

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

September 17, 2009

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 17, 2009 at 24055 Paseo del Lago West, Laguna Woods, California.

Directors Present: Dick Gray, Chair; Richard Wurzel; Keith Wallace; Herb Harris, and Ruth Mervis

Directors Absent: None

Others Present: Judie Zoerhof, Milt Johns, Patty Kurzet

1. Call to Order

Dick Gray, 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 Harris led the membership in the Pledge of Allegiance to the Flag.

3. Approval of the Minutes

Without objection, the minutes of the Special 2010 Version 1 Business Planning Meeting of June 25, 2009, the minutes of the Special 2010 Version 2 Business Planning Meeting of July 28, 2009, the minutes of the Special Meeting of August 3, 2009, the minutes of the Special 2010 Version 3 Business Planning Meeting of August 13, 2009, and the minutes of the Regular Meeting of August 20, 2009 were approved as submitted.

4. President's Comments

No comments were made.

5. Old Business

a. Approval of Revision to Food Rebate Credit Resolution

The Secretary of the Corporation, Director Ruth Mervis, read a proposed resolution approving a revision to the food rebate credit policy. Director Mervis moved to approve the resolution. Director Wallace seconded the motion.

By a vote of 4-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-09-61

WHEREAS, Resolution M50-02-02 dated January 17, 2002 provides, as a

part of the budget system to allow a \$2.85 per day food credit from the first day of the month subsequent to the vacancy when:

1. The unit is unoccupied;
2. The unit must be for sale or for lease; and
3. The unit is not the permanent address of the owner(s); and

WHEREAS, there is confusion regarding the facts and timing on claims for the Food Credit,

WHEREAS, vacant units are defined as those units vacant beginning the first of the following month that a unit becomes unoccupied and is for sale or for lease and is not the permanent address of the owner(s) and until the unit is sold and closes escrow or a lease is signed; and

WHEREAS, families and successor Trustees request the right to dine without a guest meal ticket purchase and still apply for the Food Credit;

NOW THEREFORE BE IT RESOLVED, September 17, 2009, the Board of Directors of this Corporation on behalf of the Corporation hereby approves the following policy criteria that must all be met in order to qualify for a Food Credit from the first day of the month subsequent to vacancy;

1. The unit is unoccupied;
2. The unit must be for sale or for lease;
3. The unit is not the permanent address of the owner(s);
4. Each eligible Member is responsible for applying for the food credit, and for providing proof that he or she meets each of the identified criterion;
5. Each eligible Member must provide application for the food credit by submitting all necessary information to support entitlement to the credit as well as the amount requested to the Towers Administration Office;
6. Non Resident owners who desire to dine at the Towers must sign a waiver attesting to the fact that they will not request the food rebate if they are planning to dine at the Towers;
7. No membership delinquent with regard to the monthly assessment is eligible for the Raw Food Rebate until and after the delinquency is brought current;
8. Reimbursement of the Raw Food Rebate will commence when the unit is leased or sold and closes escrow;

RESOLVED FURTHER, that Resolution M50-09-27 adopted April 16, 2009 is hereby superseded and cancelled; and

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

6. New Business

a. Approval of Front Loading Washing Machines as a Water Conservation Measure

President Gray announced that the resolution to approve the front loading washing machine as a water conservation measure is still being researched.

Director Harris moved to table the discussion to next month. Director Mervis seconded the motion and the motion carried unanimously.

b. Approval of the 2010 Business Plan

Director Mervis read a proposed resolution on approving the 2010 Business Plan. Director Mervis moved to approve the resolution. Director Harris seconded the motion.

Members Ruth Goodman (905) Anne Gilbert (1403) commented on the resolution.

Ms. Janet Price was available for questions.

By a vote of 4-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-09-62

LAGUNA WOODS MUTUAL NO. FIFTY 2010 BUSINESS PLAN

RESOLVED, September 17, 2009, that the Business Plan of this Corporation for the year 2010 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 \$2,778,645 is required by the Corporation to meet the Laguna Woods Mutual No. Fifty operating expenses and reserve requirements for the year 2010, to which will be added \$61,130 for recovery of prior years' operating deficit and from which will be deducted \$181,635 expected from various sources of revenue. In addition, the sum of \$806,922 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 2010. The Board of Directors hereby estimates that the net sum of \$3,465,062 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 in the sum of \$461,650 from the Replacement Funds; 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 2010 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 2010; and

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

Audit Fee	\$8,250
Electricity	337,040
Gas	113,600
Housekeeping	556,779
Food Services	2,207,660

from which will be deducted \$346,082 in estimated revenue from sources other than monthly assessments. This leaves a balance of \$2,877,247 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, 2010 as follows:

Unit Model	Monthly Assessment
A	\$1,593.73
B	\$1,616.82
C	\$1,790.86
D	\$1,762.62
F	\$1,933.17
G	\$1,734.93
H	\$1,894.04

RESOLVED FURTHER, that the second occupant charge will be \$601.48, of which \$508.69 is for food service and \$92.79 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.

c. **Approve the 2010 Replacement Reserves Plan**

Director Mervis read a proposed resolution on approving the 2010 Replacement Reserves Plan. Director Mervis moved to approve the resolution. Director Wurzel seconded the motion.

