

MODIFIED MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF GOLDEN RAIN FOUNDATION OF LAGUNA WOODS
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

April 7, 2015

The Regular Meeting of the Golden Rain Foundation of Laguna Woods Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, April 7, 2015, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Kathryn Freshley, Sharon Roddan, Lucy Shimon, Mary Stone, Dick Palmer, Stanley Feldstein, Margaret Klein, JoAnn di Lorenzo, Richard Johnston, John Beckett, Kim Shirley

Directors Absent: None

Others Present: Open Session: Cris Robinson, Kim Taylor, Wendy Panizza, Petros Frangos, Roger Richter, Russ Ridgeway
Executive Session: Cris Robinson, Kim Taylor, Blessilda Fernandez, Mark Steranka from Moss Adams

CALL TO ORDER

President Kathryn Freshley served as Chair of the meeting and stated that it was a regular meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 9:30 A.M.

PLEDGE OF ALLEGIANCE TO THE FLAG

Director Richard Johnston led the membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF MEDIA

A representative of the Laguna Woods Globe and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

APPROVAL OF AGENDA

Director Stone moved to amend the agenda by adding from the closed session Agenda Item 6e "Entertain Motion to Approve the Golf Revenue Task Force's Recommendation to Hire an Additional Marshal Resolution" to the open session Agenda and to move open session Agenda Item 19b to Agenda Item 16, due to technical issues. Director Shimon seconded the motion. By a vote of 10-0-0 the motion carried and the agenda was approved as amended.

APPROVAL OF THE MINUTES

Without objection, the Board approved the Regular Open Session minutes of March 3, 2015 as amended by adding to the minutes, on page 1 of 27 under Member Comments, under Stan Wambolt (5487-B) comment on the maintenance building at the "**Par 3**" golf course and requested that it be upgraded and improved.

Without objection, the Board approved the Special Open Session minutes of March 30, 2015 as amended by adding next to the vote count "(Directors Klein, di Lorenzo and Beckett abstained, ***as the Directors did not receive the packet in time to vote***)."

MEMBER COMMENTS

- Eleanor Bartholomew (735-B) commented on the FutureSense presentation and would like to have known that they were going to give a presentation on TV6 ahead of time.
- Maxine McIntosh (68-C) commented on having more information provided on the Monday Memo and the website regarding a description of what the meetings are about.
- Judith Troutman (3011-B) commented on the Room Reservation Policy and clubs not having to be limited to holding 2 or 3 events a year.
- Betty Grissom (3161-B) spoke to the Room Reservation Policy and commented on the craft shows in the community and asked the Board not to limit them.
- Catherine Brown (2131-A) spoke to the Room Reservation Policy and her opposition of limiting clubs and organizations.
- Carolyn Davis (278-A) spoke to the resident handbook being broadly distributed and advertising of estate sales.
- Lucy Parker (949-D) spoke to the 19 Restaurant and Lounge Notice to Vacate and spoke to her opposition of the notice.
- Bob Hatch (5064) spoke to the mission of Foundation of Laguna Woods Village and asked for support of the Foundation.
- Sharon Wyman (578-B) commented on her negative experience with Associa and commented on the lack of emergency services over the weekend at Clubhouse 5 during restroom toilet overflow.
- Rae Tso (3256-A) commented on the FutureSense presentation on TV6 last Friday and stated that she trusts FutureSense' opinion regarding the problems with the Governance of the Community.
- Marv Rosenhaft (823-A) commented on the 19 Restaurant and Lounge Notice to Vacate and voiced his opposition to the notice and stated that residents are meeting at the restaurant in support of the restaurant.
- Betsy Martin (3328-A) stated that she is a Gate Ambassador and that she and other Gate Ambassadors have been enforcing the rule to not let anyone in the gate for 19 Restaurant and Lounge who is not a Member or called in by a Member as guest.
- Rose Ting (4-B) voiced her opposition to some of the Broadband Channels being switched over from analog to digital and her displeasure of the need to buy a cable box to be able to see the channels.
- Denny Welch (5517-1C) commented on the 19 Restaurant and Lounge Notice to Vacate and spoke to her opposition of the notice and stated that residents are meeting at the restaurant in support of the restaurant.
- Roberta Berk (933-B) commented on the 19 Restaurant and Lounge Notice to Vacate.
- Franklin Smith (5369-3D) commented on his poor experience at 19 Restaurant and Lounge and stated that he supports the Board decision to serve the Notice to Vacate.
- Jan Blake (481-N) commented on her positive experience working with 19 Restaurant and Lounge for her granddaughter's birthday party.
- Terri (Sunshine) Lutey (3232-D) commented on an email she sent residents regarding the Room Reservation Policy.

