

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE GOLDEN RAIN FOUNDATION
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

February 24, 2014

A Special Meeting of the Golden Rain Foundation Board of Directors, a California non-profit mutual benefit corporation, was held on Monday, February 24, 2014 at 10:00 A.M. at 24351 El Toro Road, Laguna Woods, California.

GRF Directors Present: Larry Souza, Marv Rosenhaft, Pat Feeney, Linda Wilson, Heather Gerson, Dick Palmer, Carol Moore, Maxine McIntosh, and Mary Stone

GRF Directors Absent: Ruth May, Margaret Klein

Staff Present: Jerry Storage, Kim Taylor

Others Present: Jon Epstein, Esq. Epstein Grinnell & Howell

CALL TO ORDER:

President Souza served as Chair of the meeting and stated that it was a special meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 10:00 A.M.

APPROVAL OF THE AGENDA

Without objection, the Board approved the agenda as written.

MEMBER COMMENTS

Pat Blomgren (563-A) commented on Board comments.

Catherine Baum (3276-A) commented on the proposed bar for the Village Greens.

Shirley Muse (579-A) commented on the last GRF Regular Board meeting.

Pamela Grundke (2214-B) commented on the previous speaker.

Director Rosenhaft moved to recess the meeting for 10 minutes so that the directors could review the handout of Resolution 90-13-34 Golden Rain Foundation Director Code of Conduct, distributed at the beginning of the meeting. Director McIntosh seconded the motion. By a vote of 9-0-0 the motion carried and the meeting recessed for 10 minutes.

Director Moore moved to delete Item VI in Resolution 90-13-34, as part of a new resolution for GRF Director Code of Conduct. Director McIntosh seconded the motion.

Members Kathryn Freshley (5490-N), Ryna Rothberg (704), Catherine Baum (3276-A), and Bert Moldow (3503-A) commented on the motion.

Director Moore called for a roll call vote.

Roll Call:

By the following roll call vote of 5-4-0, the motion carried.

Aye: Directors Stone, McIntosh, Palmer, Feeney, Moore

Nay: Directors Souza, Rosenhaft, Gerson, Wilson

Director Feeney moved to add as Item VI in a new resolution for GRF Director Code of Conduct the following: "It is understood that differences of opinion will occur. Such differences of opinion should be expressed in a clear and business-like fashion. Directors are encouraged to accept the decision of the majority of the board and he/she will not reintroduce the issue unless there is an intervening and substantial change in the underlying facts." Director Wilson seconded the motion.

Members Kathryn Freshley (5490-N) and Joan Milliman (969-3E) commented on the motion.

Director Stone moved to amend the motion to say; "Directors are encouraged to accept the decision of the majority of the board and he/she will not reintroduce the issue unless there is an intervening and substantial change in the underlying facts." Director Moore seconded the amendment.

By a vote of 6-1-1 (Director Palmer opposed, Director Rosenhaft abstained) the amended motion carried.

Director Gerson moved to add to the new GRF Code of Conduct: "No Director shall knowingly misrepresent any fact to anyone for the purpose of advancing a personal cause or influencing the owners or residents to place pressure on the Board to advance that Director's personal cause or agenda." Director Rosenhaft seconded the motion.

By a vote of 1-7-1 (Director Gerson in favor, Director Rosenhaft abstained) the motion failed.

By a vote of 6-0-2 (Directors Rosenhaft and McIntosh abstained) the GRF Code of Conduct was approved as amended.

RESOLUTION 90-14-11

Golden Rain Foundation
Director Code of Conduct

WHEREAS, the Board of Directors of this Corporation wishes to clearly state the standard of conduct which we jointly accept and to which we commit ourselves; and

WHEREAS, we choose to use the Community Association Institute (CAI) Model Code of Ethics as the basis for our guidelines;

NOW THEREFORE BE IT RESOLVED, February 24, 2014, that the Board of Directors hereby adopts the following Code of Conduct:

- I. Directors will strive at all times to serve the best interests of the Corporation as a whole, regardless of individual personal interests.

- II. Directors will use sound judgment to make the best possible business decisions for the Corporation, taking into consideration all available information, circumstances and resources.
- III. Directors will act within the boundaries of their authority as defined by law and the governing documents of the Corporation.
- IV. Directors will perform their duties without bias for or against any individual or group of owners or non-resident owners.
- V. Directors will disclose personal or professional relationships with any company or individual who has or is seeking to have a business relationship with the Corporation.
- VI. Directors are encouraged to accept the decision of the majority of the board and he/she will not reintroduce the issue unless there is an intervening and substantial change in the underlying facts.
- VII. Directors will maintain the confidentiality of all matters relating to attorney/client privilege, and all matters appropriately discussed in Executive Session or Closed Meetings.
- VIII. Directors will not directly interfere with any outside contractor obtained by the Managing Agent who is implementing a work in progress. All communications regarding contractors will be directed to the responsible Managing Agent's personnel.
- IX. Directors will not use their positions or decision-making authority for personal gain or to seek advantage over another owner.
- X. Directors will not solicit or accept gifts—directly or indirectly—from owners, residents, contractors, suppliers, or anyone involved in, or seeking to obtain, contractual or other business relations with the Corporation. Items such as calendars, date books and similar marketing materials distributed by a current contractor to all clients are excluded.
- XI. Directors will not make personal attacks on other Directors, staff, or members of the community. Disagreements about an issue should be directed to the issue, not the person who raises an opposing point of view.

RESOLVED FURTHER, that a copy of this Resolution 90-14-11 will be provided to each individual who applies to become a candidate for the GRF Board; and

RESOLVED FURTHER, that Directors and committee members who violate this policy may be subject to immediate disciplinary action including but not limited to:

- a) Censure
- b) Removal from committees
- c) Removal as an Officer of the Board
- d) Request for resignation from the Board

Prior to taking any of the actions described above, the Board will investigate the violation. The Board will review the evidence of the violation, endeavor to meet with the Director believed to be in violation, and if deemed necessary, confer with the corporation's legal counsel.

RESOLVED FURTHER, that Resolution 90-13-34, adopted April 2, 2013 is hereby superseded and cancelled; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

With no further business before the Board of Directors, the special meeting was adjourned at 12:00 P.M.

Linda Wilson, Secretary