

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

October 4, 2006

A Special Meeting of the United Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, met on Wednesday October 4, 2006 at 8:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Beth O'Brien, Don Tibbetts, Linda Wilson, Ken Hammer, Mary Stone, Bevan Strom, Burns Nugent, Jim McNulty

Directors Absent: None

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

Staff Present: Milt Johns, Patty Fox

CALL TO ORDER

President Beth O'Brien, 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 2006 Board of Director Election, pursuant to California Civil Code §1363.03. The meeting was called to order at 8:30 A.M.

President O'Brien acknowledged Cheryl Walker of the Laguna Woods Globe and provided a summary of the election procedures and duties of the Inspectors of Election.

President O'Brien introduced Kenneth Mostern and 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.

Director Bevan Strom entered the meeting at 9:42 A.M.

Mutual Member Mary Wall (239-D) questioned the validity of the ballots.

Catalina Woods of TrueBallot, accompanied by Candidate Herman Steiner, Director Jim McNulty, and Cheryl Walker of the Laguna Woods Globe, left to pick up the ballots at the Post Office at 8:53 A.M.

Mr. Mostern explained the ballot count procedures.

The ballot scanning and counting commenced at 11:30 A.M. under the supervision of Mr. Mostern who was available throughout the process to answer questions.

Due to the close results between Candidates Dalis and Steiner, Mr. Mostern requested direction from the Board to audit the ballots. By way of consensus, the Board agreed that each ballot should be audited.

The final counting of the ballots ceased at 3:25 P.M.

Mr. Mostern certified the results and announced the election results at 3:34 P.M. and the following candidates were elected to fill four vacancies on the Board of Directors, term expiring 2009:

Maxine MacIntosh..... 1483
Jan Nelson McLaughlin.....1471
Bevan Strom.....1218
John Dalis..... 1126

The remaining election results are as follows:

Herman Steiner.....1123
Jac Wyman.....771

Member Comments:

- Kay Margason (510-C) commented on comparing procedures from past elections.

Director Comments:

- Director Stone commented on the process and the number of invalid ballots
- Director Wilson commended the Board for staying throughout the process and stated that she was looking forward to working with the new Board
- Director Strom expressed her thanks for the audit process
- Director McNulty commented on the estimated time to complete the election
- Director Hammer commented on the cost of outsourcing the election versus the cost of the same as performed in-house
- Director Tibbetts commented on the number of uncounted ballots and congratulated the new Board members
- President O'Brien commented on the extra step to validate the ballots if election was done in-house, and announced the procedure to challenge the election

President O'Brien thanked TrueBallot for their services and commended them for a job well done.

During its September 12, 2006 Regular Executive Session, the Board approved the minutes of the Regular Executive Session Meeting of August 8, 2006 and Special Executive Session Meeting of August 16, 2006; discussed member discipline, contractual, and litigation matters; and heard three (3) Disciplinary Hearings, imposed fines totaling \$550 and reaffirmed previous fines totaling \$150 for violations of the Mutual's rules and regulations.

During its September 19, 2006 Special Executive Session, the Board discussed the formation of third party contracts.

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During its September 27, 2006 Special Executive Session, the Board discussed the formation of third party contracts concurrently with the other Village Corporations.

With no further business before the Board of Directors, the special meeting was adjourned at 3:40 P.M.

Bevan Strom, Secretary