

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF UNITED LAGUNA HILLS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

October 8, 2008

A Special Meeting of the United Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, met on Wednesday October 8, 2008 at 8:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Jim McNulty, Bevan Strom, Burns Nugent, John Dalis, Marty Rubin, Lloyd Foster, Paul Vogel, Maxine McIntosh, Marv Rosenhaft, Mary Stone (8:35 A.M.), Linda Wilson (8:40 A.M.)

Directors Absent: None

Inspectors of Election: Kenneth Mostern and Catalina Woods of TrueBallot, Inc.

Staff Present: Patty Kurzet, Kim Taylor, Pamela Bashline

Candidates: Arlene Miller, Pat Whitson, Gail McNulty, Mike Curtis

CALL TO ORDER

President Jim McNulty, President of the Corporation, chaired the meeting, stated that it was a special meeting held pursuant to notice duly given, established a quorum, and stated that the purpose of the meeting was to effect the counting of the Ballots for the 2008 Board of Director Election, pursuant to California Civil Code §1363.03. The meeting was called to order at 8:30 A.M.

President McNulty introduced Mr. Kenneth Mostern and Ms. Catalina Woods of TrueBallot, the Inspectors of Election, who provided a detailed summary of what to expect during the election process, and announced that the Polls will close at 9:00 A.M today.

Mr. Kenny Mostern of TrueBallot, accompanied by candidate/Director Marv Rosenhaft and candidate Mike Curtis, left to pick up the ballots at the Post Office at 8:35 A.M. and returned with the ballots at 9:05 A.M.

Mr. Mostern announced that there were 2 secured locked ballot boxes due to an error in procedure, and that after opening the non-TrueBallot ballot box, 35 ballots were found to be inside. Mr. Mostern indicated that the 35 were not in the custody of TrueBallot and that to his knowledge and belief there was no evidence of ballot tampering.

Mr. Mostern explained the procedures on how TrueBallot could handle the 35 ballots, and asked for Board Direction on how to proceed.

Director Wilson made a motion to include the 35 ballots with the ballots that were in the custody of TrueBallot. Director Strom seconded the motion and discussion ensued.

Candidate Mike Curtis and Members Delsie Zuzak, Bob Zuzak, Connie Grundke and Candidate Gail McNulty commented on counting the ballots separately.

By a vote of 0-10-0 the motion failed.

Director Wilson made a motion to count the 35 ballots separately, but to include the results with the final count. Director Vogt seconded the motion and discussion ensued.

Candidate Curtis and Member Grundke commented on counting the ballots separately.

By a vote of 9-0-1 (Director Rosenhaft abstained) the motion to count the ballots separately carried.

Mr. Mostern explained the ballot count procedures.

The ballot counting and scanning commenced at 9:40 A.M. under the supervision of Mr. Mostern who was available throughout the process to answer questions.

The final counting and auditing of the ballots ceased at 3:00 P.M.

Mr. Mostern reported that there was a discrepancy with the number of receipts, but advised that re-scanning the ballots would not make a difference in the outcome.

Mr. Mostern certified the results and announced the election results at 3:05 P.M. and the following candidates were elected to fill four vacancies on the Board of Directors, term expiring 2011:

Mike Curtis.....	1623
Arlene Miller.....	1422
Marv Rosenhaft.....	1401
Gail McNulty	1317

The remaining election results are as follows:

Pat Whitson.....	1134
Suzanne Cowdell.....	805

Member Comments:

Barbara Copley (510-D) congratulated the new candidates and recommended changes to the balloting process.

President McNulty thanked TrueBallot for their services and commended them for a job well done.

During its September 30, 2008 Special Executive Session, the Board discussed member disciplinary matters and heard five (5) Disciplinary Hearings and one (1)

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Disciplinary Appeal Hearing, imposed fines totaling \$1,500 and suspended \$450 for violations of the Mutual's rules and regulations.

With no further business before the Board of Directors, the special meeting was adjourned at 3:10 P.M.

Linda Wilson, Secretary