

**MINUTES OF THE THIRD LAGUNA HILLS MUTUAL
SPECIAL BOARD MEETING
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2007 BUSINESS PLAN – VERSION 2
July 25, 2006**

The Board of Directors met on Tuesday, July 25, 2006 at 1:30 P.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Richard Moos, Jim Matson, Phyllis Fish, Gunter Vogt, Bob Hatch, Mark Scheider, Raymond Gros, Jim Keysor, George Arnold, Dominic Burrasca

Members Absent: Larry Souza

Others Present: Cheryl Walker – Laguna Woods Globe

Staff Present: Janet Price, Betty Parker, Jim Dyer, Marcel Bradley, Dave Smith, Dan Yost

CALL TO ORDER

Richard Moos, President of the Board, declared that the meeting had been properly noticed, stated that a quorum was present, and called the meeting to order at 1:30 P.M.

ACKNOWLEDGEMENT OF PRESS

The Press was acknowledged in the form of Cheryl Walker of the Laguna Woods Globe.

REVIEW PROPOSED 2007 BUSINESS PLAN

Janet Price presented the proposed 2007 Business Plan – Version 2, noting a summary of changes from Version 1 and explaining that the total basic assessment was a \$23.96 increase per manor per month.

Ms. Price explained the projected surplus recovery line item, and informed the Board that the recommended amount to include in the 2007 Business Plan was \$4.50 per manor per month. Much discussion followed. She explained that a conservative estimate has been made projecting a year-end surplus, and detailed the three methods of returning surplus: a reduction in assessments for the upcoming budget year, transfer to reserves, or an individual check to all members. She reminded the Board that any recovery used to offset assessments may result in an automatic increase in 2007 if further operating surplus is not available.

During the review of the Reserve Contribution portion of the 2007 budget, there was a question regarding the increase of the General Operating Fund. Ms. Price explained

the proposed increase is needed to replenish funds after unplanned expenditures related primarily to moisture intrusion.

It was the consensus of the Board to discuss surplus recovery and reserves further at the next regular Finance meeting on August 8, 2006.

GOOD OF THE ORDER

The Board addressed questions and comments from the audience.

ADJOURNMENT

The meeting was adjourned at 2:50 P.M.

Gunter Vogt, Secretary