The Directors briefly responded to Members' comments.

Ms. Wendy Panizza entered the meeting at 10:20 AM.

GENERAL MANAGER'S REPORT

In Jerry Storage's absence no General Manager's Report was given.

CHAIR'S REPORT

President Freshley spoke to the issues regarding the 19 Restaurant and Lounge and the Notice to Vacate. President Freshley stated that the Board has a fiduciary duty to respond to the issues and that the GRF Board and Legal Counsel are working together to solve the issues.

President Freshley spoke of the three legged stool: Transparency, Open Communication and Leadership Ethics. President Freshley spoke to the Laguna Woods Village governance structure and the FutureSense presentation; to the variety of ages living in the Community; to the difference in income structure within the community; and stated that the Board seeks a balance within the Community. President Freshley also spoke to approval of the 2014 Audit.

Mr. Petros Frangos entered the meeting at 10:50 AM.

UNFINISHED BUSINESS

Ms. Wendy Panizza, Property Services Manager, presented a report on the status of implementation of the Moss Adams Operational Review findings in the Property Services Department and answered questions from the Board.

Ms. Wendy Panizza and Mr. Petros Frangos left the meeting at 11:35 AM.

Director di Lorenzo moved to ratify the establishment of an AED Task Force. Director Palmer seconded the motion.

Director John Beckett gave a report from the AED Task Force.

Director Shirley called for the question. By a vote of 10-0-0, the motion carried to ratify the establishment of an AED Task Force.

Director Sharon Roddan gave a report from the Hearing Loop Task Force.

NEW BUSINESS

The Board discussed holding Laguna Woods Village Traffic hearings in open session.

Without objection, the Board agreed to change the name of the Laguna Woods Traffic Court to the Laguna Woods Village Traffic Hearings.

Director di Lorenzo moved to change holding the Laguna Woods Traffic hearings from closed session meetings to open session meetings, reserving the right of the Member to request to hold their hearing in Closed Session per Civil Code 4935. Director Roddan seconded the motion and discussion ensued.

Members Roberta Berk (933-B), Maxine McIntosh (68-C), Cheryl Fennik (2350-C), Mutual No. Fifty President Ryna Rothberg, Carol Davis (278-A) and Killeen Anderson (57-R) commented on the motion.

By a vote of 9-1-0 (Director Klein opposed) the motion carried.

The Board discussed approving funding for construction contract review by outside legal counsel.

Director Shirley moved to have all construction contracts reviewed by a real estate attorney. Director Beckett seconded the motion and discussion ensued. Director Shirley withdrew his motion without objection.

Director Roddan moved to amend the motion to use a real estate attorney for the Clubhouse 2 project construction contract, one time, and move forward from there. The amendment died due to a lack of a second.

Director Shirley moved to retain a real estate attorney, as outside counsel, to review the Consensus Construction Contract ~~and to form a template for future use~~. Director di Lorenzo seconded the motion.

Members Bill Lofholm (359-A), Maxine McIntosh (68-C), Joan Milliman (969-3E), United Director John McRae and Denny Welch (5517-1C) commented on the motion.

By a vote of 9-1-0 (Director Stone opposed) the motion carried.

CONSENT CALENDAR

Director Roddan moved and Director di Lorenzo seconded to amend the Consent Calendar by removing "Approve the American Legion's request to post posters at Clubhouses for their Memorial Day Veterans Program on June 1st and Veterans Day Program on November 11th. The posters will be posted three weeks prior to each event" and moving it to under the Report of the Communications Committee as Agenda Item 18c.

By a vote of 7-2-1 (Directors Stone and Klein opposed; Director Feldstein abstained) the Consent Calendar was approved as amended, and the Board took the following actions:

Approved request from UCI 90+ Study to book a room for a community lecture at the exception reservation rate for 2016.

Approved request from UCI 90+ Study to book a room for an appreciation party at the exception reservation rate for 2016.

~~Approve the American Legion's request to post posters at Clubhouses for their Memorial Day Veterans Program on June 1st and Veterans Day Program on November 11th. The posters will be posted three weeks prior to each event.~~

Approved the recommendation for turf reduction as outlined by Golf Revenue Task Force

Denied request from the Table Tennis Club to change the Recreation Division Policy regarding age limits for Table Tennis guests from 12 years old to 6 years old.

