

OPERATING RULES FOR ELECTIONS
With Proposed Changes

Qualifications and Nomination of Candidates for Board of Directors:

Mandatory: Member of The Riviera Estates Association (the “Association”) in good standing, which means when nominated not delinquent in payment of assessments or fines levied by the Board. Member must live in a property owned or co-owned by the member. (Absentee, developer or landlord owner members may not be nominated.)

Desirable Qualities: An appreciation for the values of the community of the Association; an ability to work effectively with other board members, the Building Committee and the manager of the Association and towards a consensus on the Association’s business; willingness to enforce the CC&Cs and abide by the Association’s Articles, Bylaws and Architectural Guidelines; and willingness to comply with the Davis-Stirling Act, which governs homeowners’ associations.

Nominations of Directors:

On or about September 1 of each year preceding an annual meeting (“Annual Meeting”), the board may form a nominating committee or act as the nominating committee.

Between September 1 and October 1 preceding each Annual Meeting, any member of the Association may submit nominations for one or more Board members in writing by mail, fax or e-mail to the Association’s office. A nomination is valid only if the Association confirms with the nominee his or her willingness to serve. Self-nominations are valid and are automatically deemed confirmed. All candidates for election of directors, including incumbents, must submit a petition (“Petition”) signed by at least six members (co-owners of lot(s) do not count as additional members) to demonstrate support for the candidacy. As permitted by Civil Code §5105(a)(3), the ballot may list under a separate heading the self-nominated person(s) who lack(s) such a Petition. That separate heading will be “Self-Nominated Candidates Without A Supporting Petition.”

With that exception, the order of the names on the ballot will be randomly selected by the inspector of elections in the presence of a neutral third party chosen by the inspector.

Each confirmed nominee may, and is requested to, submit a short biography (no more than half a page). Typically the biography includes a few notes on personal topics such as length of residency in the Palisades and the Riviera, community service, service organizations to which you belong, primary activities, and perhaps household members, and education. Each biography will be included in the mailing of notice (“Annual Mailing”) of the Annual Meeting, if the Association’s office receives the biography no later than October 1 preceding the Annual Meeting.

The name of a nominee shall be included in the ballots mailed to the members only if the nomination is received and confirmed no later than October 1 each year. The ballots will also contain a blank line or two for write-in votes.

Future Annual Mailings will include an announcement of the necessary qualifications of candidates for

the board, the right of members to submit nominations and self-nominations, and the method and time period for submittals. This information will also be made available on the website.

Election Procedures:

The procedures for elections concluding with an Annual Meeting will include an announcement in the Annual Mailing or in a separate mailing no fewer than 30 days before the Annual Meeting. The procedures for other elections not concluding with an Annual Meeting will include an announcement in a separate mailing no fewer than 30 days before the ballots are due. The provisions below on Campaigns for Elections, Voting Periods, Inspector of Elections, Voting, and Proxies shall apply to all elections except for any provisions by their terms applicable only to voting that concludes at an Annual Meeting.

Qualifications for Voting:

1. The qualifications for voting and the voting power of each member are set forth in Article Sixth of the Articles of Incorporation. In general:

The voting power of the members shall be... based on the number of lot(s) each member owns in the Association's jurisdiction.

In elections for directors, for each lot owned, a member shall have as many votes as the number of directors to be elected. Cumulative voting is not permitted.

2. (A) As provided in 2.7.2 of the CC&Cs: Where a lot is owned by more than one (1) person, or by an entity other than a natural person, the owners shall file with the Association their written and signed designation of one natural person ("voting member") to vote and exercise all of the rights of membership. An entity shall submit with the designation sufficient evidence that the designation is signed by authorized person(s). In the case of ownership of a lot by two or more persons, the voting member must be one of the owners. Title to a lot held in the names of person(s) as trustee(s) is deemed owned by those person(s) under these rules, not by an entity. Where an entity is a trustee, the entity rules apply to that entity having authority to vote on behalf of the trust.

- (B) In the absence of such a written designation by two or more persons who own a lot: Unless the secretary of the Association is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect:

If only one votes, such act binds all; if more than one votes, the act of a majority so voting binds all. If more than one votes and there is no majority, none of their votes is counted. (Based on Corporations Code §7612.)

- (C) An entity for which the Association has not received a designation and sufficient evidence as required by 2(A) above or comparable information in the inspector's actual possession shall not be entitled to vote.

3. The Association's records of membership and designations of the "voting member" under paragraph 2 above at the time the ballots are mailed are conclusive on entitlement to vote, and the

Association and inspector of elections shall rely on them.

Campaigns for Elections:

No candidate or member advocating a point of view shall be provided access to the Association's media, newsletter, ~~if any mailing list, membership roster, public~~ *the association's bulletin board*, or Internet Website during any campaign for any purpose plausibly related to a pending election.

