

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

September 15, 2011

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 15, 2011 at 24055 Paseo del Lago West, Laguna Woods, California.

Directors Present: Ryna Rothberg, Chair; Herb Harris; Marilyn Ruekberg; and Keith Wallace

Directors Absent: None

Others Present: Judie Zoerhof, Patty Kurzet

1. Call to Order

President Rothberg chaired the meeting and 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 Wallace led the membership in the Pledge of Allegiance to the Flag.

3. Approval of the Minutes

The Board reviewed and approved without objection the minutes of the Special Meeting of June 23, 2011 (budget version 1), the Special Meeting of July 25, 2011 (budget version 2), and the Regular Meeting of August 18, 2011.

4. President's Comments

President Rothberg announced the meeting decorum and introduced United Mutual member Maxine McIntosh who is a candidate running for the GRF Board. Ms. McIntosh provided a brief summary of her background and reason for running for the GRF Board.

5. Members' Comments

- Mary Wayman (860) commented on the word "God" in the pledge of allegiance.
- Lillian Karson (363) responded to Ms. Wayman's comment.
- Vicky Kasselheim (1056) commented on the proposed pet policy.

6. Consent Calendar

No items fell under the Consent Calendar.

7. Old Business

a. Approve Revised Motorized Wheelchair Policy

Without objection, the Board postponed the following resolution to the October meeting to satisfy the 30-day notification requirement:

RESOLUTION M50-11-

POLICY FOR MOTORIZED VEHICLE USE IN THE TOWERS

Residents who require the use of motorized vehicles in the Common Area must abide by the following policy. Documentation of a doctor's prescription and Certification of Insurance must be presented to the Administration Office for approval.

WHEREAS, the Board of Directors of Laguna Woods Mutual No. Fifty ("The Towers") has the responsibility to uphold the Americans With Disabilities Act of 1990 as well as applicable state laws to accommodate the needs of disabled individuals who require the use of motorized vehicles to assist with mobility; and

WHEREAS, the Board Directors has been concerned with the potential for accidents within the Towers due to the use of motorized vehicles within the interior common area; and

WHEREAS, the Towers was not built for motorized, wheeled scooters;

NOW THEREFORE BE IT RESOLVED, that on October 20, 2011, the Board of Directors of this corporation hereby states its policy on behalf of the corporation to allow Motorized Vehicles within the Towers only when prescribed by a doctor to assist such resident because he or she is disabled within the meaning of the Disabilities Laws; and

RESOLVED FURTHER, said residents must provide to the Towers managing agent in addition to the doctor's prescription a Certificate of Insurance which provides homeowners' insurance coverage for the Resident's use of the Motorized Vehicle within the Towers with minimum coverage of \$250,000 per occurrence; and

RESOLVED FURTHER, that all motorized vehicles operating on the Common Area of Laguna Woods Village shall be operated at level 1 or the lowest speed in crowds and not faster than pedestrians in the same area while in transit; 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 Revised Dress Code Policy

Without objection, the Board postponed the following resolution to the October meeting to satisfy the 30-day notification requirement:

RESOLUTION M50-11-

DINING ROOM DRESS CODE POLICY

WHEREAS, Mutual Fifty has maintained a dress code for each dining room since the inception of the Towers; and

WHEREAS, good grooming (clothing, hair, face and hands) is expected at all times in the dining rooms and common areas; the following dress codes for the Towers dining rooms apply to both residents and their guests (for whom residents are responsible); and

NOW THEREFORE BE IT RESOLVED, October 20, 2011, that the Board of Directors of this Corporation on behalf of the Corporation hereby states the Mutual Fifty Dress Code Policy as follows;

In order to maintain the high standards of the Towers at Laguna Woods Village, the Board of Directors requests residents to read and adhere to the following Dress Code Policy:

Collarless tee shirts, tee shirts with printed offensive language, or tee shirts with logos are not allowed at any time; foot wear such as flip-flops, or thong sandals are not allowed in either dining room;

CRYSTAL DINING ROOM

Men are required to wear business suits, dress slacks, sport coats, dressy professional attire, which includes a suit coat or sports coat, collared shirts or turtleneck shirts with jackets as appropriate for gentlemen;

Ladies are required to wear dressy pant suits, dresses, or other dressy separates;

No caps or visors are to be worn in the Crystal dining room at any time;

CALIFORNIA DINING ROOM

Men are required to wear dressy casual slacks and collared shirts or sweaters, men are not allowed to wear shorts or shirts without collars;

Women are required to wear dressy casual or resort wear separates, denim or jeans are allowed in the California Room only; shorts are not allowed at any time.

