

SPRINGHURST HOMEOWNERS ASSOCIATION

ELECTION RULES AND VOTING PROCEDURES

THESE RULES are adopted this 1 day of December, 2011 by the Board of Directors of Springhurst Homeowners Association ("Association").

WHEREAS, The Villages at Springhurst is a planned residential community of five neighborhoods or Villages (the "Community") created under the "Declaration of Covenants, Conditions and Restrictions for the Villages at Springhurst" as recorded on December 19, 2005 in Book 4373, Page 2189 of the records of St. Charles County, Missouri, as amended ("Declaration") and the By-Laws of the Association, which are unrecorded ("By-Laws"); and

WHEREAS, Article III of the Declaration provides for a governance structure consisting of an elected Board of Directors to govern the Community and administer the Association on behalf of the Owners, and for elected representatives of the Owners in each Village to vote on behalf of the Owners; and

WHEREAS, the Board is authorized to adopt reasonable rules for administration of the Association as provided in Section 3.17(e) of the By-Laws; and

WHEREAS, the Board deems it to be in the best interests of the Community as a whole to establish fair and effective procedures to administer the provisions of the Declaration for conducting elections of volunteer leaders and representatives, and desires to adopt these Rules to carry out said purposes.

NOW THEREFORE, the following election rules and voting procedures are adopted by the Board of Directors to administer elections and voting.

General Description. The Governing Documents promote three objectives:

- Provide for a phased transfer of control of the Board from the Declarant to the Owners as sales occur. At 25% of sales of all the Units in the Community, Owners elect Directors to replace Declarant-appointed Directors. The size of the Board expands in phases from three to five (50% of sales of all Units), and ultimately to seven Directors (at first annual meeting after 75% of sales of all Units).
- Provide a representative form of governance. Owners in each Village elect representatives, known as "Voting Members," to elect Directors and vote on Owners' behalf in matters involving governance of the Community.
- Each Village is assured of representation on the Board, and the Board features diversity of interests reflecting the different housing in the Villages.

1. Voting Members.

(a) **Village Representation.** Each Village elects a Voting Member ("VM") and Alternate Voting Member ("AVM") to represent the Owners within the Village. The VM and AVM act on behalf of the Owners in voting for Directors and all other matters of the Association calling for a vote except such matters that are exclusively reserved to the Owners individually. The total number of VMs allocated for each Village are:

| | <u>Village</u> | <u># Units</u> | <u>#VMs</u> |
|---|-----------------|----------------|-------------|
| • | "A" Condominium | 300 | 6 |
| • | "B" Townhouses | 98 | 2 |
| • | "C" Detached | 148 | 3 |
| • | "D" Rowhouses | 114 | 2 |
| • | "E" Detached | 93 | 2 |

(b) **Election of VM and AVM.** The Owners within each Village will elect VMs and AVMs as follows:

(1) One VM and one AVM within 60 days after the sale of 25% of the Units in the Village. Term is one year.

(2) The full number of VMs and AVMs within 60 days after the sale of 75% of the Units in the Village. Term is one year.

(3) Thereafter, each Village will elect the VM and AVM annually, at such date as scheduled by the Board.

(4) Each VM and AVM will each serve until his/her successor is elected, and may serve consecutive terms.

The Board will determine the manner of the election, whether by written ballot cast by mail, or by Internet, or at a meeting called for this purpose, and make arrangements accordingly. The person receiving the highest number of votes will serve as VM, and the person receiving the second highest number of votes will serve as AVM.

(c) **Voting by Owners.** Regardless of the number of Owners of a Unit or the manner of the election, each Owner has one vote.

2. Voting Groups.

(a) **Creation.** Three (3) Voting Groups (VGs) have been established to ensure that groups Owners with diversity of interests are represented on the Board and to avoid some VMs being able to elect the entire Board due to the number of Units in such Villages. The VGs are established in Section 3.4(b) of the Declaration. Each VG consists of the

VMs from each Village. The VGs and total number of VMs are as follows:

| <u>Voting Group 1</u> | <u>Voting Group 2</u> | <u>Voting Group 3</u> |
|-----------------------|----------------------------------|-----------------------|
| Condominium (6 VM) | Townhouses & Rowhouses (4 VM) | Detached (5 VM) |

(b) Election of Directors. The primary function of the VGs is to elect Directors to serve on the Board from among the Owners to replace Declarant-appointed Directors. While the Board consists of three or five Directors, the VGs elect Directors at large. When the Board reaches its total of seven Directors, the VMs within each VG would vote on separate slates of candidates from the Villages of their VGs for election to the Board.

Election of Directors will occur based on the progress of sales in the Community. The phasing of this process is described in Section 3 below.

3. Phased Election of Directors.

Ultimately, the Board will have seven (7) Directors, of which two will be elected by each the three VGs as noted above, and the seventh (7th) Director will be elected at large. This will be accomplished in phases as follows:

(a) Declarant Control Period. The Declarant ("Class 'B' Member") has the right to appoint a majority of Directors on the Board during the period of Declarant control. This right runs until 75% of all the Units (753 Units) are conveyed to Owners, or until December 31, 2015. Declaration, Section 2.7. The Owners ("Class 'A' Members") have the right to elect Directors in phases based on the progress of sales of all Units in the Community.

