

Quail Ridge Residential Homeowners Association

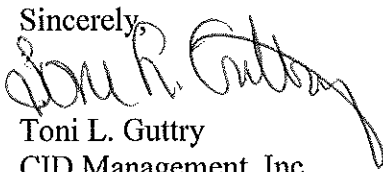
January 25, 2010

“NOTICE OF RULE CHANGE REGARDING ELECTION RULES

Dear members,

On Tuesday, January 19, 2010, at an open meeting of the Board of Directors, after the Board considered any comments made by Association members, the Board voted to adopt the Election Rules that are enclosed with this letter. The enclosed Election Rules will take effect immediately after the conclusion of the 2010 Annual Meeting of members on January 28, 2010.

Sincerely,



Toni L. Guttery
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Managing Agent for Quail Ridge Residential Association”

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QUAIL RIDGE RESIDENTIAL ASSOCIATION
AMENDED ELECTION RULES

1. General

These Rules are intended to comply with Civil Code section 1363.03 and shall apply to member voting: (1) to elect or remove members of the Board of Directors; (2) regarding assessments; (3) regarding amendments to the governing documents; (4) regarding the granting of exclusive use of common area property; and (5) at the discretion of the Board of Directors, regarding any other matter that may be the subject of a vote of Association members.

2. Equal Access to Association Media and Facilities

2.1 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 7.1 until the conclusion of the election.

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

2.3 Section 2.1, above, specifies the manner in which the Association shall comply with the legal requirement in Civil Code section 1363.03 that "if any candidate or member advocating a point of view is provided access to Association media, newsletters, or Internet Web sites during a campaign, for purposes that are reasonably related to that election, equal access shall be provided to all candidates and members advocating a point of view, including those not endorsed by the Board, for purposes that are reasonably related to the election."

3. Qualifications of Candidates

Candidates for the Board of Directors must meet qualifications as set forth in the Association Bylaws and must not have been declared of unsound mind by a final order of a court.

4. Nomination Procedure for Board of Directors

4.1 Candidates for the Board of Directors may be nominated as set forth in the Association Bylaws and as set forth hereafter.

4.2 To the extent not in conflict with Association Bylaws:

4.2.1 At least 60 days before an election of Directors, the Association shall send by mail or electronic transmission to all members a solicitation to become a candidate for the Board of Directors;

4.2.2 No later than the deadline date announced by the Association's managing agent, but in no event later than 31 days before the pending election of Directors, interested persons must inform the Association's managing agent or Board of Directors in writing of their request to be a candidate for the Board of Directors (self-nomination). Nominations for candidates shall close on the deadline date announced by the Association's managing agent prior to the distribution of voting materials as specified in Section 7 herein. Write-in candidates will not be permitted and will not have votes cast on their behalf tabulated;

4.2.3 The Inspector(s) of Election shall review all persons so responding for compliance with the qualifications identified in Section 3;

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

4.3 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 by the deadline announced by the Association's managing agent for self-nomination before the scheduled election.

5. Inspector(s) of Election

5.1 The Board shall appoint one or three Inspector(s) of Election who shall perform all functions required by Civil Code section 1363.03(c)(3), including:

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

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

5.1.3 Receive and be the custodian of ballots, and direct the location to which ballots shall be sent until tabulated by the Inspector(s) of Election;

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

5.1.5 Count and tabulate all votes;

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

5.1.7 Determine the results of the election; and

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

5.2 Eligible Inspector(s) of Election may include:

5.2.1 The Association manager(s);

5.2.2 The Association attorney or CPA;

5.2.3 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

5.2.4 Any individuals with a contractual relationship or with no relationship to the Association.

5.3 The Association may, at the discretion of the Board of Directors, provide reasonable compensation to the Inspector(s) of Election.

5.4 The Association shall indemnify the Inspector(s) of Election in connection with services performed in good faith by the Inspector(s) of Election related to the election.

