

Election Rules

Resolution 03-20-30; April 21, 2020

I. Purpose

These Election Rules ("Rules") are intended to comply with California statute as well as the Bylaws of Third Laguna Hills Mutual (the "Mutual"). In addition, these Rules are intended to enhance the fairness and professionalism of Mutual membership voting. Where applicable, authority from the Bylaws is shown in parentheses.

II. Definitions

- a. Ballot Materials Ballot, Secret Ballot Envelopes, Pre-addressed Return Envelopes, and any other material sent to all Members with the Ballots.
- b. Board or Board of Directors The board of directors of the Mutual.
- c. Bylaws The bylaws of the Mutual, as may be amended from time to time, applicable to Members in the Mutual.
- d. Candidate A qualified candidate for election to the Mutual's Board of Directors, including both incumbents and non-incumbents.
- e. CC&Rs Any Amended and Restated Declaration of Covenants, Conditions and Restrictions (as may be amended from time to time, the "CC&Rs"), applicable to Members in the Mutual.
- f. Director A person who serves on the Board of Directors.
- g. Election Records Tabulated ballots, voided ballots, voided Pre-addressed Return Envelopes, signed voter exterior envelopes, the voter list of names, parcel numbers, and voters to whom Ballot Materials were sent, proxies, and the Candidate registration list(s), Eligible Voter List(s), inspector of election (defined below) tally sheets, ballot packages returned from the post office as undelivered, ballots received, after the election deadline, and any other used and/or voided ballots.
- h. General Delivery or General Notice The delivery of a document to a Member, which can be effectuated by posting the document, pursuant to the requirements of California Civil Code Section 4045.
- i. Governing Documents The governing documents of the Mutual, including, without limitation, (1) the Bylaws, (2) applicable CC&Rs, (3) Condo Plans and (3) any rules, regulations and policies adopted by the Board from time to time that apply generally to the conduct of the business and affairs of the Mutual.
- j. Individual Delivery or Individual Notice The delivery of a document to a Member pursuant to the requirements of California Civil Code Section 4040 Inspector or Inspector of Elections - an independent third party acting as the inspector of elections in any Mutual election conducted by Secret Ballot. The term "independent" means not subject to a current contract with the Association and in no event shall it be the Association's managing agent or an employee thereof.

- k. Inspection Firm Business hired by the Mutual to conduct the election and assist the Inspector. If there is no Inspection Firm hired by the Mutual, those duties will be fulfilled by the Inspector. The Inspection Firm may also act as the Inspector, if so approved, in advance, by the Board.
- I. Member An owner of a Unit in Third Laguna Hills Mutual
- m. Rules Consist of, without limitation, these Election Rules of Third Laguna Hills Mutual.
- n. Secret Ballot A ballot used in a Mutual election which is subject to the secret ballot voting requirements of the California Civil Code or an election on any topic that is expressly identified in the Governing Documents as required to be held by secret ballot.
- o. Secretary An elected member of the Board of Directors who has been elected or appointed as Secretary by the Board.
- p. Assistant Secretary Staff member of the Mutual's managing agent who has been appointed by the Board of Directors.

III. Qualifications for Candidates and Directors

- a. An individual shall not qualify as a Candidate if the individual is not a Member at the time of nomination. (6.2)
 - i. If title to a separate interest parcel is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person to be a Member.
- b. In addition to being a Member, in order to qualify as a Candidate (or serve as a Director, as applicable), the following qualifications or requirements shall be applicable:
 - i. A Candidate or Director must be current in the payment of regular and special assessments, which are consumer debts subject to validation. This requirement shall not apply to the nonpayment of fines, fines renamed as assessments, collection charges, late charges, costs levied by a third party, or other chargeable services permitted pursuant to the Governing Documents. Further, the Member candidate shall not be disqualified for failure to be current in payment of regular and special assessments if either of the following circumstances is true:
 - 1. The person has paid the regular or special assessment under protest pursuant to Section 5658 of the California Civil Code; or
 - 2. The person has entered into a written payment plan with the Mutual pursuant to Section 5665 of the California Civil Code.
 - ii. A Candidate or Director may not serve on the Board if the person, if elected, would be serving on the Board at the same time as another person who holds a joint ownership interest in the same separate interest parcel as the person and the other person is either properly nominated for the current election or an incumbent Director.
 - iii. A Candidate or Director may not serve on the Board unless that person has been a Member for at least one (1) year prior to the nomination date.
 - iv. A Candidate or Director may not serve on the Board if that person discloses, or if the Association is aware of or becomes aware of, a past criminal conviction that would, if the person was elected, either prevent the Association from purchasing the fidelity bond coverage required by Section 5806 of the California Civil Code or terminate the Association's existing fidelity bond coverage.

