

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LAGUNA WOODS MUTUAL NO. FIFTY
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

September 18, 2008

The Board of Directors of Laguna Woods Mutual Fifty, a California non-profit mutual benefit corporation, met at 2:00 P.M. on Thursday, September 18, 2008 at 24055 Paseo del Lago West, Laguna Woods, California.

Directors Present: Ruth Mervis, Chair; Janet Schwartz; Dick Gray; Richard Wurzel

Directors Absent: Keith Wallace

Others Present: Judie Zoerhof, Milt Johns, Patty Kurzet, and (Betty Parker 2:00 P.M. – 2:23 P.M.)

1. Call to Order:

Ruth Mervis, Chair, stated that it was a regular meeting of the Corporation and that a quorum was present. The meeting was called to order at 2:00 P.M.

2. Pledge of Allegiance to the Flag:

Director Gray led the membership in the Pledge of Allegiance to the Flag.

President Mervis introduced Mark Stein, a candidate running for City Council, who provided a brief summary of his background and education, and encouraged the residents to vote for him.

President Mervis announced the rules for Board decorum.

3. Approval of the Minutes:

The minutes of the Regular meeting of August 21, 2008 were approved as submitted.

4. President's Comments

President Mervis announced the success of the Towers' Open House held on September 4, 2008 and thanked staff for their hard work in coordinating the event; and announced that the Sunday Brunch has been approved and will be implemented soon.

5. Old Business

No old business came before the Board.

6. New Business

a. Approve 2009 Business Plan

In Director Wallace's absence, Director Dick Gray, served as the Acting Secretary of the Corporation and read a proposed resolution approving the 2008 Business Plan. Director Gray moved to approve the resolution. Director Schwartz seconded the motion.

Member Phyllis Benveniste (560) commented on the motion.

By a vote of 3-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-47

**LAGUNA WOODS MUTUAL NO. FIFTY
2009 BUSINESS PLAN RESOLUTION**

RESOLVED, September 18, 2008, that the Business Plan of this Corporation for the year 2009 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said Business Plan, the Board of Directors of this Corporation hereby estimates that the sum of \$2,676,675 is required by the Corporation to meet the Laguna Woods Mutual No. Fifty operating expenses and reserve requirements for the year 2009, from which will be deducted \$93,000 from prior years' surplus and \$144,523 expected from various sources of revenue. In addition, the sum of \$806,706 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2009. The Board of Directors hereby estimates that the net sum of \$3,245,858 is required to be collected from and paid by members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$96,920 of which \$79,920 shall be expended from the Replacement Fund, \$17,000 expended from the General Equipment Depreciation Fund; and

RESOLVED FURTHER, that all sums paid into the replacement reserves shall be used for capital expenditures only and shall be credited on the books of account of the Corporation to Paid-In Surplus as a capital contribution; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2009 and as filed in the records of the Corporation; said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2009; and

RESOLVED FURTHER, that funds will also be collected and held in trust to pay for the following services:

Audit Fee	\$7,500
Electricity	337,040
Gas	113,600
Housekeeping	524,012
Food Services	2,167,209

from which will be deducted \$320,652 in estimated revenue from sources other than monthly assessments. This leaves a balance of \$2,828,709 required to be collected from and paid by members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments required to be paid by members of the Corporation effective January 1, 2009 as follows:

Unit Model	Monthly Assessment
A	\$1,513.64
B	\$1,535.96
C	\$1,704.34
D	\$1,677.02
F	\$1,842.02
G	\$1,650.23
H	\$1,804.17

RESOLVED FURTHER, that the second occupant charge will be \$594.47, of which \$503.50 is for food service and \$90.97 is for maintenance; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

b. Approve 2009 Replacement Reserve Plan

Director Gray read a proposed resolution approving the 2009 Replacement Reserve Plan. Director Gray moved to approve the resolution, with the condition that the Board meets with the Reserve Specialist. Director Schwartz seconded the motion.

