

**[PROPOSED] ELECTION AND VOTING PROCEDURES FOR
SAN CLEMENTE SHORECLIFFS BEACH CLUB ASSOCIATION**

I. All Elections and Membership Votes

(a) Voting

1. All membership votes regarding assessments legally requiring a vote, election and removal of members of the Association Board of Directors, amendments to the governing documents, or the grant of exclusive use of common area property pursuant to California Civil Code Section 1363.07 shall be by secret ballot.
2. Every person or entity who is a record owner of a fee or undivided fee interest in a single family residential lot within the project shall be a member of the Association. There shall be one membership for each single family residential lot within the project.
3. Each membership shall be entitled to one vote. No member may own more than one membership, regardless of the number of ownership or leasehold interest which he may own within the project. Said voting rights shall be subject to the restrictions and limitations provided for in the Declaration of Restrictions, as well as the Articles of Incorporation and the Bylaws of the Association.
4. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. The owners of such Lot shall from time to time designate one of their number, in writing, to vote and exercise all other non-recreational rights of membership, provided, however, that the members shall have the right to cumulate their votes in any election of Directors of the Association.
5. The election of Directors shall be by cumulative voting in accordance with Section 7615(b) of the California Corporations Code, which states, "No Member shall be entitled to cumulate votes for a candidate or candidates unless the candidate's name or candidates' names have been placed in nomination prior to the voting and the member has given notice at the meeting prior to the voting of the member's intention to cumulate votes. If any one (1) member has given this notice, all members may cumulate their votes for candidates in nomination."

(b) Membership Votes Without a Meeting:

1. Except for the meeting to count the votes required in Section III (a) of these San Clemente Shorecliffs Beach Club Association Election and Voting Procedures, an election may be conducted entirely by mail.

2. Ballots and two pre-addressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Association to every member not less than 30 days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address, or Lot, parcel, or unit number on the ballot. The Association shall use as a model those procedures used by California counties for ensuring confidentiality of voter absentee ballots, including all of the following:
 - i. 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 that is sealed. In the upper left hand corner of the second envelope, the voter prints and signs his or her name, address, and Lot, parcel, or unit number that entitles him or her to vote.
 - ii. The second envelope is addressed to the inspector(s) of election who will be tallying the votes. The envelope may be mailed or delivered by hand to the specified location. The member may request a receipt for delivery.
3. When there is a membership vote without a meeting, receipt of ballots from at least twenty-five (25%) percent of the votes of the entire membership on or before the cut-off date specified in the voting instructions included with the mailed ballot shall constitute a quorum, except as otherwise provided in the Articles of Incorporation, the Declaration or the By-Laws. The cut-off date shall be determined by the Inspector(s) of Election, consistent with the governing documents.

(c) Membership Votes at a Meeting; Proxies; Absentee Ballots:

1. Membership votes cast at a meeting regarding assessments legally requiring a vote, election and removal of members of the Association Board of Directors, amendments to the governing documents, or the grant of exclusive use of common area property pursuant to Section 1363.07 shall be by secret ballot.
2. Votes may be cast in person or by proxy. A "proxy" is a written authorization signed by a member or the authorized representative of the member that gives another person the power to vote on behalf of that member. Proxies must be in writing and filed with the Secretary of the Association. All proxies shall be revocable and shall automatically cease upon conveyance by the member of his lot. The proxy shall state the length of time it shall be valid, provided that in no event shall any proxy be valid after seven (7) years from execution. If no length of time is stated, the proxy shall be void after the expiration of eleven (11) months from the date of its execution.
3. For the purposes of these these San Clemente Shorecliffs Beach Club Association Election and Voting Procedures, "signed" means the placing of the member's name on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the member or authorized representative of the member.

4. Any instruction given in a proxy issued for an election that directs the manner in which the proxy holder 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. Said separate page shall in no way indicate the identity of the proxy giver. The proxy holder shall cast the member's vote by secret ballot. The proxy may be revoked by the member prior to the receipt of the ballot by the Inspector(s) of Election as described in Section 7613 of the Corporations Code.
5. Proxies shall not be construed or used in lieu of a ballot.
6. When a membership vote is set to take place at a meeting, the Association shall mail an absentee ballot to all members. The procedure used for Absentee Ballots shall be the same two envelope procedure described in Section I(b)(2) of these San Clemente Shorecliffs Beach Club Association Election and Voting Procedures. Absentee Ballots must be received on or before the cut-off date specified in the voting instructions included with the mailed absentee ballot. The cut-off date shall be determined by the Inspector(s) of Election, consistent with the governing documents.
7. When there is a membership vote with a meeting, the presence in person or by proxy or absentee ballot at the meeting of at least twenty-five (25%) percent of the entire membership at any meeting shall constitute a quorum, except as otherwise provided in the Articles of Incorporation, the Declaration or the By-Laws. Each ballot received by the Inspector(s) of Election shall be treated as a member present for purposes of establishing a quorum. A majority of the voting power of members present in person or by proxy or absentee ballot shall prevail at all meetings.
8. In the absence of a quorum at a membership meeting, the majority of those members present in person or by proxy may adjourn the meeting to another time but may not transact any other business. When any meeting of the members, either annual or special, is adjourned for thirty (30) days or more, notice of the adjournment shall be given as in the case of an original meeting. No new notice if required for adjournment to a date within thirty (30) days of the original meeting date.
9. When there is a membership vote at a meeting, the polls shall open and close at the times specified in the agenda sent with the notice of the meeting. The Inspector(s) of Election may within their sole discretion extend the closing time of the polls as is necessary so as not to disenfranchise Members of the Association who wish to vote. Under no circumstances may the polls close later than 10:00 p.m.