- v. To the fullest extent permitted by law, a Director may have his or her seat declared vacant, and the Director's seat removed, if the Director has been convicted of a felony or declared of unsound mind by a final order of a court.
- c. A person may not be disqualified from nomination if the person has not been provided the opportunity to engage in internal dispute resolution pursuant to the California Civil Code.

IV. Nomination Process

The Mutual shall distribute to all Members a notice seeking Candidates for the Board (the "Candidacy Notice") at least thirty (30) days prior to the date of the deadline for return of the completed Candidacy Notice to the Mutual. The Candidacy Notice shall provide a space for any Member interested in being a Candidate to indicate his or her name, separate interest address within the Mutual's development, mailing address (if different), other contact information and signature, a resolution by the governing authority of a legal entity authorizing a natural person to run for the Board on behalf of the legal entity (if applicable), and include a deadline for return of the completed Candidacy Notice to the Mutual.

- a. Any Member eligible as a candidate under these Rules may apply or self-nominate by signing an application and submitting it to the Secretary or Assistant Secretary of the Mutual (or otherwise in accordance with the instructions on the Candidacy Notice) stating an intention to run for the Board of Directors. (8.3.5). Any Member submitting a completed Candidacy Notice will be required to certify on the Candidacy Notice that he/she meets the qualifications for Candidates and Directors set forth in these Rules. Any Member submitting an incomplete Candidacy Notice or failing to submit a completed Candidacy Notice by the stated deadline shall not have his or her name included in the Secret Ballot or other voting materials for that election. The application shall include the signed Candidate's Pledge as attached to these Rules. Every Candidate shall submit with his or her Candidacy Notice a statement of background and qualifications, not to exceed 300 words, not later than the time of close of nominations. It is specifically understood by each Candidate that the statement will be published. The Mutual shall not edit or redact any content from the Candidate's statement. Any Candidate statement published shall be accompanied by the following statement: "These statements are from the candidates and not the Mutual. Neither the Mutual nor the Board of Directors is responsible for or necessarily endorses any of the views expressed in these statements."
- b. A Candidate statement exceeding 300 words in length will be cut off at the 300th word before it is published.
- c. The Secretary or Assistant Secretary shall, ninety (90) days before the date of the election, send notice to all Members of the election date.
- d. The Mutual shall provide General Notice (or Individual Notice if requested by a Member) of the procedure and deadline for submitting a nomination at least thirty (30) days before any deadline for submitting a Candidacy Notice.
- e. The Mutual shall provide General Notice (or Individual Notice if requested by a Member) of all of the following at least thirty (30) days before the ballots are distributed: (1) the date and time by which, and the physical address where, ballots are to be returned by mail or handed to the Inspector(s); (2) the date, time, and location of the meeting at which ballots will be counted; (3) the list of all Candidates' names that will appear on the ballot.
- f. The Inspector or Inspection Firm shall send to each Member entitled to vote a ballot package, including candidate statements, no later than thirty (30) days prior to the date of election. (8.3.6)

V. Eligibility to Vote

- a. Notwithstanding any other law or the Governing Documents, any Member at the time when ballots are distributed (or person with a valid, general power of attorney for a Member) may vote in all Mutual matters.
- b. Members shall have one (1) vote per separate interest owned. Memberships in which two or more Mutual Members have joint or undivided interest shall have only one (1) vote. (5.8.1.2)
- Record dates for determining Members entitled to receive notice of a meeting, shall be established in accordance with Section 7611 of the California Corporations Code. (5.10)

