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March 10, 2011

By e-mail and U.S. Mail

Board of Directors
Hampton Village Homeowners' Association
c/o Sharon Stevens
Kocal Management Group, Inc.
P.O. Box 1459
Folsom, CA 95763

Re: Required documents to comply with new election law

Dear Board Members:

Please find enclosed the following required documents necessary for your Association to comply with the new election law for your Association's election of Directors.

1. Election rules;
2. Notice to the Homeowners of the Board adopting the election rules;
3. Board resolution adopting the election rules;
4. Application to be Director nominee;
5. Ballot;
6. Balloting instructions; and
7. Director election checklist.

Please note the following:

1. The time, date, and location of the Annual Meeting need to be inserted in the Ballot and Balloting instructions. If you would like us to insert this information, then please contact us.
2. The time, date, and location of the Board Meeting at which the Board intends to adopt the rules needs to be inserted in the notice to the Homeowners of that Board Meeting. If you would like us to insert this information, then please contact us.
3. If you would like to change any of the dates on the documents, then please contact us.

Not all of the provisions in the Election Rules are required under the new law. If you have a question as to whether a particular provision can be modified, please contact us.

The steps to adopt the election rules in accordance with Civil Code Section 1357.100, et

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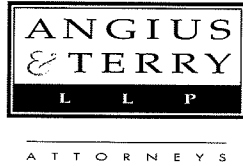
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Board of Directors

Re: Required documents to comply with new election law

March 10, 2011

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seq. are as follows.

1. Send notice of the proposed rules to the Homeowners thirty days before a Board Meeting at which the Board will decide whether to adopt the rules. The notice must include a copy of the rules and a statement of the "purpose and effect" of the rules.
2. At the meeting, the Board decides whether to adopt the rules and must allow Homeowners to comment about the rules.
3. Within fifteen days after adopting the rules, the Board must send notice of the rules to the Homeowners.

The Ballot and Ballot instructions may, of course, vary in content from election to election. However the documents provided can be used as templates for all future Director elections.

The procedure for election of Directors and for undertaking the other types of elections covered by the new law is set out in the Election Rules. The basic steps for Director elections are set forth in the Checklist and are as follows: (1) send out requests for nominations to all the members to be returned in sufficient time for the names to be included on the ballot; (2) appoint a nominating committee to solicit persons to run as Board candidates; (3) appoint an inspector or inspectors of election; (4) send written ballots with preprinted return envelopes - if desired establish date for return of ballots to be the date of the annual meeting (not required); (4) schedule an open meeting of the Board or Homeowners to tabulate the ballots and announce results; and (5) after the meeting and announcement of results, take possession of ballots and store them in a secure location for at least one year.

If you have any questions or comments concerning these documents or the new election procedures, then please feel free to contact me.

Very truly yours,
ANGIUS & TERRY LLP


Bradley J. Epstein

Enclosures

†Also admitted
in Nevada and
Colorado

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in Nevada

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Nevada

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HAMPTON VILLAGE HOMEOWNERS' ASSOCIATION

Kocal Management Group, Inc.

P.O. Box 1459

Folsom, CA 95763

March 10, 2011

Notice of Board's Proposed Adoption of Election Rules at Board Meeting

Date:

Time:

Location:

Dear Homeowner:

As mandated by recently enacted California law (Civil Code Section 1363.03), the Board is intending to adopt the attached rules for elections. A primary change that the new law makes is that elections must be by mailed written ballots, rather than by ballots at meetings. The intended purpose and effect of the rules are so that the Association meets all the requirements of the new law and to provide guidance on how the Association must conduct elections in accordance with those requirements.

The Board intends to adopt the rules at its Board Meeting on _____,
at _____, at _____.

You are invited to comment on the rules at the Board Meeting before the Board adopts them.

Sincerely,

Your Board of Directors

Encs.

HAMPTON VILLAGE HOMEOWNERS' ASSOCIATION
ELECTION RULES

[Rev 03-11]

These Rules have been adopted pursuant to Civil Code Section 1363.03, and supercede provisions in the Bylaws or CC&Rs regarding elections. In the event of any conflict between these Rules and the Bylaws or CC&Rs, these Rules shall govern.