RESOLVED FURTHER, that in an instance where a possible violation of the Dress Code is observed, two members of the Board must agree that there is a violation; at that time the information regarding the violation will be communicated to the Administration Office Staff who will advise the resident by a polite, positive letter acknowledging the possibility of the alleged specific offense; and

RESOLVED FURTHER, that no sleep attire, bathrobes, bed clothing, or spa attire is allowed in the common area at any time; and

RESOLVED FURTHER, that Resolution M50-10-58 dated August 19, 2010 is hereby canceled and superseded; 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 Revised Pet Policy

Without objection, the Board postponed the following resolution to the October meeting to satisfy the 30-day notification requirement:

RESOLUTION M50-11

WHEREAS, Mutual Fifty has an existing Pet Policy with regard to pets permitted in the Towers; and

WHEREAS, the Board has recently considered requests from individuals who wish to be allowed two small pets;

NOW THEREFORE BE IT RESOLVED, October 20, 2011, that the Board of Directors of this Corporation hereby approves the following Pet Policy:

Policy Statement

A pet must be licensed, with current inoculation records, and spayed or neutered. A copy of the license and a veterinarian's certificate verifying the aforementioned must be presented when applying for a permit.

All dogs, cats or other household pets authorized to be kept within a dwelling unit are required to have a permit issued by the Mutual.

The pet owner is required to appoint a pet guardian who will be responsible for the care of the pet in case of an emergency or when the owner is not available. If the guardian is not available within 24 hours of the emergency, or owner's absence, the animal shelter will be notified.

An identity collar must be on the animal at all times, identifying the owner, manor, and pet's name.

The pet owner must submit a current Certificate of Insurance with their application, which provides homeowner's insurance coverage for any damage done by the pet to persons or Mutual property with a minimum coverage of \$250,000 per occurrence.

Rules for two dogs or two cats – The Pet Policy shall apply to those requesting to purchase or move-in with two pets.

Rules and Regulations

The ability of a resident to keep a pet is, as set forth above, subject to the following rules and regulations which are founded on health and safety considerations of all Mutual residents, visitors and guests.

1. No pet shall be permitted within the common area outside and/or inside the buildings unless restrained by a leash, **not to exceed six (6) feet**, and in the charge of a person competent to restrain and control the pet. Owners with two pets shall use the elevator to the tunnel exit exclusively and avoid the common area lounges. This request is made so that the control of multiple dogs on a leash does not cause a trip hazard.
2. Pets are only permitted in interior common areas when leaving their residence to the elevator and from the elevator to the nearest exit and must be on a leash at all times.
3. No pet shall be permitted to urinate or defecate within the common area except within the grass areas north of Tower I and west of Tower II. Fecal waste shall be removed forthwith and placed in a sealed double plastic bag by the owner or person in charge of the pet before placing in the trash chute.
4. Pet owners shall not allow their pets to obstruct or interfere with the right of other residents, guests or visitors, or annoy them by unreasonable noises at any time.
5. Small dogs should be carried while in the elevators to avoid leash tangles or accidents with the automatic doors.
6. Pets must be kept free of fleas at all times.
7. The Mutual's staff is not responsible for the cleanup or disposal of pet refuse.

8. During housekeeping services, the pet must be restrained or out of the manor.
9. Pet litter is never to be disposed of in toilets. Pet owners will receive a service charge if toilets become clogged because of the above.
10. There will be a \$25 cleanup charge to the owner of the pet who soils the common area.
11. Visitors with pets must comply with all rules pertaining to pets in Common Area.
12. Pet owners must comply with all pet related requirements of Laguna Woods Mutual Fifty and the City of Laguna Woods.

