

Diamondhead Country Club & Property Owners Association, Inc.

## 2018 ELECTION PROCEDURE

**POLICY:** No POA staff member, officer or director shall handle submitted Member Verification Forms/Absentee Ballots or Proxy Forms. All submitted Member Verification Forms/Absentee Ballots and Proxy Forms are to be handled and maintained by the accounting firm of Alexander, Van Loon, Sloan, Levens & Favre, PLLC (“the auditors”).

### SECTION I. PRIOR TO ANNUAL MEETING

#### A. Member Delivery of Absentee Ballots and Proxies

Each member was a sent a letter dated May 11, 2018 (the “election letter”), along with a Member Verification Form/Absentee Ballot. The election letter stated the date, time, and location of the Annual Meeting of the Members (the “meeting”) and explained that any member not intending to vote in person may either (a) vote by returning the Member Verification Form/Absentee Ballot in the envelope provided or (b) appoint a proxy to vote for them at the meeting (using either the Proxy Form available at the POA Office or another valid Proxy Form, and permitting use of the envelope provided).

##### 1. *By Mail*

The election letter sent to each member stated that Member Verification Forms/Absentee Ballots and Proxy Forms may be mailed to the auditors using the envelope provided.

##### 2. *By Lock Box*

In the event a member desires that their Member Verification Form/Absentee Ballot or Proxy Form be delivered to the POA offices in person, it must be deposited in the lock box. Only the auditors will have the combination to the locks on the box; therefore, only the auditors will be able to access the box. From time to time prior to the day of the meeting, the auditors may access the lock box to retrieve Member Verification Forms/Absentee Ballots and Proxy Forms.

##### 3. *Deadlines*

Absentee Ballots received by the auditors by mail after Friday, June 15, 2018, will not be counted, and Proxy Forms received by the auditors by mail after Friday, June 15, 2018, will be invalid. No Member Verification Forms/Absentee

Ballots or Proxy Forms may be deposited in the lock box after Friday, June 15, 2018.

## **B. Processing of Absentee Ballots by Auditors**

### *1. Verification of Absentee Ballots*

A member may cast an Absentee Ballot to vote for officers and, if the member is in good standing, also for directors. The following procedures shall apply to the verification of Absentee Ballots.

#### *a) Return of Member Verification Form with Absentee Ballots*

To ensure a secret ballot process, neither the member's name nor number appears on the Absentee Ballot. In order for an Absentee Ballot to be counted, the member must complete and return to the auditors the signed Member Verification Form providing their name, member number, and the date signed. Any Absentee Ballot not accompanied by a completed Member Verification Form will not be counted.

#### *b) Verification of Member Standing*

On or before Tuesday, June 12, 2018, the POA staff will provide the auditors with one list of members in good standing and another of those not in good standing. The auditors will verify whether the member who casts each Absentee Ballot is in good standing or not. The auditors will mark the top of an Absentee Ballot 'OFFICER ONLY' for those members not in good standing. The auditors will highlight the names of members who vote by Absentee Ballot and return both lists to Evelyn Ncaise, Election Secretary, at 8:00 AM on the day of the annual meeting. The two highlighted and returned lists will be referred to collectively herein as the "Previously-Voted List."

#### *c) Receipt of Multiple Absentee Ballots for the Same Member*

If more than one Member Verification Form/Absentee Ballot is received from the same member, all Member Verification Forms/Absentee Ballots received from that member will be considered invalid and not counted.

### *2. Separation of Member Verification Forms and Absentee Ballots*

Once member status is verified, the auditors will separate the Member Verification Form from the Absentee Ballot, leaving no information on the Absentee Ballot that would identify the member who cast the Ballot. The auditors will give the Member Verification Forms to the Election Secretary of the POA, who shall take

all necessary steps to retain the separated Member Verification Forms in the POA's records for a period of three years, unless litigation requires retention for a longer period. Once an Absentee Ballot is separated from its validating paperwork, it cannot be rescinded or revoked in any way, and the member who cast the Absentee Ballot may not vote at the meeting in person or by proxy.

3. *Absentee Ballots to Be Counted on Election Day*

The auditors will bring all Absentee Ballots to the meeting for tallying. The auditors may tally Absentee Ballots prior to the meeting as long as the tally figures are not made known to anyone outside the auditors until after all ballots are counted the day of the meeting and the results are announced.

C. **Processing of Proxy Forms by Auditors**

1. *Validation of Proxies*

A proxy is valid if the member has (a) given their name and member number, (b) signed and dated the form, and (c) if Option #2 is selected, provided the name and member number of the proxy holder. Proxy Forms that fail to meet these criteria are not valid, except as stated by the provisions of Section I.C.3 below.