Definitions

1. As used in these Rules, "Ballot" refers to a written document prepared in accordance with these Rules and mailed to the members of the Association entitled to vote in a particular election.
2. Any other terms with initial capitalization not otherwise defined shall have the same meaning as in the Bylaws or CC&Rs.

Types of Elections Subject to these Rules

3. Except as otherwise allowed by law, these Rules shall be applicable to, and shall be the only method for conducting, all Association elections, including, but not limited to, regarding Assessments legally requiring a vote, Directors, Governing Documents, and the grant of exclusive use of Common Area to a Member. Annual and Special meetings of the Members may still be called, but votes on any matter requiring Member approval must be conducted pursuant to these Rules.

Qualifications for Voting and Voting Power of Memberships

4. Only Members in good standing shall be considered "Members Entitled to Vote" for purposes of these Rules. In order to be in good standing, a Member must be current in the payment of all Assessments imposed in accordance with the Governing Documents, and not subject to any suspension of Membership rights. A person meeting these qualifications shall be considered a "Member Entitled to Vote" for purposes of these Rules.

5. Co-Owners of a Unit, if otherwise qualified, shall be considered a single "Member Entitled to Vote" for purposes of these Rules.

6. Each Member Entitled to Vote shall be entitled to cast one vote for each matter to be decided by the election. In Director elections, each position to be filled on the Board is considered a separate matter to be decided, so that a Member Entitled to Vote may cast the number of votes equal to the number of positions on the Board to be filled.

7. There is only a single class of membership in the Association. Each vote by a Member Entitled to Vote is entitled to the same weight in any election.

8. Article V, Section 4.5 of the Bylaws allows cumulative voting: Each Member entitled to vote at any election of Directors shall have the right to cumulate their votes by giving one candidate a number of votes equal to the number of Directors to be elected, multiplied by the number of votes to which the Member is entitled, or by distributing their votes on the same principle among as many candidates as they desire.

Nomination of Directors

9. Director Nominees who are Members must be Members in good standing. In order to be in good standing, a Member must be current in the payment of all Assessments levied against the Member's Lot and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding. Any person seeking election to the Board and meeting these qualifications will be considered a "Qualified Candidate" and eligible for election to the Board of Directors.

10. At least thirty days before the Association sends Ballots to the Members for election of Directors, the Board shall send a request for nominations to all Members, with a notice of the last date for submitting such nominations. Any Qualified Candidate may nominate themselves. Any such person shall complete, sign and return, by the date indicated, to the Nominating Committee (see below) the Application to be Director Nominee (Board Application), which will be included with the request for nominations. All persons so nominated shall be included on the Ballot for election of Directors.

11. At least thirty days before the Association sends Ballots to the Members for election of Directors, the Board shall appoint a Nominating Committee whose duties shall include reviewing all Board Applications to determine if a candidate is a Qualified Candidate. The Nominating Committee may also solicit persons to run for the Board, but shall require all such persons to complete the Board Application.

12. Before the Association sends Ballots to the Members for election of Directors, the Nominating Committee shall report to the Board the identity of all persons who are Qualified Candidates and whose names shall appear on the Ballot. If any person has submitted a Board Application and has been found by the Nominating Committee not to be a Qualified Candidate, the Nominating Committee shall notify such person in writing of its finding and the reasons why such person was found not to be a Qualified Candidate.

Election of Directors

13. The Ballots for Director Elections shall set forth the names of all Qualified Candidates whose names have been placed in nomination at the time the Ballot is issued. The Ballot shall also provide a space where the Member can designate a vote for another (*i.e.*, write-in) candidate.

Form of Ballot

14. Elections conducted under these Rules shall be by a written Ballot mailed to each Member of the Association entitled to vote. Such written Ballot shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposed action.

15. Ballots shall state the time by which the Ballot must be received by the Inspector of Election in order to be counted. The deadline for return of the Ballots shall be at least thirty days after the date the Association mails the Ballots to the Members, but the Board may authorize a longer time period for Ballot return.

16. The Ballot shall not on its face provide any method for identifying the Member who is voting. Instead, a double envelope system shall be used in which the marked Ballot is placed in a sealed envelope, which is then placed in another sealed envelope. In the upper left hand corner of the outer envelope containing the Ballot, the Member must indicate and sign their name, and indicate the mailing address of their Unit, or Unit number.

