

## MUTUAL OPERATIONS

### STOCKHOLDERS MEETINGS

#### Annual Elections –

In accordance with California Civil Codes and the Mutual Fifteen Bylaws, the following policy is established for the general election of directors to the Mutual Fifteen Board of Directors.

#### 1. Candidates

##### a. Candidate Eligibility

In accordance with the Mutual Fifteen Bylaws, all members in good standing are eligible to run for election to the Mutual Fifteen Board of Directors. "Good Standing" means that the member is not delinquent in the payment of monthly or special assessments in an amount equal to or greater than one month's assessment for a period of time greater than 30 days.

##### b. Notification of Nominations for Election of Directors

The Mutual Fifteen Board of Directors shall also place notice in the *Golden Rain News* and in the Mutual laundry rooms not less than 90 days prior to the annual meeting that any member of the Mutual in good standing may place his/her name into nomination for the election of directors.

##### c. Self-Nomination by Shareholders

Mutual members who wish to nominate themselves as a candidate for election to the Mutual Fifteen Board of Directors must do so in writing not more than 90 days or less than 60 days prior to the annual meeting date.

##### d. Nominations from the Floor

Candidates may be nominated from the floor during the annual meeting, but candidate must be present at meeting to accept nomination. There is no provision in the Mutual Bylaws allowing for write-in candidates.

#### 2. Election Process

- a. The Golden Rain Foundation will provide a contracted vendor to assume all election services, including inspector(s) of election, who will be directed to conduct the election under current applicable codes.
- b. If the Golden Rain Foundation does not provide a contracted vendor to assume all election services, then Section 3 will be prepared and processed by the Mutual Corporation or Golden Rain Foundation:

**MUTUAL OPERATIONS****STOCKHOLDERS MEETINGS****Annual Elections –**3. Election Materialsa. Notice Letter

The only items that may be included with the notice letter in the ballot packet are the mail-in secret ballot, voting instructions, candidates' personal statements (if submitted), and mailing instructions for the Mutual annual election. This mailing shall be sent to each Mutual Fifteen shareholder no later than 30 days prior to the Annual Meeting.

b. Candidates' Personal Statement

Each candidate may submit a one-page personal statement (preferably typed) containing information relevant only to his/her own personal background, work experience and goals to the Stock Transfer Office before the announced deadline for insertion and mailing along with the election materials.

c. Secret Ballots Returned By Mail

The mail-in secret ballot is required to be mailed to "Inspectors of the Election" for proper verification and validation, and must be received before 4:00 p.m. on the day before the annual meeting.

The mail-in secret ballot is irrevocable once it is validated by the inspectors of election.

The mail-in secret ballot, if sealed and properly mailed, will be opened the day of the annual meeting by the inspectors of the election.

4. Inspectors of the Electiona. Qualifications and Number of Inspectors

An inspector of election may not be a member of the Mutual Board of Directors, or a candidate for the Mutual Fifteen Board of Directors, or related to a member of the Mutual Fifteen Board of Directors, or under contract to the association for any compensable services.

## MUTUAL OPERATIONS

### STOCKHOLDERS MEETINGS

#### Annual Elections –

##### b. Observers of the Election Appointed By the Board of Directors

There shall be three (3) observers of the election appointed by the Mutual Fifteen Board of Directors (90) days before the annual meeting day. The Board may also appoint alternative observers of the election. The observers of the election may appoint and oversee additional assistant observers of the election in any number deemed to be reasonable by the Mutual Fifteen Board of Directors.

##### c. Inspector of the Elections - Duties

1. Determine the number of shareholders entitled to vote and the voting power of each.
2. Determine the authenticity, validity and effect of proxies, if any.
3. Receive mail-in proxy forms and ballots.
4. Open mail-in proxy forms and ballots at the annual meeting.
5. Hear and determine all challenges and questions in connection to the right to vote.
6. Count and tabulate all votes.
7. Determine the results of the election.
8. Perform his or her duties expeditiously, impartially, and in good faith at all times.

#### 5. Voting

##### a. Qualification for Voting

Votes may be cast by mutual members in good standing:

- 1) By ballot in person on the day of the annual meeting; or
- 2) By using the mail-in secret ballot; or
- 3) By using the mail-in proxy form.

##### b. Voting by Secret Ballot

All ballots shall be prepared in a manner consistent with providing and ensuring that the member's vote will be by "secret ballot."

**MUTUAL OPERATIONS****STOCKHOLDERS MEETINGS****Annual Elections** –

6. Actions by Mutual Boards when a Contracted Vendor is Retained for Elections
- a. Each Mutual may appoint observer(s) who may make their observations to its respective Mutual Board.
  - b. Each Mutual Board shall validate its own election.

**MUTUAL****ADOPTION****AMENDED**

FIFTEEN:

20 Feb 07

16 Nov 10, 16 Apr 18