

Presentation Subjects

- “Facilities Transfer Fee”
- Manor Sales
- Candidates
- United President’s Comments

“GRF Facilities Fee” January 01, 2012

C. K. Grundke

949-683-6923

“GRF Facilities Fee”

- Definition:
 - A fee (initially \$1,500 but increased by GRF as needed) to be imposed on new buyers within LWV.
 - Implemented equally on sale of all manors, from single family manors to Towers studio apartments.
- Objective:
 - The current operational assessments, in place since approx 1988, are insufficient to meet the plans of GRF for developing additional facilities.

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“GRF Facilities Fee”

- “GRF Facilities Fee” a.k.a. “Transfer Fee”
- Using Walnut Creek, our “sister” community, as an example of success is false since they do NOT assess money for reserves. All facility improvements must be paid for via a special fee at the time the money is spent.

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Pros

- Added facilities will attract new buyers.
- Money will not come through owner assessments. Only new buyers will be assessed a fee.
- California Association of Realtors (CAR) supports the fee.
- It will not impact sales.

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Cons

- Is the “fee” legal within the scope of our By-Laws and CC&R’s?
- Do we really need to build new facilities?
- The National Association of Realtors (NAR) oppose a “Transfer Fee.”
- The FHA may not back loans for manors where a “Transfer Fee” is involved.
- When will the Housing Mutuals begin to assess a “Transfer Fee” to meet their expenses?

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Con (Cont.)

- There has been no implementation cost associated with a “Facilities Transfer Fee.”
 - At 2.5 manors per day during a peak month, how many additional headcount must PCM hire?
- It is impossible to plan on a monthly income that would be needed to fund a new facility.
 - How many sales can we count on in 2012?
- GRF track record on monthly assessments does not support that they can control costs.

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Conclusion

- When GRF can prove that they can manage our money with sufficient oversight (i.e., “The Caddy Shack?”) then they can be trusted with more money.
- When the “New Facility” requirements become a part of the annual business plan review and all the housing mutuals are included in the decision, we might not need a “Facilities Transfer Fee.”

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“Manor Sales Overview”

C. K. Grundke
949-683-6923

Source Data

- PCM generates a monthly report that is provided to the Mutual Finance Committees.
- The data in this PowerPoint presentation are a compilation of the individual monthly reports.
- The data in this report covers the period January 1998 through August 2011.

Number of Units Sold

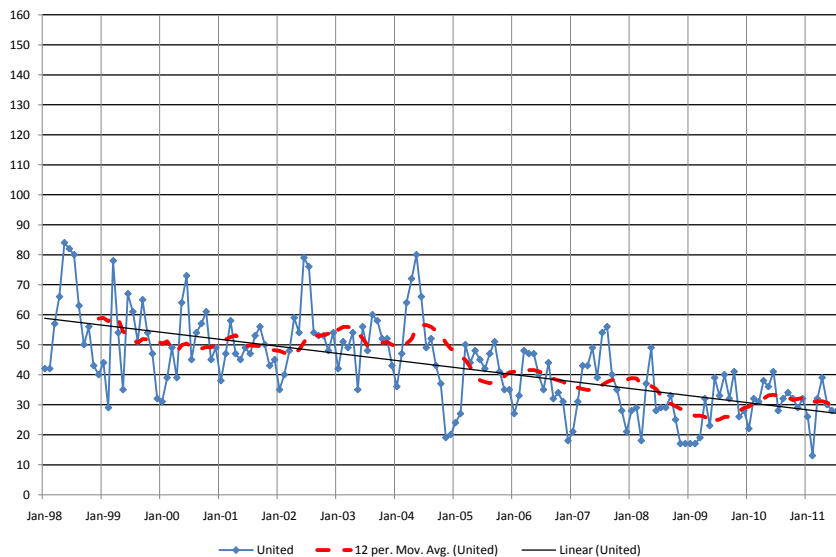
- The following three slides are generated by plotting the monthly number of units sold.
- A second line on each graph is generated by calculating a running 12 month average of these monthly values.
- A third line is plotted by calculating a linear trend line based on the monthly values.

