

HIDDEN VALLEY VILLAGE OWNERS ASSOCIATION
Board of Directors Meeting
Minutes

Date of Meeting: February, 24, 2015

Time: 7:00 p.m. or immediately following the executive session meeting.

Location: The home of Tony Cole: 205 S Juanita Ave., Redondo Beach, CA 90277

Call in information: Call in information: Primary dial- in number: 1-800-567-5900 (Toll Free in USA & Canada)

Organizer access code:* 6790328 (you must include the leading star key)

Participant access code: 2160039

1. General
 - a. Call to Order by President, Tony Cole 7:36
 - b. Roll call. Record Board Members, Management, owners and guests present: By Phone: Board Members: Tony Cole, , Ken Stickles, Greg Stone, Steve Latshaw, David Natali, Ruth Wheeler; Absent Kim Walters
 - c. Adoption of Minutes for January 20, 2015 Board of Directors Meeting:
 - d. Motion: Steve Latshaw; Move to approve Minutes
 - e. Second: Ken Stickles
 - f. Passed 6-0
2. Treasurers Report: None
3. New business
 - a. Proposal to adopt the included:
Rules for the Election and Removal of Directors by Secret Ballot and Rules for Voting Regarding Assessments Legally Requiring a Vote, Amendments to Governing Documents and Granting of Exclusive Right to Use Common Area by Secret Ballot.

Hidden Valley Village Owners Association, Inc.

Rules for the Election and Removal of Directors by Secret Ballot

In connection with the election and removal of directors, the following rules and procedures shall apply:

1. **Meeting at Which Secret Ballots Shall Be Tabulated.**
 - 1.1 The inspectors of election or their designee(s) shall tabulate the ballots for the election of directors at the annual meeting of the owners or at a special meeting of the Board of Directors duly noticed for the purpose of counting ballots. The Board of Directors shall determine the date, time and place of said annual meeting of the owners and/or the special meeting of the Board of Directors in accordance with the Association's Bylaws.
 - 1.2 The qualifications for voting and the voting power of each membership are as stated in the Association's governing documents and as shall be determined in accordance with Section 3.3.1 hereof.
 - 1.3 The voting period for elections shall be at least thirty (30) days. The polls shall open and close as stated on the secret ballot distributed for each election.
2. **Nomination of Candidates.**

2.1 At least thirty (30) 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.

2.2 According to the Association's Bylaws, there are no qualifications to serve on the Association's Board of Directors.

2.3 Owners may nominate themselves or another person.

2.4 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.

2.5 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. Thereafter, candidates may be nominated from the floor at the meeting of members if a quorum is present.

2.6 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 thirty (30) days before the date the ballots for the election of directors are scheduled to be counted.

3. **Inspectors of Election.**

3.1 The Board of Directors shall appoint one (1) or three (3) independent third parties as inspectors of election after the close of candidate nominations but before the secret ballots are mailed to all of the owners. An independent third party includes, but is not limited to:

3.1.1 a volunteer poll worker with the county registrar of voters;

3.1.2 a licensee of the California Board of Accountancy;

3.1.3 a notary public;

3.1.4 a member of the Association provided such member is not a member of the Board of Directors or a candidate for the Board of Directors or related to a member of the Board of Directors or a candidate for the Board of Directors; and,

3.1.5 a person who is currently employed or under contract to the Association for any compensable services.

3.2 Prior to the secret ballots being mailed to all of the owners, the inspectors of election shall meet to determine to whom the secret ballots shall be returned (the "Ballot Collector"), which may be the Association's property manager, accounting firm representative or other designated person.

3.3 The inspectors of election shall also do all of the following:

3.3.1 determine the number of memberships entitled to vote and the voting power of each;

3.3.2 determine the authenticity, validity, and effect of proxies, if any;

3.3.3 receive ballots;

3.3.4 hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;

3.3.5 count and tabulate all votes;

3.3.6 determine when the polls shall close;

3.3.7 determine the result of the election; and,

3.3.8 perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section, the Corporations Code and all applicable rules of the Association regarding the conduct of the election that are not in conflict with this section.

3.4 An inspector of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. The decision or act of a majority shall be effective in all respects as the decision or act of all.

3.5 Any report made by the inspector or inspectors of election is prima facie evidence of the facts stated in the report.

