

ASSOCIATION INSPECTOR
CONSULTANCY FIRM



POINTE MARIN ASSOCIATION

INSPECTOR OF ELECTIONS PROPOSAL

Prepared By:

SAJID SHABBER CCAM, CMCA, AMS, PCAM
201 HARRISON STREET, OFFICE 120
SAN FRANCISCO, CA 94105
(650)-995-0781
info@associationinspector.com
www.AssociationInspector.com





Request for Proposal – Inspector of Elections

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**ASSOCIATION INSPECTOR
CONSULTANCY FIRM**

PROFESSIONAL CONSULTING

We bring expertise with quality services to our clients, and we provide professional solutions for your business.

AI

specialty

**INSPECTOR OF ELECTIONS FOR HOA[®]
& CO-OP CORPORATIONS.**

PROFESSIONAL SERVICES

GENERAL HOA CONSULTING
ADMINISTRATIVE CONSULTING
FINANCIAL CONSULTING
HUMAN RESOURCES
HOSPITALITY CONSULTING



LET US DO THE WORK



ANNUAL ELECTION SERVICES + TIMELINE

ELECTION OF DIRECTORS

- *Send Nomination Notice:* 30 days from Starting Date
- *Deadline for Nominations:* 60 days from Starting Date
- *Send Pre-Ballot Notice:* 90 days from Starting Date
- *Mail Ballot Materials & Election Rules:* 120 days from Starting Date
- *Meeting date: Ballots Due and Ballots are Opened*

ELECTION FOR REWRITE, AMENDMENT, RECALL, OR ASSESSMENT

- *Send Pre-Ballot Notice:* 30 days from Starting Date
- *Mail Ballot Materials & Election Rules:* 60 days from Starting Date
- *Meeting date: Ballots Due and Ballots are Opened*

ELECTION BY ACCLAMATION (UNCONTESTED)

- *Send Nomination Notice:* 60-83 days from Starting Date
- *Send Reminder Nomination Notice:* 90 days from Starting Date
- *Deadline for Nominations:* 90 or more days from Starting Date
- *Board Vote on Acclamation at Board meeting*

ELECTION BY ACCLAMATION (CONTESTED)

- *Send Nomination Notice:* 60-83 days from Starting Date
- *Send Reminder Nomination Notice:* 90 days from Starting Date
- *Deadline for Nominations:* 90 days from Starting Date
- *Send Pre-Ballot Notice:* 120 days from Starting Date
- *Mail Ballot Materials & Election Rules:* 150 days from Starting Date
- *Meeting date: Ballots Due and Ballots are Opened*

These timelines are meticulously structured to ensure a smooth and organized election process for directors, providing clear milestones for each stage of the election, whether it be traditional, for specific purposes, or under different scenarios of acclamation.



INFORMATION ON ELECTIONS

An HOA Elections Inspector is a professional inspector that a company will hire out to provide professional inspections to homeowner's associations. These elections inspectors are able to help HOA's with a variety of tasks ensuring that the HOA elections are run in a fair manner to give all candidates involved a chance at being elected.

Independent elections inspectors are able to be put under contract without the work violating their "independent" status according to California Civil Code 5110. The only rule is that the hired person cannot be an employee of the HOA that is hiring them to inspect their elections. They must, instead, be a neutral 3rd party who is hired to ensure a fair and honest election for everyone running.

What Are the Election Inspector's Duties?

The HOA Election Inspector has a variety of duties as they are described by California Civil Code 5110. The election inspector's duties include the following:

- determining the number of members entitled to vote and the power that they have when it comes to voting
- determining the authenticity and validity of any proxies that may have a vote if any that applies
- hear and determine all challenges that are brought up regarding any individual and their right to cast a vote
- collect and count all ballots
- determine when the polls close and ensure that the closing of polls is consistent with all government documents involved in the election
- determine election results
- perform other tasks if necessary to ensure that the election process is fair to everyone involved

These basic duties that are performed by an elections inspector ensure that everyone has an equal and honest experience during the election process.

Who Can & Cannot Be an Elections Inspector?

