



EXECUTIVE COMMITTEE

GRF Election Procedures

The following will be in effect for the election of directors to the Golden Rain Foundation (GRF) Board of Directors (BOD):

1. ELECTIONS

1.1. ANNUAL ELECTION

The election of directors for odd-numbered Mutuals will occur during odd-numbered years and the election of directors for even-numbered Mutuals will occur during even-numbered years. Each director shall serve a two-year term.

One (1) director will be elected from each Mutual except for Mutuals One (1) and two (2) where there will be two (2) Directors.

1.2. SPECIAL ELECTIONS

Upon the occurrence of a vacancy on the BOD representing an odd- or even-numbered Mutuals, the process for a special election will begin within ten (10) days after the Secretary of the Board is notified of the vacancy.

2. VOTING

2.1. QUALIFICATION FOR VOTING

Members may vote only by using the mail-in secret ballot. Members may cast one (1) vote, except on the ballots of Mutuals One (1) and Two (2), members may cast two (2) votes, but they may not be cast cumulatively. Members may obtain replacement ballots by contacting the Inspector of Elections.

2.2. CUMULATIVE VOTING

Pursuant to the Bylaws, cumulative voting is not permitted.

2.3. VOTING BY ACCLAMATION

To the extent permitted by law, in the event the number of candidates at the close of nominations is the same as the number of open positions on the Board, those candidates shall be automatically elected, by acclamation, without further action, and the results shall be announced as required by these Rules and applicable law.

3. CANDIDATES

3.1. CANDIDATE ELIGIBILITY AND QUALIFICATIONS

All candidates must be members of GRF at the time of nomination.



EXECUTIVE COMMITTEE

GRF Election Procedures

3.1.1. Only members who meet the following criteria are qualified to be elected to the BOD:

3.1.1.1 Candidates and Directors may not have been convicted of a crime that would either prevent GRF from purchasing fidelity bond coverage or terminate GRF's existing coverage.

3.1.1.2 Candidates and Directors must be current in the payment of carrying charges. Note, this does not include non-payment of collection charges, late charges, fines, fines renamed as assessments, costs levied by a third party, or if the member has (1) paid under protest per Civil Code Section 5658; (2) has entered into and is current in a payment plan (defined as a signed written agreement between the Board and the Owner) per Section 5665, and is current and in compliance with all terms thereof; or (3) if the member has not been provided the opportunity to engage in Internal Dispute Resolution ("IDR").

All members of GRF have the right to engage in Internal Dispute Resolution ("IDR") and/or Alternative Dispute Resolution ("ADR"), pursuant to the Civil Code. A member may contact the Board, in writing, to initiate IDR/ADR. Note, if IDR/ADR is not scheduled and completed prior to the nomination deadline, candidates may be disqualified for non-payment of carrying charges.

3.1.1.3 Candidates must have been a member of GRF for at least one (1) year.

3.1.2. In addition to the foregoing qualifications, any member who is (a) an officer or director of a Mutual Corporation at Seal Beach Leisure World; (b) a member of any City Council; (c) a member of the Board of Supervisors of the County of Orange, California; (d) a member of the Planning Commission for the City of Seal Beach, California, or the County of Orange, California; (e) an elected official of any city, county, governmental body or political subdivision thereof; (f) an individual, a member of any entity or partnership, or an officer or director of any other corporation engaged in supplying material, services or labor to the Golden Rain Foundation, is strongly discouraged from running for the BOD, as such action creates a substantial time commitment and causes a potential conflict of interest. Further, such action may expose any individual member and/or the Board to unnecessary liability, including, but not limited to, breaching fiduciary duties.

The Corporate Secretary is authorized to determine the qualifications of a Director, pursuant to the terms of all GRF Governing Documents and applicable State laws.



EXECUTIVE COMMITTEE

GRF Election Procedures

3.2. CANDIDATE APPLICATION MATERIALS

Candidates shall turn in the following materials prior to the deadline set by the GRF.

- 3.2.1. Application for Candidacy as a GRF Director
- 3.2.2. Signed Candidate Eligibility Disclaimer (set forth below)
- 3.2.3. Signed Candidate Statement (set forth below)

At the time of turning in candidate materials, candidates must present current GRF identification card. Candidates will receive a receipt for their application.

3.3. CANDIDATE ELIGIBILITY DISCLAIMER

Refer to GRF By-laws, Article Six, Section 1. Candidates shall complete an Eligibility Disclaimer to set forth that they are qualified to serve on the GRF Board of Directors.

3.4. CANDIDATE STATEMENT

Prior to the deadline established by the GRF, each candidate shall submit a Statement containing up to 300 words (no less than 12-point type, single sided). The statement shall be mailed with the ballot.

- 3.4.1. The statement shall contain the candidate's background, qualifications and platform, and shall not contain any disparaging or defamatory content.

