

**OPEN MEETING**

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
LAGUNA WOODS MUTUAL NO. FIFTY  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**February 14, 2018**

The Board of Directors of Laguna Woods Mutual No. Fifty, a California non-profit mutual benefit corporation, met at 2:30 p.m. on Wednesday, February 14, 2018 at 24055 Paseo Del Lago West, Laguna Woods, California.

**Directors Present:** Ryna Rothberg-Chair, June Greenwald (arrived late), Al Amado, John Dalis, Inesa Nord-Leth

**Directors Absent:** None

**Staff Present:** Katy Howe, Ariana Rodriguez, Alex Banegas, Chuck Johnson, Ed Presley, Kristen Orr, Valerie Martinez, Chelsea Sullivan, Freddy Rodriguez

**CALL TO ORDER**

President Rothberg called the meeting to order at 2:35 p.m. and established that a quorum was present:

**PLEDGE OF ALLEGIANCE**

Director Nord-Leth led the membership in the Pledge of Allegiance to the Flag.

**APPROVAL OF AGENDA**

By consensus, the Board approved the agenda.

June Greenwald arrived at 2:40 p.m.

**TOWERS BUS SERVICES**

Brad Hudson from VMS came to speak to the Board and Towers' residents about preliminary plans to customize bus service at The Towers to The Towers' needs. He responded to the following residents' comments:

- Joan Fitzgerald, Unit 757, requested weekend bus service.
- Sy Wellikson, Unit 1161, suggested to prepare a survey to establish routes.
- Blanche Goldman, Unit 1010, questioned the hours of transportation and noted that the vans should have bigger running boards.
- Shelva Lenzkes, Unit 401, requested that Towers residents and bus drivers should be queried on what works for them.

- Sarah Dashefsky, Unit 1054, commented on the need for dependable rides and their efficiency.
- Jacqueline Byron, Unit 857, asked for bus accommodations for certain classes, particularly to Clubhouse 4.
- Harriet Fillmore, Unit 251, suggested to plan and schedule bus pick up/drop off times in advance and suggested to get advice from other communities.
- Lily Falk, Unit 711, did not agree with calling ahead procedure for busy clubhouses and last-minute changes.
- Thelma Karpeles, Unit 606, commented on the problem with residents at doctors' appointments not knowing pick-up times.
- Herb Harris, Unit 454, questioned the cost of transportation per unit in the Village.
- Gloria Wallace, Unit 910, questioned stops on fixed routes.
- Laura Husak, Unit 758, suggested alternative transportation and fixed routes.
- Maxine Quitiquit, Unit 508, suggested identifying the "hot-spots" and creating a bus schedule and routine for those popular spots.
- Steve Handelman, Unit 251, suggested direct services.
- Shula Koton, Unit 1205, questioned if the new system would take residents to different shopping centers outside Laguna Woods.
- John Dalis, Unit 1202, was concerned if there would there be an extra cost to Towers' residents for special service and how would GRF determine what is fair between the different communities.
- Renee Merer, Unit 1005, commented that the special bus service are reasonable since Towers' residents use less of other amenities.

#### **APPROVAL OF MINUTES OF MEETING**

Without objection, the Board approved the regular open meeting minutes of:

(a) January 18, 2018 – Regular Meeting

#### **PRESIDENT'S COMMENTS**

President Rothberg commented on how the Golden Rain Foundation has officially abandoned the idea of combining Gates 10 and 11, the Asian lunar year, Ms. Katy Howe winning a CAI award for innovative management the previous weekend, and Ms. Howe's upcoming participation on a CAI luncheon panel on how community associations can help their aging residents.

#### **GOLDEN RAIN FOUNDATION REPORT**

No Report given.

#### **GENERAL MANAGER'S REPORT**

Ms. Howe reported on the paint program and other upcoming projects, including major concrete work out in the front of the building, replacing the galleria flooring and transformer replacements. She gave updates on thermostat installations, the trash room

recycling program and reminded membership to not put boxes in trash chutes. She also presented the monthly Leasing and Resale Report, Maintenance Report, and Food Service Report.

#### **TREASURER'S REPORT/FINANCE COMMITTEE**

No report given.