3.6 The Board of Directors may remove and replace any inspector of election prior to the tabulation of ballots if an inspector of election resigns or if the Board of Directors reasonably determines that an inspector of election will not be able to perform his or her duties impartially and in good faith.

3.7 The inspectors of election may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the inspectors of election deem appropriate, provided that the additional persons are independent third parties as defined herein.

4. **Secret Ballot Procedure: Record Date.**

4.1 Ballots 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.

4.2 Ballots must ensure the confidentiality of the voters.

4.2.1 A voter may not be identified by name or separate interest identifier on the ballot.

4.2.2 The ballot shall not require the signature of the voter.

4.2.3 The ballot itself is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter shall 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 is addressed to the inspectors of election, who will be tallying the votes.

4.3 Owners may return their secret ballot by mail, hand deliver it to the meeting or complete the ballot at the meeting; provided, only those ballots which are delivered

to the inspectors of election prior to the polls closing shall be counted.

4.4 A member may request a receipt for delivery of his or her ballot.

4.5 The record date for purposes of voting shall be the date the ballots are mailed to all of the owners.

5. **Campaigning.**

5.1 All candidates or members advocating a point of view during a campaign, including those not endorsed by the Board of Directors, shall be provided equal access to Association media, newsletters, or Internet Web sites (if any) for purposes that are reasonably related to the election. The Association may 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.

5.2 All candidates, including those who are not incumbents, and all members advocating a point of view, including those not endorsed by the Board of Directors, for purposes reasonably related to the election, shall be provided equal access to any common area meeting space, if any exists, during a campaign at no cost.

6. **Handling of Ballots.**

6.1 As secret ballots are returned to the Ballot Collector, the Ballot Collector shall check off on a sign-in sheet that a ballot has been received for such unit. The inspectors of election or their designee(s) may verify the member's information and signature on the outer envelope prior to the meeting at which ballots are tabulated. Once a secret ballot is received by the inspectors of election, it shall be irrevocable. Any subsequent ballots received for the same unit shall be deemed invalid and shall be discarded.

6.2 The sealed ballots at all times shall be in the custody of the inspectors of election or at a location designated by the inspectors until delivered to the inspectors at the meeting for the opening of the ballots and the tabulation of the vote.

6.3 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.

6.4 After the tabulation of the vote and for one year after the election or removal, election ballots shall be kept in the custody of the inspectors of election. After such time, the custody shall be transferred to the Association

If there is a recount or other challenge to the election process, the inspectors of election shall, upon written request, make the ballots available for inspection and review by an Association member or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

7. **Tabulation of Votes; Quorum Requirement.**

7.1 All votes shall be counted and tabulated by the inspectors of election or their designee(s) in public at a properly noticed open meeting of the members or of the Board of Directors. A quorum of members or a quorum of Board members, as the case may be, must be present if required by the Association's governing documents. Each ballot received by the inspectors of election shall be treated as a member present at a meeting for purposes of establishing a quorum.

7.2 The inspectors of election shall confirm that no more than one (1) ballot was returned for each unit.

7.3 Any candidate or other member of the Association may witness the counting and tabulation of the votes.

7.4 In order for the vote for the election of directors to be valid, ballots must be returned by at least a quorum of the owners if a quorum is required by the Association's governing documents. If a quorum of ballots is not received, the ballots will not be counted.

8. **Announcement of Results.**

8.1 The results of the election shall be promptly reported to the Board of Directors and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by members of the Association.

8.2 Upon certification of the election results by the inspectors of election, the newly elected Board members shall be deemed to have taken office.

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

9. **Other Voting/Campaign Issues.**

9.1 There are 84 residential units in the Association, but owners whose voting rights have been suspended in accordance with the Association's governing documents after notice and hearing shall not be entitled to vote.

9.2 Cumulative voting by written ballot is permitted per the Association's Bylaws.

9.3 Association funds may not be used for "campaign purposes" in connection with any board election. The term "campaign purposes" is defined to include, without limitation, (1) "expressly advocating the election or defeat" of any candidate that is on the ballot; or (2) "including the photograph or prominently featuring the name of a candidate on a communication" from the association (except the ballot and voting materials and equal access communications sent pursuant to the Section, above, entitled "Campaigning").