Approved request from the Tennis Club to donate and install an entrance awning to the main gate of the tennis facility with the condition that the club will be responsible for ongoing maintenance and upkeep of the awning.

Denied request from the Men's Golf Club to reduce greens fees for non-resident guests to resident rate during their 7th Annual Memorial Tournament.

Approved E-Newsletter format (as attached)

The Board took a brief recess for lunch at 12:45 PM and returned at 1:30 PM. The Board agreed to move the LED lighting presentation to the beginning of Committee Reports.

Mr. Roger Richter entered the meeting at 1:30 PM.

COMMITTEE REPORTS

Mr. Rodger Richter gave a presentation on LED Lighting and answered questions from the Board.

Mr. Roger Richter left the meeting at 1:55 PM.

Director Johnston reported from the Finance Committee and presented the Treasurer's Report.

Director Johnston reported from the Administrative Processes and Procedures Ad-Hoc Committee.

Director Stone read a proposed resolution approving the Administrative Processes and Procedures Ad-Hoc Committee Charter. Director Stone moved to approve the resolution. Director Shirley seconded the motion and discussion ensued.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-15-23

Administrative Processes and Procedures Ad-Hoc Committee Charter

WHEREAS, on November 4, 2014, an Administrative Processes and Procedures Ad-Hoc Committee has been established pursuant to Article 7, Section 7.1.1 of the Bylaws of this Corporation;

NOW THEREFORE BE IT RESOLVED, April 7, 2015, the Board of Directors of this Corporation hereby assigns the duties and responsibilities of this Ad-Hoc Committee as follows:

1. Review and evaluate existing policies and procedures
2. Identify issues
3. Establish new processes and performance standards **metrics**, which include best practices
4. Recommend changes to the Board
5. Monitor quality assurance performance standards **metrics**, for continuous improvement

RESOLVED FURTHER, that the Administrative Processes and Procedures Ad-Hoc Committee shall perform such other duties as may be assigned by the Golden Rain Foundation Board and upon conclusion of the Committee's work, it will be disbanded by the Board.

Director Feldstein reported from the Laguna Woods Village Traffic Hearings.

Director Feldstein reported from the Media & Communications Committee.

Director Stone read a proposed resolution approving the purchasing of additional set top boxes with an appropriation of \$208,000. Director Stone moved to approve the resolution. Director Feldstein seconded the motion.

Mr. Russ Ridgeway entered the meeting at 2:45 PM.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-15-24

Additional Set Top Boxes

WHEREAS, currently, there is a greater demand in the new digital services than anticipated and based on current subscriber trends, the number of digital subscribers is expected to rise to over 5,500 by year end; and

WHEREAS, the failure rate of existing equipment is near 6%, which has far exceeded the estimated 2%, requiring approximately 330 additional set top boxes for replacement in 2015;

WHEREAS, in order to accommodate the increased demand and replacement of failing existing equipment, additional set-top boxes are needed;

NOW THEREFORE BE IT RESOLVED, April 7, 2015, the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the

amount of \$208,000 funded from the Equipment Fund to purchase 680 additional set-top boxes; and

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

Mr. Russ Ridgeway left the meeting at 3:05 PM.

Director Stone reported from the Clubhouse 2 Renovation Ad Hoc Committee.

Director Stone reported from the Community Activities Committee.

Director Stone read a proposed resolution approving replacing the Clubhouse Three theatrical lighting system console, with an appropriation of \$20,000 funded from the Equipment Fund. Director Stone moved to approve the resolution. Director Roddan seconded the motion and discussion ensued.

By a vote of 10-0-0 the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 90-15-25

Clubhouse Three Lighting System Console

WHEREAS, the annual utilization at the Clubhouse Three Theater was 25,432 in 2014 and in that time, the theater hosted over 50 performances. The lighting system console controls the theatrical lighting for each performance and is necessary for all theatrical productions; and

WHEREAS, the onboard memory of the lighting system console has failed resulting in the loss of the operating system, rendering the console inoperable and the theatrical lighting system cannot be operated without a functioning console;

NOW THEREFORE BE IT RESOLVED, April 7, 2015, the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$20,000, funded from the Equipment Fund, to replace the theatrical lighting system console at Clubhouse Three; and

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

The Board discussed the recommendation from the Golf Revenue Task Force to reduce part-time staff golfing benefits to 54 holes per month.

