

Crystal Falls Association Notice of Nomination Procedures and Deadline for Nominations – Election of Directors for 2021

Candidate and Director Qualifications. Members must meet the qualifications in the subsections hereafter to be eligible for nomination as a candidate for, or to serve as a Director on, the Board. Any dispute about whether any of these qualifications are met and, if not, whether a nominee or Director must be disqualified from running for office or serving on the Board, must be made at a properly noticed disciplinary hearing conducted at an executive session Board meeting.

- a. *Candidates Must Be Members.* The Association must disqualify the nomination of a candidate who is not a Member of the Association at the time of nomination. Proof of membership must be a recorded deed. Persons holding a fee simple interest in a Separate Interest merely as security for the performance of an obligation are not eligible to either be a candidate for or to serve on the Board.
- b. *Prior Ownership for One Year.* To be eligible for nomination and/or to serve on the Board, a candidate for the Board or serving as a Director must be the record Owner of a Separate Interest for a period of at least one year.
- c. *Member in Good Standing.* To be eligible for nomination and/or to serve on the Board, the person or impersonal entity must not be delinquent by more than sixty (60) days in the payment of any regular or special Assessment (following proper notice, hearing, and a finding by the Board), except:
 - i. A person may not be disqualified from nomination for nonpayment of fines, fines characterized as assessments, collection charges, late charges or costs levied by a third party.
 - ii. A person may not be disqualified from nomination because the person has paid the regular or special assessment under protest.
 - iii. A person may not be disqualified from nomination due to delinquent assessments if the person has entered into a payment plan with the Association pursuant to Civil Code §5665 and is fulfilling the terms of the payment plan.
- d. *Co-Owners Eligible for only One Position.* To be eligible for nomination and/or to serve on the Board, the person or impersonal entity must not have a record fee simple ownership interest in a Separate Interest which is part of the Development with another person or impersonal entity concurrently serving as a Director. Where two or more co-owners concurrently seek election to the Board, only the first nomination will be effective.
- e. *Criminal Conviction.* A person who has disclosed, or concerning whom the Board has become aware, of a past criminal conviction that would, if the person is elected, either prevent the Association from purchasing the fidelity bond coverage required by Civil Code §5806, or any successor statute, or which conviction would cause such coverage to

be terminated, is ineligible for nomination to the Board. Each nominee, at the time of nomination, shall disclose the existence of any past criminal conviction and the details thereof, with sufficient details in order to allow the Association to determine whether the criminal conviction will prevent the Association from purchasing the required fidelity bond coverage.

- f. *Internal Dispute Resolution.* Before any candidate for nomination or serving Director may be disqualified, the person or impersonal entity must be provided the opportunity to engage in internal dispute resolution as provided in the Davis- Stirling Act.

Impersonal Entities. If title to a Separate Interest 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 for the purpose of candidacy or serving on the Board. The designation by the impersonal legal entity must be in writing with documentation confirming both the designation and its authority to do so.

Trusts. If title is held in the name of one or more trustees, subject to a trust, a sole trustee or one of several trustees is permitted to be a candidate for a position on the Board or to serve on the Board subject to all qualifications and/or requirements of the Association's governing documents and/or the law. The designation of one of several trustees must be in writing with documentation confirming both the designation and the authority of the designator to do so.

One Directorship Only. No current Director may hold multiple positions on the Board. Any Director, whose term extends beyond a current election and who wishes to become a candidate for that election, must first resign his/her seat on the Board. This rule does not apply to a candidate whose term is expiring and who wishes to run for re-election.

Self-Nomination. Any qualified person may nominate himself or herself for election to the Board of Directors by submitting to the Association a written statement signed and dated by the person nominating himself or herself. The Association must set a cut-off date for the receipt of self-nomination statements, which date must be publicized in advance to the Members.

Nominating Committee. As provided for in the Bylaws, a nominating committee may be appointed each year to solicit candidates to run for the Board. The Board shall appoint a chairperson to the Nominating Committee. She or he may recruit fellow committee members. Also, members-at-large may indicate the desire to be on the Nominating Committee. None of these shall be a Director. This Committee shall select by majority vote nominees for the Board of Directors, preferably more nominees than there will be vacancies. The names of the Nominating Committee shall be available from the Secretary, and any regular member may submit names of prospective nominees to the Committee. On or before the deadline for submitting a nomination as described in Section 5.1 herein, the Nominating Committee shall submit a written report to the Board listing all names of the nominees it selected. Such nominations may be made from among qualified Members only. Per Civil Code §5105(a), the nominating committee may not preclude qualified Members from nominating themselves.

Floor Nominations and Write-In Candidates. Once nominations have been closed, no write-in candidates are allowed on ballots and no floor nominations of candidates can be made at the ballot-counting meeting.

Uncontested Elections. If, for any election of the Board of Directors, the number of duly-qualified candidates for directorate positions is less than or equal to the number of vacancies on the Board of Directors, then all duly-qualified candidates shall be deemed to have been duly and properly elected by the qualified voting members of the Association, whether or not any ballots are actually cast by the voting members.

Deadline for Nominations. September 21, 2020

Nominations may be hand delivered, mailed via USPS or e-mailed to the Association.

Crystal Falls Association
21725 Crystal Falls Drive,
Sonora, CA 95370
crystalfallsranch@att.net