VI. Candidate Equal Access to Media

- a. If any Candidate or Member advocating a point of view is provided access to Mutual 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. The Mutual shall not edit or redact any content from communications by a Candidate or a Member, but the Association may include a statement specifying that the Candidate or Member, and not the Mutual, is responsible for that content; the Mutual shall not be responsible for the content of Candidate or Member communications, regardless of whether such a statement is included.
- b. Prior to each election for the Board of Directors, the Mutual shall hold a forum ("Meet the Candidates") for the nominees within a Golden Rain Foundation (GRF) facility prior to the date that the ballot materials are sent to the Membership. The forum will be administered by the Candidates Information Committee. If no Candidates Information Committee is formed, the Board may designate a chairperson to preside over the forum. In the absence of Board action to designate a chairperson, the President may designate a chairperson. The forum is intended to allow the Membership to meet and ask questions of nominees. All Candidates standing for election shall be invited to attend the forum and should appear in person so that all candidates participating in "Meet the Candidates" are on an equal footing during the election. However, a Candidate shall not be disqualified if he/she/their/they fails to attend the "Meet the Candidates" event and may not, by their failure to attend, demand that the Mutual host another "Meet the Candidates" forum that they can attend.
- c. Access to common area meeting space shall be made available during a campaign, at no cost, to all Candidates, including those who are not incumbents, and to all Members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election. Such access, as may be applicable, shall be made available upon the request of a Candidate or Member, at no charge and shall be scheduled at a reasonable time(s) by the Board.

VII. Proxies

a. Any Member entitled to vote may do so by proxy, where the proxy is submitted in exchange for a secret or non-secret written ballot, as applicable, in accordance with the Bylaws. (5.11)

- b. A "proxy" means a written authorization signed by a Member or the authorized representative of the Member that gives another Member or Members (or a person with a valid, general power of attorney for a Member) the power to vote on behalf of that Member. For purposes of this definition, "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.
- c. Proxies shall not be construed or used in lieu of a ballot (whether a Secret Ballot or other written ballot).
- d. The use of proxies shall meet the requirements of the Governing Documents, Section 7613 of the California Corporations Code and other provisions of law.
- e. The Mutual shall not be required to prepare or distribute proxies.
- f. Any instruction given in a proxy that directs the manner in which the proxyholder is to cast the vote must be set forth on a separate page of the proxy that can be detached and retained by the proxyholder. Neither the Mutual nor the Inspector will be responsible for ensuring that the proxyholder votes the votes in accordance with the Member's instructions.
- g. A proxy may be revoked by a Member prior to the receipt of a Secret Ballot by the Inspector (or receipt of other written ballot by the Mutual), as described in Section 7613 of the California Corporations Code. A Member's attendance at the meeting at which the proxyholder casts, or intends to cast, the Member's vote does not automatically revoke the proxy.

VIII. Procedures for Elections by Secret Ballot

- a. The Mutual shall utilize a Secret Ballot process for elections regarding any of the following matters:
 - i. Assessments legally requiring a vote of the Members.
 - ii. Election or removal of Directors.
 - iii. Amendments to the Governing Documents.
 - iv. The grant of exclusive use of the common area unless otherwise authorized by statute for certain stated purposes.
 - v. An election on any other topic that is expressly identified in the Governing Documents or the California Civil Code as required to be held by Secret Ballot.
- b. The Mutual shall hold an election for a seat or seats on the Board, in accordance with these Rules and applicable law, at the expiration of the corresponding Director(s)' term(s) and at least once every four (4) years.
- c. Secret Ballots and two (2) pre-addressed envelopes with instructions on how to return the Secret Ballots shall be mailed by first-class mail or delivered by the Mutual to every Member not less than thirty (30) days prior to the deadline for voting. The deadline for voting and the times at which the polls will open and close shall be noticed with the Secret Ballot
- d. In order to preserve confidentiality, a voter may not be identified by name, address, or lot, parcel, or unit number on the Secret Ballot. The Mutual shall use as a model those procedures used by California counties for ensuring confidentiality of vote by Secret Ballots, including all of the following:
 - i. The Secret Ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second pre- addressed return 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 of the separate interest that entitles the voter to vote.