#### **MEMBER COMMENTS**

- Chase Kendro, Unit 102, commented on educating caregivers on recycling program and how to use washing machines, and encouraged the board to have a smoke free building sign.
- Laura Husak, Unit 758, commented on the new benches in the tunnel.
- Sy Wellikson, Unit 1161, questioned tunnel two flooring bubbling and what will be done, and how much money has been drawn from the energy management system loan.
- Renee Merer, Unit 1005, commented on the good service of thermostat crew, questioned if they would be working to fix the temperature in the California and weather she can hire the same crew to install weather-stripping at her cost.
- Shelva Lenskes, Unit 401, commented that board meeting should allow that both owners and renters to attend board meetings.
- Carole Schnall, Unit 611, suggested that residents need to be educated on the new thermostat system.
- John O'Keefe, Unit 812, commented on the good work of the board members and activities provided.
- Ruth Stone, Unit 602, questioned how much longer will the painters be here, and addressed that caregivers need to park in lower lots not in the front visitor parking.

#### **RESPONSE TO MEMBERS' COMMENTS**

Directors and the staff responded to Members' comments.

#### **CONSENT CALENDAR**

None.

#### **OLD BUSINESS**

##### **Update Birthday Dinner Guest Rule**

Director Nord-Leth read the proposed resolution:

##### **Resolution 50-18-xx**

##### **Monthly Birthday Dinner – Allowed Guests and Points Use Rules**

**WHEREAS**, due to the request of resident to have more than one guest attend the Birthday Dinners; and

**WHEREAS**, the attendance at recent Birthday Dinners has been lower than historically experienced; and

**WHEREAS**, the Birthday Dinners are catered events that cost more to host than the points charged capture;

**NOW THEREFORE BE IT RESOLVED**, April 19, 2018, that the Board of Directors of this Corporation hereby establishes the Birthday Dinner guest rule where a resident with a birthday in a given month may attend the birthday dinner with up to 4 guests;

**RESOLVED FURTHER**, the first guest is allowed to use either their points if they are a Towers' resident or be put on the birthday resident's points if not; and

**RESOLVED FURTHER**, that any guest beyond the first guest will have to purchase a specialty dinner ticket (\$23) in cash (not points) for the dinner; and

**RESOLVED FURTHER**, the changes in allowed guest and Birthday Dinner points use will become effective as of the May 2018 Birthday Dinner; and

**RESOLVED FURTHER**, Resolution M50-15-35, approved on August 20, 2015, is hereby superseded and cancelled, and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

***This resolution will be on hold for 30-day member comment.***

Director Nord-Leth moved the resolution with 30-day hold to obtain written comment from the membership. Director Amado seconded the motion. By a vote of 4-0-0, the motion carried.

**Assessment Write-Off for Mutual Fifty Owned Unit Account 218-7989**

Director Nord-Leth read the proposed resolution:

**Resolution 50-18-3 I**  
**Write-Off for Account 218-7989**

**RESOLVED**, February 14, 2018, that the Board of Directors of this Corporation hereby authorizes the write-off of account 218-7989, in the amount of \$2,087.73; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Nord-Leth moved the resolution. Director Amado seconded the motion. By a vote of 4-0-0, the motion carried.

## **NEW BUSINESS**

### **Proposal to Add Lunch Take Out Fee**

Director Nord-Leth read the proposed resolution:

#### **Resolution 50-18-XX Implement Lunch Take-Out Fee**

**WHEREAS**, Laguna Woods Mutual No. Fifty charges a \$2.50 take-out fee at dinner; and

**WHEREAS**, many residents, approximately 20 per day, are ordering lunch for take-out, which requires additional staff time; and

**NOW THEREFORE BE IT RESOLVED**, April 19, 2018, that the Board of Directors of this Corporation, on behalf of the Corporation, hereby creates a \$2.50 per lunch take-out fee, payable to Laguna Woods Mutual No. Fifty monthly;

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

***This resolution will be on hold for 30-day member comment.***

Director Nord-Leth moved the resolution with 30-day hold to obtain written comment from the membership. Director Amado seconded the motion. Discussion ensued. By a vote of 4-0-0, the motion carried.

