

**MINUTES OF THE SPECIAL 2014 BUSINESS PLANNING
MEETING OF THE BOARD OF DIRECTORS OF
LAGUNA WOODS MUTUAL NO. FIFTY
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION
July 22, 2013**

The Board of Directors of Laguna Woods Mutual Fifty, a California nonprofit mutual benefit corporation, met at 2:00 P.M. on Monday, July 22, 2013 in the Lortscher Hall at 24055 Paseo del Lago West, Laguna Woods, California.

Members Present: Ryna Rothberg, Marilyn Ruekberg, Chace Kendro, Inesa Nord-Leth, Erwin Levy

Members Absent: None

Staff Present: Betty Parker, Judie Zoerhof, Kelly Farano

CALL TO ORDER

Ryna Rothberg chaired the meeting and called to order at 2:03 p.m.

ACKNOWLEDGEMENT OF THE PRESS

The press was not present.

REVIEW PROPOSED 2014 BUSINESS PLAN

Ms. Rothberg introduced Betty Parker, Financial Services Director, to present the proposed 2014 Business Plan – Version 2. In this version of the Business Plan, the average increase when compared to 2013 is about \$97 per unit per month (PUPM), including the GRF portion.

OPERATING BUDGET

Ms. Parker presented the operating budget and explained changes compared to the 2013 Business Plan, also noting changes made since Version 1.

The Board made comments and asked questions on various portions of the proposed operating expenditures.

Ms. Parker, provided history of Mutual Fifty taxes status filings. Since 2004, Mutual Fifty has filed US Corporation Income Tax using form 1120 Section 277, which allows losses to be carried forward to following years. All loss carry forward was depleted by 2012 and none will be available for 2014. Consequently, Staff anticipates Federal and State income taxes to increase significantly in 2014.

RESERVE CONTRIBUTIONS

Ms. Parker indicated that the Replacement Fund contribution increased by \$3.00 PUPM 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.

Ms. Rothberg announced that the next meeting to review Version 3 will be held on August 12, 2013 at 10:00 a.m. in Lortscher Hall.

ADJOURNMENT

The meeting was adjourned at 3:15 P.M.

Ryna Rothberg, President