By a vote of 3-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 50-08-48

**LAGUNA WOODS MUTUAL NO. FIFTY
2009 REPLACEMENT RESERVES RESOLUTION**

WHEREAS, Civil Code § 1365.2.5 requires specific reserve funding disclosure statements for homeowner associations; and

WHEREAS, planned assessments or other contributions to replacement reserves must be projected to ensure balances will be sufficient at the end of each year to meet the association's obligations for repair and/or replacement of major components during the next 30 years;

NOW THEREFORE BE IT RESOLVED, September 18, 2008, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plan (attached) with the objective of maintaining replacement reserve balances at or above a threshold of \$1,080,000 (indexed for projected inflation), while meeting its obligations to repair and/or replace major components; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Ms. Betty Parker left the meeting at 2:23 P.M.

c. Approve the Election Ballot Package

Director Gray read a proposed resolution approving the election ballot package. Director Gray moved to approve the resolution. Director Wurzel seconded the motion.

By a vote of 3-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-49

RESOLVED, September 18, 2008 that the ballot package for the 2008 election of directors of this Corporation, as prepared by the managing agent, is hereby approved; and

RESOLVED FURTHER, that the "Meet the Candidates" meeting will be held on Wednesday, November 6, 2008; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

d. Approve a Marketing Ad Hoc Advisory Committee

Director Gray read a proposed resolution approving a Marketing Ad Hoc Advisory Committee. Director Gray moved to approve the resolution. Director Schwartz seconded the motion.

By a vote of 3-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-50

WHEREAS, Resolution M50-07-04 dated February 15, 2007 revised the General Duties imposed upon each Advisory Committee of this corporation as:

1. Advise and recommend to the Board, service levels and expectations in the committee's area of concern,
2. Assure mutual understanding, between the Committee and the Board, of approved goals, policies and expectations.
3. Keep informed generally regarding the extent and quality of operational and/or contractor performance.
4. Seek optimum benefit/cost results in the committee's area of concern.
5. Review on a continuing basis the long range needs of Mutual Fifty, its residents, facilities, services and programs, within the committee's area of concern, and develop information that will assist this corporation in addressing anticipated future needs within their areas of responsibility. Forward recommendations and information based on said review to the Board of Directors of this corporation.
6. Work in concert with Mutual 50's ethics policy.

WHEREAS, Laguna Woods Mutual No. Fifty Bylaws, Article VIII, Section 1 states in part: The Board may designate one or more Standing, Ad hoc or other committees, each to serve at the pleasure of the Board and each consisting of a sufficient number of Qualifying Mutual Fifty Resident Members to meet the needs of its particular function or functions. The duties and powers of these committees shall be determined by the Board, provided that the authority of each committee is limited to advising the Board and all final actions are subject to the specific approval of the Board;

NOW THEREFORE BE IT RESOLVED, September 18, 2008 that the Board of Directors of this corporation hereby approves the Ad Hoc Advisory Committee on Marketing and assigns the duties and responsibilities of the Committee as follows:

1. Perform the duties imposed upon all advisory committees as set forth in the current resolution entitled, "General Duties of Advisory Committees" as noted above.
2. This committee shall be made up of:

Ruth Mervis, Chair
Herb Harris
Shirley Prager
Keith Wallace
Robert Rock, Advisor;
3. The Committee will serve at the pleasure of the Board for one year;
4. The committee will take this opportunity to discuss proposed action and no action shall be taken at the meeting of the Ad Hoc Advisory Committee on Marketing;

5. The committee will reserve the right to close the meeting for Executive Session should a matter arise that is presented under the law as a reason for Executive Session;

RESOLVED FURTHER, that the report of meeting will be distributed to the Board in their agenda package as soon as feasible and possible prior to the Regular meeting unless restricted by unforeseen circumstance;

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

7. Discussion Items

- a. The Board appointed Director Gray to the Joint Ad Hoc GRF Bylaw Committee for the purpose of reviewing changes to the creation of the GRF Nominating Committee.
- b. No discussion was held relative to the Laguna Beach Animal Shelter mailing.
- c. The Board appointed Director Wurzel to the GRF Golf Starter Building Ad Hoc Committee.