Any individual who is a representative of an independent third party can serve as an election's inspector. Civil Code 5110 indicates the following qualify as someone who can be an elections inspector:



- a volunteer poll worker from the office of the county registrar of voters
- any licensee from the California Board of Accountancy (CBA)
- a notary public
- a third-party company

Those who cannot serve as an elections inspector include:

- anyone who is a member of the board of directors
- anyone who is to be a candidate for the board of directors
- anyone who is related to someone running for the board of directors
- An independent third party may not be a person, business entity, or subdivision or business entity currently employed or under contract to the association for any compensable services other than serving as an inspector of elections.

These are people who are prohibited from being election inspectors for that specific election.

When Might an Elections Inspector Be Needed?

An elections inspector is used to ensure that a fair election is held by a community and ensure that everyone who is running in the election has a fair and equal chance of winning. Elections inspectors ensure that the members of the association who are voting maintain the integrity of the vote and that the candidates whom the people of the community association elect are the ones who actually get elected.

Elections inspectors ensure that no foul play influences the outcomes of any of the elected board positions. They keep the ballots protected until all results are calculated and tallied. Elections inspectors also ensure that any disputes (which must be raised within 1 year of the election) are handled fairly and diplomatically as well.

Why our Company?

Our inspector of elections has multiple years in conducting elections, and our experts are able to fulfill your needs for your Association. We offer full-service pricing which includes providing quorum confirmation, mailing ballots, receiving ballots, tabulation, and results.

TERMINOLOGY AND DEFINITIONS

Acclamation- Dispensing with balloting when an election is uncontested, and the outcome of the election is already known. At the close of nominations, the number of candidates shall not be greater than the number of board positions to be filled.

Ballot Materials- Materials within the ballot packages sent to members on the Record Date. Materials may include candidate statements, ballot instructions, minutes, an agenda, a cover letter, proposed documents, return envelopes, and a ballot.



Designated Representative- One manager, board member, or committee member whom the Association appoints and authorizes to act on the Association's behalf.

Director Election Statement- Each candidate may, but is not required to, submit a Director Election Statement that is reasonably related to the election. Director Election Statements, when printed, shall not exceed one side of a single 8½" x 11" page. All Director Election Statements that are received prior to the nomination deadline will be reproduced as submitted, in black and white, and will be included within the ballot package which will be mailed to all Association members.

Election Report- Inspector's report to the Association at the conclusion of the nomination or election process will include tabulation results.

Governing Documents- The term "governing documents" as defined in Civil Code §4150 refers to documents that govern an Association. Governing Documents include but are not limited to Articles of Incorporation, CC&Rs, Bylaws, Amendments, and Restatements.

Inspector(s) of Election- An independent third party to oversee the election process (Civil Code §5110).

Meeting- Meetings of the Board or Membership to announce reduced quorum or establish quorum and open ballots.

NOTICES-

- **Nomination Notice-** To notify members of nomination procedures and the deadline for nominations (Civ. Code §5115(a)).
- **Reminder Nomination Notice-** A reminder to members containing all the same information as the original Nomination Notice, as well as a list of the names of all qualified candidates as of the date of the Reminder Nomination Notice.
- **Pre- Ballot Notice-** To notify members of the (1) date, time and physical address to mail or hand deliver ballots to Inspector, (2) Meeting date, time, and location, and when appropriate (3) list of candidates to appear on the ballots (Civil Code §5115(b)).

Record Date- A date set a few days to a week in advance of the mailing of the ballots by Inspector. Anyone who becomes a member after the Record Date, may attend the Meeting but is not eligible to vote.

Starting Date - The Starting Date and a corresponding action initiate the election or acclamation process.

Traditional Election- A 90-120 election process, where the Association opts out of Acclamation. Traditional elections may not be transferred to elections by Acclamation. A traditional election shall be held at least once every three (3) years.



PROPOSAL FOR INSPECTOR OF ELECTION SERVICES

Dear Board of Directors

ASSOCIATION INSPECTOR OF ELECTIONS (AIOE) & HOA CONTRACTUAL AGREEMENT FOR SERVICES - ELECTION OF DIRECTORS

This Contractual Agreement is made between the HOA “**Association**” and the Association Inspector of Elections “**AIOE**” Sajid Shabber. The effective date of this agreement is as indicated below the “Association’s” acceptance signature.

WHEREAS the “**Association**” wishes to obtain the services of “**AIOE**” Sajid Shabber as the “Association’s” Independent Inspector of Election in connection with the “Association’s” Election requirements, in accordance with the provisions of the Civil Codes and Governing Documents, the “Association” agrees to the terms as set forth hereafter for the Annual Meeting set to take place on TBD for the Election of Directors voting event.

