

HIGH DESERT RESIDENTIAL OWNERS' ASSOCIATION, INC.
BOARD NOMINATION AND ELECTION PROCEDURE

Authority

HDROA By-Laws, Article III, Sections 3.16 and 3.17, establishes powers and duties of the Board of Directors necessary for the administration of the Association's affairs.

HDROA By-Laws, Article III, Section 3.3 and Article V, Section 5.3, authorize the Nominating Committee to make candidate recommendations for the Board of Directors.

HDROA By-Laws, Article II, Sections 2.2 and 2.3, authorizes Voting Members to cast votes representing members in their Village, including votes for Board Directors.

HDROA By-Laws, Article II, Section 2.9, allows Voting Members to vote by absentee ballot or by electronic methods, or through their designated Alternate Voting Member.

HDROA CC&Rs, Sections 1.33, 3.3 and 3.4 establish that association votes shall be cast by Voting Members.

Purpose of the Procedure

The HDROA By-Laws (Section 3.4) require Directors to be elected to two-year, staggered terms. This procedure describes rules and administrative procedures for:

- A. Nominating Candidates for the HDROA Board of Directors to fill positions of Directors whose term of office is expiring, and
- B. Conducting Board Elections.

Definitions

Majority. As defined in the By-Laws (Section 2.10), the term "majority" shall mean those votes, owners, or other groups as the context may indicate totaling more than 50% of the total eligible number.

Weighted Vote. There is one Voting Member allocated for each 50 lots, or a fraction thereof. The weighted vote of each Voting Member is equal to the total number of lots in a Village divided by the number of Voting Members allocated for the Village. For example, a Village with 110 lots will be allocated three Voting Members, each of which can cast a weighted vote of $110/3$ or 36.67 votes.

Votes in the Association. The aggregate vote in the Association as indicated in Section 2.2 and 2.3 of the By-Laws. Currently the total vote of the Association is 1623, representing each lot in High Desert.

Quorum. Per Section 2.11 of the By-Laws, this requires the presence of Voting Members representing a majority of the total votes in the Association. The quorum requirements may be satisfied by including Voting Members appearing in person, electronically, or by casting an absentee ballot. When calculating the Quorum, the Community Manager will properly account for the number of members represented by each Voting Member, as listed in Exhibit B.

Natural Person. A natural person is a title used to identify an individual human being. This is different from a legal person, which can be an individual or a company.

Member. Per Section 2.1 of the By-Laws, every Owner is a Member of the Association, with only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners share the privileges of such membership. The membership rights and privileges of an Owner who is a natural person may be exercised by the Member or the Member's spouse. The membership rights of an Owner which is a corporation, partnership or other legal entity may be exercised by an officer, director, partner, or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

Policies

A. PROCEDURES FOR NOMINATING BOARD CANDIDATES

The Board of Directors has approved the following procedure for the nomination of candidates for the Board of Directors to fill positions of directors whose term of office is expiring:

1. Recruit Candidates

Announce in the Bulletin, Apache Plume, the HDROA website, including the Calendar, and through other appropriate communications channels: that the Nominating Committee is accepting statements of interest for nomination to the Board of Directors, notice of the deadline of filing, and that the statement of interest forms are available on the website and at the High Desert management office.

2. Screen Candidates

The By-Laws, Section 3.1, list a Qualification Requirement for a Board Director. The Board has formulated four other qualifications against which the Committee shall screen all candidates. All qualification requirements are attached as Exhibit A of this document.

3. Develop Questions for Candidates

Develop questions for candidates about issues important to High Desert. Submit the questions to the candidates and request responses before Candidate meetings.

4. Meet with Candidates

The Nominating Committee as a whole shall meet with each of the candidates. The meetings will be an exchange of information between the Nominating Committee and the candidates. The meetings will clarify the candidates' personal and technical knowledge and experience as it relates to the position. Additionally, the committee may discuss matters as they relate to teamwork, integrity, diplomacy, people skills, problem-solving, communication skills, or other skills as may be required. This process is to clarify the candidate's expectations for being a Board Member and to allow them to clarify and refine their responses to the questions.