Director Al Amado left the meeting at 4:20 p.m.

### **Updating Dress Code**

Director Nord-Leth read the proposed resolution:

#### **Resolution 50-18-XX**

### **Dining Room and Common Area Dress Code Rules**

**WHEREAS**, Laguna Woods Mutual No. Fifty has maintained a dress code for common areas and both the California and Crystal dining rooms since the inception of The Towers; and

**WHEREAS**, good grooming (clothing, hair, face and hands) is expected at all times in the dining rooms and common areas; and

**WHEREAS**, the following dress codes for The Towers' dining rooms and common areas apply to both residents and their guests (for whom residents are responsible);

**NOW THEREFORE BE IT RESOLVED**, April 19, 2018, that the Board of Directors of this Corporation, on behalf of the Corporation, hereby states the Laguna Woods Mutual No. Fifty Dining Room and Common Area Dress Codes as shown;

#### **TOWERS COMMON AREA**

The following is unacceptable attire for Towers Common Area:

Sleep Attire  
Bathrobes  
Scrubs

#### **CRYSTAL DINING ROOM**

A blazer or suit jacket is required for men dining in the Crystal Dining Room. The following is unacceptable attire for anyone dining the Crystal Dining Room:

Shorts/Short Pants  
Shirts with Messaging  
Uncollared Shirts (for men)  
Athletic/Gym Pants  
Sweatshirts  
Muumuus (for women)  
Blue Jeans  
Gym Shoes  
Bedroom Slippers  
Flip Flops  
Hats or Bandanas

**CALIFORNIA DINING ROOM**

The following is unacceptable attire for anyone having dinner  
in the California Dining Room:

Shorts/Short Pants  
Causal Denim (faded/holes/frays)  
Shirts with Messaging  
Uncollared Shirts (for men)  
Gym Pants  
Bedroom Slippers  
Flip Flops  
Hats or Bandanas

The following is unacceptable attire for anyone having lunch  
in the California Dining Room:

Causal Denim (faded/holes/frays)  
Shirts with Messaging  
Gym Pants  
Bedroom Slippers  
Hats or Bandanas

**RESOLVED FURTHER**, that the Staff of the Dining Services provider is hereby authorized and empowered to enforce these guidelines by politely informing the resident/guests of the dress code violation and denying the person access to the dining room and to report to the Towers General Manager; and

**RESOLVED FURTHER**, that in an instance where a violation of the dress code is observed, the information will be communicated by email to the Towers General Manager stating the name of the resident/guest, the date, time, and the specific offense, and the General Manager will advise the resident of the alleged offense by letter; and

**RESOLVED FURTHER**, that Resolution M50-15-18 dated April 2015 is hereby superseded and cancelled; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

***This resolution will be on hold for 30-day member comment.***

Director Nord-Leth moved the resolution with 30-day hold to obtain written comment from the membership. Director Dalis seconded the motion. Discussion ensued.

Director Nord-Leth moved to amending dress code rule for California Dining Room and allow uncollared shirts, flip flops and shorts during lunchtime. Director Dalis second the amendment. By a vote of 3-1-0 (Director Rothberg opposed), the amendment carried.

Director Greenwald left the meeting at 4:30 p.m.

By a 2-0-0 vote, the amended motion carried.

### **Activities Committee Proposed Changes**

Director Nord-Leth read the proposed resolution:

#### **Resolution 50-18 XX Activities Committee Charter**

**WHEREAS**, Laguna Woods Mutual No. Fifty Bylaws, Article VIII, Section 1 states in part:

The Board may designate one or more Standing, Ad hoc or other committees, each to serve at the pleasure of the Board and each consisting of a sufficient number of Qualifying Mutual Fifty Resident Members to meet the needs of its particular function or functions. The duties and powers of these committees shall be determined by the Board, provided that the authority of each committee is limited to advising the Board and all final actions are subject to the specific approval of the Board;

**NOW THEREFORE BE IT RESOLVED**, February 14, 2018, the Board of Directors of this Corporation hereby approves the Activities Committee Charter and assigns the duties and responsibilities of the Committee as follows:

