

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

**November 5, 2007**

The Special Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Monday November 5, 2007 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Stanley Feldstein, Jim Matson, Larry Souza, Dominic Burrasca, Bob Hatch, Isabel Muennichow, John Paulus, Carol Moore, Gunter Vogt, Cynthia Conners, Don Lippert

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Bill Hart, Esq. of HKC

**CALL TO ORDER**

President Stanley Feldstein, President of the Corporation, chaired the meeting, stated that it was a special meeting held pursuant to notice duly given, established a quorum, and stated that the purpose of the meeting was to interview Bill Hart, Esq, the Mutual's Corporate Counsel. The meeting was called to order at 9:35 A.M.

The Board addressed its concerns whether or not HKC could effectively represent all four Corporations that make up the Village and proceeded to interview Mr. Hart who addressed the Board on its questions and concerns with PCM representation, the governing documents, the Management Agreement, ex-officio positions, and confidential materials.

The Board inquired about the Mike Curtis v. GRF, et al litigation matter. Mr. Hart indicated that Third Mutual was not a party to the action, and that it was settled per all defendants. Mr. Hart informed the Board that his firm did not represent GRF or United Mutual and that he could not discuss attorney client communications.

The Board inquired about the RRLH v. GRF and the Lucie Falk v. Third Mutual litigation. Mr. Hart advised that there are confidential agreements involved, and that any discussions in detail should be discussed in closed session.

The Board took a recess at 11:06 A.M. and reconvened at 11:15 A.M.

The Board continued to ask Mr. Hart questions regarding his practice and opinions of various issues.

Mr. Hart cautioned the Board on obtaining second opinions and explained the Business Judgment Rule.

**MEMBER COMMENTS**

- Connie Grundke (2214-B) addressed Mr. Hart on representing the Mutual on renegotiating the Management Agreement
- Katherine McDaniel (3379-N) addressed Mr. Hart on his unpreparedness.

- Libby Marks (82-Q) congratulated Mr. Hart on his job answering the questions

The Board recessed at 12:08 P.M. and reconvened into closed session at 12:18 P.M.

During its October 16, 2007 Regular Board Meeting, the Board reviewed and approved the Minutes of the Regular Executive Meeting of September 18, 2007, heard seven (7) Disciplinary Hearings, and discussed contractual and litigation issues.

With no further business before the Board of Directors, the special meeting was adjourned at 1:09 P.M.

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Cynthia Conners, Secretary