Disciplinary Procedures:

All pet related complaints will be investigated. After due notice of hearing, and opportunity for the resident to present his or her case, the matter will be considered by the Mutual's Board of Directors. The Board may take all disciplinary action authorized by the Mutual's bylaws including, but not limited to, 1) a fine; 2) payment of the corporation's attorney fees incurred in enforcing the pet regulations; 3) removal of the pet; or 4) termination of the occupancy of the resident in Mutual Fifty.

All Guide Dogs and personal assistance animals are exempt.

RESOLVED FURTHER, that Resolution M50-08-54 dated October 16, 2008 is hereby superseded and canceled; 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.

8. New Business

a. Appoint Director to Fill Vacancy

Director Wallace read a proposed resolution appointing Colonel Erwin Levy to the Board in place and stead of Darrell Haskell, resigned. Director Wallace moved to approve the resolution. Director Harris seconded the motion.

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

RESOLUTION M50-11-54

RESOLVED, September 15, 2011, that the Board of Directors of this Corporation on behalf of the Corporation hereby appoints Colonel Erwin Levy to the Mutual Fifty Board of Directors in the place and stead of Darrell Haskell, resigned.

RESOLVED FURTHER, this appointment shall expire December 5, 2013.

Director Levy was invited to sit with the Board.

b. Approve 2012 Business Plan

Director Wallace read a proposed resolution approving the 2012 Business Plan. Director Wallace moved to approve the resolution. Director Harris seconded the motion and discussion ensued.

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

RESOLUTION M50-11-55

**LAGUNA WOODS MUTUAL NO. FIFTY
2012 BUSINESS PLAN**

RESOLVED, September 15, 2011, that the Business Plan of this Corporation for the year 2012 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 \$6,354,127 is required by the Corporation to meet the Laguna Woods Mutual No. Fifty operating expenses and reserve requirements for the year 2012 from which will be deducted \$707,538 expected from various sources of revenue. In addition, the sum of \$775,416 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 2012. The Board of Directors hereby estimates that the net sum of \$6,422,005 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 \$248,300, of which \$186,800 is planned from the Replacement Funds and \$61,500 from the Contingency 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 2012 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 2012; 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, 2012 as follows:

Unit Model	Monthly Assessment
A	\$1,716.13
B	\$1,738.20
C	\$1,904.71
D	\$1,877.70
F	\$2,040.80
G	\$1,851.20
H	\$2,003.42

RESOLVED FURTHER, that the second occupant charge will be \$613.50, of which \$516.02 is for food service and \$97.48 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 2012 Replacement Reserves

Director Wallace read a proposed resolution approving the 2012 Replacement Reserves. Director Wallace moved to approve the resolution. Director Levy seconded the motion.

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

RESOLUTION M50-11-56

**LAGUNA WOODS MUTUAL NO. FIFTY
2012 REPLACEMENT RESERVES**

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 15, 2011, 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 \$1,150,000 (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 Schedule of Patio Enclosure Fees

Director Wallace read a proposed resolution approving the Schedule of Patio Enclosure Fees for 2012. Director Wallace moved to approve the resolution. Director Harris seconded the motion.

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

RESOLUTION M50-11-57

WHEREAS, eight units have an enclosed patio area and pay a fee for the incremental operating costs, such as utilities, that arise from the increased square footage of interior space; and

NOW THEREFORE BE IT RESOLVED, September 15, 2011, that the Board of Directors of this Corporation hereby approves the following schedule of patio enclosure fees:

Manor	Monthly Fee
1305	\$10.47
1306	\$10.47
1356	\$9.42
1357	\$16.14
1403	\$10.44
1404	\$10.24
1405	\$10.81
1406	\$12.59

RESOLVED FURTHER, the new rates will be effective January 1, 2012 and included in the monthly assessment; and

RESOLVED FURTHER, Resolution M50-10-64 is hereby superseded; 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.

e. Approval of Collection and Lien Enforcement Policy

A summary of the following proposed resolution approving the revised Collection and Lien Enforcement Policy was given:

RESOLUTION M50-11-

WHEREAS, Section 1365 of the California Civil Code requires that homeowner associations have a specific policy relating to collection of delinquent assessment accounts and enforcement of liens placed upon such delinquent properties; and

NOW THEREFORE BE IT RESOLVED, October 20, 2011, that the Board of Directors of this Corporation hereby approves the attached Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies, effective January 1, 2012; and

RESOLVED FURTHER, that Resolution M50-10-68, adopted September 16, 2010 is hereby superseded and cancelled; 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.