- 1 **TERM OF AGREEMENT:** The “Association” hereby hires “AIOE” Sajid Shabber and "AIOE" Sajid Shabber accepts such contract work for the term commencing from the acceptance date of the “Association”, unless sooner terminated as hereinafter provided; or extended by mutual agreement in writing; for services for the election and meeting date as specified in details below.
- 2 **BINDING:** This Agreement shall be binding on both of the parties hereto.
- 3 **CONTRACT SERVICES OF "AIOE":** agrees to provide to the “Association,” the advice and services contained in **EXHIBIT A Contract Services**.
- 4 **SERVICE FEES & PAYMENT:** In consideration for the services requested of "AIOE" hereunder, the “Association” agrees to compensate and make payments to "AIOE" as defined in **EXHIBIT B Pricing**. Invoices will be submitted when the agreement is signed and payment is due within 30 days of receipt.
- 5 **INDEMNIFICATION:** If any third-party claim is made against "AIOE," arising out of claims resulting from the Association’s negligent actions or willful misconduct during the performance of its duties under this Agreement, the “Association” agrees to defend, indemnify, and hold harmless "AIOE Sajid Shabber." The association further agrees to defend, indemnify, and hold harmless " AIOE Sajid Shabber " for any third-party claims or requests relating to this agreement other than "AIOE Sajid Shabber” willful misconduct or negligent actions.

NOTE:

- If the Bylaws do not address Tied Votes: In the event, there is a tie vote between Candidates, there will be initial notice to the homeowners. The tie shall be broken by an immediate random drawing of lots/straws or coin toss conducted by the Inspector(s) of Elections. The winner(s), if present, shall take office upon presentation to the Board of the tie-breaker results; if not present, he or she shall take office after notification and acceptance of the election.
- In the event the outer envelope is NOT signed; I will have the option of notifying the member to sign the envelope prior to the date the ballots will be opened and tabulated.
- The ballots signed outer voter envelopes, voter list, and proxies (if applicable) candidates' registrations list will be transferred to the Association Board of Directors/management company.
- In the event of a recount or challenge upon written request, I will make work with the Association management company to make the election materials available for inspection by the challenging Association Member or its authorized representative. Any recount shall be conducted in a manner designed to preserve the confidentiality of the vote at an additional fee.
- There may be some push back on this, because it is not part of the election rules or Bylaws, however under Civil Code 5110 (d) the inspector is given broad discretion to act impartially.

Exhibit A- (Contract Services)

Per Civil Code sections 5105 and 5110 the following services will be provided:

The inspector or inspectors of elections shall do all of the following:

- (1) Determine the number of memberships entitled to vote and the voting power of each.
- (2) Determine the authenticity, validity, and effect of proxies, if any once ballots are received.
- (3) Receive ballots.
- (4) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
- (5) Correct any errors or omissions on the candidate's registration list and voting list, if reported.
- (5) Count and tabulate all votes.
- (6) Determine when the polls shall close, consistent with the governing documents, and with the discretions to extend the deadline for voting as necessary to obtain a quorum.
- (7) Determine the tabulated results of the election and report the results to the Board of Directors/management company.
- (8) Perform any acts as may be proper to conduct the election with fairness to all members in accordance with this article, the Corporations Code, and all applicable rules of the association regarding the conduct of the election that is not in conflict with this article.
- (d) An inspector of elections shall perform all duties impartially, in good faith, to the best of the inspector of election's ability, as expeditiously as is practical, and in a manner that protects the interests of all members of the association. If there are three inspectors of elections, the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the inspector or inspectors of elections is prima facie evidence of the facts stated in the report.

Exhibit B- (Pricing)

OPTION 1: CONTRACT FEE – (Full Service)	Amount
CONTRACT FLAT SERVICE FEES: (In Person or Zoom) (Includes quorum confirmation, supervision of vote, tabulation of votes, and results with election report.) Billed back separately <ul style="list-style-type: none">Lettershop Services + Postage fee & mailing	Estimated \$2,500 + \$1.00/per page + standard USPS postage fee.

Full Service Election:

Association Inspector will provide the following inspector of election services:

- Review of governing documents pertaining to election rules and procedures

Mailing # 1: Call for Candidates

We prepare and mail a notice to each association member letting them know the call for candidates and deadline for submitting a nomination.

