

MOUNTAIN GLEN TERRACE HOMEOWNERS ASSOCIATION

Election Rules and Voting Procedures

[Civil Code Section 1363.03]

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ARTICLE I. INTRODUCTION TO ELECTION RULES

The Association's Board of Directors adopted these Election Rules on ____, 2013 to comply with the Davis-Stirling Election Requirements stated in Civil Code Section 1363.03-1363.04 and the Association's CC&Rs and Bylaws.

Secret Ballots shall be used for all elections involving the election and removal of Directors, amendments to the governing documents, assessments legally requiring a vote, or the grants of exclusive use of common area property under Civil Code Section 1363.07.

ARTICLE II. ELECTION TIMELINE

A. 90-120 Days before Annual Meeting

1. Set date for Annual Meeting

B. 60-90 Days before Annual Meeting

2. Send notice of pending election:
 - a. ask for candidates
 - b. set deadline for the close of nominations

C. 45-60 Days before Annual Meeting

1. Finalize list of candidates and candidate bios.
2. Set date for return of ballots
3. Set record date for vote eligibility
4. Select an Inspector of Elections (anywhere from 35 to 90 days in advance of the election to oversee the mailing out and receipt of ballots.
5. Prepare official notice of meeting, ballots and envelopes.

D. 30-45 Days before Annual Meeting

1. Mailing notice of meeting, candidate statements, ballots, and envelopes.
2. Schedule candidate forum, if required.

E. 1-5 Days before Annual Meeting

1. Cut-off for Inspectors of Elections to receive ballots through mail.
2. Envelopes remain unopened, but may be logged in.

F. Annual Meeting

1. Meeting called to order.
2. Balloting at meeting and prior to polls closing.
3. Inspectors open and count ballots.
4. Results announced; also posted within 15 days.
5. Boards hold an organizational meeting to elect officers.

ARTICLE III. MEETING PREPARATION

A. Meetings.

1. Annual Meetings. There shall be an annual meeting of the Members in September of each year. The date, time, and location of the meeting shall be established by the Board and set forth in the notice of meeting sent to the Members. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors, and to transact any other business authorized by the members, or as stated in the notice of the meeting sent to Unit Owners in advance thereof.

2. Special Meetings. A majority of the Board, the President, or five percent (5%) or more of the Members may call special meetings of the Members at any time to consider any lawful business of the Association. If a special meeting is called by Members, other than the Board of Directors or President, the request shall be submitted by such Members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the President, any Vice President, or the Secretary of the Association.

3. Location. Meetings of the Members shall be held within the Property or at such other reasonable place within the County and at such time as may be designated by the Board in the notice of the meeting.

B. Directors.

1. Board. The affairs of the Association shall be managed by a Board of Directors comprised of either five (5) persons or seven (7) persons as determined by Section 3 below

2. Term. The directors of this Association shall serve for a term of one (1) year. Each director shall hold office until a successor is elected or until such directors resigns or is removed pursuant to the provisions of the Association Bylaws.

3. Determination of Number of Directors. If there are less than seven (7) candidates who are qualified and consent to nomination, the secret ballot shall state the Members shall elect five (5) directors. If there are seven (7) or more candidates who are qualified and consent to nomination, the secret ballot shall state that the Members shall elect seven (7) directors."

4. Qualifications. All members of the Board must be Members of the Association and at least eighteen (18) years of age. Additionally, no person may be a candidate for the Board, or once elected, continue to serve as a member of the Board if the person: (i) is delinquent by more than thirty (30) days in the payment of any Assessment levied by the Association, (ii) ceases to be a Member of the Association, (iii) is the co-Owner of a Residential Unit and another co-Owner of the Residential Unit is already a member of the Board, or if a Residential Unit is owned by a trust or a corporation, is a trustee of such trust or an officer and/or shareholder of such corporation, and if another co-trustee of the same trust or officer or shareholder of such corporation is a candidate for the Board or already a member of the Board, or (iv) misses three (3) regular meetings of the Board within any nine-month period or three (3) consecutive regular meetings of the Board.

