 2006, and reformatted and consolidated for clarity and adopted by the board June 22, 2015. These rules are intended to comply with the requirements of Civil Code § 5105 (a) and will stay in effect until modified by the WCA Board of Directors pursuant to Civil Code § 4340 et seq.

Article 1. Current Voting Procedures

1.1 Voting by Secret Absentee Ballot. Not less than 30 days prior to annual meeting which is held the second Monday in November, the association will mail to each member of the association, by first-class mail, postage prepaid, a ballot, an instruction sheet, election rules and two pre-addressed envelopes with instructions on how and where to return the ballot. In order to preserve confidentiality, a voter will not be identified by name or address, or lot, parcel or unit number on the ballot. The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope addressed to the Inspector(s) of Elections who will be tallying the votes. The voter shall sign his/her name, print his/her name below the signature and fill in his/her address in the upper right hand corner of the outer envelope.

1.2 Voting in Person at the Annual Meeting by Secret Ballot. At the end of the members meeting, the poll will be open for 30 minutes to vote by secret ballot. Members may not assign proxies, or vote absentee the night of the meeting. In order to preserve confidentiality, a voter will not be identified by name or address, or lot, parcel or unit number on the ballot. The ballot itself is not signed by the voter, but is inserted into a locked ballot box accessible only by the Inspector(s) of Elections.

1.3 Voting Period for Absentee Ballots and Assigning a Proxy. The secret absentee ballots or proxy forms may be mailed or hand delivered to the Inspector(s) of Elections at the address designated in the instruction sheet. The absentee ballot or proxy forms must be received by the Inspector(s) of Elections before noon the day of the annual meeting or they will be disregarded. The member may request a receipt for delivery. Once a secret absentee ballot is received by the Inspector(s) of Elections, it shall be irrevocable.

1.4 Tabulation of Ballots. The Inspector(s) of Elections, or a designee of the Inspector(s) of Elections, will count and tabulate all secret ballots votes in public at a properly noticed open meeting of the board or members. Any candidate or other owners may witness the counting and tabulation of the votes. No person shall open or otherwise review any secret ballot prior to the time and place at which the secret ballots are counted and tabulated.

1.5 Reporting Results. The tabulated results of the election shall be promptly reported to the board and community and recorded in the annual meeting minutes and the next meeting of the board. The results shall be available for review by any member of the Association at any time after the results are received from the Inspector(s) of Elections. The Board will publicize the results of the election no later than 15 days of the election by any of the following methods:

- a) E-mail, or E-news, or other electronic means if the member has consented, in writing, to that method of delivery;
- b) Inclusion in the Hatchcover newsletter, or other method for general delivery;
- c) Posting in all 27 lobby bulletin board cases accessible to all members; or
- d) Watergate website

1.6 Ballot Custody. The sealed ballots shall remain in the custody of the Inspector(s) of Elections or at a location designated by the Inspector(s) of Elections until after the tabulation of the vote, and until the time allowed for challenging the election has expired. Thereafter, custody will be transferred to the Association. The ballots will be stored in a secure place for one year after the date of the election. In the event of a recount or other challenge to the election process, the Association will, upon written request, make the ballots available for inspection and review by a member of the member's authorized representative. Any recount or other challenge to the election process will be conducted in a manner that preserves the confidentiality of the vote.

1.7 Modification of Rules. These rules shall be construed to conform to any legislative changes in Civil Code § 5100 et seq. without any further adoption procedures. Any other change in these rules shall be done only after 30 days written notice to all members in accordance with the provisions of Civil Code § 4360.

Article 2. Current Inspector of Elections Procedures

2.1 Inspector of Elections. There may be one or three Inspectors of Elections. The board, in its sole discretion, shall have the power to decide on the number of Inspectors of Elections and appoint persons to fill those positions. An Inspector of Elections shall be any independent third party, including, but not limited to, a person under contract with the association for compensation such as a general manager, an attorney, or a certified public accountant, etc. The only persons who may not serve as an Inspector of Elections are sitting board members, candidates for the board, and persons related to sitting board members or candidates for the board.

2.2 Indemnification of Inspectors. The association will defend, indemnify and hold harmless the Inspector of Elections from any and all claims, demands, damages, costs, liabilities and expenses arising out of his/her activities absent gross negligence or willful misconduct.

2.3 Duties of Inspectors of Elections. Inspector of Elections shall do all of the following:

- a) Perform any acts as may be proper to conduct the election with fairness to all members in accordance with these rules;
- b) Determine the number of memberships entitled to vote and the voting power of each;
- c) Determine the authenticity, validity and effect of proxies, if any;
- d) Receive the secret ballots;
- e) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
- f) Count and tabulate all votes in such a way as to preserve their secrecy;
- g) Determine when the polls shall close; and
- h) Determine the results of the election

An Inspector of Elections shall perform his/her duties impartially, in good faith, to the best of his/her ability, and as expeditiously as is practical. If there are three Inspectors of Elections, the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the Inspector of Elections is prima facie evidence of the facts stated in the report.

Article 3. Current Procedures - Candidates for the Board of Directors

3.1 Candidate Qualifications. A candidate for the board shall be a member entitled to vote at the time of such member's election.