3.5. NOTIFICATION OF NOMINATIONS FOR ELECTION OF DIRECTORS

As prescribed by law, at least thirty (30) days **before the close of nominations**, GRF will provide individual notice of the election and the procedure for nominating candidates.

Additionally, the GRF shall place a notice in the *Community newspaper* not less than ninety (90) days prior to the election counting meeting that any member may place his or her name into nomination for the director position representing the Mutual in which they reside. The notice shall be published in the *Community newspaper* every week thereafter until the closure of the nominating period.

3.6. SELF-NOMINATION BY MEMBERS

Members who wish to nominate themselves as a candidate for election to the BOD must do so in writing to the Stock Transfer Office prior to the closing of the application deadline.



EXECUTIVE COMMITTEE

GRF Election Procedures

- 3.6.1. All candidates shall be provided candidate instructions upon submitting their name for nomination.
- 3.7. A Mutual BOD may appoint a nominating committee for the purpose of recommending a candidate for the election. Any candidates who are recommended by their Mutual BOD or nominating committee will be given candidate instructions by the Stock Transfer Office.
- 3.8. Nominations from the floor or write-ins.
 - 3.8.1. Nominations from the floor and write-ins are prohibited.
- 3.9. Campaign Cycle
 - 3.9.1. The campaign cycle shall begin in February and end with the closing of the polls.
- 3.10. Equal Access to GRF Media
 - 3.10.1. Candidates advocating a point of view for purposes reasonably related to the election shall be provided a one-time access to the GRF's website (LWSB website) during the campaign cycle as follows:
 - 3.10.1.1. Submissions shall be posted on the election bulletin board on the LWSB website during the campaign cycle.
 - 3.10.1.2. Submissions shall be limited to 300 words and shall not contain disparaging or defamatory content.
 - 3.10.1.3. One submission shall be accepted from each candidate for posting on the LWSB website.
 - 3.10.2. Candidates advocating a point of view for purposes reasonably related to the election may purchase, subject to space availability and advertising guidelines established by the News Office, a maximum of a half-page of space in an edition of the *Community newspaper* at regular advertising rates during the campaign cycle. No other access to the *Community newspaper* will be granted.
 - 3.10.3. Equal access to clubhouse meeting spaces shall be provided at no cost to all candidates, including those who are not incumbents, and to all members advocating a point of view for purposes reasonably related to the election. The clubhouses are subject to availability by reservation only on a first-come, first-serve basis.



EXECUTIVE COMMITTEE

GRF Election Procedures

- 3.10.4.** In the event that incumbent directors makes any statements or take any actions, solely in the context of those directors' performance of their duties as directors, any and all such statements or actions shall not constitute provision by the GRF of access to its media for campaign purposes.
- 3.10.5.** In the event that GRF's media reports any candidates' statements or actions that are reasonably unrelated to the election, the reporting of such shall not constitute provision by GRF to its media for campaign purposes.
- 3.10.6.** In accordance with Civil Code 5135, no GRF funds shall be used for campaign purposes, except to the extent necessary for the GRF to comply with the duties imposed upon it by law.
- 3.10.7.** Provision of Mailing Labels
- 3.10.7.1.** Candidates are entitled to purchase labels for the addresses in their Mutual at a flat rate of \$10 per request, plus \$0.25 per sheet cost which is to be paid at the time the labels are ordered. Labels can be ordered by completing an "Access to Documents" form in the Accounting Department.
- 3.10.8.** Non-Responsibility for Statements and Actions
- Neither GRF or its officers, directors or employees shall be responsible for any claims, damages, injuries, judgments, orders or settlements, including attorney's fees, arising from a candidate's statement or actions made in connection with an election.

4. ELECTION MEETINGS

The GRF BOD will convene a special meeting one week prior to the Annual Meeting for the purpose of the Inspector of Election counting secret ballots. All members are welcome to attend the special meeting.

In the case of a special election, the GRF BOD will convene a special meeting approximately thirty (30) days after the ballots are mailed for the purpose of the Inspector of Election counting ballots. All members are welcome to attend the special meeting.

5. ELECTION PROCESS

- 5.1.** The Executive Committee shall review the election materials and the election process and recommend approval to the GRF BOD.



EXECUTIVE COMMITTEE

GRF Election Procedures

- 5.2. GRF shall contract with an independent third-party vendor to perform all election services as Inspector(s) of Election. The vendor will be directed to conduct the election and be accountable for the conduct of the election in accordance with this policy, all applicable codes, GRF By-Laws, and state laws.
- 5.3. During its meeting in February, the Executive Committee of the GRF BOD will recommend that the Board appoint the election services company as its Inspector(s) of Election.
- 5.4. During its meeting in February, the BOD will appoint the election services company as its Inspector of Election.