C. Nominations.

1. Self-Nomination. A Member can become a candidate for election to the Board by filing with the Secretary a Candidate Nomination Form for his or her candidacy. All candidates must meet the qualifications set forth in Article III, Section B (4) Qualifications.

2. Candidate Nomination Form. At least sixty (60) days before the date of the meeting at which the ballots for the election of directors are to be counted, the Association shall mail to each Owner a candidate nomination form. The candidate nomination form shall contain the following statement, "All Candidates who meet the qualifications to serve on the Board of Directors and, if appropriate, have confirmed their willingness to run for election to the Board of Directors, shall be listed on the secret ballot if their candidate nomination form is received by the date stated on the form. If there are less than seven (7) candidates who are qualified and consent to nomination, the secret ballot shall state the Members shall elect five (5) directors. If there are seven (7) or more candidates who are qualified and consent to nomination, the secret ballot shall state that the Members shall elect seven (7) directors."

The candidate nomination form must be returned to the Association at the address provided on, and by the deadline stated on, such form, which deadline must be at least forty-five (45) days before the date the ballots for the election of directors are scheduled to be counted. Any candidate nominated by another person will be contacted to confirm that such candidate consents to having his or her name placed in nomination for election to the Board.

2. Candidate Pledge. All qualified members submitting their names to be candidates must read and sign the Association's Pledge for Nominees for Election to the Board of Directors..

D. Inspectors of Election.

1. Appointment. Prior to the date ballots are first sent out, the Board of Directors shall, at an open meeting of the Board, select either one (1) or three (3) persons as Inspector(s) of Election. If the Board fails to select an inspector of election prior to the date the ballots are sent out, the majority of members present in person at the election meeting shall elect either one (1) or three (3) persons consistent with the requirements listed below.

2. Eligible Inspectors. The Board is authorized to select Inspector(s) of Election from the following:

- a. **Poll Worker**. A volunteer poll worker with the County Registrar of Voters;
- b. **Accountant**. A licensee of the California Board of Accountancy, including those under contract to the Association;
- c. **Notary**. A notary public;
- d. **Recording Secretary**. A recording secretary;
- e. **Management Company Representative**. Representatives of a management company,

including those under contract to the Association;

f. **Association Members.** Members of the Association, but not: (i) members of the Board; (ii) candidates for the Board; (iii) persons related to a member of the Board; or (iv) persons related to a candidate for the Board;

g. **Person/Entity Under Contract to Association.** A person or business entity currently employed or under contract to the Association for any compensable services.

E. Notice and Ballots for Meetings.

1. **Notice by Secretary.** The Secretary of the Association, or other person calling the meeting, shall give written or printed notice of each annual or special meeting of the Association.

2. **Record Date for Notice of Meetings.** The Board of Directors may fix, in advance, a “record date” and only Members of record on the date so fixed are entitled to notice, to vote, or to take action. In the case of determining those Members entitled to notice of a meeting, the record date shall be no more than ninety (90) nor less than ten (10) days before the date of the meeting. If the Board, for any reason, fails to establish a record date for notice, the record date for determining those Members entitled to receive notice of a meeting of Members shall be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.

3. **Notice Period.** The notice of membership meetings shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting. If the notice is given by mail and the notice is not given by first-class, registered, or certified mail, the notice shall be given not less than twenty (20) days before the meeting. If notice for a special meeting called by the Members is not given by the officer receiving the request within twenty (20) days after receipt of the request, the persons requesting the meeting may give the notice.

4. **Notice Contents.** Such notice shall specify the place, day and hour of the meeting, and (i) in the case of a special meeting, the purpose of the meeting and no other business may be transacted except as specified in the notice, or (ii) in the case of an annual meeting, those matters which the Board, at the time the notice is given, intends to present for action by the Members. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the Members. Furthermore, if action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal: (A) removing a director without cause; (B) filling vacancies in the Board of Directors by the Members; (C) amending the Articles; (D) approving a contract or transaction in which a director has a material financial interest; or (E) voluntary dissolution of the Association.