8. Member Comments

- None

9. Financial and Budget Report:

Director Wurzel presented the Treasurer's report.

10. City of Laguna Woods:

Dr. Brenda Ross reported on behalf of the City of Laguna Woods.

11. Standing Committee Reports:

- a. **Activities Committee:** Lorna Ingram reported on behalf of the Activities Committee.
- b. **Business Planning Committee:** No report was given.
- c. **Information and Orientation Committee:** Freda Sullivan reported on behalf of the Information and Orientation Committee
- d. **Architectural Control Committee:** No report was given

12. GRF Committees:

- a. **Community Activities Committee:** No report was given.
- b. **Finance:** No report was given.
- c. **Broadband Services Committee:** No report was given.
- d. **Government and Public Relations Committee:** Dick Gray reported on current legislation.
- e. **Bus Services Committee:** Janet Schwartz reported on behalf of the Bus Services Committee.
- f. **Select Audit Committee:** No report was given.

Lessee Olive Guggenmos (455) commented on bus drivers assisting residents on the buses; and Member Molly Hayes (105) commented on her ability to sit in the front seat of the new buses.

13. Golden Rain Foundation

Mr. Milt Johns reported on the September 2, 2008 Golden Rain Foundation Board Meeting.

14. Resale and Leasing Reports

Mr. Johns reported on the year-to-date resale and leasing activity.

15. Administrator's Report

Judie Zoerhof reported that the number of vacant units have declined from 47 to 40 this month. Director Gray reported on a rebate received for replacing the chiller.

Member Lee Gitter (610) complimented on the personal hearing devices; Lessee Olive Guggenmos (455) inquired on the installation of the film on the west facing windows; and Member Lorna Ingram (1161) commented on the sound system.

16. Directors' Forum

No comments were made under Directors' Forum.

Recess

The meeting recessed at 3:11 P.M. and reconvened into Executive Session at 3:17 P.M.

During its August 21, 2008 Regular Executive Session Board Meeting, the Board reviewed and approved the Minutes from the July 17, 2008 Regular Executive Session; approved recording a Notice of Default for Member ID 932-961-73; and considered foreclosure sales.

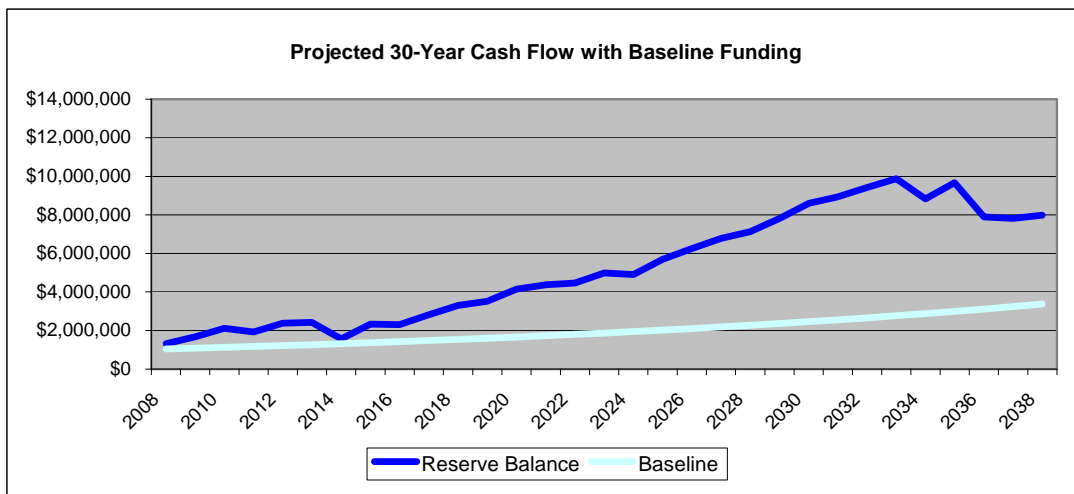
There being no further business to come before the Board, the meeting was adjourned at 3:35 P.M.

