

ELECTION RULES AND PROCEDURES OF
EL RIO MOBILE HOME COOPERATIVE, INC.

In compliance with Civil Code §5100-5115 as of this 6th day of April, 2020, the El Rio Mobile Home Cooperative, Inc. (the "Cooperative") Board of Directors hereby adopts the following rules and procedures (the "Rules") governing El Rio Mobile Home Cooperative elections and member voting. These Rules implement new requirements of California law and are therefore intended to supplant any conflicting election procedure stated in the Cooperative's Bylaws.

Elections regarding the election and removal of Directors, assessments that legally require a vote, amendments to the governing documents or the grant of exclusive use of common area pursuant to Civil Code section 4600 shall be held by secret ballot in accordance with the procedures set forth. The voting power of each membership is provided in Article IV Section 8 of the Bylaws.

Election Inspector. The Board of Directors shall, by majority vote, appoint an Election Inspector who shall be an independent third party. The number of inspectors may be one or three. The Election Inspector may be, but is not required to be, a poll worker with the county registrar of voters, a licensee of the California Board of Accountancy or a notary public. The Election Inspector may not be a person, business entity, or subdivision of a business entity who is currently employed or under contract to the association for any compensable services other than serving as an inspector of elections. Members and residents of the Cooperative, relatives of a director or candidate for director, or employees of the Cooperative or of the management company, are not eligible to be election inspectors. The Inspector(s) may appoint additional persons to verify signatures and count and tabulate votes as the Inspector(s) deem appropriate, as long as such persons are independent third parties. Such independent third parties may be members of the Cooperative provided they are not Directors, candidates for Director or related to a Director or candidate for Director. Such independent third parties may not be a person, business entity, or subdivision of a business entity who is currently employed or under contract to the association for any compensable services other than serving as inspector of elections.

The Elections Inspector shall do all of the following:

- (a) Determine the number of memberships entitled to vote and the voting power of each;
- (b) Determine the authenticity, validity and effect of proxies, if any, in accordance with Section 5 of these Rules;
- (c) Receive ballots;
- (d) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
- (e) Count and tabulate all votes;
- (f) Determine when the polls shall close;
- (g) Determine the result of the election;
- (h) Perform any acts as may be proper to conduct the election with fairness to all members in accordance with these Rules, the Cooperative Bylaws, and California law.
- (i) Keep custody of ballots until they are turned over to the association

The Election Inspector shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as practical. Any report made by the Election Inspector shall be prima facie evidence of the facts stated in the report.

2. Nomination Procedures and Deadlines: No less than 90 days prior to the election, the Cooperative shall mail the nomination procedure (in the case of board elections), deadline for nominations, and various other election-related deadlines to members, including but not limited to a list of candidate qualifications along with a statement regarding a potential candidate's right to participate in alternative dispute

resolution with the association if the candidate is subject to disqualification. The Nomination Procedure Notice shall be delivered to each Cooperative Member individually pursuant to California Civil Code section 4040.

3. Pre-Ballot Notice: At least 30 days before ballots are distributed, a general notice shall be sent to the membership indicating: the date, time & location of the meeting at which votes will be counted; the deadline (date & time) and location for qualified voters to mail or hand-deliver ballots; items to appear on the ballot i.e. the list of candidates, the text of proposed amendments to the governing documents, any assessment proposal legally requiring a vote, or proposal to grant exclusive use of the common area; and the list of qualified voters containing the information required in California Civil Code section 5101(a)(7). The notice will request that members report any inaccuracies on the membership list by a specified date. The pre-Ballot Notice shall be delivered to each Cooperative Member individually pursuant to California Civil Code section 4040.

4. Qualifications for Candidates. Candidates must be members of the Cooperative at the time of nomination, and for at least six months prior to submitting their nomination. In the case of joint memberships, no more than one member in a household may be a candidate or serve as a Director at any given time. Candidates must be current in payment of their assessments (not inclusive of fines, late charges, collection charges, fines renamed as assessments, or costs levied by a third party), or on an approved payment plan. Members are ineligible to become candidates or sit on the Board of Directors if they have a past criminal conviction that would, if they were elected, either prevent the Cooperative from purchasing the fidelity bond coverage required by Section 5806 or terminate the Cooperative's existing fidelity bond coverage. A potential candidate shall not be disqualified from candidacy if the person has not been provided the opportunity to engage in internal dispute resolution pursuant to California Civil Code section 5900 et. seq.

5. Nomination of Candidates. Upon receipt of the nomination procedures but not fewer than 60 days prior to the mailing of the ballots, any member who meets the qualifications set forth in section 4 may nominate themselves as a candidate for a seat on the Board of the Directors by submitting the nomination form by the identified deadline. The Board of Directors shall provide each nominee an opportunity to submit a written statement on their candidacy and qualifications. Statements will be mailed with the ballots if received by the deadline listed in the Nominations Procedure mailing.

