

PINEWOOD LAKE HOMEOWNERS ASSOCIATION
POLICY RESOLUTION NO. 2003-05

(Election Procedures)

WHEREAS, Article IV of the Declaration of Covenants, Conditions, and Restrictions of Pinewood Lake Homeowners Association establishes voting rights for owners; and

WHEREAS, Article VI of the Articles of Incorporation of Pinewood Lake Homeowners Association establishes that 3 members of the Board of Directors shall be elected at each annual meeting and Article XIV establishes the quorum for said meeting; and

WHEREAS, Articles V and VII of the By-Laws of Pinewood Lake Homeowners Association specifies the selection, term of office, nomination, and election of members of the Board of Directors; and

WHEREAS, Article III of the By-Laws suspends the membership of those individuals who fail to keep their assessments current.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors duly adopts the following election procedures:

1. Prior to the annual meeting, the Board appoints a Nominating Committee of at least three members (including two members designated as tellers) to serve from the close of the annual meeting until the next annual meeting. The Chair shall be a current Board member whose term does not expire for two years and may not be a teller. No committee member may be a candidate for the Board during his/her annual term on the committee. If a member decides to become a candidate, that person shall immediately resign from the committee, and the Board shall appoint a replacement.
2. The Committee reaches out to find candidates who may be interested in serving the Association. The Committee does so through personal contact and stories in the issues of the Needle through October. The Committee sets a deadline such that it can collect biographical information and candidate statements in time for printing and ballot mailing the first week in November. If at all possible, the Committee hosts a candidates' forum during November.
3. Voting takes the form of a proxy statement and a ballot, with the candidates listed alphabetically, in the form listed below. The Association mailing includes a letter from the Board President, the approved budget for the upcoming year, the ballot, candidate information, a pre-addressed return envelope, and an envelope for the ballot. The outside of the ballot envelope shall include a label with the

homeowners name, address, and lot number and a proxy statement. Ballots not sealed in an envelope with the voter's signature and legible name on the outside will not be counted. If possible, the Community Manager shall return such illegal ballots to the voter with instructions on proper resubmission of the ballot.

PROXY STATEMENT [on the envelope]

The undersigned hereby acknowledges receipt of notification of the [year] Annual Meeting for the Pinewood Lake Homeowners' Association scheduled for [date], [location] and appoints [Board Secretary, unless the Secretary is a candidate, in which case it becomes the Nominations Committee Chair] as PROXY to vote as on the enclosed ballot, on my behalf, at said meeting and at any adjournment thereof as if I were personally present:

Please date and sign below the label. Make any corrections necessary next to the label.

**BALLOT [enclosed in the envelope]
ELECTION OF BOARD MEMBERS**

(Vote for any [normally three, unless there are vacancies] - one ballot per unit owned)

- _____ [name]
- _____ [name]
- _____ [name]
- _____ [name]
- _____ [name]

Write-in candidate: _____

Please return this ballot whether or not you plan to attend the meeting in person. Ballots must be returned to the PLHA office before the close of business on [day of meeting] sealed in an envelope with your name and signature legible on the outside. If you submit this ballot before the Annual Meeting but later wish to revoke your proxy, you may (1) do so in writing and file with the PLHA office prior to [day of meeting]; or (2) attend the meeting and request to vote in person.

Members must have all dues and other assessments and charges paid in order to be allowed to exercise their voting privileges.

