

lowing; one of the directors said that this fee will help to reduce our assessments, while, other directors said the money will be spent on such things as a new administration building, a super gym, an enclosed swimming pool, etc.

If you understand what they are telling us you will have heard that, our current assessments will continue to increase and pay for the same maintenance as they have in the past, and the "Transfer Fee" money will be spent for NEW ADDITIONAL FACILITIES as noted above.

Can you imagine how this money will be managed? They have no idea on how much money will be coming in every month. Dependent on the number of manor sales, which by the way, varies dramatically and we have no idea on what it will be over the next couple of years. Nor does the board know how much it will cost to implement this fee. We currently sell approximately 2.5 manors a day. That will surely necessitate the addition of at least one person to handle this paperwork. If it costs us \$50,000 a year for a gardener, how much will it cost for a financial administrator?

When the GRF Board decides to build the "Super Gym," something on the order of our new "Caddy Shack," we will be taking in an estimated \$1,000,000 a year. If the "Super Gym" costs \$5,000,000, will we have to wait 5 years until we accumulate the money in our "Transfer Fee Trust Fund?"

Not with the current GRF Board. They will start building tomorrow and the payments

will begin immediately. Whatever we cannot cover with the Transfer Fee we will cover with additional assessments.

Shortsightedness is a virtue of our current Boards. Have they considered the impact of a \$1,500 fee on a \$500,000 manor versus the impact on a \$3,000 Towers Manor? Nope! They haven't. Towers! You are on your own!

How should the GRF Board implement their development plans? The Treasurer of Third Mutual has the answer. Any new development MUST go through the annual business plan budgeting process. The proposed costs must be included in the budget so that it is visible to all owners and can be openly included in the annual budget presentations.

Any cost of this nature must include both the housing mutual consent and the consent of the owner/residents. Something we have not done in the past and which should be implemented immediately.

With all of the discussion at the past two GRF Board meetings, there is still a question of legality and we have yet to hear from a qualified attorney as to the validity of this "Transfer Fee."

There is also discussion that the FHA will not OK mortgages for Home Owner Associations who implement such a fee. With the current difficulty that buyers face in getting loans, that is not another hurdle that a Laguna Woods Village seller and buyer should be faced with.