5. **Delivery.** Notice of all regular and special meetings of the Members shall be sent in writing by first-class mail, postage prepaid or personally delivered in writing to each Member who is eligible to vote at the meeting. Notice shall be deemed given when deposited in the mail or personally delivered.

ARTICLE IV. ELECTION PREPARATION

A. Voting Power.

1. Number of Votes. Each Member of the Association shall be entitled to one vote for each Condominium owned by said Member.

2. Proof of Membership. A person shall not be entitled to exercise the rights of a Member until such person has advised the secretary in writing that he or she is qualified to be a Member under the Bylaws and, if requested by the secretary, has provided the secretary with evidence of such qualification in the form of a certified copy of a recorded grant deed or a currently effective policy of title insurance. Exercise of membership rights shall be further subject to the rules regarding record dates for notice, voting and actions by written ballot and eligibility for voting as set forth in the Bylaws.

3. Eligibility to Vote. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. "Good standing" means that all Assessments and related charges are current, the Owner is not in violation of the Governing Documents, and there are no outstanding fines against the Owner. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments.

4. Record Date for Voting. The Board of Directors may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action. In the case of determining those Members entitled to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting. If the Board, for any reason, fails to establish a record date, the record date for determining those Members entitled to vote at a meeting of Members shall be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting

5. Suspension of Voting Rights. Voting rights may be temporarily suspended pursuant to the provisions of the Governing Documents for non-payment of Assessments and other violations of the Governing Documents.

6. Cumulative Voting. Cumulative Voting has been eliminated.

7. Joint Owners. When more than one person holds an interest in any Condominium, all such persons shall be Members, although in no event shall more than one vote be cast with respect to any Condominium. Accordingly, if more than one person owns a Unit, all of these persons shall be deemed to be one Member for voting and election purposes. If the multiple Owners of a Unit attempt to vote the membership attributable to said Unit in an inconsistent fashion, the Secretary or election inspectors may refuse to count any ballot or proxy pertaining to the Unit.

B. Ballots.

1. Official Ballots. Only those ballots printed by the Association or its Inspector(s) of Election shall be considered secret ballots for elections. Official secret ballots shall be distributed to every member of the Association, and only those ballots prepared by the Association or its Inspector(s) of Election will be tabulated.

2. Non Revocable. Once a secret ballot has been received by the Inspector(s) of Election or their designee, it shall be irrevocable.

3. Secret Ballot. All items legally requiring a vote of the membership shall be held by secret ballot, including but not limited to assessments, election and removal of members of the Association Board of Directors, amendments to the governing documents, or the grant of exclusive use of common area property.

- a. *No Signature*. The ballot should be filled out, but not be signed by the voter.
- b. *Secret Ballot Envelope*. After the unsigned ballot is filled out, it must be inserted into an inner envelope which is then sealed. This inner envelope must be inserted into a second envelope, which is also sealed.
- c. *Inspector of Election Envelope*. In the upper left hand corner of this second envelope, the voter must sign his or her name, indicate his or her name, and indicate the address or separate interest identifier that entitles him or her to vote. The second envelope must be addressed to the Inspector(s) of Election tallying the votes.
- d. *Delivery*. The envelope may be mailed to the address on the envelope or delivered by hand to a location specified by the Inspector(s) of Election. The member may request a receipt for delivery.

