"Not Positive—Scurrilous"

Flier mailed to Third Mutual Members

September 6, 2008

Dear Laguna Woods Village Owner:

This is a follow-up to our earlier mailing, for those of you who have not yet voted. The current election in Third Mutual represents a critical turning point for our community, and we urge you to vote now.

A group of dissidents is supporting a dissident slate, trying to take control of the board of directors. Although their campaign literature promises 'peace and harmony', these are the same residents who sponsored a recall movement against the majority directors this year. These same residents support a few directors already on the board, who in the past year have:

- attempted to remove PCM, our managing agent, which has operated this beautiful community for 40 years
- attempted to change away from our lawyers, who successfully represented this community in the fight against a major airport at El Toro
- tried to replace our auditors, KPMG, and our bank, Bank of America
- consistently ignored and dismissed advice from attorneys, risk managers, and other experts
- treated staff and members with rudeness and contempt.

We at POSITIVE SOLUTIONS believe that if this dissident slate is elected, there will be a period of chaos and disruption in the community, particularly if they are successful in their efforts to change managing agents. Whether you plan to retire to your manor here, or rent it out, or sell it, this would not be in your best interests. If the dissident slate is allowed to pursue its goals,

- beautiful landscape will dry up, manors will go unrepaired
- property values will go down
- quality of life will be lost

POSITIVE SOLUTIONS' candidates, Jim Bragg, Kathryn Freshley, George Henderson, and John Paulus, have strong business backgrounds, and know how to read a balance sheet and avoid waste. They believe in financial prudence and strong oversight of PCM, and, they want to continue this community as it has done so well in the past.

Ballots must be received by September 22. We urge you to find your ballot, fill it out, and mail it today! If you can't find your ballot, call 949-268-2333 immediately to ask for another one. If you have any questions, call POSITIVE SOLUTIONS founding member Noel Hatch, a former Board member (949-581-0809).

Thank you for your support.

From the Members of Positive Solutions