(b) Phased Transition. To carry out an orderly and effective transition from Declarant control and allow the Owners to be represented on the Board in a phased manner related to the sales of Units in the Community, Section 3.5 of the By-Laws calls for election of Directors to the Board on the following schedule:

(1) The initial Board is three Directors appointed by Declarant.

(2) Within 30 days after 25% of all the Units *in each Village* are sold to Owners, and a VM has been elected in each Village (Section 1.(b)(1) above), the VMs shall elect one of the three Directors who shall be an at-large Director, *i.e.*, an Owner of a Unit in any Village. The term is two years (or less if the next phase of sales is reached).

(3) Within 30 days after 50% of *all the Units in the Community* have been sold to Owners, the size of the Board will expand to five Directors. The VMs will elect two Directors at large and the Declarant will appoint the other three Directors. The term is two years (or less if the next phase of sales is reached).

(4) Within 90 days after the sale of 75% of all the Units (termination of Declarant control), the VMs will elect three of the five Directors who will serve as at-large Directors and will serve until the first annual meeting following the termination of Declarant control. However, if the annual meeting is scheduled to occur within 90 days after termination of Declarant control, then paragraph (5) below would apply.

(5) At the first annual meeting after the period of Declarant control, the Board will increase to seven Directors. An election will be held for VMs to elect six Directors, two Directors from each VG. Three of the Directors will serve a term of two years and three will serve a term of one year, to be determined among the Directors.

(6) Upon the sale of 100% of the Units or two years after the election in paragraph (5) above, or December 31, 2015, whichever is sooner, the Declarant's Class "B" Membership will terminate and the Board will appoint the remaining (seventh) Director of the Board at large to serve until the next annual meeting at which time the VMs will elect the seventh Director at large to serve a term of two years.

(c) Declarant-Appointed Directors. As Owners are elected by the VMs to serve as Directors, the Declarant will cause the resignation of the Declarant-appointed Director(s) in said positions. The Declarant will continue to appoint the remaining Directors in each phase.

(d) Voluntary Termination of Declarant Control. The Declarant may voluntarily relinquish its right to appoint Directors at any time by written notice to the Board.

4. Qualifications, Term, Nomination of Directors.

(a) Qualifications. To serve on the Board, each Director must be a Member of the Association and a resident of the Community. Declarant-appointed Directors are exempt from these qualifications. Only one Member from the same Unit may serve on the Board at the same time. A "resident" is any natural person 18 years of age or older whose principal residence is a Unit within the Community. If a Member is a corporation or partnership, any officer, director, partner, or trust officer of such Member is 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, except in the case of Directors appointed by Declarant.

(b) Term. Each Director will serve a term of two years. Beginning upon the election of six Directors under Section 3(b)(5) above, one-half of the Directors will be elected to two-year terms and one-half will be elected for a term of one year to create staggered terms. Thereafter, an election will be held each year to elect approximately one-half of the Directors. No limit applies to the number of terms a Director may serve.

(c) Nominations. Prior to each election of Directors, the Board will take the following steps:

- (1) Establish the date of the meeting of VMs to elect Directors.
- (2) Prescribe the opening date and closing date of a reasonable period of time for any Member of the Association to file a declaration of candidacy. Each Member who is eligible and has a bona-fide interest in serving as a Director may file as a candidate for any position to be filled by the Owners.
- (3) Adopt a form for declaration of candidacy on which the candidate may state his/her qualifications and desire to serve. A sample form declaration is attached to these Rules.
- (4) Provide written notice to all Members of the Association of the election date, the filing period, and a form declaration of candidacy.
- (5) Prepare a slate of eligible candidates for each position of Director to be filled.
- (6) Nominations from the floor will be permitted at the election meeting.
- (7) The Board may designate a nominations committee to carry out the provisions of this Section 4(c).

5. Election of Directors.

(a) Voting Members Elect Directors. For election of Directors, each VM will cast his/her votes to elect one Director, based on the number of Units sold to Owners in the VM's Village. If VGs are established, the VMs within each VG will cast their respective votes collectively to elect the number of Directors allocated to that VG. See Diagram attached to these Rules for illustrative purposes.

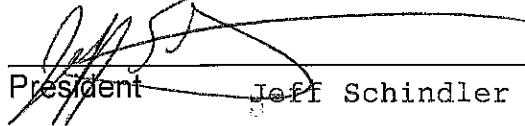
(b) Votes of VMs. Each VM will vote the number of Units in the Village which he represents. VMs may not cast their vote by proxy. If a VM is unavailable or is a candidate, the AVM will act in his place. There is no cumulative voting.

(c) Chair of Meeting. The president of the Board shall preside over the election meeting, unless the president is a candidate in which case another officer who is not a candidate shall preside.

(d) Voting Procedures. Voting may be by written ballot for any position with two or more candidates. A committee of disinterested persons may be designated to tabulate the results of the election. A written record of the results will be made in the minutes of the meeting.

IN WITNESS WHEREOF, the undersigned officers of the Board of Directors execute and certify that the foregoing Rules have been duly adopted on the date and year first above written.


BOARD OF DIRECTORS
SPRINGHURST HOMEOWNERS ASSOCIATION
a Missouri nonprofit corporation

By: 

President Jeff Schindler

[No Seal]

Attest:



Secretary Jeff Lewis