5. Select Candidates

Per Section 3.3 of the By-Laws, the Committee shall, in its discretion, establish the total quantity of candidates to be placed on the ballot based on the total quantity required to fill the forthcoming vacancies. A goal would be to have two candidates for every vacancy. The

committee may set up its own method of evaluation, making sure that it is fair and reasonable to both the applicant and the Association.

The Committee will agree by majority vote on the final recommendations and inform the Board of Directors.

The nomination of candidates rests solely with the Nominating Committee as it pertains to the committee's selection process as outlined in this policy.

The Committee shall notify all candidates, in writing, no less than ten (10) days prior to the scheduled date of election, regarding the Committee's decision.

6. Publish Candidate Responses

Publish the Candidate responses to the Committee questions in an Election Bulletin that is emailed to High Desert residents. The Election Bulletin will be sent one week before the Meet and Greet.

7. Meet and Greet Candidates

The Committee shall convene an in-person meeting and/or use electronic means for homeowners to meet candidates. This Meet and Greet shall be held on the Friday, Saturday, or Sunday before the annual meeting. Candidates will have an opportunity to discuss their written responses to committee questions, explain why they are suited to be a Board Member, and answer questions from Members.

Questions submitted electronically will be given to the Candidates so they can respond to all questions if time is limited.

B. PROCEDURES FOR CONDUCTING BOARD ELECTIONS

1. Annual Meeting Schedule and Notification

The regular elections for Board Directors will be held at the Annual Meeting of Members. Per Section 2.5 of the By-Laws, the annual meeting will be held during the fourth quarter of the Association's fiscal year on a date and at a time set by the Board of Directors so that an annual meeting is held at least once every thirteen months.

To meet the requirements of Section 2.7 of the By-Laws, the Board President or Secretary shall ensure that written notice stating the place, day and hour of the Annual Meeting of Members is mailed to each Member of the Association, not less than 10 nor more than 50 days before the date of the Annual Meeting. This mailing should be combined with the mailing of the annual budget.

2. Absentee Ballots

Voting Members may vote by absentee ballot or by electronic methods, through their designated Alternate Voting Member, or as otherwise provided by the bylaws (By-Laws Section 2.9). Proxy voting is not permitted.

The Nominating Committee Chair will ask the Voting Member Chair to make an announcement about the upcoming annual election and include the ability to request absentee ballots. Voting Members may request the Community Manager to send absentee ballots to them up to 10 days before the annual meeting for paper ballots, or up to 5 days

before the annual meeting for electronic ballots. Absentee ballots must be returned to the High Desert office no later than two days before the annual meeting.

When sending an absentee ballot, the Community Manager will include a statement that this might not be the full list of candidates since it is in advance of the deadline for candidate submission and because candidates can be nominated from the floor at the Annual Meeting.

3. Establishing Quorum

As required by Section 2.12 of the By-Laws, the Board President will preside over the Annual Meeting and the Board Secretary will record all transactions occurring at the meeting, including those related to voting to choose the Board of Directors. Per Section 6.2 of the By-Laws, Robert's Rules of Order (current edition) shall govern the conduct of the Annual Meeting.

The Community Manager will review the absentee ballots and record the Voting Member's weighted vote. The total of the absentee voters' weighted votes will be brought to the meeting. At the Annual Meeting, the Community Manager will record the weighted votes for each Voting Member attending, accounting for Alternates who are representing Voting Members who cannot be present and have not submitted an absentee ballot. When the absentee weighted votes plus the attendee weighted votes are greater than the majority of the Votes in the Association (currently $1632/2 = 811.5$, rounded to 812) a Quorum is met as defined in Section 2.11 of the By-Laws.

