

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

June 19, 2009

A Special Meeting of the United Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Friday June 19, 2009 at 2:00 P.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Lloyd Foster, Bevan Strom, Marty Rubin, Paul Vogel, Marv Rosenhaft, John Dalis, Gail McNulty, Arlene Miller, Mike Curtis

Directors Absent: Maxine McIntosh, Linda Wilson (open session only)

Staff Present: Cris Trapp and Patty Kurzet

Others Present: Bill Hart of Hart, King and Coldren

CALL TO ORDER

Lloyd Foster, President of the Corporation, called the meeting to order at 2:00 P.M. and stated that it was a Special Meeting held pursuant to notice duly given to approve the recall election ballot.

President Foster announced that due to contractual issues, the Board is unable to approve the ballots, and that the meeting will be adjourned to next week for approval.

Director Curtis inquired about the letter to be sent out today and argued that it should be approved by the Board.

President Foster advised Director Curtis that the purpose of the meeting was to approve the recall ballots.

Ms. Trapp stated that the "letter" Director Curtis spoke to is the legally required Notice to the Membership that announces the date and time of the Special Meeting to count the election ballots, and that the Notice specifically outlines the election procedures.

Without objection, the Board agreed to waive the attorney-client privilege to allow Mr. Hart to speak on the timeliness of the Notice.

Mr. Hart advised that the Notice was mailed out in accordance with the law which will provide details on the recall election as well as the Townhall meeting to be scheduled on June 29, 2009. He further stated that the Board does not have a legal obligation to approve the Notice and has complied with the law.

Mr. Hart advised that the Board needs to adjourn to closed session to discuss contractual issues.

Director Curtis discussed the timing of the meeting to count the ballots.

Discussion ensued.

Director Curtis asked the Board to provide the general nature of the topic to be discussed in closed session.

Mr. Hart stated that TrueBallot, United's election services company retained for the recall election, expressed its reservations about continuing its services because of several communications and threatening emails received from Director Curtis; and the Board needs to discuss the nature of TrueBallot's concerns and the possibility of retaining another election services company before the ballots are printed and more expenses are incurred.

Director Curtis conceded that he made contact with TrueBallot and denied that the emails were threatening.

Director Curtis requested that the Board allow him to attend the closed session to speak to the issue.

Director Rubin made a motion to adjourn the meeting to next Friday. Director McNulty seconded the motion and discussion ensued. By a vote 7-0-1 (Director Curtis abstained), the motion carried.

The meeting recessed at 2:34 P.M. and reconvened into Executive Session at 2:38 P.M.

Summary of Previous Closed Session Meetings per Civil Code Section §1363.05

During its Regular Executive Session Meeting of June 9, 2009, the Board reviewed and approved the minutes of the Regular Executive Session Meeting of May 12, 2009. The Board heard five (5) regular disciplinary hearings and imposed fines totaling \$1,600 for violations of the Mutual's rules and regulations. The Board approved the recording of Notices of Default for Member ID 947-378-62, Member ID 947-387-33, and Member ID 947-405-24, Member ID 947-408-86, Member ID 947-425-13, Member ID 947-446-28, and Member ID 947-455-28; reviewed payment plans; and discussed other member disciplinary matters, as well as litigation matters.

ADJOURNMENT

There being no further business to come before the Board of Directors, the special meeting was adjourned at 3:54 P.M.

Lloyd Foster, President