3.2 Nominating Procedure. The procedures for nominating a candidate for the board are as follows:

- a) The board may nominate a member
- b) Any member may nominate himself/herself

All nominations to be included in the written ballot and annual meeting solicitation materials must be in writing and delivered to the association by 5 pm the last Friday of September.

3.3 Nominations from the Floor. Nominations may be made from the floor at the annual meeting at which the election is held prior to the counting of ballots. Secret ballots will permit space for write-in candidates.

Article 4. Current Voting Rights

4.1 Voting Power. The owners of each unit shall have one vote per unit, except for the election of directors, where each unit shall have one vote for each vacant director position to be elected. When two more units have been combined, the owners of the combined unit shall have all of the votes associated with all of the combined units. Where there are multiple owners of a single unit, they shall decide among themselves who among them shall cast the vote on behalf of the unit. If one vote is cast on behalf of a single unit then it shall be conclusively presumed that the vote is cast on behalf of a single unit, and then it shall be conclusively presumed that the vote was cast by the authorized owner. If more than one vote is cast on behalf of a single unit, then all such votes shall be disregarded. The Members shall be entitled to cast one vote for each Unit owned provided that when more than one person owns an interest in a Unit, the vote for such Unit shall be cast as a whole (a) as a majority of the co-Owners of such Unit agree (in the absence of which agreement no vote shall be cast for such Unit on the particular matter upon which they cannot agree) or (b) by one of the Owners of such Unit designated by the Record Owners of the Unit by written notice to the Board as the Voting Member for such Unit. Such designation shall be revocable at any time by actual notice to the Board given by any of the Unit Owners of record or by the death or judicially declared incompetency of any record Unit Owner. The power to designate a Voting Member or to revoke such designation may be exercised by a Unit Owner's conservator, by the guardian of such Owner's estate, by the

parent(s) or legal guardian of such Owner in the case of an Owner who is a minor or, during the administration of an Owner's estate, by the executor or administrator of a deceased record Owner where such deceased Owner's interest in the Unit is subject to estate administration.

4.2 Qualifications for Voting. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must not be delinquent in the payment of any assessment levied against the Member's Unit, or any monthly assessment, and must not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the Declaration. A Member's good standing shall be determined as of the record date, which shall be ascertained as follows:

a) The record date for determining those Members entitled to vote at a meeting of Members shall be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting.

B) The record date for determining those Members entitled to vote by written ballot on proposed Association actions without a meeting when no prior action by the Board has been taken shall be the day on which the first written ballot is mailed or solicited. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.

4.3 Proxies. A "proxy" means a written authorization signed by a member or the authorized representative of the member that gives another member the power to vote on behalf of that member. WCA governing documents permit the use of proxies, but a proxy may not be used in lieu of a ballot. Proxies must be received by the Inspector of Elections no later than noon the day of the annual meeting. A proxy will be invalidated by submission of an absentee ballot or a later dated proxy or by a vote in person.

4.4 Quorum. A quorum of 417 is required by WCA governing documents. Each secret ballot, proxy, or proxy for quorum received by the Inspector(s) of Elections shall be treated as a member present at a meeting for purposes of establishing a quorum. If 417 votes are not obtained, the Board will adjourn the annual meeting and re-convene at a continued meeting no later than 30 days from the original meeting, where the quorum for the adjourned meeting will be reduced to 312 votes (which is 25% of the total votes)."

4.5 Cumulative Voting. There is no cumulative voting.

Article 5. Current Association Media and Publications' Access Procedures

5.1 Access to Association Media and Publications. Any candidate or member advocating a point of view, including those not endorsed by the board, shall have equal access (up to one full one-sided page each) to the association's annual meeting solicitation mailing package for purposes that reasonably relate to that election.

5.2 Restrictions on Editing. The association will not edit or redact any content from campaign communications, but may include a statement specifying that the candidate or member, and not the association, is responsible for the content of the communications. The association and its directors, officers, and agents shall be immune from liability for the content of those communications. Any person submitting a potentially defamatory or obscene communication shall defend, indemnify and hold harmless the association, its members, agents, contractors and managers from any and all claims, demands, damages, costs, liabilities and expenses arising out of the publication.

5.3 Access to Association Meeting Space. The association will provide equal access to the Clipper Club common area meeting space during the annual "Meet the Candidates" night to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those not endorsed by the board, for purposes reasonably related to the election. Access to this "Meet the Candidates" meeting shall be provided at no cost to the members.

5.4 Campaign Fund Restrictions. Association funds will not be used for campaign purposes in connection with any board election. Campaign purposes include, but are not limited to, the following:

a) Expressly advocating the election or defeat of any candidate that is on the ballot; and

b) Including the photograph or prominently featuring the name of any candidate on a communication from the association or its board, excepting the ballot and ballot materials, within 30 days of an election. This restriction does not prevent distribution of campaign materials as otherwise specifically allowed under the equal access provisions of these rules.

These election rules are included in the annual meeting solicitation voting package and published annually in the September edition of the Watergate Hatchcover along with the candidate filing form and call for board candidates. As always, please review, and contact the WCA office with comments and questions.