4. Quorum Requirement.

a. No Quorum Requirement for all Member meetings except Approval of Certain Assessments. In connection with any meeting of Members other than a meeting to approve certain assessments as provided in subsection (b), below, the quorum shall consist of those Members in good standing at such meeting.

b. Quorum Required Only for Certain Assessments; Adjournment; Limited Proxies Permitted. For any meeting of the Members to approve certain assessments in accordance with Section 5.5 of the Declaration, the presence either in person or (if applicable) by secret ballot at a meeting representing and entitled to cast at least fifty-one percent (51%) of the voting power, i.e. the number of Residential Units in the Project minus the number of residential Units as to which voting rights are suspended in accordance with the Declaration at the time of the subject meeting (the "Voting Power"), shall constitute a quorum for any action by the Members. Nothing contained herein shall prevent the inspector(s) of election from extending the close of the poll for a reasonable period, not to exceed two (2) hours from the start time set forth in the notice of such meeting, in order to attempt to achieve such quorum.

5. Ballot Delivery. A ballot and two (2) preaddressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Association to every member not less than thirty (30) days prior to the deadline for voting. In order to preserve voter confidentiality, a voter may not be identified by name, address, or lot, parcel or unit number on the ballot.

6. Ballot Markings. A ballot containing identifiable marks or symbols with an

unspecified number of votes shall be counted and tabulated as if it was the number “1,” provided that the markings indicate the intent to vote for a particular candidate or issue.

C. Proxies.

1. Proxy Use. Proxies are prohibited at all meetings of the Members except as provided in Section 3.5(b) of the Bylaws with respect to vote to adjourn a meeting called for the purpose of tabulating secret ballots relating to the approval of assessments in accordance with Section 5.5 of the Declaration and Civil Code 1363.03.

D. Campaigning.

1. Access to Association Resources Prohibited. The Association’s newsletter, website, bulletin board, or other Association media may not be used for campaign purposes. Despite this prohibition, if any candidate or member is provided access to Association media during an election, for purposes that are reasonably related to that election, equal access shall be provided to all candidates and members. The Association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the Association, is responsible for that content. The Association and its directors, officers, and agents, shall be immune from liability for the content of those communications.

2. Limited Use of Common Area During Election Campaign. The Association will ensure access to the common area meeting space during a campaign upon request of individual members.

a. **No Cost.** All candidates and all members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election, will be provided access to the Association’s common area at no cost to the candidate or member.

b. **Advance Request.** Each candidate or member who wants to use the common area pursuant to this rule must submit a request in advance to reserve the common area. Requests shall be granted on a first-come, first-served basis, provided that the area is not already reserved. To ensure equal access to the common area, a candidate may not reserve or use the common area for more than two hours on any particular date to allow equal access for all candidates and members.

3. No Use of Association Funds for Campaign Purposes. Association funds may not be used for campaign purposes in connection with any Board election or with any other Association election. The only authorized expenses include notices of meetings, nomination forms, secret ballots, ballot materials and other materials required for elections, and meetings. This restriction does not preclude directors from advocating the election or defeat of any issue or candidate on the ballot. However, they may not use Association funds to do so.

ARTICLE V. ELECTION MEETING

A. Chair of Meeting. The president of the Board or the vice-president shall call the meeting to order and shall chair the meeting. The Board may designate another person, unless a majority of the members attending the meeting in person or by proxy select another person to chair the meeting. The secretary of the Association shall act as secretary. In the absence of the secretary, the presiding officer shall appoint someone to serve as acting secretary for the meeting.

B. Inspector(s) of Election Duties. Inspectors shall perform the following duties as required by law:

1. **Membership.** Determine the number of memberships entitled to vote and the voting power of each.

2. **Validity.** Determine the authenticity, validity and effect of proxies, if any.

3. **Hours.** Determine when the polls should close.

4. **Receive Ballots.** Receive all ballots and verify the member's information and signature on the outer envelope prior to the election. Once a secret ballot has been received by the Inspector(s) of Election or their designee, it shall be irrevocable.

5. **Custody.** Maintain custody of the sealed ballots at all times. At all times the sealed ballots shall be in the custody of the Inspector(s) of Election or at a location designated by the Inspector(s) of Election until after the tabulation of the vote, at which time custody shall be transferred to the Association. No person, including a member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.

