CSE II Policy Resolution No. 2020-02

Ballot Policy

WHEREAS, Chapter 16 of the Arizona Revised Statutes, Section 33-1812 and Section 33-1813, Arizona Planned Communities Act, sets forth the procedure the Association must follow before proceeding with any ballot for election of Board of Directors or a vote to approve amended By-Laws or Conditions, Covenants and Restrictions, or a vote for the removal of one or more Board Members; and

WHERAS, Arizona Revised Statutes, Section 10-3708, Arizona Non-Profit Corporations Act, sets forth the procedure the Association must follow before proceeding with a Written Ballot and Online Voting; and

WHEREAS, in accordance with the Arizona Planned Communities Act, Arizona Non-Profit Corporations Act and the Governing Documents, the Association's Board of Directors wishes to adopt a policy setting forth the Association's Ballot Process.

NOW THEREFORE, LET IT BE HEREBY RESOLVED that the following policy pertaining to the voting in elections for Board of Director(s), for Removal of one or more Board Members, for amendments to the Governing Document(s) and/or for Approving Special Assessments was duly adopted by the Association's Board of Directors, supersedes and replaces all previous policies or practices adopted by the Board, and becomes effective as the date shown below.

1. CSE II will conduct elections and other ballot measures using a 3rd party system of on-line or electronic voting unless the Board votes to use a different voting mechanism for a particular ballot item.

2. The 3rd party system utilized shall satisfy the requirements of ARS 10-3708.

3. Paper ballots will be available for any homeowner requesting a paper ballot or who lacks an email address

4. An ad hoc election chair or co-chairs will be appointed to manage the 3rd party system and election.

5. Unless requested by the Board of Directors, Secret ballots will be selected as the type of balloting conducted for CSE II.

6. Proxy ballots will not be used.

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7. All documentation of paper ballots, privacy envelopes, electronic and other summary audits and reports will be collected at the conclusion of the election. These will be labeled, dated and stored for 1 year.

8. When applicable, documentation will also include the Annual Meeting attendance and quorum for both the election as well as the Annual Meeting.

9. Quorum requirements will be met, if applicable, before validating the outcome of each balloting process.

A. Board of Directors – Members representing at least 33% of the lots eligible to vote must cast votes to satisfy quorum; director(s) receiving the most votes is/are elected
B. By-Law amendments – Members representing at least 33% of the lots eligible to vote must cast votes to satisfy quorum; at least 2/3rds of those voting must vote to approve the amendment or members representing greater than 50% of lots must vote to approve, whichever is smaller
C. Conditions, Covenants and Restrictions –Members representing at least 51% of the lots must vote to approve
D. Special Assessments – Members representing at least 33% of the lots eligible to vote must cast votes to satisfy quorum; at least 2/3rds of those voting must vote to approve
E. Removal of one or more Board Member(s) – Members representing at least 20% of the lots must cast votes to satisfy quorum; with a majority voting to approve the removal(s)

DATED this 17th day of September 2020.

CANOA SECA ESTATES II HOMEOWNERS, INC., an Arizona non-profit corporation

By:

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Its: President

ATTEST:

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Secretary