

MUTUAL OPERATIONS

STOCKHOLDERS MEETINGS

Elections (Mutual Eight)

In accordance with State Law and the Mutual Eight Bylaws, the following policy is established for all elections and the general election of directors to the Mutual Eight Board of Directors.

1. Candidates

a. Candidate Eligibility

In accordance with the Mutual Eight Bylaws, all Shareholders are eligible to run for election to the Mutual Eight Board of Directors.

b. Notification of Nominations for Election of Directors

The Mutual Eight Board of Directors shall place notice in the *Golden Rain News* and in the Mutual Eight laundry rooms not less than ninety (90) days prior to the election meeting that any shareholder of Mutual Eight may place his/her name into nomination for the election of the Mutual Eight Board of Directors.

c. Self-Nomination by Shareholders

Mutual Eight shareholders who wish to nominate themselves as a candidate for election to the Board of Directors must do so in writing to the Nominating Committee not more than ninety (90) days or less than sixty (60) days prior to the election meeting date.

d. Nominating Committee

The Mutual Eight Board of Directors will appoint a Nominating Committee no later than 90 days before the election meeting (no later than the February Board of Directors' Meeting for the annual Board of Directors' election). The complete Nominating Committee Report, including all self-nominated candidates, all incumbents wishing to run, and others agreeing to run, must be delivered to the Inspectors of the Election forty-five (45) days before the date of the election meeting.

e. Nominations from the Floor

Candidates may be nominated from the floor during the election meeting. There is no provision in the Mutual Eight Bylaws allowing write-in candidates.

f. Equal Access to Clubhouse Facilities

(Mar 08)

MUTUAL OPERATIONS

STOCKHOLDERS MEETINGS

Elections (Mutual Eight)

Equal access to clubhouses shall be provided at no cost to all candidates, including those who are not incumbents, and to all Shareholders advocating a point of view, including those who are not endorsed by the Mutual Eight Board of Directors, for purposes reasonably related to the election. The clubhouses are subject to availability by reservation only on a first-come, first-serve basis.

2. Election Process

- a. The Golden Rain Foundation may provide a contracted vendor to assume all election services and who will be directed to conduct the election in accordance with this policy and State Law.
- b. If the GRF does not provide a contracted vendor to assume all election services, then the Golden Rain Foundation or the Mutual Eight Corporation will conduct the election in accordance with this policy and State Law.

3. Election Materials

a. Notice Letter

The notice letter, mail-in secret ballot, voting instructions and mailing instructions for the Mutual Eight election shall be mailed by the Inspector(s) of the Election to each Mutual Eight Shareholder no later than thirty (30) days prior to the election meeting.

b. Secret Ballots Returned By Mail

The mail-in secret ballot or proxy form is required to be mailed to the Inspector(s) of the Election for proper verification and validation, and must be received before 4:00 p.m. on the day before the election meeting.

The mail-in secret ballot is irrevocable once the Inspector(s) of the Election validate it.

If the mail-in secret ballot or proxy form is sealed and properly mailed, the Inspector(s) of the Election will open the mail-in secret ballot or proxy form the day of the election meeting.

c. Balloting and Proxies at the Election Meeting

MUTUAL OPERATIONS

STOCKHOLDERS MEETINGS

Elections (Mutual Eight)

If a secret ballot or proxy form has not been recorded with the Inspector(s) of the Election before 4:00 p.m. on the day before the election meeting, a Mutual Eight Shareholder may record a qualifying secret ballot or proxy form with the Inspector(s) of the Election at the election meeting, up until the time the election is closed by the Mutual Eight President.

4. Inspectors of the Election

a. Qualifications and Appointment of Inspector(s)

The Mutual Eight Board of Directors must appoint Inspector(s) of the Election no later than ninety (90) days before the election meeting (no later than the February Board of Directors' Meeting for the annual Board of Directors' election). The Inspector(s) of the Election must be qualified to conduct the election in compliance with this policy and State Law and certify the election by the end of the Shareholders' Meeting.

An inspector(s) of the election may not be a member of the Mutual Eight Board of Directors, or a candidate for the Mutual Eight Board of Directors, or related to a member of or candidate for the Mutual Eight Board of Directors, or under contract to Mutual Eight for any compensable services. (Note: Inspector(s) may be a contractor hired to conduct the election, one to three Shareholders, or any other qualified party.)

b. Observers of the Election Appointed By the Mutual Eight Board of Directors

There shall be three (3) observers of the election appointed by the Mutual Eight Board of Directors thirty (30) days before the election meeting day.

The Board may also appoint alternative observers of the election. Official observers will be seated at the counting table across from the inspector(s) to observe the complete counting process. Observers must not interfere with the counting process, but watch and listen. Any issue of concern should be brought to the attention of the lead inspector. All other shareholder observers will be seated six (6) feet away from the counting table.

c. Inspector(s) 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.

MUTUAL OPERATIONS**STOCKHOLDERS MEETINGS****Elections (Mutual Eight)**

3. Establish the mailing address for mail-in ballots and proxy forms, and the contact phone number for shareholder questions.
4. Prepare and mail to all Mutual Eight Shareholders, no later than thirty (30) days prior to the election meeting, the notice letter, mail-in secret ballot, voting instructions and mailing instructions for the Mutual Eight election, in a manner consistent with providing and ensuring that the member's vote will be by "secret ballot."
5. Receive mail-in secret ballots and proxy forms.
6. Open mail-in secret ballots and proxy forms at the election meeting.
7. Hear and determine all challenges and questions in connection to the right to vote.
8. Count and tabulate all votes.
9. Determine the results of the election.
10. Perform his or her duties expeditiously, impartially, and in good faith at all times.
11. Certify the election.

5. Voting**a. Qualification for Voting**

Mutual Eight Shareholders may cast votes:

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

b. Cumulative Voting

The Secret Ballot will state: You have five (5) votes: "VOTE FOR FIVE (5)".

In accordance with the Mutual Eight Bylaws voting may be "cumulative."

The following excerpt from the Mutual Eight Bylaws must be stated clearly on the Secret Ballot:

"Provided the candidate's name has been placed in nomination prior to the voting and one or more shareholders has given notice at the meeting prior to the voting of the shareholder's intent to cumulate the shareholder's votes, every shareholder entitled to vote at any election for Directors may cumulate his votes and give one candidate a

MUTUAL OPERATIONS

STOCKHOLDERS MEETINGS

Elections (Mutual Eight)

number of votes equal to the number of Directors to be elected or distribute his votes on the same principle among as many candidates as he deems fit.”

c. Voting by Secret Ballot

All ballots shall be prepared in a manner consistent with providing and ensuring that the shareholder’s vote will be by “secret ballot.”

MUTUAL ADOPTION

EIGHT: 24 March 08