4. Presentation of Board Candidates at the Annual Meeting

The Nominating Committee Chair shall conduct the election portion of the Annual Meeting. The Chair will present each candidate and provide the opportunity for the candidate to make a statement of qualification and for the Members to ask questions. The Chair may place time limits on these activities if desired.

As allowed in the Association's By-Laws (Section 3.3), nomination of candidates shall also be permitted from the floor. If the candidate accepts, they shall communicate their qualifications and solicit votes. The Committee and Voting Members can ask the floor candidates questions, which are outlined in the statement of interest form as well as any additional questions that are appropriate to the position of Director. If floor nominations are made, the Community Manager will determine whether the nominee meets the screening and selection guidelines in Attachment A and report the findings prior to the vote. The Chair may place time limits on these activities if desired.

5. Voting for Board Directors

The election for the Board will be conducted by the Nominating Committee during the annual meeting. If Voting Members are attending in person, paper ballots will be used for the election. If Voting Members are attending remotely, the electronic ballot will be presented to the members, and the Voting Members will be given the opportunity to vote electronically. If a non-Voting Member casts a vote (other than a Voting Member's designated Alternate Voting Member in their absence), the Nominating Committee will disregard the vote.

6. Tallying and Reporting the Vote

Tallying and Reporting of the vote must be completed by noon the day after the election. Two members of the Nominating Committee and the Community Manager will evaluate the votes and disregard votes from anyone not authorized to vote. The votes from the Annual Meeting and absentee ballots will be combined. Exhibit B delineates the weighted vote per voting member. The results are based on the total weighted vote. For example, if a village consists of 75 lots, that village is allocated two Voting Members. Each Voting Member casts 37.5 votes (75/2). The vote is determined by summing the votes cast by each Voting Member for each village.

The Board approved a system for recording votes per Voting Member, validating the votes, and the calculation process for summing the weighted votes. This system involves an Excel document that will be used to record authorized Voting Members (accounting for Alternates who are voting in place of Voting Members), their votes, and to tally the weighted vote. This Excel document is the responsibility of the Nominating Committee. The results of the Excel document must be maintained by the Community Manager in association records for five years after each election.

The Nominating Committee Chair will immediately notify the Board President about the election results and the Board President will immediately notify the candidates. The Board President will then notify the full Board and the Nominating Committee of the election results. The Community Manager will notify the association of the results through email, the website, and the Apache Plume.

If a candidate desires, they may request the election results through either the Community Manager or the Board President.

A written Certification of Election Results will be provided by the Community Manager to the Secretary of the High Desert Board of Directors within one week of the close of the voting period, or after the resolution of ties, whichever is later. This shall include but not be limited to the following:

- a. Total number of votes cast for each candidate
- b. Total number of ballots received.
- c. Total number of votes cast.

7. Schedule Election of Officers

The Community Manager will schedule a Board Meeting to occur within ten days of the election to elect Board Officers, as required by Section 3.6 of the By-Laws. The Board will be operating without officers until this meeting is held.

The timeline for the Board Nomination and Election process is provided in Exhibit C.

Adopted by the Board of Directors on February 20, 2024

George Marsh, President of the Association

Exhibit A

Nominating Committee Screening and Selection Guidelines for HDROA Board of Directors Nominees

Requirements Imposed by By-Laws

3.1 Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one equal vote. The directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of a Member who is not a natural person, any officer, director, partner or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no Member may have more than one such representative on the Board at a time.

Screening Guidelines

The Nominating Committee shall screen all candidates according to the following guidelines.

- a. Candidates shall not have been removed as a Director by the Voting Members or the Board pursuant to Section 3.5 of the By-Laws within the prior two years.
- b. Candidates shall not be more than 60 days delinquent in the payment of any assessment or other charge due to the Association.
- c. Candidates shall not have any hearings or appeals pending before the Board, New Construction Committee, Modifications Committee or Covenants Committee nor shall they have any legal action pending against the Association or any Officer thereof.
- d. Candidates must have lived in High Desert as a resident for at least six (6) months prior to the date of the election.

