

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

October 5, 2006

The Special Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Thursday October 5, 2006 immediately following the Annual Meeting of the Members held at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Richard Moos, Jim Keysor, Larry Souza, Dominic Burrasca, Gunter Vogt, George Arnold, Isabel Muennichow, Carol Moore, Bob Hatch, Ray Gros

Others Present: Milt Johns, Patty Fox

CALL TO ORDER

President Richard Moos, President of the Corporation, chaired the meeting, stated that it was a special meeting held pursuant to notice duly given, confirmed that a quorum was present, and stated that the purpose of the special meeting was to accept nominations to fill a vacancy caused by Phyllis Fish (resigned). The meeting was called to order at 10:52 A.M.

DIRECTOR ELECTION

Director Dominic Burrasca nominated Jim Matson, Director Ray Gros nominated Rich Haskell, and Director Bob Hatch nominated Bill Partridge to fill the one year vacancy. Jim Matson and Rich Haskell accepted the nominations. Bill Partridge was not present.

The nominations were accepted as presented and the nominations closed.

The ballots were distributed, collected, and tallied.

Mr. Jim Matson was announced as the winning candidate for the one year term expiring in 2007.

With no further business before the Board of Directors, the special meeting was adjourned at 11:00 A.M.

Gunter Vogt, Secretary