

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

April 9, 2012

A Special Meeting of the Third Laguna Hills Mutual, a California non-profit mutual benefit corporation, was held on Monday, April 9, 2012, immediately following the KPMG Presentation of Audited Financial Statements held at 10:00 A.M, at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Won Chang (10:48 A.M.), Isabel Muennichow, Sy Wellikson, Rae Tso, Carol Moore, John Paulus, Kathryn Freshley, Dick Palmer, Denny Welch

Directors Absent: Mike Straziuso and Lucy Shimon

Staff Present: None

Others Present: Tracy Hensley and Mark Tillotson of KPMG

CALL TO ORDER

Rae Tso, Treasurer of the Corporation, called the meeting to order at 10:40 a.m. and established a quorum.

Sy Wellikson moved the Third Board of Directors approve the audit, it was seconded by Denise Welch. Discussion began. Kathryn Freshley moved to amend the motion to include the Third Laguna Hills Mutual Financial Statements and Supplementary Information Schedules of Direct and Mutual Shared Operating Expenses as mailed in 2011, and audited financial statements. Carol Moore seconded the motion to amend. Following discussion, Kathryn Freshley, Carol Moore, Richard Palmer, Sy Wellikson, John Paulus and Rae Tso voted in favor. Isabel Muennichow and Denise Welch opposed.

10:48 a.m. Won Chang returned as the vote was in progress to accept the primary motion as amended to approve the Audit. The vote was unanimous to adopt the following resolution:

RESOLUTION 03-12-49

RESOLVED, April 9, 2012, that the Board of Directors of this Corporation has reviewed the financial statements for Third Laguna Hills Mutual for the year ending December 31, 2011, as audited by KPMG and approves a final report for publication; and

RESOLVED FURTHER, Third Laguna Hills Mutual Financial Statements and Supplementary Information which include Schedule 2 (Schedules of Direct and Mutual Shared Operating Expenses) financial statements as well as the full GRF audited financial statements with the footnotes shall be delivered by mail to all Mutual Members.

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

During its March 20, 2012 Regular Executive Session Board Meeting, the Board reviewed, revised, and approved the minutes of the Regular Executive Session of February 21, 2012 and reviewed and approved the minutes of the Special Executive Session of March 7, 2012. The Board approved recording Notices of Default for Member ID 932-450-71 and Member ID 934-500-50; approved three write-offs; approved filing six separate Small Claims Cases of \$2,500 (or less); heard four disciplinary hearings and imposed fines totaling \$1,400 for violations of the Mutual's rules and regulations; discussed the legal matters of Lee Childress v. Third Mutual; and discussed other member disciplinary, contractual and legal matters

With no further business before the Board of Directors, the special meeting was adjourned at 10:55 A.M.

Isabel Muennichow, Secretary