By a vote of 4-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-09-63

**LAGUNA WOODS MUTUAL NO. FIFTY
2010 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 17, 2009, 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 \$1,100,000 (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.

d. **Approve Recording of Lien for Member ID 932-961-83**

Director Mervis read a proposed resolution to record a Lien for Member ID 932-961-83. Director Mervis moved to approve the resolution. Director Wurzel seconded the motion.

By a vote of 4-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-09-64

WHEREAS, Member ID 932-961-83 is currently delinquent to Laguna Woods Mutual Fifty with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with

no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 17, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-961-83; 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.

7. Discussion Items

President Gray announced that Flu and Pneumonia Shots will be available October 13, 2009. However, the H1N1 – Swine Flu vaccine will not be available at the Towers at this time.

President Gray reported on the status of the installation of the mechanical locks in the building.

Members Lorna Ingram (1161) commented on extra keys, Leon Manheimer (802) commented on the appropriation, and Lillian Lever (551) commented on storage room keys.

President Gray commented on providing computer classes to residents.

Ms. Zoerhof provided a summary of the recent power outage.

President Gray commented on the status of the window film installation.

Ms. Zoerhof commented on a meeting attended by staff regarding disaster response planning in the event of an earthquake and encouraged residents to keep emergency supplies in their unit.

8. Members' Comments

- Leon Manheimer (802) thanked Ms. Shirley Prager for an excellent PR article and suggested that the article be posted on the website.
- Clara Zimmerman (358) commented on Security issues.
- Lorna Ingram (1161) commented on random security night patrols.

9. Financial and Budget Report:

Director Wallace reported on the Financial and Budget Report.

10. Standing Committee Reports:

- a. **Activities Committee:** Lorna Ingram reported on behalf of the Activities Committee.
- b. **Business Planning Committee:** No one reported on behalf of the Business Planning Committee.

- c. **Information and Orientation Committee:** Freda Sullivan reported on behalf of the Information and Orientation Committee.
 - d. **Ad Hoc Key Club Planning Committee:** No one reported on behalf of the Ad Hoc Key Club Planning Committee.
 - e. **Architectural Control Committee:** No one reported on behalf of the Architectural Control Committee.
- 11. GRF Committees:**
- a. **Community Activities Committee:** No report was given.
 - b. **Broadband Services Committee:** Director Wallace reported on behalf of the Broadband Service Committee.
 - c. **Government and Public Relations Committee:** Ms. Zoerhof reported on behalf of the Government and Public Relations Committee.
 - d. **Bus Services Committee:** Director Harris reported on behalf of the Bus Services Committee.
 - e. **Select Audit Committee:** No report was given.
 - f. **Finance:** No report was given.
 - g. **Security Committee:** No report was given.

Member Anne Gilbert (1403) suggested that the Board look into establishing a volunteer security night patrol for the Towers.

12. Golden Rain Foundation

Mr. Milt Johns reported on the September 1, 2009 Golden Rain Foundation Board Meeting.

13. Resale and Leasing Reports

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

14. Administrator's Report

Ms. Judie Zoerhof thanked the residents for their cooperation during the installation of the new locking system.

Member Clara Zimmerman (358) commented on the distribution and control of the new locks.

Directors' Forum

- No comments were made.

Recess

The meeting recessed at 3:08 P.M. and reconvened into Executive Session at 3:10 P.M.

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

During its August 20, 2009 Regular Executive Session Board Meeting, the Board approved the Minutes from the July 16, 2009 Regular Executive Session; discussed holding a member disciplinary hearing and a Meet and Confer regarding delinquent assessments; considered setting foreclosure sale dates; authorized one delinquency write-off; and discussed other delinquency matters.

There being no further business to come before the Board, the meeting was adjourned at 4:14 P.M.