- Perform the duties imposed upon all standing committees as set forth in the current resolution entitled, "General Duties of Standing Committees";
- The committee shall consist of a maximum of 4 members, plus one Mutual Fifty Board Director, and shall be staffed by the Activities Coordinator;
- The Committee shall assist the Coordinator in analyzing programming in accordance with the budget as well as reviewing and developing the proposed budget for the following year;

- The Committee shall analyze all activities and resident participation; discuss possibilities and new ideas; recommend changes to the Board as appropriate;
- The Committee shall meet monthly to review activities held and activities proposed;
- Activities shall be reviewed with the Activities Coordinator to ensure that they comply with the goals of the Board;
- The Committee shall assist the Coordinator in initiating new ideas consistent with the Committee Mission Statement;
- All Committee members shall be able to report at the Regular Board meeting concerning the Activities Committee's meetings and plans;

**RESOLVED FURTHER**, that resolution M50-16-51 is hereby superseded and cancelled; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

***This resolution will be on hold for 30-day member comment.***

Director Nord-Leth moved the resolution with 30-day hold to obtain written comment from the membership. Director Dalis seconded the motion. By a vote of 3-0-0, the motion carried.

#### **Social Group Proposal**

Director Rothberg tabled this item.

#### **Approve Interim Dining Services Guide**

Director Rothberg tabled this item.

#### **Approve Election Rules**

Director Nord-Leth read the proposed resolution:

#### **Resolution 50-18-AA** **Laguna Woods Mutual No. Fifty Election Rules**

**WHEREAS**, Section 4340 of the California Civil Code requires that homeowner associations have specific rules relating to corporate member voting and election procedures; and

**NOW THEREFORE BE IT RESOLVED**, April 19, 2018, that the Board of Directors of this Corporation hereby approves the attached Election Rules, effective immediately; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

***This resolution will be on hold for 30-day member comment.***

Director Nord-Leth moved the resolution with 30-day hold to obtain written comment from the membership. Director Dalis seconded the motion. By a vote of 3-0-0, the motion carried.

**Mutual Fifty Committee Appointments**

Director Nord-Leth read the proposed resolution:

**Resolution 50-18 32**  
**Mutual Fifty Committee Appointments**

**RESOLVED**, February 14, 2018, the Board of Directors of this Corporation is hereby authorized on behalf of the Corporation to establish and appoint members to the following Laguna Woods Mutual No. Fifty committees:

**Activities Committee:**

No Change.

**Business Planning:**

No Change.

**Finance Committee:**

No Change.

**Marketing Committee:**

Kimberly Kostka (added).

**Orientation Committee:**

No Change.

**Dining Services Committee (Committee of the Whole)**

No Change.

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Nord-Leth moved the resolution. Director Dalis the motion. By a vote of 3-0-0, the motion carried.

**MUTUAL FIFTY COMMITTEE REPORTS**

**Activities Committee Report**

No report given due to time constraints.

**Marketing Committee**

No report given due to time constraints.

**Orientation Committee Meeting**

No meeting, no report.

**GRF COMMITTEE REPORTS**

**Community Activities Committee – Ryna Rothberg**

No report given due to time constraints.

**Business Planning Committee – Al Amado**

No report given.

**Finance Committee – Al Amado**

No report given.

**Landscape Committee – June Greenwald**

No report given.

**Maintenance and Construction Committee – Ryna Rothberg**

No report given due to time constraints.

**Media and Communications Committee- Ryna Rothberg**

No report given due to time constraints.

**Mobility and Vehicles Committee – John Dalis**

No report given due to time constraints.

**Security and Community Access – John Dalis**

No report given.

**Laguna Woods Traffic Hearings**

No report given due to time constraints.

**Board Member Closing Comments**

Ryan commented on the amount of people who attended the board meeting.

**ADJOURNMENT**

The open session meeting was adjourned at 4:45 p.m.

**Summary of Previous Closed Session Meetings per Civil Code Section 4935**

During its Regular Executive Session meeting of February 14, 2018, the Board approved the minutes of the January 17, 2018 Regular Executive Session and the January 26, 2018 Special Closed Session meetings, discussed contract issues, held disciplinary hearings, and discussed potential litigation issues. The closed session meeting was adjourned at 2:20 p.m.