5.5 The Inspector(s) of Election shall have the sole authority to determine whether to issue a replacement ballot to a member if requested by the member who has not yet returned a completed ballot.

5.6 The Inspector(s) of Election may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector(s) deem appropriate, provided that the appointed persons would themselves be eligible to serve as Inspector(s) of Election pursuant to Section 5.2, above.

6. Voting Rights

6.1 The Owners of each Lot shall be entitled to a single vote with regard to each matter that is the subject of a pending election.

6.2 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 its votes.

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

6.4 The voting period will run from the date on which ballots are distributed (as specified in Section 7.1, below) until the conclusion of the election.

7. Voting Procedures

7.1 Mailing of voting packets. At least 30 days before the election, the Association shall, by first class U.S. mail, send one voting packet to each Association member. Each packet shall contain the following:

7.1.1 One official ballot;

7.1.2 Copies of all candidates' statements timely received by the Association as specified herein;

7.1.3 Two sealable envelopes. The smaller (inner) envelope shall have no visible markings. The larger (outer) envelope shall be pre-addressed to the Inspector(s) of Election, Quail Ridge Residential Association. The upper left corner of the larger envelope shall contain the owner's name, address, and lot number that entitles the owner to vote and provide a place for the owner's signature;

7.1.4 Instructions on how to use the two-envelope system; and

7.1.5 Notice of the date of the membership meeting or election.

7.2 Ballot content. Each ballot shall contain the following:

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

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

7.2.3 A statement of the required quorum;

7.2.4 A statement that ballots to be returned by mail must be received no later than 5:00 p.m. on the day of the scheduled conclusion of the election or the day of the membership meeting; and

7.2.5 A statement that ballots may be returned personally no later than the time specified in the notice of the membership meeting or conclusion of the election, with the Inspector(s) of Election having the discretion to extend the deadline for voting as necessary.

7.3 Receipt of ballots

7.3.1 All ballots shall be received by the Inspector(s) of Election at locations as specified by the Inspector(s) of Election.

7.3.2 If so directed by the Inspector(s) of Election, the Association's management staff shall maintain a log of all ballot envelopes received, noting whether the envelopes were signed or unsigned.

7.3.3 Once a ballot has been received by the Inspector(s) of Election, it may not be revoked.

7.3.4 Each ballot received by the Inspector(s) of Election shall be treated as a member present at a meeting for purposes of establishing a quorum if a quorum is required by the governing documents or California law to conclude the election.

7.3.5 All ballots shall remain in the possession of the Inspector(s) of Election (at a location designated by the Inspector(s) of Election) until tabulated by the Inspector(s) and for an additional nine months after the conclusion of the election.

7.4 Proxies

7.4.1 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(s) of Election upon presentation of the proxy.

7.4.2 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(s) of Election upon presentation of the proxy.

8. Tabulation of Ballots

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

8.2 The ballots shall be opened and tabulated by the Inspector(s) of Election in public at a properly noticed open meeting of the members, or at a properly noticed open meeting of the Board of Directors if permitted by the Association's Bylaws.

8.3 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 Inspector(s) during the tabulation process, and all members and candidates must remain at least five feet away from the counting area. The Inspector(s) of Election may cause the removal of any observer who interferes with or disrupts the counting or tabulation process.

8.4 When the ballots are counted at a membership meeting, the Inspector(s) of Election may announce to the membership those members who neglected to sign the outer envelope and provide an opportunity for them to do so prior to tabulation of the ballot.

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

9. Post-Election Procedures

9.1 The results of the election 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.

9.2 The Board of Directors shall publicize the results of the election within 15 days by a communication directed to all members.

9.3 Nine months after the conclusion of the election, the Inspector(s) of Election shall transfer custody of all ballots and outer envelopes to the Association.

9.4 In the event of a re-count or challenge, the Inspector(s) of Election shall, upon written request, make the ballots available for inspection by the challenging Association member or its authorized representative. Any re-count shall be conducted in a manner designed to preserve the confidentiality of the vote.