- ii. The pre-addressed return envelope is addressed to the Inspector, who will be tallying the votes. The envelope may be mailed to the address designated by the Inspector or delivered by hand to the locked ballot box in the Community Center. All pre-addressed return envelopes received shall remain sealed and in the possession of the Inspector or Inspection Firm, or another party, at their direction and designation, until they are opened and the ballots tabulated in public.
- e. The Secret Ballots may be either mailed or hand delivered as follows:
 - i. Return by Mail
 - 1. The pre-addressed return envelope shall be addressed to the Inspector. The Inspector may use a restricted-access post office box used solely for the receipt and storage of voted ballots, in which case, ballots shall be released only at a specified time on the ballot return deadline date and only to the Inspector of Elections. The Inspector may also use an address designated by the Inspector for receipt of the voted Secret Ballots.
 - 2. A second post office box or address may be used for ballot packages returned as undeliverable to the Member to which they were sent.
 - Members who desire a receipt for delivery of a mailed ballot shall mail the ballot by Certified Delivery - Return Receipt Requested at the Member's expense.
 - ii. Return by Hand Delivery
 - 1. Ballots returned by hand shall be deposited by the Member into a locked and secure ballot box located in the lobby of the Community Center, 24351 El Toro Road, Laguna Woods.
 - 2. At the request of the voting Member, management staff shall provide a receipt for the hand delivered ballot so long as same shall occur in the presence of management staff.
 - 3. The Inspector or Inspection Firm shall retrieve pre-addressed envelopes from the locked ballot box and record their receipt, at periodic intervals of their selection, until the close of balloting.
 - 4. In the alternative, the Inspector may select an alternate location for hand delivery of ballots, or require that hand-delivered ballots be brought directly to the tabulation meeting.
- f. A quorum shall be required only if so stated in the Governing Documents or as may be required by law. If a quorum is required, each Secret Ballot received by the Inspector shall be treated as a Member present at a meeting for purposes of establishing a quorum.
- g. In an election to approve an amendment of the Governing Documents, the text of the proposed amendment shall be delivered to the Members with the Secret Ballot.
- h. A Member who owns multiple separate interests must submit separate sealed Secret Ballots for each separate interest owned.
- i. Once a Secret Ballot is received by the Inspector, it shall be irrevocable. If more than one valid Secret Ballot is received for any Member's separate interest, the first secret ballot received will be the one counted; if it cannot be determined which Secret Ballot was the first received, the Secret Ballots will not be counted, except for the purpose of establishing quorum.
- j. All votes shall be counted and tabulated by the Inspector or Inspectors, or the designee of the Inspector or Inspectors, in public at a properly noticed open meeting of the Board or Members. Any Candidate or other Member of the Association may witness the counting and tabulation of the votes. No person, including a Member of

the Mutual or an employee of the Mutual's managing agent, shall open or otherwise review any Secret Ballot prior to the time and place at which the Secret Ballots are counted and tabulated; provided, however, the Inspector, or the designee of the Inspector, may verify the Member's information and signature on the outer envelope prior to the meeting at which Secret Ballots are tabulated.

- k. Except for the meeting to count the votes required above, an election may be conducted entirely by mail.
- I. The sealed Secret Ballots, signed voter envelopes, voter list, proxies, and candidate registration list shall at all times be in the custody of the Inspector or Inspectors or at a location designated by the Inspector or Inspectors until after the tabulation of the vote, and until the time allowed by the California Civil Code for challenging the election has expired, at which time custody shall be transferred to the Mutual.
- m. In the event of a tie vote among any number of Candidates, the Mutual will notice a special meeting of Members and send Secret Ballots to all Members for a runoff vote to break the tie. Such runoff vote shall be conducted in accordance with the Secret Ballot procedures set forth herein to the extent they are applicable to a runoff vote. No previously cast Secret Ballots or proxies from the prior election will apply or be counted in the runoff vote.
- n. All Secret Ballots must be legible and clearly marked. If a Secret Ballot is marked to cast more votes than the maximum number of votes allowed for an election, the Secret Ballot will be used for quorum purposes only and shall not count towards the vote.
- o. The Mutual shall retain, as Mutual election materials, both a Candidate registration list and a voter list. The voter list shall include the name, voting power, and either the physical address of the voter's separate interest, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list if it differs from the physical address of the voter's separate interest or if only the parcel number is used. The Mutual shall permit members to verify the accuracy of their individual information on both lists at least thirty (30) days before the ballots are distributed. The Mutual or Member shall report any errors or omissions to either list to the Inspector(s) who shall make the corrections within two (2) business days.