Director Stone moved to reduce part-time staff golfing benefits to 54 holes per month. Director Johnston seconded the motion.

Members Charlie Huntsman (2393-2E), Sunshine Lutey (3232-D), Violet Richards (445-C), Denny Welch (5517-1C), and Roberta Berk (933-B), commented on the motion.

By a vote of 3-6-1 (Directors Shirley, Johnston, Klein in favor; Director Beckett abstained) the motion failed.

Director Stone read a resolution approving the Golf Revenue Task Force's recommendation to hire an additional Player Assistant/Marshall and agrees to exceed the 2015 Operating Budget by an amount not to exceed \$25,000. Director Stone moved to approve the resolution. Director Shimon seconded the motion.

By a vote of 6-4-0 (Directors di Lorenzo, Roddan, Feldstein and Beckett opposed) the motion carried and the Board approved the following resolution:

RESOLUTION 90-15-26

Hiring of an Additional Player Assistant/Marshal

WHEREAS, the Golf Revenue Task Force and the GRF Community Activities Committee are recommending that the Board approve the hiring of an additional Player Assistant/Marshal to monitor and enforce the pace of play on the course; and

NOW THEREFORE BE IT RESOLVED, April 7, 2015, the Board of Directors hereby agrees to exceed the 2015 Operating Budget by an amount not to exceed \$25,000 in order to immediately add the staffing of an additional Player Assistant/Marshall; and

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

Director Stone moved to approve the American Legion's request to post posters at Clubhouses for their Memorial Day Veterans Program on June 1st and Veterans Day Program on November 11th. The posters will be posted three weeks prior to each event. Director Johnston seconded the motion.

Member Sunshine Lutey (3232-D) commented on the motion.

By a vote of 7-3-0 the motion carried.

Director Palmer reported from the Energy Committee.

The Board discussed the Committee recommendation for single sourcing LED Light Replacement with Incandescent Bulbs in all the GRF Facilities to SuperGreen Solutions, at

no cost. Director Palmer made a motion to approve the recommendation. Director Roddan seconded the motion and discussion ensued.

By a vote of 0-10-0, the motion failed and the recommendation was denied.

Due to time constraints the Board did not present reports from the Landscape Committee, the Mobility & Vehicles Committee and the Maintenance & Construction Committee.

The Board discussed approval of IronWorks to perform the proposed Aliso Creek Guardrail work.

Without objection, the Board sent back Agenda Item 22a "Entertain Motion to Approve the Proposed Aliso Creek Guardrail to IronWorks to the Maintenance and Construction Committee" for further review.

Director Roddan reported from the Security & Community Access Committee.

Director Stone read a proposed resolution approving rescinding an appropriation for Aliso Creek Security Cameras. Director Stone moved to approve the resolution. Director Beckett seconded the motion and discussion ensued.

By a vote of 10-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-15-27

**Rescind Resolution 90-13-14 –
Appropriation for Aliso Creek Security Cameras**

WHEREAS, on February 5, 2013, the Board of Directors authorized a supplemental appropriation in the amount of \$89,100, from the Facilities Fund, to install two (2) CCTV Cameras at the upper and lower Aliso Creek property lines as originally proposed in 2012;

WHEREAS, based on the time lapse of implementing the CCTV cameras and the lack of evidence supporting the need for the camera installation, the GRF Security and Community Access Committee and the GRF Finance Committee are recommending the appropriation of \$89,100 from the Facilities Fund be rescinded;

NOW THEREFORE BE IT RESOLVED, April 7, 2015, the Board of Directors of this Corporation hereby rescinds resolution 90-13-14 approved on February 5, 2013, to install two (2) CCTV Cameras at the upper and lower Aliso Creek property lines as originally proposed in 2012; and

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

Ms. Wendy Panizza re-entered the meeting at 4:20 PM.

Director Stone read a proposed resolution approving revising the Estate Sales/Sale with Non-Resident Guest Resolution 90-12-134 to specify these rules apply to sales which are conducted at Manor residences, and not at other locations in the Community. Director Stone moved to approve the resolution. Director Feldstein seconded the motion.