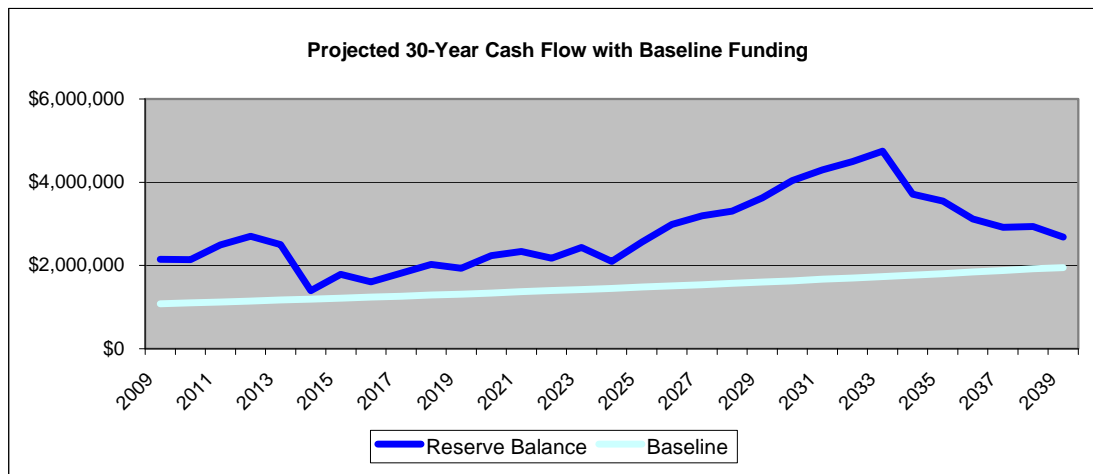
Ruth Mervis, Secretary

**LAGUNA WOODS MUTUAL NO. FIFTY
 2010 RESERVES PLAN
 Replacement Reserves 30 Year Funding Plan**

Baseline (Threshold): \$ 1,100,000

Indexed for projected inflation

Year	Assessment		Interest Earnings	Planned Expenditures*	Reserve Balance
	Per Unit Per Month	Total Contribution			
2009	\$ 113.00	\$ 421,716	\$ 30,850	\$ 256,755	\$ 2,146,277
2010	\$ 113.00	\$ 421,716	\$ 32,267	\$ 461,650	\$ 2,138,610
2011	\$ 118.00	\$ 440,376	\$ 34,894	\$ 118,677	\$ 2,495,203
2012	\$ 123.00	\$ 459,036	\$ 39,161	\$ 288,243	\$ 2,705,157
2013	\$ 128.00	\$ 477,696	\$ 39,180	\$ 724,274	\$ 2,497,759
2014	\$ 133.00	\$ 496,356	\$ 29,295	\$ 1,630,901	\$ 1,392,509
2015	\$ 134.00	\$ 500,088	\$ 23,972	\$ 125,755	\$ 1,790,814
2016	\$ 135.00	\$ 503,820	\$ 25,609	\$ 710,271	\$ 1,609,973
2017	\$ 136.00	\$ 507,552	\$ 25,813	\$ 325,423	\$ 1,817,915
2018	\$ 137.00	\$ 511,284	\$ 28,909	\$ 337,028	\$ 2,021,080
2019	\$ 138.00	\$ 515,016	\$ 29,767	\$ 634,056	\$ 1,931,807
2020	\$ 139.00	\$ 518,748	\$ 31,400	\$ 243,921	\$ 2,238,034
2021	\$ 140.00	\$ 522,480	\$ 34,453	\$ 457,748	\$ 2,337,219
2022	\$ 141.00	\$ 526,212	\$ 33,959	\$ 724,965	\$ 2,172,425
2023	\$ 142.00	\$ 529,944	\$ 34,671	\$ 305,356	\$ 2,431,684
2024	\$ 143.00	\$ 533,676	\$ 34,125	\$ 899,555	\$ 2,099,930
2025	\$ 144.00	\$ 537,408	\$ 35,110	\$ 109,890	\$ 2,562,558
2026	\$ 145.00	\$ 541,140	\$ 41,771	\$ 160,959	\$ 2,984,510
2027	\$ 146.00	\$ 544,872	\$ 46,506	\$ 384,576	\$ 3,191,312
2028	\$ 147.00	\$ 548,604	\$ 48,895	\$ 487,032	\$ 3,301,779
2029	\$ 148.00	\$ 552,336	\$ 52,173	\$ 279,708	\$ 3,626,580
2030	\$ 149.00	\$ 556,068	\$ 57,750	\$ 198,002	\$ 4,042,396
2031	\$ 150.00	\$ 559,800	\$ 62,798	\$ 368,080	\$ 4,296,914
2032	\$ 151.00	\$ 563,532	\$ 66,209	\$ 431,328	\$ 4,495,327
2033	\$ 152.00	\$ 567,264	\$ 69,567	\$ 389,336	\$ 4,742,821
2034	\$ 153.00	\$ 570,996	\$ 63,665	\$ 1,665,858	\$ 3,711,624
2035	\$ 154.00	\$ 574,728	\$ 54,644	\$ 796,104	\$ 3,544,892
2036	\$ 155.00	\$ 578,460	\$ 50,184	\$ 1,054,253	\$ 3,119,282
2037	\$ 156.00	\$ 582,192	\$ 45,463	\$ 828,915	\$ 2,918,022
2038	\$ 157.00	\$ 585,924	\$ 44,105	\$ 609,097	\$ 2,938,954
2039	\$ 158.00	\$ 589,656	\$ 42,303	\$ 892,184	\$ 2,678,728



*Planned Expenditures include Capital Plan and carryover items from prior years.