6. Ballots. Ballots for voting shall be mailed by first class mail or personally delivered to each member at the member's address as it appears on the membership book. Ballots and a copy of the election rules shall be delivered, or caused to be delivered, by the Elections Inspector not fewer than thirty (30) days prior to the deadline for voting. The ballots shall be mailed or delivered with two pre-addressed envelopes and instructions as to how to return the ballots. In order to preserve confidentiality, a voter may not be identified by name, address, or space number on the ballot. The ballot itself is not to be signed by the voter. The ballot itself is to be inserted into an envelope that is sealed. That envelope is to be inserted into a second envelope that is sealed. In the upper left-hand corner of the second envelope, the voter must print and sign his or her name, address and space number that entitles him or her to vote. The second envelope is to be addressed to the Election Inspector. The envelope may be mailed or delivered by hand to a location specified by the Election Inspector. The voting member may request a receipt for delivery.

7. Voting and Tabulation of Votes. Pursuant to Section 1, the Election Inspector shall determine when the polls open and close for voting. However, at a minimum, polls shall open upon delivery of the ballots pursuant to Paragraph 2 above and close at the meeting, approximately 30 days or more thereafter. Voting shall terminate no sooner than one hour following commencement of such membership meeting. Voting may also be conducted by mail. The Election Inspector shall ensure a process, in compliance with these Rules, that allows members to vote by mail or in person.

All votes shall be counted and tabulated by the Election Inspector in public at a properly noticed open meeting of the Board of Directors or the members. If the polls close at a meeting, the votes may be counted at

the close of the polls. If the polls do not close at a meeting, the votes may be counted at a subsequent duly noticed and open meeting of the Board of Directors or members. Any candidate or other member of the Cooperative may witness the counting and tabulation of the votes. However, no person, including a member of the Cooperative or an employee of the management company, may open or otherwise review any ballot prior to the time and place at which the ballots are collected and tabulated. Once a ballot is received by the inspector of elections, it shall be irrevocable. The Election Inspector may issue provisional ballots at the meeting where the election is held, to Members who appear in person and declare that their ballots had been lost or not received, on condition that the Election Inspector verifies that no ballot had already been received from that Member.

The results of the election shall be promptly reported to the Board of Directors of the Cooperative and 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 Cooperative.

Within fifteen (15) days of the election, the Board of Directors shall publicize the results of the election in a communication directed to all members. The sealed ballots, signed voter envelopes, voter list, proxies and candidate registration list at all times shall be, and remain, in the custody of the Election Inspector or at such location designated by the Election Inspector for a period of one year from the date the Election Inspector notifies the Board of the election results, at which time custody shall be transferred to the Cooperative. In the event of a recount or other challenge, the Election Inspector shall, upon written request, make the ballots available for inspection and review by Cooperative members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

8. Qualifications for Voting. Each member who is a qualified voter on the Record Date shall have the right to vote on each matter submitted to the membership in accordance with Article IV Section 8 of the Bylaws. The Record Date is the date the ballots are mailed. In the event that a membership stands of record in the names of two or more persons, such persons shall jointly decide how the vote of the membership will be cast. There shall be no division of the vote into fractional votes.

9. Proxy Voting. Pursuant to Article IV, Section 9 of the Cooperative's Bylaws, a member may appoint any other member as his or her proxy. Each vote cast by proxy shall be counted in accordance with these Rules and the Bylaws as if the delegating member were voting him or herself. However, in no case may a member cast more than one vote by proxy in addition to his or her own vote. A notice of proxy must be filed with the Election Inspector prior to the close of the polls for voting. The notice of proxy shall be in writing, be signed by the member authorizing the proxy, identify such member's lot, parcel or unit number, and identify the person or persons authorized to exercise the proxy and the length of time the proxy will be valid. The proxy holder shall cast the member's vote by secret ballot in accordance with Paragraph 2 above and the proxy holder shall include the name, address and space number that entitles the delegating member to vote in the left-hand corner of the second envelope. In place of the delegating member's signature, however, the proxy holder shall sign his or her name. The Election inspector shall inspect the notice of proxy and the second envelope signed by the proxy holder to ensure that such proxy is authentic and valid. Any instruction given in a proxy that directs the manner in which the proxy holder is to cast a vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. A ballot may not be denied to a person with general power of attorney for a member. The ballot of a person with a general power of attorney for a member shall be counted if returned in a timely manner.

10. Candidate Access to Cooperative Media, Newsletters, Website. Cooperative funds shall not be used for campaign purposes in connection with any Cooperative Board election. Cooperative funds shall not be used to advocate the election or defeat of any candidate. Any candidate or member advocating a point of view for purposes reasonably related to a Cooperative election shall be provided with access to media, newsletters or internet websites owned or controlled by the Cooperative for purposes of advocating a point of view reasonably related to that election including a point of view not endorsed by the Board of Directors. The Cooperative shall

not edit or redact any content from these communications but may include a statement specifying that the candidate or member, and not the Cooperative, is responsible for that content. Expenses incurred by the Cooperative in providing access to candidates or other members to media controlled by the Cooperative shall be borne by the member.

11. Candidate Access to Common Area. All candidates for election and all members advocating a point of view reasonably related to the election, including points of view not endorsed by the Board of Directors, shall have reasonable access to the Cooperative's common area meeting space during a campaign for election. Such access shall be at no cost to the candidate or member seeking such access.