

Achieving a Quorum

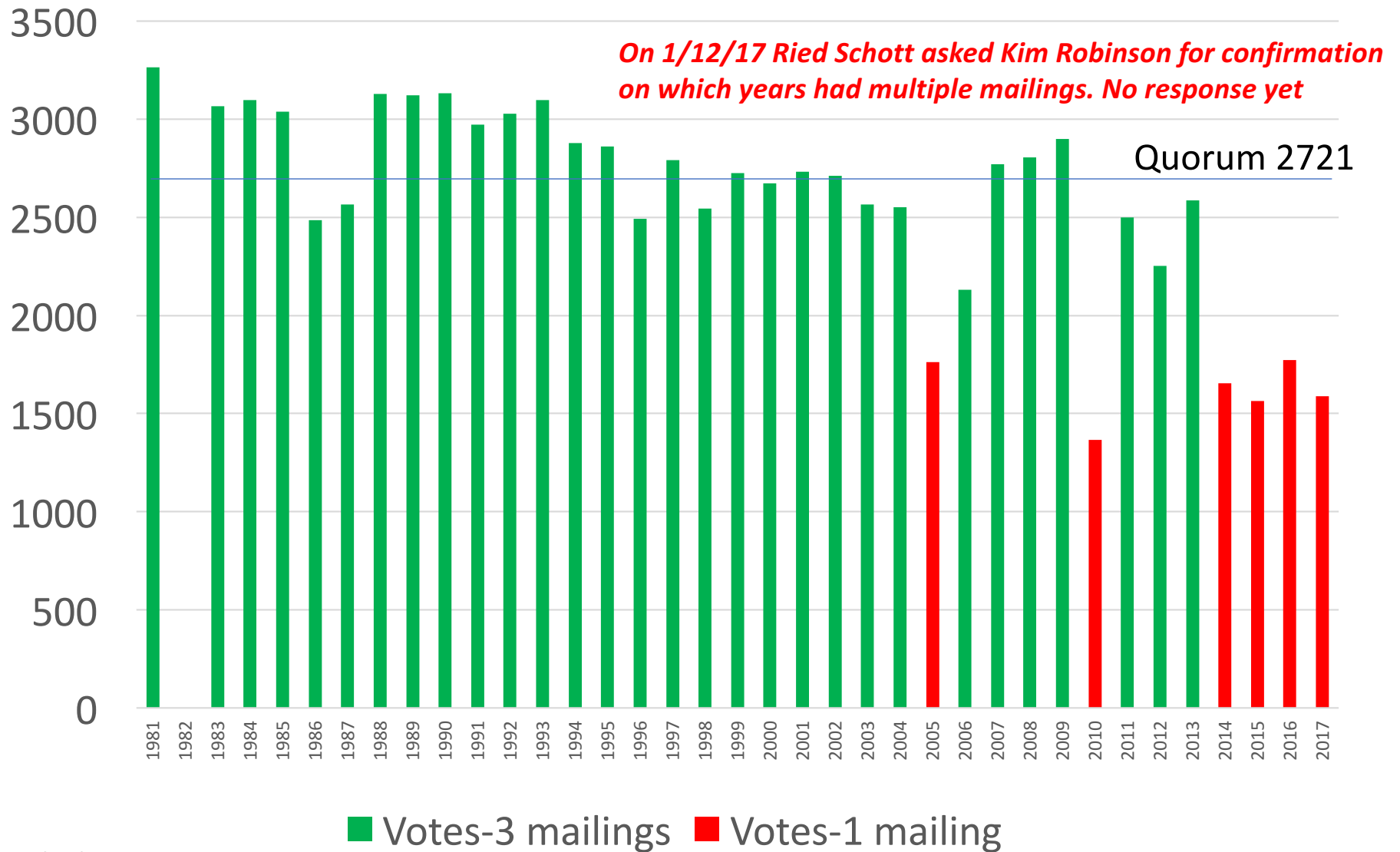
January 24, 2017

PVHA Should Follow Its Bylaws and Extend the Election

- In accordance with PVHA by-laws, and in an effort to hold a fair election, ROBE would like to propose that the PVHA board **extend the 2017 election until quorum is met**
- Please review the following supporting information and carefully consider the proposed solutions. We request immediate action in order to effectively correct the situation and move on to other important business
- **The By-Laws stipulate** in Article V on page 51:
*...“at such annual meeting of the members, directors for the ensuing year shall be elected by secret ballot, to serve as herein provided and until their successors are elected. If, however, for want of a quorum or other cause, a member's meeting shall not be held on the day above named, or should the members fail to complete their elections, or such other business as may be presented for their consideration, **those present may adjourn from day to day until the same shall be accomplished.**”*
- **“Day to day” does not mean “until a year from now”**. The language means PVHA should extend the election long enough to establish a quorum

Quorum Needs Multiple Mailings

Relationship Between # of PVHA Mailings & Votes Cast



Election Difficulties

- Sending one mailing not three as in many previous years
- Refusing to accept ballots returned by hand delivery to PVHA or by bringing the ballot or proxies to the annual meeting – both of which were allowed in previous years. Not allowing proxies at the Annual Meeting is also a violation of Corporate Code, in addition to a deviation from PVHA past practices
- Establishing a difficult process to acquire signatures - 100 with affidavits and notary required (PVE City Council nominations are 30 signatures with no affidavit/notary required)
- Allowing address errors on the return envelope
- Closing the office Dec 23 to Jan 4 -- making it impossible to get a replacement ballot after Dec 22nd (unless members knew to knock on locked door)
- Not working harder to conform mailing list to current tax rolls. Many people claimed they never received a ballot and others received ballots for homes/condos sold many years ago. While PVHA does monitor transactions, periodically comparing the address list to tax rolls would be a positive step
- Failing to provide a means for members to verify that their ballots have been received
- Sending ballots out on 11/21 (Monday of Thanksgiving week) -- thus increasing the likelihood they might go unnoticed

PVHA Risks Exposure to Breach of Fiduciary Duty

- Not following By-Laws which require adjourning “day-to-day” until a quorum is reached
- Taking many actions that have the direct effect of reducing the likelihood of achieving a quorum
- Failing to follow PVHA’s own Resolution 177 and gather 100 signatures for each of the current Directors
- Continuing to conduct business in the absence of a quorum, including misleading and deceiving third parties into believing that the PVHA Board are legitimately elected officials
- PVHA Attorney announcing in *Daily Breeze* in December 2015 that the last ballot would be counted, then reversed that statement weeks later when it became clear that incumbents would lose if last ballot was counted

Solution -- Extend the Election

- Open outside envelopes and record who has voted
- Provide method for association members to verify ballot was received by maintaining list at PVHA or posting to website
- Send out another ballot to those not responding
- Allow for walk-in returns to a locked ballot box at PVHA office up and including the day of the election
- Compare the current database to tax records (all 5420 not merely the homes sold each year) and ask for community volunteers if PVHA wants to avoid the cost for that analysis
- Petition the court to reduce the quorum for elections to a more achievable number (less than the 50% threshold today)

It has been eight years since a valid election, and PVHA needs to take steps to bring back a democratic process with duly elected Directors. Three of the current Directors have never been elected