

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

March 27, 2006

A Special Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Monday, March 27, 2007 at 1:30 P.M., immediately following the KPMG Presentation of Audited Financial Statements, at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Richard Moos, James Matson, Phyllis Fish, George Arnold, Robert Hatch, Dominic Burrasca, Raymond Gros, Jim Keysor

Directors Absent: Mark Schneider, Gunter Vogt, Larry Souza

Staff Present: Milt Johns, Patty Fox, Janet Price

Others Present: Mark Tillotson and Mark Thomas of KPMG

Richard Moos, President of the Corporation, called the meeting to order at 2:09 P.M., established a quorum, and entertained a motion to approve the 2005 audited financial statements for Third Laguna Hills Mutual.

Upon motion duly made, seconded and carried by a unanimous vote of 8-0-0, the Board of Directors adopted the following resolution:

RESOLUTION 03-06-18

RESOLVED, March 27, 2006, that the Board of Directors of this Corporation has reviewed the financial statements for Third Laguna Hills Mutual for the year ending December 31, 2005, as audited by KPMG and approves a final report for publication; and

RESOLVED FURTHER, a condensed financial statement shall be delivered by mail to all Mutual Members.

ADJOURNMENT

There being no further business to come before the Board of Directors, the special meeting adjourned at 2:12 P.M.

Richard Moos, President