(d) Inspectors of Election

1. The Board of Directors shall annually appoint one (1) or three (3) Inspectors of Election. An Inspector of Election may be a volunteer poll worker with the County Registrar of Voters, a certified public accountant, a notary public, an Association attorney, manager, or other paid vendor. An inspector of election may also be a member of the Association, but may not be a member of the Board of Directors, a

candidate for the Board of Directors, related to a member of the Board of Directors or related to a candidate for the Board of Directors. The duties of the Inspector(s) shall be as follows:

- i. Determine the number of members entitled to vote and the voting power of each.
 - ii. Determine the authenticity, validity, and effect of proxies, if any.
 - iii. Receive ballots.
 - iv. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
 - v. Count and tabulate all votes.
 - vi. Determine when the polls shall close, consistent with the governing documents.
 - vii. Determine the tabulated results of the election.
 - viii. Perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section and all applicable rules of the Association regarding the conduct of the election that are not in conflict with this section.
2. The Inspector(s) of Election may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the inspectors deem appropriate, provided that the persons are independent third parties. The Inspector(s) of Election may appoint a volunteer poll worker with the county registrar of voters, a licensee of the California Board of Accountancy, a notary public, an Association attorney, manager, or other paid vendor. The Inspector(s) may also appoint an independent third party member of these San Clemente Shorecliffs Beach Club Association, but may not appoint a member of the Board of Directors or a candidate for the Board of Directors or a person related to a member of the Board of Directors or a candidate for the Board of Directors.

II. Election of Directors:

(a) Election and Term of Office

1. The Board shall, from time to time, set the number of Directors between seven (7) and eleven (11). In odd numbered years three to six (3-6) Directors will be elected for a two (2) year term, and in even numbered years four to seven (4-7) Directors shall be elected to serve a two (2) year term, depending on the size of the Board at that time.

(b) Nomination Procedure

1. Nomination: In November of each year, the President of the Association will name three (3) members of a Nominating Committee, one of whom will also be delegated as Chairman, and the designated committee will be instructed to present a slate of nominees as the number is needed, to replace Directors whose term of office will expire at the next annual meeting.
2. The President must instruct the Nominating Committee to place people of ability, experience, availability, and character on nomination for the Board of Directors.
3. All individuals whose names have been placed in nomination pursuant to the foregoing will have their name printed on the ballot and any proxy mailed by the Association.
4. The Chairman of the Nominating Committee must nominate the committee's slate when called upon to do so by the President at the annual meeting. Upon completion of this duty, the Nominating Committee is automatically dissolved, but the President must then make a call for nominations from the floor before declaring the nominations to be closed.

(c) Campaign:

1. All candidates and members advocating a point of view shall be provided access to any existing Association media, newsletters or internet websites during the campaign for purposes reasonably related to that election.
2. Equal access to the Association media referenced in Paragraph 1 shall be provided to all candidates and members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election. The Association shall not edit or redact any content from these communications but shall include a statement specifying that the candidate or member, and not the Association, is responsible for the content.
3. Any member or candidate shall have access to the common area meeting space, if any exists, during a campaign at no cost for purposes reasonably related to the election.

(d) Election of Officers:

1. The Officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.
2. All officers shall be elected by and from the Board of Directors.

3. The officers shall be chosen annually at a meeting of the Board of Directors, and each shall hold office until he shall resign, be removed, or otherwise be disqualified to serve, or his successor shall be elected and qualified.
4. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.
5. Any officer may be removed, either with or without cause, by a majority of Directors at the time in office, at any regular meeting or special meeting of the Board, and also, if the officer was not chosen by the Board, by any officer on whom the Board may confer that power of removal. His successor may be elected at any regular meeting of the Board of Directors, or any special meeting of the Board called for such purpose.
6. Any officer may resign at any given time by giving written notice to the Board or the President, or to the Secretary of the Association. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
7. A vacancy in any office caused by death, resignation or removal, disqualification, or any other cause shall be filled by appointment by the Board of Directors. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

III. Tabulation and Record Retention

- (a) All votes shall be counted and tabulated by the Inspector(s) of Elections in public at the membership meeting, or in the case of a vote by mail, at a properly noticed open meeting of the Board of Directors or members. Any candidate or other member of the Association may witness the counting and tabulation of the votes. The Inspector(s) of Elections or his, her, or their designee will retain possession of the ballots until said meeting. No person, including a member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. When ballots are received by mail, the Inspector(s) of Elections, or his or her designee, may verify the member's information and signature on the outer envelope prior to the meeting at which ballots are tabulated. Once a secret ballot is received by the Inspector(s) of Elections, it shall be irrevocable.
- (b) The results of the election shall be promptly reported to the Board of Directors of the Association and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by members of the Association. Within 15 days of the election, the Board shall publicize the results of the election in a communication directed to all members.

- (c) The sealed ballots at all times shall be in the custody of the Inspector(s) of Elections or his, her, or their designee until after the tabulation of the vote, and until the time allowed by Section 7527 of the Corporations Code for challenging the election has expired, at which time custody shall be transferred to the Association. If there is a recount or other challenge to the process, the Inspector(s) of Elections shall, upon written request, make the ballots available for inspection and review by an Association member or his or her authorized representative. Any recount shall be done in a manner that preserves the confidentiality of the vote.
- (d) After the transfer of the ballots to the Association, the ballots shall be stored by the Association in a secure place for no less than one (1) year after the date of election.

IV. Miscellaneous

- (a) Association funds shall not be used for campaign purposes in connection with any Association Board election. Funds of the Association shall not be used for campaign purposes in connection with any other Association election except to the extent necessary to comply with duties of the Association imposed by law.
- (b) For the purposes of this section “campaign purposes” include, but are not limited to, the following:
 - 1. Expressly advocating the election or defeat or any candidate that is on the Association election ballot.
 - 2. 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.