

BOARD OF DIRECTOR'S RESOLUTION

PERTAINING TO THE CONDUCTING AN ELECTION IN OUR COMMUNITY

AUTHORITY AND PURPOSE FOR THE RESOLUTION:

WHEREAS, the _____ is a Nevada Corporation duly organized and existing under the laws of the State of Nevada; and CC&R Article __, Section ____, gives the Board rule making authority; and

WHEREAS, NRS 116 has specific provisions requiring the association to have procedural rules for conducting elections in the Bylaws; and

WHEREAS, the Board wishes to have those procedures memorialized while the proper steps are taken to make the change to the Bylaws.

NOW THEREFORE, BE IT RESOLVED:

- 1) Three Election Inspectors will be appointed to work with the Board and/or Nominating Committee prior to any other activity being taken to start the election process to ensure that the election is conducted following NRS 116 provisions and this process.
- 2) The Board and Election Inspectors will determine how many Director position(s) will be open for this election and the terms (3 year maximum terms allowed by law.)
- 3) The Board will determine in advance whether if there are the exact number of individuals running for the Board will fill the positions vs. the formal mailing. If so, current NRS procedures for noticing the Board and members before and after will be followed.
- 4) The person receiving the greater number of votes will receive the longest terms, if varied terms are applicable in each election.
- 5) Nomination forms will be mailed to all owners not less than 30 days before the secret ballot is prepared advising owners of their eligibility to serve as a member of the board.
- 6) Owners will be advised that their comments on the Nomination Form *may* be used in a synopsis provided with the secret ballots.
- 7) A meeting date will be scheduled to conduct the counting in public of the returned secret ballots, but a quorum is not required to hold this meeting. Only those secret ballots received by the cut off time announced in the mailing will be counted to determine the new Directors. For purposes of election of Directors, the cutoff time will be immediately prior to the start of the counting of the ballots and will so stated in the notice of the meeting. The Chairperson will formally announce at which time the counting is starting.
- 8) Letters will be sent to all owners who *may* not be allowed to vote at the election because of any violation of the governing documents, which will include the nonpayment of assessments. Owners will be advised of a hearing date and advised to contact management 72 hours prior to that date to get a specific time should they wish to address the Board. At the hearing they *may* be determined to be a member not in good standing and their voting rights removed until the violation is cured.
- 9) The Secret Ballot will state whether cumulative voting will be allowed and how the votes for each Director should be shown; either numerically, checkmarks or X's.
- 10) Owners will be given no less than 15 days to return their secret ballots in the remaining two envelope system provided for that purpose. One envelope will have the *owners* return address in the upper left hand corner along with the address to where the Secret Ballot package should be returned. The second envelope shall have a smaller "Secret Ballot" envelope for ballot placement inside.
- 11) No member of the incumbent Board, candidate or relative will be given access to any of the Secret

- Ballots at any time before those secret written ballots have been opened and counted at the meeting.
- 12) An alphabetical sign-in sheet will be maintained with the return of the first secret ballot keeping track of those ballots received. The letter B will be placed by the name of returning owner to ensure that no more than one ballot per lot or unit owned is received.
 - 13) The mailing envelopes returned to the association with the secret ballot envelope inside shall not be opened until the night of the meeting at which they will be counted. The return envelopes will then be opened and separated by the Election Inspectors into two piles. The returned envelope will be kept with the election materials as a verified proof of the individuals who voted in the election process.
 - 14) The Election Inspectors will then open the secret ballot envelopes and will discard these envelopes.
 - 15) One person will read the votes on the secret ballot to the other two inspectors who will compare totals when all of the votes have been read and tallied. After counting the number of votes for each candidate, they will compare the totals to see if they match. If they do not match, the process will be restarted.
 - 16) After the figures balance, the Election Inspectors will sign a tally sheet verifying the number of votes for each candidate and verifying that the process was conducted according to this policy. This tally sheet will be attached to the secret ballots and kept with the return envelopes in the permanent records.
 - 17) The final tally figures will then be given to the person conducting the meeting for announcement of the new directors and their terms.
 - 18) An organizational meeting of the Board will be noticed on the agenda to follow immediately after the elections to allow the election of officers and get appropriate bank signature cards and other documents prepared for smooth operational purposes following the election.
 - 19) New Board members will be given the appropriate form at the organizational meeting for their use in certifying in writing that he or she has read and understands the governing documents of the association and the provisions of NRS 116 to the best of his ability. The form will advise the new Board members that he or she has 90 days to satisfy this provision as the Administrator of the Real Estate Division may require the association to submit a copy at the time the association registers with the Ombudsman's office.

This resolution is adopted in resolution format at the _____ 2009, Board of Directors Meeting.

BY: _____

President

ATTESTED: _____

Secretary

