

SANTA FE RANCH PROPERTY OWNERS ASSOCIATION, INC.

MINUTES Emergency Meeting of the Board of Directors February 22, 2006 Conference Call Meeting

I. Call to Order

The Special Meeting of the Board of Directors was called to order by Board President John Johnson at 2:03 p.m.

II. Roll Call

Board Members: Joan Johnson, Hal Fisher, Chuck Bennett, Jeremy Rynders and Michael Sawhill were present.
Guests: There were no guests in attendance.
Board Attorney: Geri Miller was present via phone at the request of the Board President.

III. Waiver of Notice and establish a quorum

- A. The Waiver of Notice for this Special Board was discussed with all Board Members agreeing to the waiver and agreeing to sign said Waiver Form.
- B. The Confidentiality Agreement was read and discussed with the Board Member and the Board Attorney requested each Board Member sign said agreement to confirm and document the Attorney-Client Privilege.
- C. A quorum of Board Members was established.

IV. Annual Meeting Proxies

The Board President Joan Johnson began by indicating that there were Proxies for the Annual Meeting held February 18, 2006 that had been timely received and not voted at the Annual Meeting. Joan read the following statement to the Board to explain the Proxy situation:

“I am recommending to the 2006 Board of Directors, a recount of “all” proxies, ballots and additional proxies that were misplaced. The recount would be completed in this manner. All ballots from the annual meeting and all proxy forms that were misplaced be recounted and recounted again, to determine the election results of the 2006 Board of Directors. At this recount the “Ballot Monitors” are to preside over the ballot counting as the procedures they followed for

the annual meeting. They will be reimbursed for their fuel costs and any other costs that may burden them. All costs will be deferred to Property Management Services Corporation.

I am suggesting a time tomorrow Thursday, later in the afternoon, possibility 5-6:00 PM, but we will need to confirm with the "Ballot Monitors" their availability. The Board of Directors for 2006 should be in attendance after the count to determine if we have any changes that need to be made to the board elected this past Saturday, February 18, 2006." Joan A. Johnson stated.

The Board discussed several items concerning the Proxies not voted. Then a request was made for Geri Miller, the Board's Attorney, to provide the details concerning the number and details concerning the non-voted Proxies.

Ms. Miller indicated that there were 63 Proxies received but not distributed to the Proxy Holders for proper handling at the Annual Meeting. Geri provided the following details for those 63 Proxies:

1 Proxy was received wherein the owner had failed to identify a party as Proxy Holder. *This ballot should be marked for Quorum purposes only.*

4 Proxies were marked for Quorum purposes only. *These ballots should be marked for Quorum purposes only.*

3 Proxies were received wherein the owner directed a vote for candidates but failed to identify a Proxy Holder.

2 Proxies were received that were marked for Quorum purposes only but directed votes for the candidates. *These proxies should be marked for Quorum purposes only.*

4 Proxies were received with David Bour-Beau as Proxy Holder with the owners directing Proxy Holder how to vote for the candidates.

1 Proxy was received with Chuck Bennett as Proxy Holder which was a non-directed Proxy.

9 Proxies were received with Joan Johnson as Proxy Holder with 6 Proxies in which the owners directed Proxy Holder how to vote for the candidates and 3 non-directed Proxies.

2 Proxies were received with Jim Rooney as Proxy Holder with 2 Proxies in which the owners directed Proxy Holder how to vote for the candidates.

15 Proxies were received with Hal Fischer as Proxy Holder with 14 Proxies in which the owners directed Proxy Holder how to vote for the candidates and 1 non-directed Proxy.

22 Proxies were received with Michael Sawhill as Proxy Holder with 9 Proxies in which the Owners directed Proxy Holder how to vote for the candidates and 13 non-directed Proxies.

The Board Members discussed the various approaches to resolving this situation and

sought counsel from the attorney. Without disclosing how any individual voted or how the un-counted Directed Proxies were voted, it was noted that based on the number of unaccounted votes the results of the election for Board as presented at the Annual Meeting could be altered.

After further discussion of the Board's responsibilities and the desire to have all Property Owners represented and vote counted the following motion was made by Michael Sawhill;

In order to have all property owners heard and have a voice/vote in the selection of their representatives on the Board of Directors of the Santa Fe Ranch Property Owners Association it is moved that the Association reopen the election to count all Proxies timely received by the Property Manager but inadvertently not counted for the Annual Election results;

It was further moved, that all Proxies received with the vote for candidates Directed by the Owner would be counted as directed and all Non-Directed Proxies would be voted by the Proxy Holder and then counted.

In addition, it was moved that Board President and Board Attorney contact Jan Emming and Jim Molitar, the owners appointed as Election Monitors, to have them attend the voting and complete the count of the votes for the Board. However, it was moved should one or both not be able to attend then the Property Manager is directed to contact the Independent Auditor for the Association to have representatives present to complete the count of the election.

The voting and counting is to take place between 5:00 p.m. and 6:00 pm, or other time that is agreeable to all Board Members, on Thursday, February 23, 2006 at the office of the Property Manager and all Board Members are requested to be present.

The motion was seconded by Chuck Bennett and after further discussion a roll call vote was taken with Mr. Bennett voting yes, Mr. Fisher voting yes, Mr. Sawhill voting yes, Mr. Rynders voting yes and Mrs. Johnson voting yes, with the motion unanimously carrying.

The Board asked Ms. Miller if she felt it advisable to have the Election Monitors sign the Confidentiality Agreement as they were working on this issue at the direction of the Board. Ms. Miller thought it would be advisable in order to maintain Attorney-Client Privilege and to maintain confidentiality of the election information until released by the Board of Directors. Ms. Miller will get the proper forms signed.

Thereafter, the following Motion was made by Michael Sawhill;

Be it moved that the Board approves the reimbursement for all reasonable costs and expenses for those attending the vote and counting; and

The Property Manager should be directed to reimburse the Association for all said costs, the cost for any attorney fees regarding this situation and the cost of preparation and mailing of a notice to the property owners explaining the situation and results.

The motion was seconded by Chuck Bennett and after further discussion a roll call vote was taken with Mr. Bennett voting yes, Mr. Fisher voting yes, Mr. Sawhill voting yes, Mr. Rynders voting yes and Mrs. Johnson voting yes, with the motion unanimously carrying.

V. Ratification of Actions

Board Attorney, Ms. Miller, advised the Board that all action taken at this Special Meeting of the Board of Directors should be ratified at their next scheduled meeting. This was acknowledged by the Board Members.

VI. Adjournment

There being no other business to come before the Board, the meeting was adjourned.

It should be noted that the proxy breakout discussed above was based upon a preliminary review and upon further review it turned out that 6 ballots had to be eliminated as an Owner that had three properties turned in nine (9) proxies of which only three (3) were to have been counted.