Distribution of Ballots

17. The Board may determine a record date for each election conducted pursuant to these Rules and the Owner of record on such record date shall be entitled to receive a Ballot. If no record date is established by the Board, the record date shall be the date the Ballots are mailed to the Members.

18. Ballots shall be mailed by first-class mail to each Member Entitled to Vote at the address for the Member indicated in the Association records. If a Member wishes to have a Ballot sent to an address different than the address indicated in the Association's records, such member must notify the Association in writing of the address to which the Ballot is to be sent prior to distribution of the Ballots.

19. One Ballot will be provided for each Unit. In the event there are multiple Owners of a Unit, the Owners must jointly decide how the Ballot is to be completed. If a Ballot is misplaced, a duplicate Ballot will be provided upon written request of the Owner.

Proxies

20. Any instruction given in a proxy issued for an election that directs the manner in which the proxy holder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. The proxy holder shall cast the Member's vote by secret Ballot, unless the proxy is revoked by the Member prior to the receipt of the Ballot by the Inspectors of Elections. Unless the Governing Documents require otherwise, the Association shall not mail to Members proxies which designate a vote. Proxies shall not be used in lieu of Ballots.

Inspectors of Election

21. For all elections conducted under these Rules, the Board shall appoint either one or three persons to act as Inspectors of Election at least thirty days before sending Ballots to the Members. Inspectors may be members of the Association but shall not be a member of the Board or a candidate for the Board or related to a Director or candidate for the Board. The Association's manager, counsel, accountant, or any other person not expressly disqualified under this Rule may serve as an Inspector fo Election. Inspectors of Election may appoint and oversee additional persons to count and tabulate votes.

22. The duties of the Inspectors of Election shall be as follows: determine the number of Members Entitled to Vote and the voting power of each; determine the authenticity, validity, and effect of proxies; receive Ballots and determine their validity; count and tabulate all votes; determine when the Balloting period closes; determine the results of the election; hear and determine all challenges and questions in any way arising out of or in connection with the right to vote; and perform any other acts necessary to assure the fairness of the election. The Inspectors of Election may consult with others, including the Board and the Association's manager, with respect to performing their duties.

23. The Inspectors of Election shall perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as possible. If there are three Inspectors of Election, the decision or act of a majority of the inspectors shall be deemed to be the decision of all.

24. The Inspectors of Election may be compensated for their services as inspectors as deemed appropriate by the Board.

Completion, Collection, and Tabulation of Ballots

25. Each Member casting a Ballot must complete the Ballot pursuant to the instructions accompanying the Ballot, place the unsigned Ballot in an unmarked envelope and seal it, and place the unmarked envelope in another envelope addressed to the Inspectors of Election. The two envelopes will be provided to each Member with the Ballot. No more than one Ballot shall be placed in the two envelopes. Persons owning multiple Units must use a separate double envelope for each Unit owned.

26. In the upper left hand corner of the outer envelope containing the Ballot, the Member must print and sign their name, and indicate the mailing address of their Unit or Unit number. Failure to include this information on the outer envelope may render the Ballot invalid. The outer envelope shall be sealed and mailed or delivered to the Inspectors of Election at the address provided. A Ballot is irrevocable once it is received by the Inspectors of Election. Unless the Inspectors designate otherwise, the location for the Members to mail and deliver Ballots shall be the Association's manager's office. The Inspectors of Election may verify the Member's information and signature on the outside envelope prior to the election.

27. The Inspectors of Election shall keep the unopened Ballot envelopes in a safe and secure location until the Ballots are opened and tabulated and the final results of the election announced to the Members.

28. Only the Inspectors of Election or their assistants may receive or handle the sealed Ballot envelopes and Ballots until the envelopes are opened, the Ballots are counted, and the results announced to the Members. Unless the Inspectors of Election designate a location otherwise, the Ballots shall remain at the Association's manager's office in a location where the Ballot envelopes may be placed in a Ballot box, the Inspectors shall have the only access to the Ballots in the box until the election is completed.

