

**RESOLUTIONS
OF
THE BOARD OF DIRECTORS
OF
WOOD RANCH SYCAMORE CANYON VILLAGE ASSOCIATION
ADOPTING ELECTION RULES (Civil Code §§ 1363.03 and 1357.100 et. seq.)**

Dated: February 6, 2007

Amendment of Rules and Regulations

WHEREAS, the California legislature amended the Davis-Stirling Common Interest Development Act to add Civil Code Section 1363.03 requiring the adoption of election rules, secret ballot voting, inspectors of election, and election procedures for common interest developments;

WHEREAS, in accordance with Section 1363.03, the Board of Directors (the "Board") of Wood Ranch Sycamore Canyon Village Association (the "Association") desires to adopt an amendment to the Association's Rules and Regulations (the "Rules") to comply with Section 1363.03;

WHEREAS, the Board has reviewed and considered a draft of the amendment to the Rules in the form attached hereto as Exhibit A (the "Amendment"); and

WHEREAS, the Board deems it in the best interests of the Association to include the Amendment as a new section of the Rules entitled "Election Rules and Procedures".

NOW, THEREFORE BE IT RESOLVED, that the Amendment substantially in the form presented to the Board be and it hereby is, authorized, adopted and approved in all respects;

FURTHER RESOLVED, that the Amendment shall be included as a new section of the Rules entitled "Election Rules and Procedures"; and

FURTHER RESOLVED, that the officers of the Association be, and each of them individually hereby is, authorized, empowered and directed, in the name and on behalf of the Association, to take all such further actions, to cause to be prepared and filed all such documents and instruments, to make all expenditures and incur all expenses, and to execute and deliver all documents and instruments which they in their discretion deem necessary or appropriate to the transactions contemplated by the foregoing resolutions.

EXHIBIT A

ELECTION RULES AND PROCEDURES

In connection with (i) the election or removal of members of the Board of Directors, (ii) a vote regarding an amendment to the Sycamore Canyon Village governing documents, (iii) a vote regarding assessments, or (iv) approval of a grant of exclusive use common area property to a member, the following rules and procedures shall apply:

1. SECRET BALLOT PROCEDURE

1.1 Ballots and two preaddressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Association to every member of the Association not less than thirty (30) days prior to the deadline for voting.

1.2 In order to preserve the confidentiality of the voter:

- (a) Ballots must not identify the voter by name, address, or lot number;
- (b) Ballots must not require the signature of the voter; and
- (c) The ballot itself is to be inserted into a designated ballot envelope that is to be sealed. This envelope is inserted into a second mailing envelope that is to be sealed. In the upper left hand corner of the second envelope, the voter prints and signs his or her name, address, and lot number that entitles him or her to vote. The second envelope is addressed to the inspector(s) of election, c/o Sycamore Canyon Village's management company.

1.3 Members shall return their secret ballots by mail to Sycamore Canyon Village's management company, or hand delivery to the meeting; provided, however, only those ballots that are delivered to the inspector(s) of election, or to such location designated by the inspector(s) of election, prior to the closing of polls, as determined by the inspector(s) of election, will be counted.

1.4 A member may request a receipt for delivery of his or her ballot.

1.5 Once a secret ballot has been mailed or delivered, such ballot shall be irrevocable.

2. TABULATION OF SECRET BALLOTS; QUORUM REQUIREMENT

2.1 The inspector(s) of election shall count and tabulate the ballots in public at a properly noticed (regular or special) open meeting of the members or the Board of Directors.

2.2 Any candidate or other member of the Association may witness the counting and tabulation of the votes.

2.3 In connection with any vote by written ballot, such vote shall be valid only when the number of votes cast equals or exceeds the quorum required to be present at a meeting authorizing the action. In the event ballots representing fewer than a quorum required to be present at a meeting authorizing the action are received at the end of the voting period (as such period is established pursuant to Section 8.4 of these Rules), the inspector(s) of election shall be permitted to extend the voting period for a specified period of time not less than five (5) nor more than (30) days from the expiration of the original voting period. In the event the inspector(s) of election extends the voting period pursuant to this Section 2.3, the Board shall adjourn the meeting at which the ballots were to be counted to a properly noticed meeting on the date upon which the extended voting period expires.

3. COLLECTION, RECORDATION AND STORAGE OF BALLOTS

3.1 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. The inspector of election, 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.

3.2 The inspector(s) of election shall maintain a current list of members of the Association entitled to vote, including associated addresses, lot or unit numbers. Upon receipt of the ballots, the inspector(s), or the custodian of the ballots designated by the inspector(s), shall record on such list that a ballot has been received for the applicable address, lot or unit. In the event the inspector(s) receives more than one ballot for the same address, lot or unit, all ballots from such address, lot or unit shall be deemed invalid and discarded regardless of which ballot was received first.

3.3 The inspector(s) of election shall designate that the sealed ballots shall at all times be in the custody of Sycamore Canyon Village's management company until after the tabulation of the vote, at which time custody shall be transferred to the Association.