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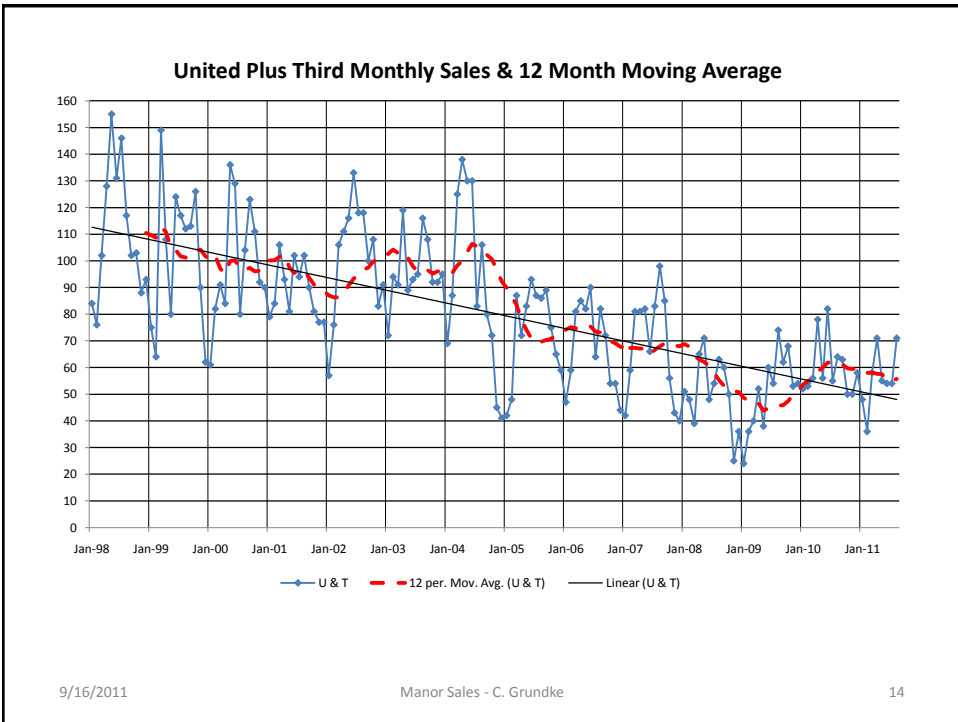
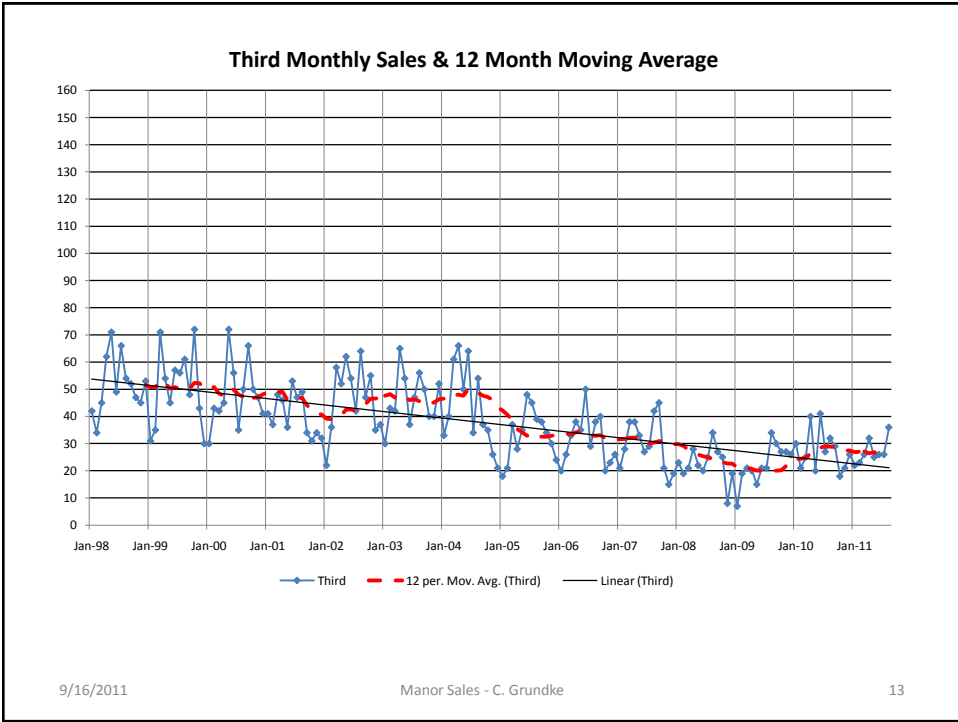
United Monthly Sales & 12 Month Moving Average