IX. Appointment of Inspector

- a. At an open session Board meeting, as soon as possible after the annual meeting of the Mutual, the Board of Directors shall appoint one (1) or three (3) Inspector(s) of Election. The Board may appoint individuals to serve as Inspector(s), or it may hire an independent third-party Inspection Firm which specializes in the administration of elections. An independent third-party Inspector or Inspection Firm may not be a person, business entity, or subdivision of a business entity who is currently employed or under contract to the Mutual for any compensable services other than serving as the Inspector. The Board may also hire an Inspection Firm to assist the individual(s) serving as Inspectors.
- b. An Inspector shall not be a Director on either the Mutual's or GRF's Board of Directors, a candidate for either Board of Directors, or related by blood or marriage to a candidate for either Board of Directors.
- c. An Inspector shall not be an employee of the managing agent.
- d. An Inspector shall be impartial and shall not advocate, recommend or even disclose any personal voting preference.
- e. The Inspection Firm shall be instructed to communicate only with the Inspector(s), with management staff, Mutual legal counsel or as otherwise directed by majority vote of the Board.

X. Duties of Inspector

- a. The Inspector or Inspectors shall do all of the following:
 - i. Determine the number of memberships entitled to vote. The Inspector may rely upon information provided by the Mutual with regard to the memberships entitled to vote.
 - ii. Determine the authenticity, validity, and effect of proxies, if any.
 - iii. Receive Secret Ballots, and determine the validity of those Secret Ballots and their compliance with the Secret Ballot requirements of these Rules and the Governing Documents.
 - 1. Validate and record the number of pre-addressed return envelopes received from the post office and by hand delivery.
 - 2. Void any Secret Ballot which is not sealed inside a Secret Ballot envelope.
 - 3. Void (but do not open) any Secret Ballot envelope which is not enclosed in a pre-addressed return envelope.
 - 4. Void (but do not open) any pre-addressed return envelope, which does not contain information that identifies the member as an eligible voter.
 - 5. Void (but do not open) any pre-addressed return envelope that is a duplicate vote.
 - iv. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
 - v. Determine when the polls shall close, consistent with the Governing Documents and with the assistance of the Managing Agent. The Inspector shall remove the Secret Ballots from the locked ballot box in the Community Center as soon after closing of the polls as is possible, and will not accept any Secret Ballots for counting after that time.
 - vi. Count and tabulate all votes.
 - 1. At the tabulation meeting, the seals of the Secret Ballot envelopes shall be broken, and the Inspector or Inspection Firm shall prepare the Secret Ballots for electronic tabulation scanning.
 - 2. A Secret Ballot shall be voided if it contains information identifying the voter.
 - 3. Any Secret Ballot not counted shall be kept separately from counted Secret Ballots, and the reason for not counting the Secret Ballot will be noted on the Secret Ballot or its envelope
 - 4. Envelopes and/or Secret Ballots which have been determined by the Inspectors to be invalid shall not be mixed with the Secret Ballots to be counted, but shall be segregated by the Inspector, with explanation of the reasons for rejecting the Secret Ballots in the Inspector's final report.
 - 5. Secret Ballots which are determined by the Inspector during the counting process to be invalid shall not be counted but shall be segregated from the counted Secret Ballots.
 - vii. Determine the tabulated results of the election and advise the Board of same.
 - viii. Perform any acts as may be proper to conduct the election with fairness to all Members in accordance with provisions of the law and all applicable rules of the Mutual regarding the conduct of the election that are not in conflict with the law.
 - 1. Deliver, or cause to be delivered, at least thirty (30) days before an election both of the following documents to each Member: The Secret Ballot or Secret Ballot(s).