~~The common area – South Park – is permitted by law to be used in a reasonable manner for purposes related to association elections. The areas owned by the city and parkways owned or maintained by the Association are not HOA common area meeting places within the meaning of Civil Code §5105(a)(2). No candidate or member advocating a point of view, including those endorsed by the board, shall have access to the areas parkways for purposes plausibly related to an election. They are public property owned by the city.~~

Voting Period:

The times when the polls open and close and whether voting is taken entirely by mail shall be as set forth in the announcement sent with the mailing of the ballots.

The voting period for the election of directors shall be at least 30 days and shall conclude with the Annual Meeting. The time period shall begin when the ballots are mailed *to the members* and shall end during the Annual Meeting *thirty (30) minutes after at the time the meeting has been* is called to order. Members' ballots for the election of directors may be (i) mailed to the Association's address at P.O. Box 1585, Pacific Palisades, CA 90272 or (*see last paragraph of this section*).
(ii) timely delivered to the Annual Meeting (*see last paragraph of this section*).

Ballots for other votes taken at the Annual Meeting also may be mailed or timely delivered to the Annual Meeting. The voting period for other votes taken at the Annual Meeting shall be the same as for the election of director(s).

The voting period and place (if any) for votes not taken at the Annual Meeting shall be at least thirty days from the mailing of the ballots to the members. The board may reserve the right to extend the time period.

Votes may be conducted entirely by mail, except for election of director(s) at the Annual Meeting and other votes concluding at an Annual Meeting.

For all elections, mailed ballots must be received no later than 3:00 p.m. of the last day of the voting period as established by the board.

Inspector of Elections.

There shall be one independent third party inspector of elections. The board shall appoint the inspector. Unless the board determines otherwise, the inspector shall be the manager of the Association.

The inspector is authorized to appoint and oversee additional independent person(s) to verify signatures and to count and tabulate votes as the inspector deems appropriate, provided that each person is an independent third party. The inspector may appoint as such an additional independent third party a

member of the inspector's staff or a member of the Association who is not on the board or a candidate for director or related to a director or candidate for director. The inspector shall perform all the functions set forth in Civil Code §5110.

Voting:

1. The Association's bylaws require a quorum for elections by the membership.
2. When required by law, voting shall be by secret ballot in accordance with Civil Code §5115(a). The law currently requires secret balloting for elections regarding assessments that legally require a vote, election and removal of members of the association board of directors, amendments to the governing documents, and the grant of exclusive use of common area property pursuant to Civil Code §4600. Write-in candidates are permitted. Votes shall be tabulated by the inspector(s) of elections or his or her designee in accordance with Civil Code §5120(a) and reported in accordance with Civil Code §5120(b). Ballots held in the custody of the inspector until the tabulation of the votes and then retained by the Association in accordance with Civil Code §5125.
3. The Association shall use as a model these procedures for ensuring confidentiality of voting by ballots:
 - (A) 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 shall sign the voter's name, indicate the voter's name, and indicate the address or separate interest identifier that entitles the voter to vote.
 - (B) The second envelope is then addressed to the inspector or inspectors of elections, who will be tallying the votes. The envelope may be mailed or delivered by hand to the Annual Meeting if the election concludes at the Annual Meeting and otherwise to a location specified by the inspector or inspector of elections in the announcement of the election. The member may request a receipt for delivery.

Proxies:

1. Definitions:
 - (A) "Proxy" means a written authorization signed by a member or the authorized representative of the member that gives another member or members (the proxy-holder) the power to vote on behalf of that member. A proxy is an optional method for a member to vote in an election.
 - (B) "Signed" means the placing of the member's name on the proxy by her or his manual signature or by an authorized representative of the member. To be authorized, the representative must have submitted to the inspector of elections a copy of the instrument or order of appointment in form and substance satisfactory to the inspector.
2. Procedures for Creating Valid Proxy, If Desired:
 - (A) The proxy-holder must be a member of the Association.
 - (B) Member completes and signs the proxy form received in the annual mailer. Copies of that

form are permitted.

- (C) Member delivers the completed and signed proxy form to the Association. The member may fax it, scan and email it, mail it, or personally deliver it.
- (D) Member delivers the original ballot to the person the member chooses to be the proxy-holder. Or the proxy-holder may obtain and use a copy of the ballot.

3. Proxies are permitted, but must be in the form prepared by the Association.\
4. Proxies must be submitted to and received by the inspector of elections before the deadline for receipt of votes.
5. Proxies shall not be construed or used in lieu of a ballot.
6. The proxy-holder shall cast the member's vote by secret ballot. The proxy may be revoked by the member only prior to the inspector of elections' receipt of the proxy-holder's ballot. The proxy shall be deemed revoked, when the inspector of elections receives a member's ballot before receipt of the proxy-holder's ballot.
7. The ballot itself is not signed by the proxy-holder, 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 proxy-holder shall indicate the name of the voter who authorized the proxy-holder, indicate the address or separate interest identifier that entitles the voter to vote, and then write and also sign the proxy-holder's name.