6. **Challenges.** Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote. If there is a recount or other challenge to the election process or results, the Inspector(s) of Election shall make the ballots available for inspection and review upon written request. A member may authorize a representative to review the ballots on his or her behalf. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

7. **Counting.** Count and tabulate all votes. All votes shall be counted and tabulated by the Inspector(s) of Election in public at a properly noticed open meeting of the Board of Directors or members. Any candidate or other member of the Association may witness the counting and tabulation of the votes.

8. **Appoint Assistants.** Appoint and oversee additional independent third parties to count and tabulate votes as the Inspector(s) of Elections deem appropriate provided that such persons are not: (i) members of the Board; (ii) candidates for the Board; (iii) related to members of the Board; or (iv) related to candidates for the Board.

9. **Results.** Determine the tabulated results of the election.

10. **Impartiality.** Perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical. Any report made by the Inspector(s) of Election is prima facie evidence of the facts stated in the report.

11. Miscellaneous. Perform any acts as may be proper to conduct the election with fairness to all members in accordance with Civil Code Section 1363.03, the Corporations Code, and all applicable rules of the Association regarding the conduct of the election that are not in conflict with Civil Code Section 1363.03-1363.04.

C. Quorum. No Quorum Requirement for All Members Meetings except Approval of Certain Assessments. In connection with any meeting of Members other than a meeting of Members to approve certain to assessments, the quorum shall consist of those Members in good standing present at such meeting.

D. Counting Ballots. The Inspector(s) of Election shall count and tabulate all ballots in public at a properly noticed open meeting of the Board of Directors or members. No person, including a member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. Any candidate or other member of the Association may witness the counting and tabulation of the votes. The Inspector(s) shall perform any acts as may be proper to conduct the election with fairness to all members.

E. Announce Results. The tabulated results of the election shall be announced immediately after all the ballots have been counted.

F. Tie-Breaker. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected as directors and shall take office immediately following their election. In the event there is a tie vote between those candidates who receive the lowest number of votes necessary to qualify the candidate for election, the tie shall be broken by lot.

ARTICLE VI. POST-ELECTION MATTERS

A. Publicize Election Results. Within fifteen (15) days of the election, the Board shall publicize the tabulated results of the election in a communication directed to all members.

B. Status of the Ballots after Election. At all times the sealed ballots shall be in the custody of the Inspector(s) of Election or at a location designated by the Inspector(s) of Election until after the tabulation of the vote and until the time allowed for challenges by Corporations Code Section 7527 expires. After the time for challenge has expired, the Inspector(s) of Election shall transfer custody of the ballots to the Association, and the Association shall continue to store the ballots and materials in a secure place for no less than one (1) year after the date of election.

C. Organizational Meeting. The Board shall meet to select the officers of the Association immediately after or as soon as practicable after, the results of the election for Board members are announced. If the meeting of the Board for selection of officers occurs at a separate meeting from the one where the directors were elected, the Board shall give notice to all members consistent with notice requirements. Notice of the organizational meeting shall be given at the same time as the annual meeting.

D. Recounts. In the event of a recount or other challenge to the election process, the Association shall notify the Inspector(s) of Election. Upon written request, the Association shall make the ballots available for inspection and review by Association members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

**MOUNTAIN GLEN TERRACE HOMEOWNERS ASSOCIATION
NOTICE OF ELECTION OF THE BOARD OF DIRECTORS
AND CANDIDATE NOMINATION FORM**

Please allow this mailing to serve as notice that the Annual Meeting to elect five (5) **or** seven (7) directors will be held at 7:00 PM on September 30, 2013 at Poor Clare Missionary Sisters Convent at 13026 Angeles Trail Way, Sylmar, CA 91342.

CANDIDATES

All Candidates who meet the qualifications to serve on the Board of Directors and, if appropriate, have confirmed their willingness to run for election to the Board of Directors, shall be listed on the secret ballot if their candidate nomination form is received by the date stated on the form. If there are less than seven (7) candidates who are qualified and consent to nomination, the secret ballot shall state the Members shall elect five (5) directors. If there are seven (7) or more candidates who are qualified and consent to nomination, the secret ballot shall state that the Members shall elect seven (7) directors.