Exhibit B

Voting Member Representation Per Village

Village	Number of Lots	Number of Voting Members	Votes by Voting Member
Aerie	74	2	37
Canyons	65	2	32.5
Chaco Compound	22	1	22
Chaco Ridge	50	1	50
Chamisa Trail	82	2	41
Desert Highlands	67	2	33.5
Desert Mountain	180	4	45
Desert Sky	79	2	39.5
Desert Song	26	1	26
Enclave	66	2	33
Highlands	128	3	42.67
Legends	48	1	48
Mountain Highlands	68	2	34
Overlook	67	2	33.5
Pinon Point	70	2	35
Solterra	68	2	34
Sunset Ridge	110	3	36.67
Tierra Del Oso	45	1	45
Trailhead	28	1	28
Trillium	118	3	39.33
West Highlands	33	1	33
Wilderness Cañon	19	1	19
Wilderness Compound	26	1	26
Wilderness Estates	27	1	27
Wilderness Village	57	2	28.5
TOTAL	1,623	45	

Exhibit C

Calendar for Board Nominations and Elections

Action	Responsible Person	Deadline
Recruit Candidates		
Article for Apache Plume	Nominating Committee	Nov, Feb
Announce in High Desert Bulletin	Nominating Committee	Nov through Apr
Announce in Townhall	Nominating Committee	Fall through May
Announce in Voting Member Meetings	Nominating Committee	Oct, Jan
Submit a Statement of Interest (SOI)	Board Candidate	17 days before Annual Mtg to be Included in Election Bulletin and Absentee Ballots; Day before Meet & Greet to be Included Only on Annual Mtg Ballots
Select and Introduce Candidates		
Screen Candidates against Exhibit A and Notify Nominating Committee	Community Manager	Within 1 Working Day of Receiving SOI
Develop Candidate Questions	Nominating Committee	Feb
Send Questions to Candidates	Nominating Committee	Day after Receiving SOI from Community Manager
Return Responses to Candidate Questions	Board Candidate	Day before Candidate Meeting
Meet with Candidates	Nominating Committee	Day before Election Bulletin Sent Out
Select Candidates	Nominating Committee	Before Meet & Greet
Publish Election Bulletin	Nominating Committee	1 Week before Meet & Greet
Meet and Greet Candidates	Nominating Committee	Fri, Sat, or Sun before Annual Meeting
Annual Meeting Preparation		
Notify Homeowners of Annual Meeting	Community Manager	10 to 50 Days before Annual Meeting

Action	Responsible Person	Deadline
Absentee Ballots		
Request Absentee Ballot	Voting Member	Paper – 10 Days before Annual Mtg; Electronic – 5 Days before Annual Mtg
Send Absentee Ballot to Voting Member	Community Manager	Within 1 Working Day of Receiving Request
Return Absentee Ballot	Voting Member	2 Days before Annual Meeting
Count Absentee Ballots (for Board Election and Establishing Quorum)	Community Manager and Nominating Committee	Before Annual Meeting
Election at Annual Meeting		
Establish Quorum	Community Manager	Annual Meeting
Present Board Candidates	Nominating Committee	Annual Meeting
Solicit Floor Nominations	Nominating Committee	Annual Meeting
Screen Floor Nominations against Exhibit A	Community Manager	Annual Meeting
Statements from Board Candidates	Board Candidates	Annual Meeting
Cast Ballots	Voting Members and Designated Alternates	Annual Meeting
Tally the Vote	Nominating Committee and Community Manager	Morning following Annual Meeting
Notification of Results		
Notify Board President	Community Manager	24 hours after Annual Meeting
Notify Candidates Who Won	Board President	Immediately
Notify Candidates Who Did Not Win	Board President	Immediately after Notifying Candidates Who Won
Notify Rest of Board and Nominating Committee	Board President	Immediately after Notifying Candidates
Notifications on Website, Bulletin, Apache Plume	Community Manager	Website – Day after Candidate Notification; Bulletin and Apache Plume – Next Edition