

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

November 30, 2012

The Special Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Friday, November 30, 2012 at 1:00 P.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Mike Straziuso, Rae Tso, Won Chang, Isabel Muennichow, Hank Gioia, Kathryn Freshley, Denny Welch, Marc Bayer, Jim Juhan, Judith Troutman

Directors Absent: Sy Wellikson

Staff Present: Jerry Storage, Patty Kurzet, Cris Robinson

Others Present: Bob Mulvihill, Esq., Kelly Richardson, Esq., Sandra Gottlieb, Esq., and Steve Roseman, Esq., Directors of GRF, United Mutual, and Mutual 50

CALL TO ORDER

Director Mike Straziuso, President of the Corporation, called the meeting to order at 1:00 P.M. and turned the meeting over to GRF President Lynne Dvorak.

GRF President Lynne Dvorak introduced Mr. Bob Mulvihill.

Mr. Mulvihill gave a presentation on the GRF Trust that establishes GRF as the Trustee and Third Mutual, United Mutual, and Mutual 50 as the Beneficiaries.

The Trust expires on its own terms on March 2, 2024, and at that time the GRF's assets need to be distributed according to Trusteed Sums unless the Trust is extended or a new Trust is enacted.

Mr. Mulvihill spoke to the Trust analysis prepared by Paul Hastings, and stated that there are no conflicts between the Trust and the GRF Bylaws, and if there was a conflict then one or the other would need to be modified, and if that is not possible, then filing a petition with the Court would be required.

Board Members and Mutual Corporate Attorneys were given the opportunity to ask questions of Mr. Mulvihill regarding the Trust.

Mr. Richardson asked to review all drafts of the Trust analysis in order to determine how Paul Hastings produced their final opinion on the Trust. GRF President Dvorak stated that the GRF Board will take his request into consideration.

GRF President Lynne Dvorak read written questions from the audience.

GRF President Lynne Dvorak asked that the Mutuals appoint members to an Ad Hoc Committee to analyze the GRF Trust and Bylaws.

Summary of Previous Closed Session Meetings per Civil Code Section §1363.05

During its November 20, 2012 Regular Executive Session Board Meeting, the Board approved the October 16, 2012 Regular Executive Session minutes, and the October 24, 2012 Special Executive Session minutes. The Board approved one write-off for delinquent assessments and held a Meet and Confer regarding a member's delinquent assessment. The Board heard four disciplinary hearings and imposed fines totaling \$1,400 for violations of the Mutual's rules and regulations; discussed the legal matters of Lee Childress v. Third Mutual and Drino v. Third Mutual lawsuits; and discussed other member disciplinary, contractual and legal matters.

ADJOURNMENT

With no further business before the Board of Directors, the special meeting was adjourned at 2:39 P.M.

Isabel Muennichow, Secretary