If you wish for your name to be placed on the ballot for the election to the Board of Directors please complete the attached candidate form along with the enclosed Pledge by Nominee for Election to the Board of Directors form and return it to the Association at the address listed below no later than 5:00 PM on August 15, 2013. Any nomination form made by a candidate and received after 5:00 PM on August 15, 2013, will not result in the nominee's name being placed on the ballot.

****Please note:** Completed candidate forms are required to qualify to be placed on the ballot. You may mail, fax or e-mail your completed form to the address below. Phone calls will not be accepted in lieu of the candidate form.

DUTIES

The Board of Directors shall perform and execute, for and on behalf of the Association, all of the duties which have been delegated to it as set forth in the Association's governing documents, in addition to those duties required by law.

QUALIFICATIONS

All members of the Board must be Members of the Association and at least eighteen (18) years of age. Additionally, no person may be a candidate for the Board, or once elected, continue to serve as a member of the Board if properly removed as set forth below in this subsection (b), if the person: (i) is delinquent by more than thirty (30) days in the payment of any Assessment levied by the Association, (ii) misses three (3) regular meetings of the Board within any nine-

month period or three (3) consecutive regular meetings of the Board, (iii) ceases to be a Member of the Association, or (iv) is the co-Owner of a Residential Unit and another co-Owner of the Residential Unit is already a member of the Board, or if a Residential Unit is owned by a trust or a corporation, is a trustee of such trust or an officer and/or shareholder of such corporation, and if another co-trustee of the same trust or officer or shareholder of such corporation is a candidate for the Board or already a member of the Board. If any member of the Board fails to meet the qualifications for Board membership set forth in this subsection, the Board shall, as set forth in Article IV, Section 4.2(b) below, remove such non-qualifying director from the Board.

**MOUNTAIN GLEN II HOMEOWNERS ASSOCIATION
CANDIDATE NOMINATION FORM**

Any member interested in running for the vacant positions on the Board of Directors is required to complete this Mountain Glen II Homeowners Association Board of Director Candidate Form and return it to the address listed below no later than 5:00 PM on August 15, 2013.

All Candidates who meet the qualifications to serve on the Board of Directors and, if appropriate, have confirmed their willingness to run for election to the Board of Directors, shall be listed on the secret ballot if their candidate nomination form is received by the date stated on the form. If there are less than seven (7) candidates who are qualified and consent to nomination, the secret ballot shall state the Members shall elect five (5) directors. If there are seven (7) or more candidates who are qualified and consent to nomination, the secret ballot shall state that the Members shall elect seven (7) directors.

Name:	John Doe	Please Check One:
Address:	13135 Portola Way	Offsite Owner ()
Telephone:	818-123-4567	Onsite Owner (X)

I believe the goals and objectives for the Board of Directors should be:

Please describe why you feel you would make a good Board Member:

Please list any Community Association experience or Civic Organization positions held:

PLEASE RETURN COMPLETED CANDIDATE FORM TO:

National Property Management Group

Official Notice-Annual Meeting of the Members

PURPOSE:

To elect seven (7) homeowners to serve on the Mountain Glen II Homeowners Association Board of Directors for one (1) terms, to vote on the 2012 Annual Meeting Minutes, held on January 31, 2013, and IRS Revenue Ruling 70-604.

MEETING OF THE MEMBERS:

Date: September 30, 2013

Time: 7:00 PM

Location: Poor Clare Missionary Sisters Convent, 13026 Angeles Trail Way, Sylmar, CA 91342

NOMINEES:

The nominees for the Board of Directors are Candidate1, Candidate2, Candidate3, Candidate4 Candidate5, Candidate6 and Candidate7.