- 2. A copy of these Rules. Delivery of these Rules, pursuant to this provision, may be accomplished by either of the following methods: (i) Individual Delivery; or (ii) Posting these Rules to an internet website and including the corresponding internet website address on the Secret Ballot together with the phrase, in at least twelve (12) point font: "The rules governing this election may be found here:"
- b. If three individuals are the Inspector they shall act by majority vote, and the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the Inspector or Inspectors is prima facie evidence of the facts stated in the report.
- c. An Inspector shall perform all duties impartially, in good faith, to the best of the Inspector's ability, and as expeditiously as is practical, and in a manner that protects the interest of all Members of the Mutual.
- d. The Inspector or Inspectors may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector or Inspectors deem appropriate, provided that such persons are independent third parties as defined herein.
- e. The Inspector has the authority to confer with the Association's legal counsel in advance of or at the meeting where Secret Ballots are to be counted. By the adoption of these Rules, the Association's legal counsel has been authorized by the Board of Directors to provide advice, as determined necessary or prudent by the Mutual's legal counsel, for the limited purpose of informing and advising the Inspector regarding issues related to the Inspector performing his/her/their duties for the Mutual, and the Mutual waives the attorney-client privilege for that limited purpose.
- f. The Board may, in its discretion, pay compensation to the Inspector and/or the Inspection Firm.
- g. Prior to the election, the Mutual shall provide the Inspector with a current list of all Members and all other information as may be required under these Rules or applicable law.
- h. If any election meeting is adjourned due to lack of quorum, the Inspector shall retain custody of such Secret Ballots and bring them to the adjourned meeting; new Secret Ballots will not be required from any Member who has cast a valid Secret Ballot vote in accordance with these Rules.
- i. The Inspector may request that the meeting be recessed to allow the Inspector to complete the counting and tabulation of the Secret Ballots to another time. Notice of the recessed meeting will be given to all Members at the meeting where the counting and tabulation occurs and will identify the location, date and time when the counting and tabulation will resume. The Inspector will continue to maintain custody of all Secret Ballots until the counting and tabulation is complete.

XI. Election Results

- a. Once the Secret Ballots are tabulated, the Inspector(s) shall certify the election in writing.
- b. The tabulated results of the election shall be promptly reported to the Board, shall be recorded in the minutes of the next meeting of the Board, and shall be available for review by Members of the Mutual.
- c. After the tabulation of Secret Ballots, the Inspector or Inspection Firm shall return to the post office to pick up any Secret Ballots received after the deadline. These Secret Ballots shall not be opened and shall be marked "Void - received after deadline."

d. Within fifteen (15) days of the election, the Board shall give general notice of the tabulated results of the election, in accordance with the requirements of the California Civil Code.

XII. Recount or Challenge to the Election

- a. The time period in which a Member may challenge an election shall be subject to the limitations set forth in the California Civil Code and the California Corporations Code.
- b. If there is a recount or other challenge to the election process, the Inspector or Inspectors shall, upon written request, make the Secret Ballots, signed voter envelopes, the voter list of names, parcel numbers, and voters to whom Secret Ballots were sent, proxies, and the Candidate registration list available for inspection and review by a Member or his or her authorized representative; provided, however, that the signed voter envelopes may be inspected but may not be copied. The Member shall be responsible for all costs and expenses related to such recount.
- c. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

XIII. Use of Mutual Funds for Campaign Purposes

- a. Association funds may not be used for campaign purposes in connection with any Association election except to the extent necessary to comply with the duties of the Association imposed by law. "Campaign purposes" include, but are not limited to, the following:
 - i. Expressly advocating the election or defeat of any Candidate.
 - ii. Including the photograph or prominently featuring the name of any Candidate on a communication from the Association or the Board, excepting the ballot, ballot materials, or a communication that is legally required, within thirty (30) days of an election; provided, however, this is not a campaign purpose if the communication is one for which the California Civil Code requires that equal access be provided to another Candidate or advocate.
- b. Unless otherwise provided by the California Civil Code, the foregoing restrictions on the use of Association funds for campaign purposes shall apply only to the election and removal of Directors.

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