

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

July 18, 2006

A Special Meeting of the United Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, met on Tuesday July 18, 2006 at 9:00 A.M., in the Sycamore Room at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Ray Barrett, Don Tibbetts, Linda Wilson, Beth O'Brien, Jim McNulty, Ken Hammer, Connie Grundke, Mary Stone, Bevan Strom, Burns Nugent

Directors Absent: Larry Dersh

Others Present: Jim Dyer, Cris Trapp

CALL TO ORDER

Ray Barrett, President of the Corporation, called the meeting to order at 9:10 A.M., indicated that a quorum was present, and stated that the purpose of the special meeting was to discuss issues with balcony removal and replacement and timing and duplication of painting Building 887.

Jim Dyer provided a background summary of the paint program, as well as the cycle for Buildings 887 and 888. Staff recommended painting all four sides of the building the same color.

Mutual Member Sherry Ellman of 887-B Ronda Sevilla addressed her concerns regarding building colors and presented a petition from the building residents.

Director Linda Wilson made a motion to approve the current paint program as established using the new colors, and to paint all four sides of Buildings 887 and 888. The motion was seconded and carried by a vote of 7-1-1 (Director Strom opposed and Director Stone abstained).

The Meeting recessed at 9:35 A.M. and reconvened into closed session at 9:40 A.M. to discuss member discipline, formation of a third party contract, personnel, and litigation.

The Meeting resumed into open session at 10:10 A.M.

OFFICER ELECTION

Director Bevan Strom nominated Director Beth O'Brien, and Director Ken Hammer nominated Director Don Tibbetts for the position of President. Director Tibbetts declined. Director O'Brien accepted the nomination and, by way of acclamation, was elected President.

Director Jim McNulty nominated Director Bevan Strom, and Director Ken Hammer nominated Director Linda Wilson for the position of Secretary. Director Wilson declined.

Director Strom accepted the nomination and, by way of acclamation, was elected Secretary.

President O'Brien called a Special Meeting of the Board of Directors on Friday July 21, 2006 at 1:30 P.M. to approve the revised Mutual and GRF Committee Appointments, and to consider Third Party Contracts.

A motion was made, seconded and carried to cancel the July 25, 2006 United Looks Ahead Committee Meeting.

During its July 11, 2006 Regular Executive Session, the Board approved the Regular Executive Session Minutes of June 13, 2006; discussed member discipline, contractual, and litigation matters; and heard one (1) Disciplinary Hearing.

ADJOURNMENT

There being no further business to come before the Board of Directors, the special meeting was adjourned at 10:30 A.M.

Bevan Strom, Secretary