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Inesa Nord-Leth, Secretary

## **LAGUNA WOODS MUTUAL NO. FIFTY**

### **Election Rules and Regulations**

The Board of Directors ("Board") of Laguna Woods Mutual No. Fifty ("Mutual Fifty") adopted these voting and election rules and regulations ("Election Rules") in accordance with California Civil Code Section 4340 *et seq.* Notwithstanding any other law or provision of the governing documents, these Election Rules shall apply to all votes cast directly by Mutual Fifty's members ("Members") concerning the matters set forth in Section 5100 of the California Civil Code.

### **INTRODUCTION**

- A. Notwithstanding any provision to the contrary in the governing documents, Mutual Fifty shall provide written Notice of the Annual Meeting ("Notice") to each Member setting forth the date and time of the Annual Meeting and the matters to be addressed at the Annual Meeting, not less than thirty (30) days nor more than ninety (90) days prior to the Annual Meeting. Notice shall be given by first-class, registered, or certified mail, or by personal delivery, or by electronic delivery if requested.
- B. The Notice shall further advise the Members of the times when the polls will open and close for election of Directors as well as the date and time when the Members and candidates may attend the Annual Meeting and/or Board meeting to witness the inspectors' registration, review, count and tabulation of the votes.
- C. Ballot materials shall be sent out to Members no later than thirty (30) days prior to any meeting subject to these Election Rules.

### **ELECTION RULES AND REGULATIONS**

- 1. **Number and Qualifications of Directors for Election**
  - a. The Board shall be composed of five (5) persons. In order to be a candidate for election as a director, such candidate: (a) must be a Member of Mutual Fifty and a resident of the condominium project governed by Mutual Fifty (the "Project"); (b) may not, as of the election date, be more than thirty (30) days delinquent in payment of any sums due Mutual Fifty; (c) must not be related by blood or marriage or reside in the same household as any other Board member; (d) must not be actively engaged in litigation against Mutual Fifty; and (e) must have complied with all requirements of prospective members of board of directors of homeowners associations under applicable statutes.

- b. In order to remain qualified to serve on the Board of Directors, at all times during such Member's term as a director, the Member must: (a) not concurrently serve as a GRF Director or on the Nominating Committee (as defined in Article IX of the Bylaws); (b) must not be a director, stockholder, officer, employee, or partner of any other organization, whether private, public or governmental, where such dual status could create a conflict of interest; (c) must not be a council member of a city in which Mutual Fifty's facilities are located; (d) must not be an employee of either Mutual Fifty or its managing agent; (e) must not have been declared of unsound mind by an order of a court, or convicted of a felony, or has been found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the Nonprofit Mutual Benefit Law, California Corporation Code section 7710, et seq.; (f) must not be the subject of a declaration by the Board, that such Member is not qualified, in conformance with the Nonprofit Mutual Benefit Law, Corporations Code section 7221(b); (g) be a resident of the Project; (h) not be more than thirty (30) days delinquent on assessments or fees due Mutual Fifty; (i) not miss four (4) or more regularly monthly meetings of the Board within any twelve (12) month period; (j) comply with every duly approved action of the Board; (k) not be delinquent in the payment of any assessment more than once in any fiscal year; (l) within five (5) days after receipt of written notice by Mutual Fifty, comply with the governing documents and correct (to the satisfaction of the Board) any violation of the governing documents for which the director has been determined to be responsible pursuant to applicable due process requirements; (m) must not be actively engaged in litigation against Mutual Fifty; (n) exhibit respect, professionalism, and courteous behavior to Members, committee members, vendors, the Manager and its staff, and any other persons associated with or retained by Mutual Fifty; (o) not act in a manner determined by a majority vote of the Board to be grossly detrimental to the general safety, health or welfare of Mutual Fifty and its Members; and (p) comply with all requirements of members of boards of directors of homeowners associations under applicable statutes.