Hidden Valley Village Owners Association, Inc.

**Rules for Voting Regarding Assessments Legally Requiring a Vote,
Amendments to Governing Documents and Granting of Exclusive
Right to Use Common Area by Secret Ballot**

Pursuant to new Civil Code Section 5100 when owners are to vote to approve assessments legally requiring a vote, amendments to governing documents and/or granting the exclusive use of common area to a member, the following must occur:

1. **Meeting at Which Secret Ballots Shall Be Tabulated.**

1.1 Unless the vote is being taken in connection with an annual meeting of the owners, the inspectors of election or their designee(s) shall tabulate the ballots for the vote to approve assessments legally requiring a vote, amendments to governing documents and/or granting the exclusive use of common area to a member at a duly noticed (regular or special) meeting of the Board of Directors, or at a special meeting of the members. The Board of Directors shall determine the date, time and place of said meeting.

1.2 The qualifications for voting and the voting power of each membership are as stated in the Association's governing documents and as shall be determined in accordance with Section 2.3.1 hereof.

1.3 The voting period for elections shall be at least thirty (30) days. The polls shall open and close as stated on the secret ballot distributed for each election.

2. **Inspectors of Election.**

2.1 The Board of Directors shall appoint one (1) or three (3) independent third parties as inspectors of election before the secret ballots are mailed to all of the owners. An independent third party includes, but is not limited to:

2.1.1 a volunteer poll worker with the county registrar of voters;

2.1.2 a licensee of the California Board of Accountancy;

2.1.3 a notary public;

2.1.4 a member of the Association provided such member is not a member of the Board of Directors or a candidate for the Board of Directors or related to a member of the Board of Directors or a candidate for the Board of Directors; and,

2.1.5 a person who is currently employed or under contract to the Association for any compensable services.

2.2 Prior to the secret ballots being mailed to all of the owners, the inspectors of election shall meet to determine the location to whom the secret ballots shall be returned (the "Ballot Collector"), which may be the Association's property manager, accounting firm representative or other designated person.

2.3 The inspectors of election shall also do all of the following:

2.3.1 determine the number of memberships entitled to vote and the voting power of each;

2.3.2 determine the authenticity, validity, and effect of proxies, if any;

2.3.3 receive ballots;

2.3.4 hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;

2.3.5 count and tabulate all votes;

2.3.6 determine when the polls shall close;

2.3.7 determine the result of the vote; and,

2.3.8 perform any acts as may be proper to conduct the vote with fairness to all members in accordance with this section, the Corporations Code and all applicable rules of the Association regarding the conduct of the vote that are not in conflict with this section.

2.4 An inspector of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. The decision or act of a majority shall be effective in all respects as the decision or act of all.

2.5 Any report made by the inspector or inspectors of election is prima facie evidence of the facts stated in the report.

2.6 The Board of Directors may remove and replace any inspector of election prior to the tabulation of ballots if an inspector of election resigns or if the Board of Directors reasonably determines that an inspector of election will not be able to perform his or her duties impartially and in good faith.

2.7 The inspectors of election may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the inspectors of election deem appropriate, provided that the additional persons are independent third parties as defined herein.

3. **Secret Ballot Procedure: Record Date.**

3.1 Ballots and two (2) pre-addressed 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.

3.2 Ballots must ensure the confidentiality of the voters.

3.2.1 A voter may not be identified by name or separate interest identifier on the ballot.

3.2.2 The ballot shall not require the signature of the voter.

3.2.3 The ballot itself is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter shall 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 is addressed to the inspectors of election, who will be tallying the votes.

3.3 Owners may return their secret ballot by mail, hand deliver it to the meeting or complete the ballot at the meeting; provided, only those ballots which are delivered to the inspectors of election prior to the polls closing shall be counted.

3.4 A member may request a receipt for delivery of his or her ballot.

3.5 The record date for purposes of voting shall be the date the ballots are mailed to all of the owners.

4. **Campaigning.**

4.1 All members advocating a point of view during a campaign, including those not endorsed by the Board of Directors, shall be provided equal access to Association media, newsletters, or Internet Web sites (if any) for purposes that are reasonably related to the vote. The Association may 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.

4.2 All members advocating a point of view, including those not endorsed by the Board of Directors, for purposes reasonably related to the vote, shall be provided equal access to any common area meeting space, if any exists, during a campaign at no cost.

