

**MINUTES OF THE UNITED LAGUNA HILLS MUTUAL SPECIAL BOARD
BUSINESS PLANNING MEETING
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2007 BUSINESS PLANNING MEETING – VERSION 1
June 28, 2006**

The United Board of Directors met on Wednesday, June 28, 2006 at 1:30 PM. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Ray Barrett, Don Tibbets, Ken Hammer, Charlene Sydow, Connie Grundke, Larry Dersh, Linda Wilson, Jim McNulty, Beth O'Brien, Mary Stone

Members Absent: Burns Nugent

Others Present: George Portlock, Ruth May – GRF
Cheryl Walker – Laguna Woods Globe

Staff Present: Janet Price, Kurt Rahn, Jerry Rathje, Jim Dyer, Cindy Grace, Dave Smith, Marcel Bradley, Betty Parker, Dan Yost

CALL TO ORDER

Ray Barrett, President of the Corporation, declared that the meeting had been properly noticed, stated that a quorum was present, and called the meeting to order at 1:30 PM.

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, Finance and Administration Director, presented the proposed 2007 Business Plan – Version 1.

ASSUMPTIONS

Ms. Price presented a list of Policies, Practices, Directives & Assumptions used for developing the proposed 2007 Business Plan.

OPERATING BUDGET

During the overview of the Direct Mutual Operating portion of the 2007 Budget, there was discussion regarding the Laundry & Other Revenue line item. Several directors conversed on the feasibility of installing coin operated machines on United dryers and/or increasing the current charge for washing machine usage. Dave Smith, Maintenance Services Manager, addressed this issue and explained that costs would be incurred for the purchase, installation, and/or alteration of the machinery. It was decided that this topic should be discussed during a regular M&C Committee meeting.

Questions arose regarding the Countertops line item in General Maintenance. Mr. Dyer indicated that he would prepare an explanation of this item for the Board for the next business planning meeting.

It was noted that operating surplus would be projected and available for consideration with Version 2.

RESERVE CONTRIBUTIONS

Ms. Price presented the Replacement Reserves 30-Year Funding Plan, which was developed by the Board, with a baseline threshold of \$3,500,000. She also presented the Board with a draft of the United Reserves Study that was completed by the reserve study consultant Strategic Reserves Corp. (budgeted in the 2005 Business Plan per Board directive).

Some questions arose relating to Roof Replacements. Marcel Bradley, Projects Manager, explained to the Board that the present-day Composition Shingle Roof Replacement has an expected useful life of 40 years, as opposed to the historical 20 years. Once replacement is made with the new product, future reserve funding will reflect the longer useful life.

At the end of the meeting, Linda Wilson formally requested that the United Board be represented in the next GRF Business Planning Meeting.

ADJOURNMENT

The president noted that all business on the agenda had been addressed, and therefore cancelled Meeting B, scheduled for July 5th.

The meeting was adjourned at 3:20 PM.

Elizabeth M. O'Brien, Secretary