2. *Lists of Proxy Givers and Holders*

The auditors shall create the following lists, which shall be brought to the Annual Meeting and used during voting by election staff:

- List of all proxy givers and corresponding proxy holder
- List of all members whose proxy counts toward the quorum only

3. *Incomplete and Improperly Completed Proxy Forms*

In the past, certain issues have arisen regarding the validity of proxy forms made available by the POA. These issues have been resolved in the following ways, and these rules shall apply to similar situations going forward:

<i>Issue</i>	<i>Resolution</i>
The name of the proxy holder does not match any name on the member list	The proxy shall count toward the quorum only.
Option #2 is checked, but the proxy holder is not properly identified	The proxy shall count toward the quorum only.

<i>Issue</i>	<i>Resolution</i>
Option #2 is <i>not</i> checked, but the proxy holder is otherwise properly identified	If <i>none</i> of the two options is checked, then the proxy is a valid assignment to the proxy holder indicated.  If Option #1 is checked, the proxy shall count toward the quorum only.
The member giving the proxy enters their own name as proxy holder	The proxy shall count toward the quorum only.

4. *Directed Proxies and Available General Proxy Forms*

DPOA does not provide Directed Proxy Forms to members, but members may submit directed proxies. Members also may submit a general proxy form different than the one made available by the POA. All such proxies will be considered valid as long as they meet the following requirements of the POA Bylaws and the Mississippi Nonprofit Corporation Act:

- Dated and signed by the proxy giver
- Dated less than 90 days prior to the meeting
- Received by the auditors or placed in the lock box before the day of the meeting
- Contain the name and member number of the member to whom the proxy is given

5. *Retention of Proxy Forms*

After the election results are tabulated, the auditors shall give the Proxy Forms to the Election Secretary, who shall take all necessary steps to retain all proxy forms for a period of three years, unless litigation requires retention for a longer period.

## SECTION II. DAY OF ANNUAL MEETING

### A. **Handling of the Lock Box Prior to Opening of the Meeting**

No Absentee Ballots or Proxy Forms may be deposited in the lock box after Friday, June 15, 2018.

The auditors will retrieve from the lock box any Member Verification Form/Absentee Ballot and Proxy Forms that were deposited therein through Friday, June 15, 2018. Each Member Verification Form/Absentee Ballot in the lock box must be processed and verified in the manner prescribed above. Before the meeting opens, the lists described in Sections I.B.1.b and I.C.2 shall be updated to reflect all Member Verification Forms/Absentee Ballots and verified Proxy Forms found in the lock box. The Member Verification Forms/Absentee Ballots and Proxy Forms found in the lock box shall be processed as prescribed above and combined with those received by the auditors prior to the day of the meeting and shall be retained for the same period of time, as prescribed above.

## **B. Meeting and Voting Schedule**

The meeting will open at 9:00 AM on Saturday, June 16, 2018. At approximately 9:10 AM, the meeting will adjourn for the purpose of voting and tabulation of ballots. The polls will remain open until 1:00 PM, at which time they will promptly close. Tabulation of ballots will take place between 1:00 PM and 4:00 PM. At 4:00 PM, the meeting will reconvene for the announcement of the election results. In the event the tabulation of ballots takes longer than three hours, the meeting will reconvene upon completion of the tabulation.

## **C. Voting Procedures**

### *1. Check-in*

Election staff will be stationed in the Community Center to check in members for voting. Voters will be checked in using the Previously-Voted List provided by the auditors listing members who cast Absentee Ballots (the "Previously-Voted List" described in Section I.B.1.b) and the lists of proxy holders described in Section I.C.2. When a member is checked in, it must first be determined whether the member (a) is in good standing, (b) has cast an Absentee Ballot, or (c) submitted a valid Proxy Form.

Members will be checked in by member numbers. Only one vote may be cast per membership regardless of the number of lots owned. A member who has already cast an Absentee Ballot will not be allowed to vote in person, and no other owner of the same property will be allowed to vote in person.

Proxy holders will be referred to the designated proxy holder area to be checked in.

All other members will be given an Official Ballot to cast in the manner prescribed in Section II.C.2.b.

## 2. *Ballots*

After check-in, each member will be given an Official Ballot. All ballots given to members, regardless of standing, will be stamped on the *back* with the word "OFFICIAL." Ballots given to members not in good standing *also* will be stamped on the *front top* "OFFICER ONLY." After completing the Official Ballot, the member will fold it in half, displaying the "OFFICIAL" stamp, and present it for verification by a POA staff member stationed at the Voting Ballot Box. After verification, the member will deposit the ballot in the Voting Ballot Box.

## 3. *Proxy Voting*

Proxy holders will cast ballots on behalf of proxy givers during the voting period between 9:10 AM and 1:00 PM.