## **2. Nomination Procedures**

- a. Mutual Fifty shall send to all Members a request-for-candidates form, seeking nominations for candidates for the Board, approximately ninety (90) days prior to the Annual Meeting. Notice to the Members of the meeting shall include the names of all those who are nominees at the time the Notice is sent. Nominations will be valid so long as the nominee has either nominated himself/herself, or provides notice of acceptance of the nomination prior to the close of nominations.
- b. In addition to the procedure set forth in Section 2(b), above, candidates shall also be subject to nomination by the Nominating Committee. The Nominating Committee shall consist, in the discretion of the Board, of three (3) to five (5) Members to hold office to the end of the calendar year in which appointed and until a successor has been elected and qualified. Any Member in good standing and who is not a director of Mutual Fifty or GRF may offer to serve or be proposed to serve on the Nominating

Committee by any Mutual Fifty Director or Member.

- c. The Nominating Committee, from time to time, shall prepare, revise, and maintain, a confidential list of Members who, in its opinion, are qualified to serve as Directors of Mutual Fifty. At least forty-five (45) days prior to the Annual Meeting, the Nominating Committee shall nominate candidates for election as Directors sufficient to at least fill all anticipated vacancies (and no more than twice that number) by submitting the names of candidates to Mutual Fifty's President. The Nominating Committee shall nominate such candidates at least ten (10) days before the mailing of the notice of meeting.
- d. All candidates, known to Mutual Fifty at the time ballots are mailed, shall have a reasonable opportunity to submit a candidate statement not to exceed two hundred and fifty (250) words in length, to accompany the ballots.
- e. If a person or entity nominated is not qualified to serve on the Board, that candidate's name shall not appear on the ballot and that person or entity will not be permitted to serve if elected.

### **3. Voting Qualifications of Members**

- a. All Members in good standing shall be entitled to vote in any membership vote. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Condominium(s) and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the governing documents. A Member's good standing shall be determined thirty (30) days prior to the date of the Annual Meeting.
- b. Each Member shall have one (1) vote per Condominium owned. In no event shall more than one (1) vote be cast with respect to any Condominium. When more than one (1) person owns any Condominium, all such persons shall be deemed Members, provided however, the vote for such Condominium shall be exercised as a unit, in accordance with the provisions of Mutual Fifty's governing documents. If two or more ballots are received for any one Condominium, the first ballot received shall be counted and the additional ballot(s) discarded.
- c. Voting shall be by secret written ballot pursuant to the procedure set forth in the California Civil Code and Section 9 below.
- d. At all elections of Directors, Members shall be entitled to one vote per Condominium owned, and no more than one vote may be cast for any one candidate. Those Director candidates who receive the highest number of votes, not to exceed the number of Directors to be elected, shall be elected. Candidates for less than a three year term, shall be voted upon separately. Cumulative voting

shall not be permitted.

#### **4. Inspector(s) of Election**

- a. At an open meeting, the Board shall select and appoint one (1) or three (3) persons to serve as independent Inspector(s) of Election ("Inspector") for such vote.
- b. The Inspector must be an independent third party who is not:
  - i) Currently a member of the Board or a candidate for the Board; or
  - ii) Related to a member of the Board or of a candidate for the Board.
- c. The Board may, but is not required to, select third parties as the Inspector(s), which may include but is not limited to, a Member, a volunteer poll worker with the County registrar of voters, a licensee of the California Board of Accountancy, a notary public, Mutual Fifty's managing agent, or a professional election manager.
- d. The Board may, in its discretion, appoint Inspector(s) which consists of a person, business entity, or subdivision of a business entity who is currently employed or under contract to Mutual Fifty for any compensable services.
- e. The Board, in its discretion, may remove and replace the Inspector(s) at any time prior to the date of any election.
- f. The Board may determine to pay compensation to the non-member third party Inspector(s), if any. If the Board determines to appoint and pay an independent third party, the Board will require the following terms to be met by the Inspector(s):
  - i) A formal written contract for the Inspector(s) to be hired as an independent contractor;
  - ii) The Inspector(s) will maintain insurance with at least \$1 million CGL coverage, including completed operations coverage, and \$1 million D&O/E&O (naming Mutual Fifty and its management company as additional insureds on both policies); and
  - iii) The contract shall require independent third party Inspector(s) to indemnify Mutual Fifty if such independent third party Inspector(s) is/are grossly negligent, or commit(s) willful and/or malicious misconduct.
- g. If an Inspector(s) is unwilling to, unable to, or does not, perform his/her duties as stated in these rules, or becomes ineligible to be an Inspector at any time after appointment, the Board may remove that Inspector(s) without notice, and may appoint another Inspector(s) in his/her place.

