

THIRD MUTUAL - LAWSUIT

UNITED MUTUAL – STATEMENT #2

In our last statement on June 25, 2010, the United Board committed to keep our membership updated, to the greatest extent legally possible, of any decisions that are made regarding the investigation into the PCM incentive plan and allegations made by Third Mutual against PCM, Janet Price and Milt Johns.

In that spirit, the United Board would like to announce that we have engaged the services of attorneys Dave Feingold and Sarah Léger of the law firm Ragghianti Freitas to act as independent legal counsel to United. These attorneys have the significant qualifications, background and experience that United was seeking for this position.

Independent legal counsel will oversee and coordinate a thorough investigation into the incentive plan and Third's allegations. The United Board is also working with independent legal counsel to retain the services of an independent auditor to assist with the due diligence investigation.

Ultimately, a report will be prepared on which the United Board will rely in making a determination on how to proceed. We cannot make any determinations or reach any conclusions until we have had the opportunity to review the independent investigation of the expert consultants.

The United Board continues to work with PCM, and PCM has expressed its intentions to fully cooperate with the Board and the independent consultants during the course of our investigation. The United Board also believes it is important for us to be as transparent and forthcoming as we can be while the investigation proceeds about any other issues or concerns that come up during the investigation.

For example, this past week, the President of Third Mutual, Carol Moore made a power point presentation to the directors of the other Mutuels and GRF regarding the Third lawsuit against PCM and others. While her presentation was limited in scope and content, and had set limitations on attendance by legal counsel for the other Mutuels and GRF, United appreciated Carol's willingness to meet with us and share some information. This type of cooperation is much needed for all of us to meet the challenges ahead.

Also last week, United was informed that there is a group of residents who are approaching PCM's employees and asking whether they would be willing to work for another company if PCM were no longer the managing agent. While this is not exclusively a problem for United, we wanted to let the United members know this conduct is not authorized or condoned by the United Board. These employees are PCM's employees, and PCM may need to take whatever legal action against this group of residents that it deems appropriate, including actions for interfering with its contractual and other relationships with its employees.

We thank you all for your continued patience and cooperation and will continue to update you weekly.