### a) *Verification of Proxy*

Before a proxy holder casts a ballot on behalf of a proxy giver, election staff must first (a) verify the proxy using the lists described in Section I.C.2, and (b) confirm that the proxy giver has not already cast a ballot either in person or by submitting an Absentee Ballot. Any holder of a proxy given by a member who has already voted in person or by casting an Absentee Ballot will not be allowed to cast another ballot for the same proxy giver. All verified proxy holders will be provided with Official Ballots to cast in the manner prescribed by Section II.C.2.

### b) *Attendance by Proxy Givers*

If a proxy giver attends the meeting and checks in to vote, election staff must first determine whether the assigned proxy holder has already voted for the member by proxy. If so, the member will not be allowed to vote in person. If the member has not yet voted by proxy, he or she may vote in person, and their member number shall be recorded on the Previously-Voted List in order to prevent the proxy holder from casting a second vote for the same member. Where the proxy giver's name appears on one of the lists described in Section I.C.2, it shall be noted that the proxy giver "Voted in Person."

### c) *Holders of Multiple Proxies*

A member holding more than one general proxy may, if they wish, cast one ballot on behalf of any two or more proxy givers, as long as all the proxy givers are in good standing. A proxy holder wishing to do so must notify election staff at check-in, and election staff shall mark the top of the ballot in a manner indicating the number of votes for which the ballot shall be counted during tabulation.

If a member holds more than one general proxy but some of the proxy givers are in good standing and others are not, the proxy holder must cast separate ballots for the proxy givers in good standing and those not in good standing.

*d) Holders of Directed Proxies*

Neither DPOA nor the auditors shall have any responsibility to ensure that the holders of directed proxies vote as directed by the proxy giver. Any holder of a directed proxy will be allowed to cast an Official Ballot on behalf of the proxy giver in the manner prescribed in Section II.C.2.

*4. Right of Candidates to Monitor Voting*

Each candidate named on the ballot shall have the right to monitor all phases of the election process. Each candidate may appoint no more than two (2) persons to assist in monitoring the voting and tabulation process. These two persons must be either legal counsel retained by the candidate or members in good standing of the Corporation. Persons monitoring the election process shall not interfere in any way with the casting of ballots or tallying of votes but must lodge any complaints with the Election Chair.

*5. Closing of Polls*

The polls will close promptly at 1:00 PM. No ballots may be cast after that time. Upon closing of the polls, POA staff will deliver the Voting Ballot Box and the Previously-Voted List to the auditors so that the votes can be tallied.

**D. Tabulation of Votes**

*1. Time and Location*

Vote tabulation will begin upon closing of the polls at 1:00 PM and continue until completed.

*2. Participants*

Only the following parties will be allowed in the Community Center during the tabulation of votes.

*a) Auditors*

The auditors will tally and record all ballots.

b) *Observers*

The Election Chair and POA General Counsel may remain in the Community Center to observe tabulation of the votes. Candidates and any assistants appointed as provided in Section II.C.4 also shall be allowed in the Community Center during the tallying of votes but may speak *only* to the Election Chair or POA General Counsel.

3. *Preparation of Ballots for Counting*

Before tallying the votes, the auditors will open the Voting Ballot box in the presence of the Election Chairman.

4. *Determination of Quorum*

The auditors must confirm that a quorum has been present at the Meeting. A quorum is present if the total number of ballots cast, both absentee and in person, plus the total number of all members who submitted valid proxy forms, is at least 15% of the total number of DPOA members. *All proxy givers are counted towards the quorum, even if the proxy holder failed to attend the meeting and cast a ballot for the proxy giver.* A proxy giver whose proxy is revoked by their attendance at the meeting shall be counted only once for purposes of determining the quorum.

5. *Tallying the Votes*

For all ballots stamped "OFFICER ONLY", only the votes marked for officer positions will be counted. Any votes cast for directors shall be disregarded.

Where a number is marked at the top of the ballot indicating that the ballot was cast on behalf of multiple proxy givers, each vote shall be multiplied by the number of proxy givers indicated.

Once all tally sheets are tabulated and confirmed, the auditors will record the results of the election and hold the results until the Annual Meeting is reconvened.

6. *Retention of Voting Records*

When tallying is complete, all ballots (both Absentee and "Official") that have been counted shall be placed in an envelope, which shall be sealed and signed by the Election Secretary. All Proxy Forms that have been verified will also be placed in an envelope that is sealed and signed by the Election Secretary. Finally, all tally sheets, along with all lists and reports used for validation and check-in, shall be placed in an envelope, which shall be marked "Tally Sheets and Verification Documents" and then sealed and signed by the Election Secretary. The auditors



shall give the signed and sealed envelopes to the Election Secretary, who shall take all necessary steps to retain the ballots, proxy forms, tally sheets, and verification documents for a period of three years, unless litigation requires retention for a longer period.

*Paul Montjoy*

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Paul Montjoy  
Election Chairperson  
June 12, 2018