ROLE OF THE BOARD OF DIRECTORS:

The Board of Directors are annually elected representatives whose primary responsibilities are to supervise the property of the Corporation, approve budgets, and, in general, to make decisions which strive for the betterment of the community.

NOMINATIONS:

Pursuant to the Association's governing documents, a call for nominations for Board Members was mailed to all Members in July 2013. Nominations are now closed.

VOTING:

The voting is accomplished by secret ballot procedures. Members may vote by completing the enclosed ballot and returning to Mountain Glen II Homeowners Association, Inspector of Elections, C/O National Property Management Group, 28009 Smyth Drive, Valencia, CA 91355. Member may also hand deliver their ballots at the scheduled Annual meeting, prior to close of the polls.

It is strongly recommended that all Members exercise their right to vote. The actions performed by the Board of Directors directly impact your community.

PLEASE CAST YOUR VOTE TODAY!

Please mail your ballots back to:

**Mountain Glen II Homeowners Association
Inspector of Elections
C/O National Property Management Group
28009 Smyth Drive
Valencia, CA 91355**

ANNUAL MEETING OF THE MEMBERSHIP
SEPTEMBER 30, 2013, 7:00 PM

AGENDA

- I. CALL TO ORDER
 - Introductions
 - Current Board of Directors
 - Management Companies Representatives
 - Others
- II. VOTING INSTRUCTIONS
 - Instructions to cast ballots
 - Ballot collection
- III. CLOSE POLLS/BALLOTING
 - Polls close-no additional ballots will be collected.
- IV. TABULATION
 - Envelope opening and tabulation of ballots by Inspector
- V. OPEN DISCUSSION/HOMEOWNER FORUM
- VI. REPORT OF BALLOT INSPECTORS
- VII. ADJOURNMENT TO ORGANIZATIONAL MEETING
- VIII. ELECTION OF OFFICERS BY BOARD OF DIRECTORS
- IX.. ADJOURNMENT OF MEETING

MOUNTAIN GLEN TERRACE HOA ELECTION (sample) BALLOT

Purpose: To Elect the Association's Board of Directors for one (1) year terms, vote on IRS Ruling 70-604 and approve the minutes from the 2013 Annual Meeting.

Quorum No Quorum Requirement for the election of directors

Cumulative Voting: Cumulative is eliminated.

CANDIDATES	Number of Votes
Candidate1	
Candidate2	
Candidate3	
Candidate4	
Candidate5	
Candidate5	
Candidate6	

Write-In Candidate: _____

Write-In Candidate: _____

Issue Voting Instructions: Please cast one vote for each of the two issues below:

2012 ANNUAL MEETING MINUTES

Please review the enclosed meeting minutes from the 2012 Annual Meeting.

APPROVAL OF THE 2012 ANNUAL MEETING MINUTES **(Please Circle One)**

YES NO ABSTAIN

IRS REVENUE RULING 70-604

In order for the Association to have the option to exclude net membership operating profits from taxation (defined as excess membership operating revenue over membership operating expenses) for the tax year ending December 31, 2013, and to apply any excess membership income to the subsequent year's budget requirements, the Members must approve of IRS Rev Rule 70-604. **(Please Circle One)**

YES NO ABSTAIN

Secret Ballot

Signed: _____

**Attn. Must complete and sign above
or vote will not count.**

Inspector of Election – Mountain Glen Terrace
C/O

VOTING INSTRUCTIONS

There are two envelopes included in this package for your use. California law requires that all board members be elected by Secret Ballot. The ballot must be voted by the owner (to whom this letter was addressed and mailed), placed in the envelope marked "SECRET BALLOT" and sealed. The ballot envelope will not be opened until the annual meeting to be held on Monday, September 30, 2013 P.M. located at Poor Clare Missionary Sisters Convent

Please place the "Secret Ballot" envelope in the envelope addressed to Inspector of Election. **The return address of the owner must be completed on the return envelope and include a signature or the ballot will not be counted.** If mailing, please have your ballot returned to the Inspector of Elections no later than Friday, September 27, 2013. Ballots can also be hand delivered to the Inspector of Elections on the evening of the Annual Meeting and prior to the closing of the polls.