3.4 After tabulation, the Association shall store ballots in a secure place for at least one year after the date of the election or until the final determination of any challenge to the election, whichever is later. In the event of a recount or other challenge to the election process, the Association shall, upon written request, make the ballots available for inspection and review by members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

4. INSPECTOR(S) OF ELECTION

4.1 At least sixty (60) days prior to the mailing of secret ballots for any vote pursuant to this Article, the Board of Directors shall appoint either one or three independent third parties to serve as inspector(s) of election for such vote. The Board of Directors may hire an outside third party to act as an inspector of election. An "independent third party" includes, but is not limited to:

- (a) a volunteer poll worker with the county registrar of voters;
- (b) a licensee of the California Board of Accountancy
- (c) a notary public;
- (d) a member of the Association, provided, that such member is not a member of the Board of Directors, or a candidate for the Board of Directors, or related to a member of the Board of Directors or a candidate for the Board of Directors; and
- (e) a person who is currently employed or under contract to the Association for any compensable services, including, without limitation, the Association's management company.

4.2 Prior to the ballots being mailed to the members, the inspector(s) of election shall designate Sycamore Canyon Village's management company as the location to which the ballots shall be addressed and returned.

4.3 The inspector(s) of election 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;
- (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, or oversee the counting and tabulating, of all votes;
- (f) Determine when the polls shall close;
- (g) Determine the results of the election;
- (h) 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.

4.4 An inspector of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical.

4.5 If there are three inspectors of election, the decision or act of a majority shall be effective in all respects as the decision or act of all.

4.6 Any report made by the inspector(s) of election is prima facie evidence of the facts stated in the report.

4.7 The Board of Directors may remove and replace any inspector of election prior to the counting and tabulation of ballots if an inspector of election resigns or if the Board of Directors reasonably determines that such inspector of election will be unable to perform his or her duties impartially and in good faith.

5. CAMPAIGN REGULATIONS

5.1 If any candidate or member advocating a point of view is provided access to Association media, newsletters, or Internet websites during a campaign, for purposes that are reasonably related to that election, the Association shall provide equal access to all candidates and members advocating a point of view, including those not endorsed by the Board of Directors, for purposes that are reasonably related to the election. The Association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the Association, is responsible for that content.

5.2 All candidates, including those who are not incumbents, and all members advocating a point of view, including those not endorsed by the Board of Directors, shall be provided equal access to common area meeting space during a campaign at no cost, for purposes reasonably related to the election.

5.3 Association funds may not be used for campaign purposes in connection with any Board of Directors election. Funds of the Association may 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. For purposes of this section, "campaign purposes" include, but are not limited to, (1) expressly advocating the election or defeat of any candidate that is on the Association election ballot; or (2) including the photograph or prominently featuring the name of any candidate on a communication from the Association or the Board of Directors (except for the ballot and ballot materials and equal access communications sent pursuant to Section 5.1), within thirty (30) days of an election.

6. NOMINATION OF CANDIDATES TO BOARD OF DIRECTORS

6.1 At least ninety (90) days prior to the date of the meeting at which the ballots for any election of directors are to be counted, the Nominating Committee of the Board of Directors shall meet to commence accepting nominations for election to the Board of Directors. In addition, the Nominating Committee shall identify, review the qualifications of, and recruit candidates for the Board of Directors.

6.2 Candidates for the Board of Directors must be members of the Association or the designee of a corporate entity that is a member of the Association, and be in good standing in accordance with Section 5.3 of the Association's Bylaws.

6.3 Any member may nominate himself or herself for election to the Board of Directors.

6.4 The Nominating Committee will contact any candidate that is nominated by another person to obtain the consent of such candidate prior to putting his or her name on the ballot for election to the Board of Directors.

6.5 All nominees who meet the qualifications to be a candidate for the Board shall be listed on the ballot.

6.6 The Nominating Committee shall establish a deadline for accepting nominations for election to the Board of Directors that is at least fifteen (15) days prior to the date on which the ballots are to be mailed to the members.

6.7 The ballots will include a place for "write-in" votes to accommodate nominations from the floor; provided, however, the candidate for which the write-in vote is cast must be present at the meeting and accept, in writing, a nomination for the Board of Directors.

7. ANNOUNCEMENT OF ELECTION RESULTS

7.1 The results of any 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 members.

7.2 The newly elected Board of Directors shall be deemed to have taken office upon certification of the election results by the inspector(s) of election.

7.3 No later than fifteen (15) days after the election, the Board of Directors shall publicize the results of the election in a communication directed to all members.

8. QUALIFICATION FOR VOTING; CUMULATIVE VOTING; PROXIES; VOTING PERIOD

8.1 All owners shall be entitled to one vote for each lot or unit owned in accordance with the provisions of the Association's Bylaws. When more than one person or entity owns a lot or unit, the vote for such lot or unit shall be exercised as such owners determine among themselves, but in no event shall more than one vote be cast with respect to any lot or unit.

8.2 Section 3.14 of the Association's Bylaws shall govern the validity and effect of proxies to the extent such section does not conflict with these Rules, and subject to the rights of the inspector(s) of election pursuant to Section 4.3(b) of these Rules and applicable law. The Association will not distribute proxies to owners. Proxies shall not be used in lieu of a ballot. The proxy holder must timely complete and submit a secret ballot for the vote to be counted.

8.3 Subject to Section 2.3, the voting period will begin upon the mailing of the ballots pursuant to Section 1.1 of these Rules and shall close at such time as determined by the inspector(s) of election, which time shall be indicated on the voting instructions accompanying the ballot.