A motion was made and seconded to approve the resolution.

Without objection, the Board postponed the resolution to the October meeting to satisfy the 30-day notification requirement.

9. Discussion Items

Ms. Zoerhof stated that the Mutual has two used electrical organs that no one uses or maintains anymore, and asked direction from the Board to either donate them to a charitable organization or dispose of them.

Without objection, the Board directed Staff to dispose of the two electrical organs.

Ms. Zoerhof updated the Board on the second floor bathroom restoration project and stated that the target date for completion is the end of September.

10. Financial and Budget Report – Herb Harris

Director Harris gave the financial and budget reports.

Member Ilse Stern (355) addressed Director Harris on his Financial Report.

11. Standing Committee Reports:

- **Resident Entertainment Committee:** JoAnn Cramer reported on behalf of the Resident Entertainment Committee.
- **Business Planning Committee:** Director Harris reported earlier on behalf of the Business Planning Committee.
- **Orientation Committee:** Director Ruekberg reported on behalf of the Orientation Committee.
- **Architectural Control Committee:** No report was given.

12. GRF Committees:

- **Community Activities Committee:** No report was given.
- **Broadband Services Committee:** No report was given.
- **Government and Public Relations Committee:** No report was given.
- **Bus Services Committee:** Director Harris reported on behalf of the Bus Services Committee.
- **Finance:** Director Harris reported on behalf of the Finance Services Committee.
- **Security Committee:** No report was given.
- **Land Use Committee:** Director Harris reported on behalf of the Land Use Committee.

13. Golden Rain Foundation

A report of the September 6, 2011 Golden Rain Foundation Board Meeting was not given.

14. Resale and Leasing Reports

Ms. Zoerhof reported on the resale and leasing activity at the Towers.

Members Anne Gilbert (1403) and Mary Wayman (860) commented on the resale report.

15. Administrator's Report

No report was given.

16. Directors' Forum

Director Harris reported on the new GRF Trust Facilities Fee.

Recess

The meeting recessed at 3:04 P.M. and reconvened into Executive Session at 3:09 P.M.

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

During its Regular Executive Session meeting of August 18, 2011, the Board reviewed and approved the minutes from the July 21, 2011 Regular Executive Session meeting; established a foreclosure sale date; authorized one delinquency write-off, and approved a delinquent assessment payment plan.

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There being no further business to come before the Board, the meeting was adjourned at 3:40 P.M.