6. ELECTION MATERIALS

6.1 Notice of Election

At least thirty (30) days before the ballots are distributed, GRF will provide general notice of (1) the date and time by which, and address where, ballots are to be returned; (2) the date, time and location of the meeting to tabulate the ballots; and (3) the list of all candidates' names that will appear on the ballot.

6.2 Verification of Election Material

GRF shall permit members to verify the accuracy of their individual information on the Election Material at least thirty (30) days before the ballots are distributed. GRF or any member shall report any errors or omissions for either list to the inspector(s) of election who shall make the corrections within two (2) business days.

"Election Material" means the following documents: returned ballots, signed voter envelopes, Candidate Registration List and the Voter List. The Candidate Registration List means the list of qualified candidates existing as of the close of nominations. The Voter List may include: the name, voting power and either the physical address of the member's separate interest or the parcel number, or both; and the mailing address of the member (if different from the physical address or if the parcel number is used).

6.3. Ballot Packet

The ballot packet will consist only of a mail-in secret ballot, voting instructions, any candidate statements/resumes, a copy of the election rules, two return envelopes, and mailing instructions for the election. The ballot packet will be mailed no less than thirty (30) days prior to the ballot counting meeting. Note, the election rules may be provided by individual delivery or by posting same on an internet site and providing the corresponding internet.

EXECUTIVE COMMITTEE

GRF Election Procedures

6.4. Secret Ballots Returned by Mail

- 6.4.1. The mail-in secret ballot is required to be mailed to the Inspector(s) of the Election for proper verification and validation and must be received before noon on the date established on the ballot.
- 6.4.2. The mail-in secret ballot is irrevocable once received by the Inspector(s) of the Election.
- 6.4.3. The denial of a ballot to a person with general power of attorney for a member is prohibited. (Civil Code Section 5105(g)(2).) A ballot submitted for a member by an individual with general power of attorney is valid so long as it is submitted in a timely fashion.
- 6.4.4. The Inspectors of Election will open and process, in public view, the mail-in secret ballots on the day of the special meeting held for the purpose of counting ballots as outlined under Section 7.
 - 6.4.4.1. If a mail-in secret ballot is compromised or improperly sealed or addressed, or has any identifying marks, it will be invalidated by the Inspector(s) of the Election.

7. INSPECTOR(S) OF THE ELECTION

- 7.1. Inspector(s) of the Elections shall perform the following:
 - 7.1.1. Determine the number of shareholders entitled to vote and the voting power of each.
 - 7.1.2. Establish a mailing address for mail-in ballots, and the contact phone number for members' questions.
 - 7.1.3. Prepare and mail to all members in the odd- or even-numbered Mutuels, no later than thirty (30) days prior to the election meeting, the notice letter, mail-in secret ballot, any candidate statements/resumes, voting instructions, the election rules, two envelopes, and mailing instructions for the GRF election, in a manner consistent with providing and ensuring that the member's vote will be by "secret ballot."
 - 7.1.4. Receive mail-in secret ballots.
 - 7.1.5. Open mail-in secret ballots at the special meeting for the purpose of counting ballots.



EXECUTIVE COMMITTEE

GRF Election Procedures

- 7.1.6. Count and tabulate all votes.
- 7.1.7. Determine the results of the election.
- 7.1.8. Certify, in writing, that the election was held in accordance with this policy and Section 5110 of the Davis-Stirling Common Interest Development Act (the Act).
- 7.1.9. Consult with GRF's legal counsel, if necessary, to fulfill the Inspector(s)' obligations under the law.

8. OBSERVERS OF THE ELECTION

Any candidate or member of the GRF may witness the counting and tabulation of the votes. However, the Inspector(s) of Election may establish reasonable guidelines for candidates and members for the observing of the counting and tabulation of ballots, including guidelines on distance from which observers may stand.

9. BALLOT RETENTION

- 9.1. The sealed ballots at all times shall be in the custody of the Inspector or Inspectors of election or at a location designated by the inspector or inspectors until after the tabulation of the vote, and until the time allowed by Section 5145 of the Civil Code (twelve months) for challenging the election has expired, at which time custody will be transferred to GRF.
- 9.2. After the transfer of the ballots to GRF, the ballots shall be stored by GRF in a secure place for no less than one year after the date of the election.

Document History

Adopted:	15 Jun 76	Amended:	20 Aug 96	Amended:	19 Aug 97
Amended:	15 Sep 09	Amended:	15 Feb 11	Amended:	24 Feb 15
Amended:	23 Feb 16	Amended:	27 Dec 16	Amended:	12 May 17
Amended:	28 Nov 17	Amended:	23 Jul 19	Amended:	28 Jan 20

Keywords: Executive Election Candidate Voting GRF Board
Committee