29. The Ballots shall be counted and tabulated by the Inspectors of Election in public at a properly noticed meeting of the Board or of the Members. The Inspectors shall promptly report the vote outcome to the Board and the outcome shall be recorded in the minutes of the next meeting of the Board and shall be available for review by the Members. Upon tabulation of the Ballots, the Board shall notify the Members of the outcome of the vote within fifteen days following the close of the Balloting process and tabulation of the Ballots. If the number of Ballots cast is insufficient to satisfy the minimum quorum requirements for valid action, the Board may extend the deadline for return of the Ballots by a reasonable time.

30. The Board may, at its discretion, at a regular or special meeting open to the Members, request and allow the Inspectors of Election to tabulate the votes received to date on a matter for which a Ballot has been distributed to the Members even though the deadline for return of the Ballots has not yet passed. The Board may extend the deadline for return of the Ballots by a reasonable time.

31. Following tabulation of the votes, the Ballots shall be kept by the Inspectors of Election for nine months, then transferred to the Association, which shall keep the Ballots in a secure location for at least one year after the date of the election.

32. 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.

Election Campaigns

33. All candidates for the position of Director and any Member advocating a point of view relating to a particular election shall have equal access to Association media, newsletters and Internet Web sites during a campaign for purposes that are reasonably related to the campaign.

34. All candidates for the position of Director and any Member advocating a point of view relating to a particular election shall have equal access to Association common area facilities without cost for holding meetings or gatherings for purposes reasonably related to the election.

**RESOLUTION OF BOARD OF DIRECTORS
OF
HAMPTON VILLAGE HOMEOWNERS' ASSOCIATION**

Whereas Civil Code Section 1363.03 effective July 1, 2006 requires all homeowner associations to adopt rules relating to the conduct of certain types of association elections; and

Whereas legal counsel for the Association has prepared election rules which comply with the new law; and

Whereas the Board has reviewed the proposed election rules and determined that it is in the best interests of the Association to adopt the rules; and

NOW, THEREFORE, IT IS HEREBY

Resolved, that the proposed election rules attached hereto shall be adopted as part of the governing documents of Hampton Village Homeowners' Association shall be effective immediately, and shall be distributed to all members of the Association within fifteen days of the date of this resolution; and

Resolved Further, that this resolution be filed and maintained with the Minutes of the proceedings of the Board of Directors for Hampton Village Homeowners' Association.

Certificate of Secretary

I, _____, Secretary Hampton Village Homeowners' Association hereby certify that the above Resolution was adopted by the Board of Directors in accordance with California law and the governing documents of the Association, at a duly noticed Board meeting at which a quorum was present, on _____, _____.

HAMPTON VILLAGE HOMEOWNERS' ASSOCIATION

c/o Kocal Management Group, Inc.

P.O. Box 1459

Folsom, CA 95763

Application for Position on the Board of Directors

If you would like to be a nominee for the Board of Directors, then please complete this application and return it to the Nominating Committee at _____

Name: _____

Unit address: _____

Mailing address: _____

Telephone numbers: _____

e-mail address: _____

Optional information about your background and interest in being a Board Member:

Dated: _____

(Signature)

HAMPTON VILLAGE HOMEOWNERS' ASSOCIATION

c/o Kocal Management Group, Inc.

P.O. Box 1459

Folsom, CA 95763

WRITTEN BALLOT

_____ ELECTION OF DIRECTORS & RESOLUTION RE EXCESS INCOME

The owners of each Unit are entitled to cast one vote for each open Directorship. You must indicate which of the persons listed below you wish to vote for by checking the box next to the person's name. You may also write in the names of persons you wish to vote for on the blank lines and by checking the box next to that line. You may submit only one Ballot per Unit owned.

<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____

Requirement for Election of Directors

The _____ candidates receiving the largest number of votes shall be elected as Directors.

Resolution regarding Excess Income

RESOLVED, that any excess membership income over membership expenses for the fiscal year ending in _____ shall be applied against the subsequent tax year member assessments, as provided by I. R. S. Revenue Ruling 70-604.

Approved Disapproved

Due Date

Owners must either (1) mail or deliver Ballots to the Inspector of Elections in the pre-addressed envelopes so that they are received no later than close of business on _____, or (2) deposit the Ballots in the Ballot box during the Balloting period at the annual members meeting on _____, at _____, at _____. All Ballots, once received by the Inspector of Elections or placed in the Ballot box, are irrevocable.