Once received by the Inspector(s) of Election, the ballots are irrevocable

Every vote counts! Please get involved in your community by returning your ballot by the deadline above. The actions performed by the Board of Directors directly impact your community.

Please mail your ballots back to:

**Mountain Glen II Homeowners Association
Inspector of Elections
C/O Valencia Management Group
27644 Newhall Ranch Road #45
Valencia, CA 91355**

MOUNTAIN GLEN TERRACE HOMEOWNERS ASSOCIATION

This is the letterhead to be used

SAMPLE

Pledge by Nominee for Election to Board of Directors

As a nominee for election to the Board of Directors, I have read our Homeowner Association's Bylaws, CC&Rs and Rules.

If elected to the Board of Directors, I pledge to do all of the following:

- Comply with the Association's Bylaws, CC&Rs and Rules as they exist unless superseded by law;
- Obtain the advice of experts, if and when appropriate, including attorneys, construction experts and others;
- Read the Davis - Stirling Act at least once each year when the yearly amendments become available and to comply with the law;
- Read the management agreement in effect between our Association and management company so that I am aware of the management company's contractual responsibilities and those areas where it has no contractual responsibility;
- Pay my assessments before they become delinquent and strictly comply with the governing documents of our Association;
- Attend all board meetings and homeowner meetings unless it is absolutely not possible to attend;
- Accept no compensation from the Association, members of the Association, or vendors and contractors providing goods and / or services to the Association;
- Comply with the Open Meeting Act as set forth in the Davis - Stirling Act;
- Make certain that agendas are posted and / or distributed to all members in advance of Association meetings and that minutes are taken and maintained of all meetings as required by law;
- Hold annual elections for the Board of Directors according to the Association's Rules, Bylaws and California law;
- Provide members of the Association with an email address so that members can make direct contact with me, if required;
- Obtain a reserve study from an expert in the field every three years, and to review and adjust it annually between reserve studies as required by law;
- Avoid conflicts of interest with the Association if possible and to recuse myself from voting on a matter where a conflict or the appearance of a conflict exists;
- Adopt realistic annual budgets each year in order to avoid the hardship and liability associated with special assessments;

- Honor my fiduciary duty to the Association at all times by placing the Association's interests above my own personal interests;
- Read all written contracts with contractors and vendors so that I am aware of their obligations as well as the Association's obligations; and
- Treat other board members, homeowners, vendors, contractors and Management Company representatives with professional courtesy and respect at all times.

I have carefully read and understand this pledge and promise that if elected to the Board of Directors of our Association, I will honor it.

Signature

Date

Print Name

SAMPLE

NOTICE OF ANNUAL ELECTION RESULTS

DATE: **October 15, 2013**

TO: **Mountain Glen Terrace Homeowners Association Members**

FROM: **Inspector of Elections**

SUBJECT: **Results of recent Board of Directors election**

In accordance with California Civil Code §1363.03(g), *“Within fifteen (15) days of the election, the board shall publicize the results of the election in a communication directed to all members.”*

The Annual Membership Meeting & Election was held on: September 30, 2013

The appointed Inspector(s) of Election tabulated the votes and certified the results of the Election. There were seven (7) seats up for election on the Board of Directors. The following candidates listed in alphabetical order were nominated and seven (7) members were elected for a one year term:

Name (Alpha Order)	Tabulated Votes	Term Expires
Candidate1	1	2014
Candidate2	1	2014
Candidate3	1	2014
Candidate4	1	2014
Candidate5	1	2014
Candidate6	1	2014
Candidate7	1	2014

Inspectors of Election

Name: _____ Address: _____

Signature: _____

Name: _____ Address: _____

Signature: _____

Name: _____ Address: _____

Signature: _____

Thank you for your participation in this year's Annual Membership Meeting and Election.

SAMPLE