- h. The Inspector(s) shall perform his/her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical.
- i. The Inspector(s) shall have the duty to:
  - i) Determine the number of Members entitled to vote and the voting power of each;
  - ii) Determine the authenticity, validity, and effect of proxies, if any;
  - iii) Receive ballots;
  - iv) Determine the existence of a quorum. For the purposes of determining a quorum, each ballot received by the Inspector(s) shall be treated as a Member present, except in the case of duplicate ballots or multiple ballots from the same Condominium;
  - v) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
  - vi) Count and tabulate all votes;
  - vii) Determine when the polls shall close, consistent with the governing documents;
  - viii) Determine the tabulated results of the election;
  - ix) Perform any acts as may be proper to conduct the election with fairness to all members in accordance with Civil Code Section 5110, the Corporations Code, and all applicable rules of Mutual Fifty; and
  - x) Prepare a written report of the activities undertaken in any election.
- j. The Inspector(s) may meet and discuss election issues amongst themselves and/or with Mutual Fifty's counsel.
- k. If there are three (3) Inspectors, the decision or act of two or more Inspectors shall be effective in all respects as the decision or act of all.
- l. The Inspector(s) may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector(s) deem appropriate, provided that the persons are independent third parties as set forth in Paragraph 4(b) herein.
- m. The Inspector's report of the election, once signed to certify the election, is prima

facie evidence of the facts stated in the report.

**5. Access to Mutual Fifty Media**

- a. No candidate or Member shall be provided access to Mutual Fifty media, newsletters or Internet web sites during the campaign except with the express consent of the Board, and solely for purposes that are reasonably related to that election. The Board's consent may be withheld at its sole discretion and for any reason.
- b. In the event access to Mutual Fifty media, newsletter or Internet web sites is granted to any candidate or Member advocating a point of view, during any campaign for purposes that are reasonably related to that election, then all candidates and Members advocating a point of view, including those not endorsed by the Board, shall be provided equal access for purposes reasonably related to that election.
- c. In the event access to Mutual Fifty media, newsletter or Internet websites is granted, Mutual Fifty shall not censor, edit or redact any content from the communications of the candidates and Members advocating a point of view, but shall include a statement specifying that the candidate or Member, and not Mutual Fifty, is responsible for the content of the message. The following statement shall be published by Mutual Fifty:

*"The views expressed are those of its author and do not reflect the view of Mutual Fifty, its directors, managers, employees or agents. The author is solely responsible for its content. Mutual Fifty was required by law to publish the communication as written regardless of content."*

**6. Access to Common Area Meeting Space**

- a. If any common area meeting space exists within the Project, access to such common area meeting space shall be made available at no cost to all candidates, including those who are not incumbents, and to all Members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election or vote, upon reasonable request.

**7. Mutual Fifty Funds**

- a. Mutual Fifty funds shall not be used for campaign purposes in connection with any election except to the extent necessary to comply with the duties of Mutual Fifty imposed by law.

**8. Proxies**

- a. Proxies shall be permitted subject to Civil Code Section 5130 and Article VI, Section 10 of Mutual Fifty's Bylaws. For those elections in which proxies are used, in order to be counted the proxy must be (a) in writing, (b) signed by the

member or the authorized representative of the member that gives another member or members the power to vote on behalf of that member, (c) filed with the President in advance of each meeting, and (d) identify the person authorized to exercise the proxy. A proxy that does not satisfy these requirements shall not be valid. Any instruction given in a proxy issued for an election that directs the manner in which the proxyholder is to cast the vote must be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain. The proxyholder must cast the member's vote by secret ballot and in the manner directed, if applicable. Every proxy is revocable at any time and automatically ceases after completion of the meeting for which the proxy was filed.