5. Handling of Ballots.

5.1 As secret ballots are returned to the Ballot Collector, the Ballot Collector shall check off on a sign-in sheet that a ballot has been received for such unit. The inspectors of election or their designee(s) may verify the member's information and signature on the outer envelope prior to the meeting at which ballots are tabulated. Once a secret ballot is received by the inspectors of election, it shall be irrevocable. Any subsequent ballots received for the same unit shall be deemed invalid and shall be discarded.

5.2 The sealed ballots at all times shall be in the custody of the inspectors of election or at a location designated by the inspectors until delivered to the inspectors at the meeting for the opening of the ballots and the tabulation of the vote.

5.3 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.

5.4 After the tabulation of the vote and for nine (9) months after the election or removal, the ballots shall be kept in the custody of the inspectors of election. After such time, the custody shall be transferred to the Association and the ballots shall be stored by the Association in a secure place for no less than one (1) year after the date of the vote. If there is a recount or other challenge to the voting process, the inspectors of election shall, upon written request, make the ballots available for inspection and review by an Association member or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

6. Tabulation of Votes: Quorum Requirement.

6.1 All votes shall be counted and tabulated by the inspectors of election or their designee(s) in public at a properly noticed open meeting of the members or of the Board of Directors. A quorum of members or a quorum of Board members, as the case may be, must be present if required by the Association's governing documents. Each ballot received by the inspectors of election shall be treated as a member present at a meeting for purposes of establishing a quorum.

6.2 The inspectors of election shall confirm that no more than one (1) ballot was returned for each unit.

6.3 Owners who have not previously submitted a ballot may complete one at the meeting and return it to the inspectors of election prior to the polls closing.

6.4 Any member of the Association may witness the counting and tabulation of the votes.

6.5 In order for the vote on the proposal to be valid, ballots must be returned by at least a quorum of the owners if a quorum is required by the Association's governing documents or applicable law and the requisite percentage of owners must vote to approve the proposal. If a quorum of ballots is not received, the ballots will not be counted.

7. **Announcement of Results.**

7.1 The results of the vote shall be promptly reported to the Board of Directors and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by members of the Association.

7.2 Within fifteen (15) days of the vote on the proposal, the Board of Directors shall publicize the results of the vote in a communication directed to all members.

8. **Other Voting Issues.**

8.1 There are 84 residential units in the Association, but owners whose voting rights have been suspended in accordance with the Association's governing documents after notice and hearing shall not be entitled to vote.

8.2 The Board at its discretion, may extend the voting period, if deemed necessary, due to an insufficient ballot return.

Motion: Ruth Wheeler; to adopt the Operating Rules for the Election and Removal of Directors by Secret Ballot and Rules for Voting Regarding Assessments Legally Requiring a Vote, Amendments to Governing Documents and Granting of Exclusive Right to Use Common Area by Secret Ballot as Stated above and authorize Butner HOA services to mail the rules out for a review by homeowners

Second: Greg Stone

Passed: 6-0

b. Information and action regarding demands made by the owner of unit 102:

The Board received a letter from attorney Edward Cross dated 2/13/2015 demanding a full payment of the expenses that the owner of unit 102 incurred for a remodel of his upstairs bathroom ceiling.

Motion: Motion: Steve Latshaw; The association will submit an offer to indicate that the association will stand behind their commitment (as documented in a 9/23/2015 letter from the board to Edward Cross) to pay for half of the cost of the interior remodel of the upstairs bathroom ceiling less the expenses of the association to date.

Second Greg Stone

Passed: 6-0

Action Item: Tony Cole will draft and send a letter

4. Property Management project/item updates & related property matters:

Motion: Wheeler to allow the purchase of Slippery when wet signs, cost not to exceed \$100

Second: Stone

Passed 6-0

Motion: Greg Stone; To allow the purchase of rope lighting and a power source for lighting for the A building, cost not to exceed \$250

Second: Dave Natali

Passed 6-0

5. Announcement of next Board meeting:

DATE: March 18, 2015; exec 5:00PM regular immediately following

LOCATION: Denny's Costa Mesa 3170 Harbor Blvd., Costa Mesa, CA 92626

6. Adjournment.
Adjourn: 8:00PM