

## **RULES FOR ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS OF LOCKWOOD FOLLY POA**

**Background:** In conducting its annual election of board members, The Board of Directors of Lockwood Folly Property Owners Association ("Association") desires to comply with the Association's governing documents and all relevant statutes and regulations of North Carolina that apply to associations and common interest developments such as Lockwood Folly Property Owners Association. Governing documents shall mean Articles of Incorporation, By-Laws, Master Declaration of Covenants, Supplemental Declarations and any amendment thereto.

**Furthermore:** The community of Lockwood Folly favors transparency, fairness and participation of all owners and candidates.

**Therefore:** In order to accomplish the aforementioned standards, the Board of Directors of Lockwood Folly Property Owners Association ("Board") specifies the following rules which shall be consistently followed in future elections:

1. The Board shall, by resolution, call for a vote to elect new Board members to reelect or replace the ones whose terms are ending. All such resolutions shall be recorded in the meeting minutes and posted for public consumption. At that time, the Board will designate who, among them, shall provide oversight of the coming election as well as key dates that govern the election.
2. Since the community of Lockwood Folly favors transparency, fairness and community involvement, the Board shall call for volunteers from current owners to form an Election Committee ("Committee") each year before the ballots are mailed, or otherwise distributed, to owners. This Committee will work under delegated authority of the Board and will report to the Board's Secretary, acting Secretary or a current Board member designated by the sitting Board.
3. All scheduled votes to elect Board members by property owners will be announced by the Association's Board of Directors through email blast, or other appropriate means at the Board's sole discretion, in a manner that is consistent with the Association's governing documents and sufficient with state law.
4. In lieu of an Annual Meeting to elect members to the Board, the Board of Directors at its sole discretion, may conduct a vote by written ballot. The election process will begin so that the votes can be tabulated and new Board members elected by June 30<sup>th</sup> of each year.
5. The Board of Directors shall, at its sole discretion, declare a specific date by which it will determine owners of record, annually, for the purposes of an election of board members. This specific date, or **declaration date**, shall be in May, as recommended by the Association's Treasurer or Secretary.
6. The Association's Treasurer will determine, on the declaration date, which property owners are eligible to vote. Eligibility shall be determined by (1) being an owner of record, and (2) the property not being in default. Being in default means that the lot or dwelling, on the declaration date, is past due by sixty days or more on any monies owed to the Association. Residents, such as renters or guests, who do not own their dwelling or another property within the Community, are not eligible to vote and will not receive a ballot. No other criteria shall be used for determining eligibility for voting.

7. Property owners who are in default on the declaration date will not receive a ballot. It is possible that persons owning more than one property may be in default on some properties but not on others. In such a circumstance, they will receive ballots and may cast vote(s) only for the properties that are not in default.
8. A vote, whether in person or by written ballot, will require qualified ballots of more than fifty percent of all eligible votes in Lockwood Folly to be valid. Specifically, the gross number of ballots should equal the number of billable units for regular assessments. The net number of ballots should equal the gross number of ballots minus properties that are in default. The net number of ballots are deemed to be qualified. The Association's Treasurer will confirm these numbers annually and report them to the board. Mailed ballots shall equal the net number of ballots (qualified ballots). Cast ballots must exceed fifty percent of those deemed to be qualified.
9. Some owners may have split lots between their homes. Splitting a lot means that one lot is broken into two billable portions that equal the billing rate of one lot. Split lots do not mean the same as combined lots where two properties become joined into one for billing purposes. Since there is only one ballot per lot, the Association shall mail one ballot to the owner of record listed in its book of accounts regardless of their percentage ownership in the split lot.
10. Each property shall be afforded one vote regardless of the form of ownership or joint owners, etc. so long as the property is not in default. A ballot for a split lot will require that both owned portions are not in default.
11. If an Election Committee cannot be formed due to lack of a sufficient number of volunteer owners, a minimum of five, the Board of Directors will conduct the election in accordance with the Association's procedures and its governing documents consistent with the laws and regulations of North Carolina. In this circumstance, Board members running for re-election shall be discouraged from participating in election procedures that relate to the mailing, custody and counting of ballots.
12. The Election Committee will actively participate in (1) the preparation and mailing of ballots, (2) the safeguarding of all returned ballots, and (3) the processing of qualified ballots and the totaling of votes, on or before June 30<sup>th</sup>.
13. Board members running for re-election, or their relatives, shall be discouraged from actively participating, executing, controlling or supervising the process of running the election to replace retiring board members. No Board member, or relative, may serve on the Election Committee, assuming one can be formed. If the Board's Secretary is running for re-election, then the Asst. Secretary will provide oversight of the Election Committee. If this cannot be achieved, then the Board President will appoint an acting Secretary from remaining Board members who are not running for re-election, to oversee the election.
14. The Election Committee may choose to conduct "candidate night(s)" where those running for a Board seat may make public statements to an audience of property owners of Lockwood Folly. Participation in this event by a candidate is not mandatory to be placed on the ballot.
15. An owner of record may run for a seat on the Lockwood Folly Property Owners Association Board of Directors by registering their intention in writing with the Board Secretary. Such written notice must be received by the Secretary on or before the filing deadline given in the general notice to all property owners. The registration will generally be in a form of a personal

informational sheet or other forms that the Election Committee requires, common to all candidates. Nominations of candidates by others will not constitute candidacy registration.

16. The Board of Directors and the Election Committee are prohibited from making any public or broadcasted endorsement or adverse comment regarding any candidate. No additional information about a candidate shall be included in the ballot package.
17. The community desires a secret ballot during and after an election. Ballots will only contain confidential control numbers as a means of personal identification. Each control number will be unique to a property and its owner.
18. Once an owner places their ballot in the ballot box, they will not be able to rescind or change their vote in any way. Neither the Election Committee or the Board will accept any instructions from owners to change or modify their vote after it is submitted for counting. The ballots will be processed and votes counted in accordance with preestablished written procedures.
19. The archiving of all ballots and tabulation sheet will be the responsibility of the Board Treasurer. The Election Committee will bind all ballots in a tamper-proof envelope before submitting the ballots for archiving. The archiving of the eligible voter list will be archived separately by the Association's Secretary. The matching of these documents shall only be permitted in the circumstance requiring a recount where tracing a ballot to a voter is mandatory.
20. If any part of these rules is found to be contrary to state laws, regulations and/or the Association's governing documents, then the conflicting portion within this document will be disregarded and the direction from the superior source will apply. The remaining rules will remain intact.

**(Approved 10 / 2021)**