

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

March 26, 2007

A Special Meeting of the United Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Monday March 26, 2007 at 3:00 P.M., immediately following the KPMG Presentation of Audited Financial Statements, at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Beth O'Brien, Jan McLaughlin, Linda Wilson, Mary Stone, Bevan Strom, Burns Nugent, Jim McNulty, John Dalis, Maxine McIntosh

Directors Absent: Ken Hammer, Marty Rubin

Staff Present: Janet Price, Patty Fox

Others Present: Mark Tillotson and Mark Thomas of KPMG

Beth O'Brien, President of the Corporation, called the meeting to order at 3:39 P.M., established a quorum, and entertained a motion to approve the 2006 audited financial statements for United Laguna Hills Mutual.

Upon motion duly made, seconded and carried by a vote of 7-0-1 (Director Stone abstained), the Board of Directors adopted the following resolution:

RESOLUTION 01-07-35

RESOLVED, March 26, 2007, that the Board of Directors of this Corporation has reviewed the financial statements for United Laguna Hills Mutual for the year ending December 31, 2006, 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.

During its Regular Executive Session Meeting of March 13, 2007, the Board of Directors reviewed, revised and approved the Regular Executive Session Meeting Minutes of February 13, 2007. The Board heard three (3) regular disciplinary hearings and one (1) disciplinary appeal hearing and sustained fines totaling \$450 and imposed a fine of \$100 for violations of the Mutual's rules and regulations. The Board also discussed other member disciplinary, contractual, and pending litigation matters.

ADJOURNMENT

There being no further business to come before the Board of Directors, the special meeting was adjourned at 3:43 P.M.

Bevan Strom, Secretary