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Average Unit Costs

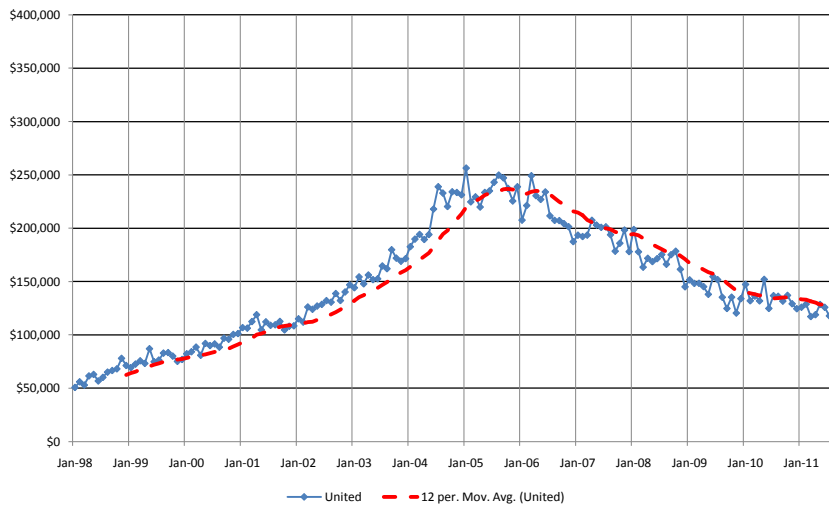
- The following two slides are derived by calculating the average Unit Sales cost per month and plotting the monthly value.
- An additional line is derived by calculating a 12 Month Moving Average of these monthly Unit costs.

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United Monthly Avg Unit Cost & 12 Month Moving Average



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Candidates

- What do we expect of a candidate?
 - Remove Managing Agent, Milt Johns?
 - Remove Finance Officer, Janet Price?
 - Remove PCM?
- On September 13, the President of United Mutual, Gail McNulty accused Residents Voice of these objectives from the time of it's conception.
 - She stated that we have accomplished 2 out of our 3 objectives.

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Candidates (cont.)

- It may be time to reiterate our mission and objectives:
 - Make available information that may not normally be provided to the owner/residents and board members.
 - RV has provided LWV owners with over 250,000 free documents that are not normally made public.
 - Hold accountable those who would do harm to the Housing Mutuals.
 - Provide information that exposes use of our monies.

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Candidates (cont.)

- If the Managing Agent is not performing his/her duties properly, Residents Voice will ask that they be corrected and if that is not forthcoming, that the Boards remove he/she.
 - This is normal OVERSIGHT for any corporation.
- The Financial Officer is held to the same standards.
- PCM is held to the same standards.

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Candidates (cont)

- When selecting a candidate for one of our Housing Mutual Boards, they **MUST** be willing and able to hold the Managing Company to the highest standards. Board Members are held accountable to ensure that the **TRUST** that we place in our Managing Agent is warranted.
- Operational Audits are imperative!

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United President's Comments

- The President of the United Housing Mutual made a number of accusations at her opening comments at the monthly board meeting on Tuesday, July 13, 2011.
- Even though she specifically stated that she did not speak for the Board, the silence of the Board Members reflects the lack of responsibility and oversight on their part.

The End