

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

March 27, 2006

A Special Meeting of the United Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation met on Monday, March 27, 2006, at 1:30 P.M., immediately following the KPMG Presentation on Audited Financial Statements, at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Ray Barrett, Don Tibbetts, Linda Wilson, Larry Dersh, Beth O'Brien, Jim McNulty, Ken Hammer, Connie Grundke, Burns Nugent

Directors Absent: Mary Stone, Charlene Sydow (resigned)

Staff Present: Milt Johns, Patty Fox, Janet Price

Others Present: Mark Tillotson and Mark Thomas of KPMG

Ray Barrett, 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 United Laguna Hills Mutual.

Director Dersh commented on time to review information.

Upon motion duly made, seconded and carried by a vote of 8-0-1 (Director Dersh abstained), the Board of Directors adopted the following resolution:

RESOLUTION 01-06-24

RESOLVED, March 27, 2006, that the Board of Directors of this Corporation has reviewed the financial statements for United 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 was adjourned at 2:12 P.M.

Ray Barrett, President