

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

August 21, 2009

A Special Meeting of the United Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, met on Friday August 21, 2009 at 9:30 A.M., at Clubhouse 3, in Laguna Woods Village, Laguna Woods, California.

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

Directors Absent: Linda Wilson

Inspectors of Election: Dan Pabich and Scott Martin, of Martin and Chapman and employees

Staff Present: Patty Kurzet, Kim Taylor

Others Present: Janet Powers, Esq. of Fiore, Racobs and Powers and Bill Hart, Esq. of Hart, King and Coldren

Press Present: Janet Whitcomb of the Laguna Woods Globe

CALL TO ORDER

President Lloyd Foster, President of the Corporation, opened the meeting, stated that it was a special meeting of the Board held pursuant to notice duly given, established a quorum of directors present, and stated that the purpose of the meeting was to effect the counting of the Ballots for the Recall Election of four (4) Directors without cause. The meeting was called to order at 9:30 A.M. and President Foster turned the floor over to Ms. Janet Powers.

Ms. Janet Powers introduced the representatives from Martin and Chapman as the Inspectors of Election.

Ms. Powers explained the counting procedures and stated that should any of the four (4) Directors be recalled, then a Special Election will be noticed and held at a date to be determined.

Ms. Powers acknowledged Director Mike Curtis who expressed his objections to the meeting as follows: 1) there was no announcement as to who will be taking the minutes of the meeting; 2) there was no openness to the balloting procedures and that everything has been done behind closed doors; 3) that the meeting was called as a Special Board Meeting and not a Membership Meeting, per the petitioner's request; and 4) Mr. Curtis objected to the amount of time the attorneys for the Mutual have been in contact with the Inspectors of Election.

Ms. Powers informed Mr. Curtis that his objections were duly noted and would be placed in the minutes of the Special Meeting of the Board.

Mr. Bill Hart explained the procedures and decorum for the meeting and thanked the audience for their cooperation.

The Inspectors of Election, and representatives, commenced to open the outer envelopes at 9:42 A.M.

While the ballot envelopes were being opened, Mr. Hart explained that all ballots that have been cast are and have always been in possession of the Inspectors of Election and have not been tampered with in any way.

Mr. Curtis asked Mr. Hart to explain the procedures of the ballots that were undeliverable. Mr. Hart stated that the handling of the undeliverable ballots were under Martin and Chapman's purview, and any decisions made were handled by Martin and Chapman.

Ms. Powers announced that once all the envelopes have been opened and the ballots removed from the envelopes that a test deck of ballots will be performed to ensure the accuracy of the ballot counting machine.

Ms. Powers announced at 10:20 A.M. that while the Inspectors were opening the outer envelopes, a check in the amount of \$5.00 was found addressed to the Election Officials and their PO. Box address, and direction was given to staff present to return the check back to the member.

Ms. Powers announced at 10:46 A.M. that the Inspectors have completed opening the outer envelopes and will commence with opening the inner envelopes. Ms. Powers indicated that many members did not follow the procedures on how to insert the ballots into the envelopes and that the Inspectors will need to make a decision on how to handle that issue.

Mr. Curtis inquired as to why there are ballots lying in a pile and Ms. Powers explained again that some of the members did not follow the proper directions on inserting the ballots into the proper envelopes.

Mr. Curtis requested that the Inspectors should count those loose ballots separately and Ms. Powers replied that his request is duly noted.

Ms. Powers announced at 12:00 P.M. that the Inspectors have completed opening the inner envelopes and commenced to remove the ballots from the inner envelopes. She explained that some of the ballots have been incorrectly marked and that the Inspectors' have full discretion on how to handle such issues and will proceed accordingly.

Mr. Curtis protested that the reason for the confusion on the ballots is how the ballot was formatted and objected to how the ballot was formatted. Ms. Powers advised that his protest was duly noted.

At 12:37 P.M. Ms. Powers announced that the Inspectors have made their decision on how to handle the mis-marked ballots and made the corrections and determinations to the best of their ability. She indicated that they have run the test deck, and that they will commence scanning and counting the ballots.

Mr. Curtis objected to the amount of time the attorneys spent with the Inspectors looking at the mis-marked ballots and that the attorneys should not be giving instructions to the Inspectors. Ms Powers and Mr. Hart advised that his objection was duly noted.

At 1:00 P.M. Mr. Dan Pabich announced that the ballots in possession of Martin and Chapman have all been registered and verified, counted and tabulated, and then announced the results of the election as follows:

Director	No Vote	Yes Vote	Abstained
Lloyd Foster	1870	1534	201 - thus the recall failed
Gail McNulty	1872	1531	201- thus the recall failed
Marty Rubin	1888	1516	202- thus the recall failed
Linda Wilson	1897	1511	192 - thus the recall failed

The recall without cause of each of the four directors subject to recall failed.

After the announcement of the results, a chart showing the results of the ballot count and tabulation was displayed on the screen by the Inspectors of Election for those present to see.

With no further business before the Board of Directors, the special meeting was adjourned at 1:06 P.M.

Lloyd Foster, President