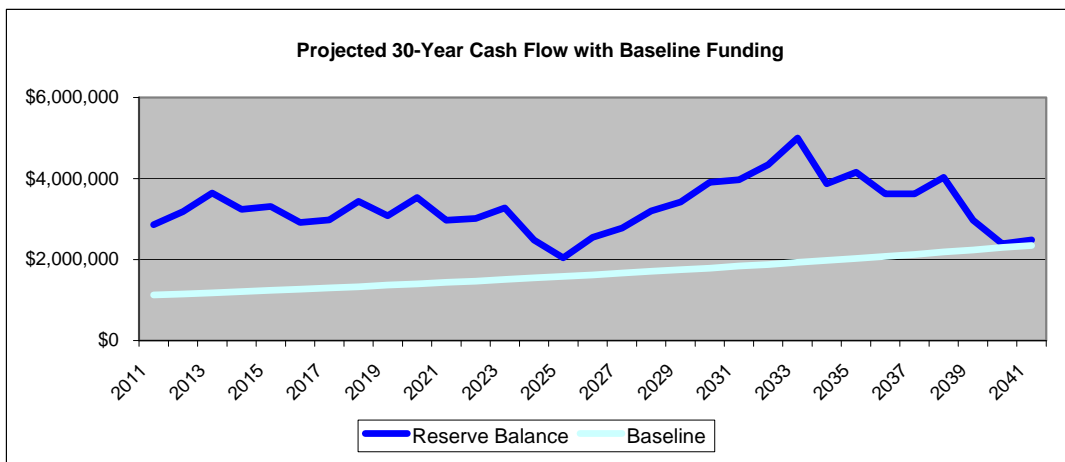
Keith Wallace, Secretary

**LAGUNA WOODS MUTUAL NO. FIFTY
 2012 RESERVES PLAN
 Replacement Reserves 30 Year Funding Plan**

Baseline (Threshold): \$ 1,150,000

Indexed for projected inflation

Year	Assessment		Interest Earnings	Planned Expenditures*	Reserve Balance
	Per Unit Per Month	Total Contribution			
2011	\$ 118.00	\$ 440,376	\$ 48,467	\$ 139,817	\$ 2,860,284
2012	\$ 123.00	\$ 459,036	\$ 54,564	\$ 186,800	\$ 3,187,084
2013	\$ 126.00	\$ 470,232	\$ 51,454	\$ 63,016	\$ 3,645,754
2014	\$ 129.00	\$ 481,428	\$ 51,845	\$ 939,941	\$ 3,239,086
2015	\$ 132.00	\$ 492,624	\$ 49,314	\$ 471,363	\$ 3,309,661
2016	\$ 135.00	\$ 503,820	\$ 46,874	\$ 945,336	\$ 2,915,019
2017	\$ 138.00	\$ 515,016	\$ 44,403	\$ 492,945	\$ 2,981,493
2018	\$ 141.00	\$ 526,212	\$ 48,312	\$ 121,896	\$ 3,434,121
2019	\$ 144.00	\$ 537,408	\$ 49,086	\$ 936,281	\$ 3,084,334
2020	\$ 147.00	\$ 548,604	\$ 49,820	\$ 151,179	\$ 3,531,579
2021	\$ 149.00	\$ 556,068	\$ 48,971	\$ 1,165,017	\$ 2,971,601
2022	\$ 151.00	\$ 563,532	\$ 45,083	\$ 565,029	\$ 3,015,187
2023	\$ 153.00	\$ 570,996	\$ 47,373	\$ 357,820	\$ 3,275,736
2024	\$ 155.00	\$ 578,460	\$ 43,357	\$ 1,415,621	\$ 2,481,932
2025	\$ 157.00	\$ 585,924	\$ 34,085	\$ 1,057,485	\$ 2,044,456
2026	\$ 159.00	\$ 593,388	\$ 34,570	\$ 126,135	\$ 2,546,279
2027	\$ 161.00	\$ 600,852	\$ 40,071	\$ 412,191	\$ 2,775,011
2028	\$ 163.00	\$ 608,316	\$ 45,020	\$ 224,875	\$ 3,203,472
2029	\$ 165.00	\$ 615,780	\$ 49,883	\$ 448,299	\$ 3,420,836
2030	\$ 167.00	\$ 623,244	\$ 55,167	\$ 194,090	\$ 3,905,157
2031	\$ 169.00	\$ 630,708	\$ 59,316	\$ 623,429	\$ 3,971,752
2032	\$ 171.00	\$ 638,172	\$ 62,627	\$ 327,656	\$ 4,344,895
2033	\$ 173.00	\$ 645,636	\$ 70,394	\$ 57,763	\$ 5,003,162
2034	\$ 175.00	\$ 653,100	\$ 66,829	\$ 1,851,583	\$ 3,871,508
2035	\$ 177.00	\$ 660,564	\$ 60,444	\$ 437,319	\$ 4,155,197
2036	\$ 179.00	\$ 668,028	\$ 58,557	\$ 1,260,808	\$ 3,620,974
2037	\$ 181.00	\$ 675,492	\$ 54,579	\$ 724,137	\$ 3,626,908
2038	\$ 183.00	\$ 682,956	\$ 57,690	\$ 333,443	\$ 4,034,111
2039	\$ 185.00	\$ 690,420	\$ 52,774	\$ 1,803,272	\$ 2,974,033
2040	\$ 187.00	\$ 697,884	\$ 40,385	\$ 1,323,376	\$ 2,388,926
2041	\$ 189.00	\$ 705,348	\$ 36,700	\$ 646,322	\$ 2,484,652



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