Extension of Balloting Period

The Board may extend the balloting period. If the Board extends the balloting period, the Association may mail new Ballots to members who have not previously returned a properly completed Ballot.

Please read and follow these instructions

1. Mark the Ballot with your vote. Do not indicate your identity on the Ballot.
2. Place the Ballot in the small colored envelope. Do not indicate your identity on the small colored envelope. Seal the small colored envelope.
3. Place the sealed small colored envelope in the large white envelope. Indicate your address or Unit number and indicate and sign your name on the upper left-hand corner of the large white envelope. The large white envelope is the only place where you indicate your identity.
4. Seal the large white envelope and place it in the mail or bring it to the meeting.

Failure to follow these instructions may result in rejection of your Ballot!

HAMPTON VILLAGE HOMEOWNERS' ASSOCIATION

c/o Kocal Management Group, Inc.

P.O. Box 1459

Folsom, CA 95763

TO: All Homeowners

RE: Balloting Instructions

NOTICE TO ALL HOMEOWNERS:

Voting by Homeowners must be by secret Ballots. Please find enclosed a (1) Ballot, (2) a large white envelope, and (3) a small colored envelope. Please follow the instructions below to cast your Ballot. These instructions are also on the Ballot.

1. Mark the Ballot with your vote. Do not indicate your identity on the Ballot.
2. Place the Ballot in the small colored envelope. Do not indicate your identity on the small colored envelope. Seal the small colored envelope.
3. Place the sealed small colored envelope in the large white envelope. Indicate your address or Unit number and indicate and sign your name on the upper left-hand corner of the large white envelope. The large white envelope is the only place where you indicate your identity.
4. Seal the large white envelope and place it in the mail or bring it to the meeting.

Inspectors of Election will supervise the balloting. The name and address of the Inspectors of Election are on the Ballot and the large white envelope. Mail or deliver your Ballot to the Inspectors of Election or bring it to the Annual Meeting. Do not mail or deliver your Ballots to the Association.

Only Ballots placed in the envelopes, with the proper information appearing on the small colored envelope, and mailed or delivered to the Inspectors of Election or to the Annual Meeting will be counted!

Owners must either (1) mail or deliver Ballots to the Inspector of Elections in the pre-addressed envelopes so that they are received no later than close of business on _____, or (2) deposit the Ballots in the Ballot box during the polling period at the meeting on _____, at _____.

All Ballots, once mailed or delivered to the Inspector of Elections or placed in the Ballot box, are irrevocable.

HAMPTON VILLAGE HOMEOWNERS' ASSOCIATION

Director Election Checklist

- _____ Mail request for Director nominations to all Homeowners *[At least thirty (30) days before Association sends Ballots to Homeowners]*

- _____ Appoint Nominating Committee *[At least thirty (30) days before Association sends Ballots to Homeowners]*

- _____ Homeowners must return Board Applications *[Before Association sends Ballots to Homeowners]*

- _____ Nominating Committee to review Board Applications, determine qualified candidates to be included on Ballots, and report to the Board *[Before Association sends Ballots to Homeowners]*

- _____ Inspector(s) of Election to be appointed by Board *[At least thirty (30) days before Association sends Ballots to Homeowners]*

- _____ Prepare Ballots and Ballot Instructions *[The deadline for Homeowners to return completed Ballots must be at least thirty (30) days after the date that the Association sends Ballots to Homeowners]*

- _____ Prepare notice of Annual meeting and open Board meeting at which Ballots will be opened

- _____ Mail Ballots, Ballot Instructions, and notice of Annual meeting and open Board meeting to all Homeowners *[The deadline for Homeowners to return completed Ballots must be at least thirty (30) days after the date that the Association sends Ballots to Homeowners]*

- _____ Conduct Annual meeting and open Board meeting to open Ballot and tabulate votes *[At least thirty (30) days after the date that the Association sends Ballots to Homeowners]*

- _____ Following tabulation of the votes, the Ballots shall be kept by the Inspectors of Election for nine (9) months, then transferred to the Association, which shall keep the Ballots in a secure location for at least one (1) year.

- _____ Notify Homeowners of the results of the election *[The Board shall notify the Homeowners of the outcome of the Balloting within fifteen (15) days after the close of the Balloting process]*