By a vote of 10-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-12-134
REVISED APRIL 2015, RESOLUTION 90-15-28

WHEREAS, estate sales and sales advertised to non-resident guests conducted at manor residences, and not at GRF facilities, provide residents within the Community the opportunity to dispose of unwanted personal goods; and

WHEREAS, such sales, which attract non-residents to the Community, occasionally cause traffic and other disruptions which may impact other residents;

NOW THEREFORE BE IT RESOLVED, April 7, 2015, the Board of Directors of this Corporation hereby approves a new service level to monitor and document estate sales and sales with non-resident guests, and further establishes a \$50 fee for the first sale day and \$40 for each subsequent day, effective January 1, 2013; and

RESOLVED FURTHER, that the fee, payable by the event sponsor, shall be used to offset Staff's time required to process an Estate Sale / Sale With Non-Resident Guests application and for Security to patrol the area of the sale to ensure traffic flow is not hampered and other disruptions are not impacting the residents; and

RESOLVED FURTHER, in addition to the "Estate Sale/ Sale with Non-Resident Guests Written Authorization" form, the resident or representative for a sale conducted at a manor residence must also obtain approval of a "Gate Clearance Flyer with Tear Off" form from Community Access at least four (4) days prior to the event in order for non-resident guests to be permitted access into the Community; and

RESOLVED FURTHER, that non-resident guests will be required to submit the completed tear off portion of the "Gate Clearance Flyer with Tear Off" form upon arrival at the gate to provide Security a record of non-resident vehicles that enter the Community; and

RESOLVED FURTHER, that resolution 90-12-134 adopted November 6, 2012 is hereby superseded and amended; and

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

Director Stone read a proposed resolution approving revising gate clearance for Non-residents (prohibiting tear-off flyers being used for GRF facilities and prohibiting a resident being stationed at the gate).

Resolution 90-15-XX

Adopted June 2015

Rules for Non-Resident Gate Access for Clubhouses, and Other GRF Facilities

WHEREAS, the Golden Rain Foundation (GRF) permits the use of clubhouses and other GRF facilities for resident-sponsored events; and

WHEREAS, non-residents who will be unaccompanied by a resident are often invited to attend the events; and

WHEREAS, GRF desires to adopt via resolution the acceptable methods for providing access to non-residents into the Community to attend events at clubhouses and other GRF facilities;

NOW THEREFORE BE IT RESOLVED, June 2, 2015, the Board of Directors of this Corporation hereby adopts the Rules for Non-Resident Gate Access for Clubhouses, and Other GRF Facilities as attached herein; and

RESOLVED FURTHER, the use of the Gate Clearance Form with Tear Off Flyer as an acceptable method for providing access to clubhouses and other GRF facilities for non-residents is strictly prohibited; and

RESOLVED FURTHER, due to safety concerns, stationing a resident at the gate as an acceptable method for providing access into the Community whatsoever for non-residents is strictly prohibited; and

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

Director Stone moved to approve the resolution and postpone it to the June meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360. Director Shimon seconded the motion.

By a vote of 10-0-0 the motion carried.

Ms. Wendy Panizza left the meeting at 4:30 PM.

FUTURE AGENDA ITEMS

Due to time constraints the Board did not discuss future agenda items.

DIRECTORS' COMMENTS

The Directors made their final comments.

MEETING RECESS

The Board took a brief recess at 12:45 PM for lunch and returned at 1:30 PM.

The regular open meeting recessed and reconvened into Executive Session at 4:30 PM.

Summary of Previous Closed Session Meetings per Civil Code Section §4935

During its Regular Executive Session Meeting of March 3, 2015 the Board approved the Regular Executive Session minutes of February 3, 2015, the Regular Executive Session Reconvened meeting of February 4, 2015, the Regular Executive Session Reconvened meeting of February 6, 2015, the Special Executive Session - All Boards meeting of February 9, 2015, and the Special Executive Session - All Boards meeting of February 24, 2015 as written. The Board held two member disciplinary hearings; approved one hearing request; discussed AEDs in the Community; and discussed the Third Mutual's Flood Mitigation Project.

During its Regular Executive Session Reconvened meeting of March 5, 2015 the Board discussed and considered IDS Mechanical Engineers for the design of the Community Center HVAC upgrades and EMS system connections, multiple room reservations with regard to Members abusing the current Room Reservation Policy; and discussed and considered contractual legal matters.

ADJOURNMENT

Without objection, the meeting was recessed at 6:46 PM to reconvene on April 8, 2015, at 2:00 PM. On April 8, 2015 the reconvened meeting was adjourned at 4:25 PM.

Mary Stone, Secretary