

Third Mutual 2/27/7 Management Agreement Questions

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To: To whom it may concern!

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Reference: Management Agreement Documents for United, Third & GRF Mutual for 2007-2008.

Background: The Management Agreement between PCM, Inc. and the Laguna Woods Village Mutuals was expiring at the end of 2006 and a new set of agreements were scheduled to be created and re-negotiated. An independent attorney, Robert Adel, was hired by the United Mutual to help create the new United Agreement. There was considerable disagreement over the resulting Management Agreement and questions arose as to who finally wrote the Agreement. This was especially apparent in the generation of the Third Mutual Agreement. The Managing Agent stated publicly that PCM had nothing to do with creating/writing the Third Mutual Document and that the attorney, R. Adel, wrote the agreements for all the Mutuals.

Concerns: In reviewing the document numbers that were used to track the history of the documents, a number of discrepancies became apparent. Multiple documents with the same document number were uncovered that contained different information. It is imperative that we understand who created the final documents since it has been stated that all the work was done by attorney, R. Adel.

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| 6/13/06 | United Mutual Doc # OC 286052251v3 & 4 Marked up version changes going from v3 to v4 This document number was created for United Mutual by attorney R. Adel. | File Name: MA United Mark up OC_286052251_3 to 4.pdf Can be found at: www.rvoice.org >>Site Map>>Documentation>>Corporate Documents>>Management Agreements>> (Draft #4) |
| 2/27/7 | Third Mutual Doc # OC 286052251v4 Signed off version of document for Third Mutual. This document is different than the document with the same Doc # that was created by attorney R. Adel for United Mutual. It could not have been created by the attorney R. Adel. | File Name: MA Third 2007 OC 286052251v4 signed.pdf Can be found at: www.rvoice.org >>Site Map>>Documentation>>Corporate Documents>>Management Agreements>> (Signed #4) |

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Conclusion:

The attorney R. Adel who was hired by United Mutual to create a Management Agreement for them, created a document for United Mutual. That document was subsequently modified by someone other than the attorney R. Adel and utilized as the final Management Agreement document for Third Mutual.

If R. Adel had modified the document for Third Mutual, he would have changed the document number to reflect those changes. By not having a different document number, it is apparent that someone other than the attorney R. Adel made the changes.

The Managing Agent, Milt Johns, stated categorically that PCM did not make any changes to the Management Agreement. Obviously, there is a discrepancy in the statement by Milt Johns and the history of the documents.

Conrad Grundke