4. The Community Manager secures all ballots until the evening of the meeting. The Manager verifies that assessments are current as of the meeting date (which means through November) and either so initials or puts the ballots aside. The Manager does not open any ballot.
5. The Community Manager maintains a register of addresses (regardless of eligibility) showing which ones have voted and which ones have absentee owners (with those owners' actual addresses or the names and addresses of their authorized agents). At any candidate's request, the Manager provides that information within three working days of receipt of such request to help the candidate solicit participation at the annual meeting.
6. The evening of the annual meeting, the Community Manager delivers the sealed ballots to the tellers. The Community Manager delivers those sealed ballots ineligible to vote in a sealed envelope with the number enclosed written on the outside. The Community Manager, with the assistance of other staff, also signs people in outside the hall, takes ballots (ensuring that they are sealed in an envelope with the voter's name and signature legible on the outside), verifies eligibility, and delivers those new and changed proxies to the tellers. The Community Manager also advises the President of the total number of eligible voters (so that the President can determine the quorum).
7. After calling the annual meeting to order, the President introduces those candidates who are present and offers the attendees of the annual meeting a chance to nominate additional candidates and one last opportunity to cast or change their proxies. The President shall then declare the nominations closed and direct the tellers to count the ballots.
8. The tellers shall first verify that they have sufficient eligible ballots for a quorum. Not until they have done so shall they unseal any ballots. If they find they do not have a quorum, they shall so advise the President, who shall adjourn the meeting after allowing questions and discussion on pertinent issues from the floor. The President shall then schedule another meeting, such that the community has 10 days notice, and shall mail a notice to all homeowners, affording them the opportunity to vote for the first time or to change their proxy.
9. If there is an adjourned meeting, the same restrictions on safeguarding ballots and other procedures delineated in rules #4-8 shall prevail. Unless the meeting is adjourned until January all persons eligible to vote at the first meeting retain their eligibility. However, as before, anyone may obtain eligibility by paying their Association accounts in full.
10. Once a meeting takes place at which there is a quorum, the President shall announce that there is a quorum and direct that no communication take place between the tellers and anyone else, except three election inspectors. These inspectors shall be chosen randomly from all adults in attendance, except current

board members, committee chairs, individuals on the ballot, and their immediate families. One teller will be the reader and one will record the vote. One inspector will observe the "reader" teller and the other two will keep separate tallies to ensure the accuracy of the count. The tellers, with the inspectors in attendance, will verify that they have only one ballot per lot by setting aside older ballots and only then begin to unseal the ballots. When they unseal the ballots, the tellers shall set aside the envelopes with the signed proxy statement, ensuring that no one may match a signed proxy statement with a specific ballot. The tellers shall then commence a complete and accurate count and provide the President a report as follows: number of eligible voters, number of votes cast by eligible voters, number of votes cast for each candidate, number of votes from ineligible individuals, and number of illegal votes (i.e., those with unsigned proxies or those voting for too many candidates). When the tellers and inspectors agree on the final vote count, they will certify the election results by signing the report. The only reason to recount is if at least two tallies don't agree. The President shall then announce the results and direct the Secretary to include the complete report in the minutes.

11. The tellers, with the inspectors in attendance, shall then separate the counted ballots among:

- those eligible to vote;
 - those casting illegal votes;
 - those ineligible to vote as provided by the Community Manager
- and seal them separately in labeled envelopes. The tellers shall seal the proxy statements in an additional separate, labeled envelope. The tellers and inspectors shall then seal all these envelopes and any voting registers they and the Community Manager used in a secure, signed container, so that no one else looks at the ballots and the registers except in the case of a recount. The Community Manager shall then safeguard this package for a year.

12. In the case of a tie for the final open seat, the tellers shall decide the result via a coin toss under the observation of the inspectors.

13. In the case that there are more than three open seats, the top three vote getters shall be elected for three year terms, the next vote getters for any two year term vacancies, and the next thereafter for any one year term vacancies.

14. The results of the election shall take effect as soon as the newly constituted Board holds a reorganization meeting, which shall take place no later than the next regularly scheduled Board meeting.

15. Any protest of the election must be filed before adjournment of the annual meeting, to be voted upon by those present, or at special meeting of the members called in accordance with Article X, Section 2 of the By-Laws.

16. This resolution supersedes Policy Resolution 2002-07, dated July 11, 2002.

This Resolution was duly adopted this 12th day of June, 2003 by the Board of Directors.

PINEWOOD LAKE HOMEOWNERS
ASSOCIATION

By: /s/ Mike Shigley
Mike Shigley, President, Board of Directors

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