Dick Gray, Acting Secretary

**LAGUNA WOODS MUTUAL NO. FIFTY
 2009 RESERVES PLAN
 Replacement Reserves 30 Year Funding Plan***

Baseline (Threshold): \$ **1,080,000**
 Indexed for projected inflation

Year	Assessment		Interest Earnings	Expenditures	Reserve Balance
	Per Manor Per Month	Total Contribution			
2008	\$ 103.00	\$ 384,396	\$ 26,343	\$ 681,163	\$ 1,324,580
2009	\$ 113.00	\$ 421,716	\$ 27,078	\$ 96,920	\$ 1,676,454
2010	\$ 128.50	\$ 479,575	\$ 34,222	\$ 73,894	\$ 2,116,357
2011	\$ 146.13	\$ 545,373	\$ 36,491	\$ 770,264	\$ 1,927,958
2012	\$ 166.18	\$ 620,198	\$ 38,875	\$ 206,531	\$ 2,380,500
2013	\$ 188.98	\$ 705,290	\$ 43,266	\$ 714,399	\$ 2,414,657
2014	\$ 214.91	\$ 802,055	\$ 35,942	\$ 1,683,881	\$ 1,568,773
2015	\$ 214.91	\$ 802,055	\$ 35,161	\$ 77,929	\$ 2,328,060
2016	\$ 214.91	\$ 802,055	\$ 41,748	\$ 873,049	\$ 2,298,815
2017	\$ 214.91	\$ 802,055	\$ 46,205	\$ 324,985	\$ 2,822,090
2018	\$ 214.91	\$ 802,055	\$ 55,321	\$ 370,363	\$ 3,309,103
2019	\$ 214.91	\$ 802,055	\$ 61,594	\$ 655,423	\$ 3,517,330
2020	\$ 214.91	\$ 802,055	\$ 69,198	\$ 236,763	\$ 4,151,820
2021	\$ 214.91	\$ 802,055	\$ 76,866	\$ 663,516	\$ 4,367,225
2022	\$ 214.91	\$ 802,055	\$ 79,643	\$ 789,360	\$ 4,459,564
2023	\$ 214.91	\$ 802,055	\$ 85,300	\$ 352,708	\$ 4,994,211
2024	\$ 214.91	\$ 802,055	\$ 89,338	\$ 978,528	\$ 4,907,076
2025	\$ 214.91	\$ 802,055	\$ 95,592	\$ 117,383	\$ 5,687,341
2026	\$ 214.91	\$ 802,055	\$ 107,771	\$ 340,262	\$ 6,256,905
2027	\$ 214.91	\$ 802,055	\$ 117,672	\$ 391,981	\$ 6,784,651
2028	\$ 214.91	\$ 802,055	\$ 125,589	\$ 577,992	\$ 7,134,304
2029	\$ 214.91	\$ 802,055	\$ 134,846	\$ 260,573	\$ 7,810,632
2030	\$ 214.91	\$ 802,055	\$ 148,121	\$ 155,277	\$ 8,605,531
2031	\$ 214.91	\$ 802,055	\$ 158,288	\$ 628,421	\$ 8,937,454
2032	\$ 214.91	\$ 802,055	\$ 165,654	\$ 483,207	\$ 9,421,956
2033	\$ 214.91	\$ 802,055	\$ 174,162	\$ 517,777	\$ 9,880,396
2034	\$ 214.91	\$ 802,055	\$ 168,887	\$ 2,014,039	\$ 8,837,300
2035	\$ 214.91	\$ 802,055	\$ 167,040	\$ 130,742	\$ 9,675,653
2036	\$ 214.91	\$ 802,055	\$ 158,526	\$ 2,742,458	\$ 7,893,776
2037	\$ 214.91	\$ 802,055	\$ 141,815	\$ 1,014,060	\$ 7,823,587
2038	\$ 214.91	\$ 802,055	\$ 142,578	\$ 789,900	\$ 7,978,320



* This Funding Plan is based on a contracted reserve study conducted in July 2008 by Reserve Studies Inc. Included are the Replacement Funds and the Preventive Maintenance Fund, as prescribed by the study.