Mailing #2: Pre-Ballot Notice

We prepare and mail a notice to each association member providing them the civil code required details and disclosures such as when and where the meeting is to be held, who the candidates are, etc.

Mailing #3: Official secret Ballot mailing

We prepare and mail via postage the double envelope ballot packages to each association member. We include all civil code required notices and disclosures.

- Receive ballots and verify against eligible membership
- Attend one membership meeting via zoom or similar
- Tally of votes
- Certification of results
- Storage of ballots and all election materials for one year

OPTION 2: CONTRACT FEE -Inspector of elections (only)	Amount
CONTRACT FLAT SERVICE FEES: (In Person or Zoom) (Includes quorum confirmation, supervision of vote, tabulation of votes, and results with election report.)	\$1,900

OPTION 3: CONTRACT FEE -Election by Acclamation	Amount
CONTRACT FLAT SERVICE FEES: (In Person or Zoom) (Includes quorum confirmation, supervision of vote, tabulation of votes, and results with election report.)	Inspector of Elections fee (discounted by 20%)

Election by Acclamation

Effective January 1, 2022, CA Civil Code was amended to allow for Election by Acclamation. This means that when the nomination period closes, in the event the same or less nominations are received than the number of directors to be elected, the association can dispense with the expense of mailing ballots and holding an election and can just declare the candidates elected.

Associations do not need to update their election rules to use Election by Acclamation and they are not required to use Election by Acclamation, but if they wish to do so then they must extend their **nomination period from 30 days to 90 days**. Election by Acclamation requires an election timeline of approximately 160 days (over 5 months!), so this might not be an option for some associations this year depending on when their annual meeting/election needs to take place, and when they get started.

In the event Election by Acclamation is done here, our price drops by 20%.

A NOTE ON ADDITIONAL COSTS

We have designed our Complete Election Package to handle your election from start to finish for the price proposed, however there are some situations where you may incur additional costs, those are:

Nomination reminder notice:

To be able to declare candidates elected via Election by Acclamation, a reminder notice needs to mail out between 7-30 days before the nomination period closes in the event the number of nominations received up until that point is the same or less than the number of directors to be elected. This reminder notice is not necessary if the number of nominations exceeds the number of directors to be elected. If we need to mail this reminder notice, it will incur an additional cost of \$1.00 per unit.

Additional printing costs:

The Complete Election Package assumes all candidate statements can be printed on one sheet of paper. For most associations that we work with, this is the case. However, in the event we receive more

statements than can be printed on one sheet of paper (or are requested to include additional documents to the mailing), we will need to print additional pages. This will incur an additional cost of \$0.50 per page. If color printing is requested, the additional cost is \$1.50 per page.

Additional postage costs:

Our packages are designed to weigh under one ounce, and the first ounce of postage is included in the package price shown, each additional ounce will be charged the rates in force with the USPS. In some instances (typically governing documents amendment elections) we are required to mail using large envelopes, or "flats". Postage for "flats" is additional and based on the USPS rates in force at the time of mailing.

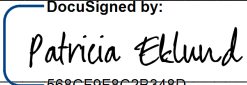
Additional ballots requested:

Our proposal includes mailing one ballot package to each household. In the event replacement or additional ballots are requested, the charge is \$5.00 per ballot package, plus any postage and printing costs that may apply as outlined in these

Additional Meetings:

Meetings: Our proposal reflects that we will attend one election/meeting via (conference call or in person).

Any Meetings requested following the initial first meeting are subject to a \$50.00 cost per meeting via conference call, and in-person cost will be \$300.00. The first 25 miles (roundtrip) are included in this cost, thereafter each mile will be invoiced with the current IRS Mileage Rates in force for each mile to and from our office located in San Francisco, CA zip code 94107

Name: <u>Patricia Eklund</u>	Title: <u>President, Pointe Marin HOA</u>
Signature: <u></u>	Date: <u>7/30/2024</u>

Association Inspector of Elections

Name: SAJID SHABBER, ARM, CCAM.HR.LS.ND.PM, CMCA, AMS, PCAM

Address: 660 4th Street, #198, San Francisco, CA 94107

Phone: (650)-995-0781

Email: Info@Associationinspector.com

Web: www.AssociationInspector.com

We appreciate the opportunity to bid our services for your Association.

Thank You!