

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

June 26, 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 26, 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, Maxine McIntosh, Mike Curtis

Directors Absent: Linda Wilson

Staff Present: Milt Johns, Patty Kurzet, Cris Trap

Others Present: Bill Hart of Hart, King and Coldren, Dan Pabich of Martin and Chapman (M&C)

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.

Director Marv Rosenhaft made a motion to approve the ballot format. Director Bevan Strom seconded the motion and discussion ensued.

Director Curtis questioned why Martin and Chapman (M&C) was present and not TrueBallot and asked of the qualifications of the election consulting firm.

Director Foster ruled that the discussion regarding M&C's contract is not the matter before the Board

Director Curtis made a motion to switch the "yes" votes to come before the "no" votes. The motion failed due to the lack of a second.

Director Curtis asked Mr. Hart to explain why the "yes" vote is not the first on the ballot and why it is not formatted according to the law.

Mr. Hart stated that the format was drafted in a way to make it as simple as possible and that M&C has approved the format and it is in within the Board's discretion to determine formatting, there is nothing in the law that mandates the order of the vote choice, and the ballot has been created in accordance with the state law.

Mr. Hart provided a summary of the voting instructions.

Director Curtis asked that Mr. Foster recuse himself from running the meeting as he is a party to the recall.

But for Director Curtis, the Board agreed that President Foster would continue to run the meeting in his capacity as President of the Board.

Director Curtis made a motion to change the way the ballot is worded. The motion failed due to the lack of a second.

Director McIntosh made a motion to close debate. Director Rosenhaft seconded the motion and the motion carried by a vote of 8-1-0 (Director Curtis opposed).

President Foster opened the floor to the Members for comments on the motion:

MEMBERS COMMENTS ON THE MOTION

- Barbara Copley (410-D) commented on the instructions and quorum purposes
- Connie Grundke (2214-B) commented on the wording on the ballot format

Mr. Pabich provided a brief summary of his expertise and familiarity with the Village. He explained the voting procedure.

Director Strom made a motion to call the question. Director Rosenhaft seconded the motion and the motion carried by a vote of 8-1-0 (Director Curtis opposed).

By a vote of 8-1-0 (Director Curtis opposed), the main motion to approve the ballot carried.

MEMBERS COMMENTS

- Barbara Copley (410-D) commented on the legality of allowing those subject to recall to run for the board again

Mr. Hart opined that since the law is silent to the matter, the Directors subject to recall can re-run because they are being recalled without cause.

- Charlene Sydow (646-A) commented on the eligibility to vote portion of the instructions

Mr. Hart explained that it is the registered Member who is eligible to vote and that the language is similar to previous election held for United Mutual.

- Mary Wall (239-D) commented on the time it took to prepare the election

Mr. Hart explained that there was some interferences with the process which led to the need to replace TrueBallot, and fine tuning the ballot with Martin and Chapman and United's legal counsel.

Mr. Foster closed member comments.

Director Curtis asked to see some sample ballots prepared by Ms. Janet Powers.

Director Strom made a motion to adjourn. Director Miller seconded the motion and the motion carried by a vote of 8-1-0 (Director Curtis opposed).

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

During its Special Executive Session Meeting of June 19, 2009 the Board discussed contractual matters.

During its Special Executive Session Meeting of June 23, 2009 the Board discussed contractual matters.

ADJOURNMENT

There being no further business to come before the Board of Directors, the special meeting was adjourned at 2:45 P.M.

Lloyd Foster, President