## **9. Secret Balloting Procedures**

- a. Mutual Fifty shall utilize a secret ballot process pursuant to Civil Code Section 5115 for the following matters:
  - i) A vote of the membership regarding assessments per Civil Code Section 5605;
  - ii) Election of members of the Board of Directors;
  - iii) Amendments to the governing documents;
  - iv) Grant of exclusive-use common area property pursuant to Civil Code Section 4600;
  - v) Removal of Directors;
  - vi) Any other membership vote which the law requires to be conducted via the secret ballot process; and
  - vii) Mutual Fifty may utilize a secret ballot process for any other membership vote, if allowed by law or the governing documents.
- b. A ballot and two pre-addressed envelopes (Envelopes # 1 and # 2) with instructions on how to return the ballot shall be mailed by first-class mail or delivered by Mutual Fifty to every Member at least thirty (30) days prior to the deadline for voting.
- c. The ballot shall contain the names of any candidates known to Mutual Fifty at the time the ballot is mailed. If no candidates are known or if there are fewer candidates than the number of Directors to be elected, Mutual Fifty will send out a ballot which has the names of the known candidates and/or blank lines for the write-in candidates.
- d. Any write-in candidate must be nominated from the floor, by themselves or another Member, or by written notice which is received by the Inspector(s) prior to the close of nominations, and must be present at the meeting to accept the nomination, or

have sent written acceptance of the nomination to Mutual Fifty in advance.

- e. A voter may not be identified by name, address, or unit number on the ballot.
- f. The ballot itself is not signed by the Member voting, but is to be inserted into Envelope # 1 that is sealed by the Member. Envelope # 1 is then inserted into Envelope # 2, which is then sealed by the Member.
- g. Envelope # 2 is addressed to the Inspector(s). In the upper left-hand corner of Envelope # 2, the voter shall sign his or her name, print his or her name, and indicate the address or separate interest identifier that entitles him or her to vote.
- h. Envelope # 2 may be mailed or delivered by hand to a location specified by the Inspector(s). The Member may request a receipt for delivery.
- i. Once a ballot has been cast, it cannot be revoked.
- j. Only Mutual Fifty's ballots and envelopes which are sent out to the membership by Mutual Fifty or are provided by Mutual Fifty at the membership meeting will be accepted by the Inspector(s) of election.

#### **10. Voting Period**

- a. The Board shall generally determine the dates upon which polls will open and close, consistent with the governing documents and applicable law. Once appointed, the Inspector(s) shall determine, in their discretion, the specific date and time when the polls close.

#### **11. Vote Tabulation**

- a. All votes shall be counted and tabulated by the Inspector(s), or the duly authorized persons appointed by the Inspector(s), in public at a properly noticed membership meeting.
- b. The ballots shall not be opened or otherwise reviewed prior to the time and place which the ballots are counted and tabulated.
- c. Any candidate or Member may witness the counting and tabulation of the votes.
- d. The Inspector(s), or his or her designee, may verify the Member's information and signature on Envelope #2 prior to the meeting at which ballots are tabulated. Once a secret ballot is received by the Inspector(s), it shall be irrevocable.

#### **12. Election Results**

- a. The Inspector(s) shall promptly report the results of the election to the Board. The Board shall record the results of the election in the minutes of the next Board

meeting and make them available to the Members for review.

- b. Within fifteen (15) days of the election, the Board shall publicize the results of the election in a communication directed to all members.

### **13. Custody, Storage and Retention of Ballots**

- a. The sealed ballots at all times shall be in the custody of the Inspector(s) or at a location designated by the Inspector(s) until after the tabulation of the vote, and until the time allowed by Section 5145 of the Civil Code for challenging the election has expired, at which time custody shall be transferred to Mutual Fifty.
- b. If there is a recount or other challenge to the election process, the Inspector(s) shall, upon written request, make the ballots available for inspection and review by a Member or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.
- c. After the transfer of the ballots to Mutual Fifty, the ballots shall be stored by Mutual Fifty in a secure place for no less than one year following the date of the election.

