

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

March 7, 2017

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, March 7, 2017, at 9:30 A.M., at 24264 El Toro Rd, Laguna Woods, California.

Directors Present: John Parker, JoAnn diLorenzo, Beth Perak, Judith Troutman, Joan Milliman, Richard Palmer, Tom Sirkel, Ray Gros, Kathryn Freshley, John Beckett, Diane Phelps

Directors Absent: None

Staff Present: Open Session: Brad Hudson, Lori Moss, Catherine Laster
Executive Session: Brad Hudson, Catherine Laster, Jacob Huanosto, Tim Moy, Francis Rangel

Others Present: None

CALL TO ORDER

President John Parker 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 AM.

PLEDGE OF ALLEGIANCE TO THE FLAG

Director Ray Gros led the membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF MEDIA

A representative of the Laguna Woods Globe entered the meeting at 10:00 AM and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

APPROVAL OF AGENDA

Director diLorenzo moved to approve the agenda. Director Phelps seconded the motion. Without objection, the agenda was approved as presented.

APPROVAL OF THE MINUTES

Director diLorenzo moved to approve the minutes of February 7, 2017, as amended in handout "Amended Item No. 5a". Director Gros seconded the motion. Without objection, the minutes were approved as amended.

CHAIR'S REPORT

Chair Parker thanked the City of Laguna Woods for the use of Council Chambers while the Village's Board Room is under renovation. Chair Parker took a moment to welcome Community Manager Lori Moss back and thanked her for her hard work and dedication to the Community. Chair Parker addressed rumors that have circulated in the community and suggested members contact the Board or VMS staff for clarification, if they hear claims that cause them concern. Chair Parker also remarked on a letter he received from Third Laguna

Hills Mutual regarding continuing to secure the gates, and commented on what would be required by the Board for future infrastructure expenditures.

Update from VMS – Director Lucy Shimon

Ms. Lucy Shimon, Director, Village Management Services, Inc. (VMS) provided kudos to the following VMS staff: Ernesto Munoz, Maintenance Operations Director, for his work with the SCE solar panel project; Paul Ortiz, TV Services Manager, for expanding programming on TV6; Bruce Hartley, General Services Director and Heather Rasmussen Sr. Public Affairs Specialist for their work on the revised bus schedule; Francis Rangel, Compliance Supervisor, for her work on amending the Care Provider policy; and Chuck Holland's deployment of a tablet to field staff as test to improve efficiency. Director Shimon commented on reports from the last meeting by Jackie Giacomazzi, Human Resources Director, regarding staff training, and Dan Yost, Insurance and Risk Analyst, regarding earthquake insurance. She reported that at the upcoming meeting the Board will review succession planning and compensation comparisons.

CEO REPORT

Mr. Bradley Hudson, CEO/General Manager, spoke of the recent storm recovery; the damage and rapid repair of Clubhouse 4 after a waterline break; and the enhanced security of the new gate system. Mr. Hudson commented on the new bus transit schedule, which will be providing destination shopping on Tuesdays and an excursion to the Bowers Museum at the end of the month. Mr. Hudson reported on the Permission to Operate from Edison for certain buildings as part of Third's solar project, and the LED light projects underway at the Community Center and Clubhouse 7 golf path. Mr. Hudson announced the launch of a sidewalk repair and replacement project; the new convenience of cable box services moved to the first floor of the Community Center; and the work the Media and Communication Committee is dedicating to increase internet speeds. Mr. Hudson reported success in deactivating unauthorized ID cards, and praised the long awaited upgrade of the TV6 HD cameras. Mr. Hudson announced upcoming shows at the Laguna Woods Village Performing Arts Center, and thanked the Board of Directors for their flexibility with changes to the Boards' meeting schedules.

OPEN FORUM

Sue Margolis (34-C) commented on her concerns and confusion about the letter she received regarding garden plots.

Joy Nanchy (429-C) commented on saving pianos at the clubhouses. She spoke of the differences between electronic keyboards and pianos and requested her group be allowed to purchase a piano from GRF.

Juanita Tsu (137-C) commented on pianos and suggested that the Clubs take care of tuning the pianos.

Andre Torng (389-Q) commented on receiving more information and setting up a data warehouse that members could access. He also spoke about the new bus schedule and his experiences while riding the buses; in addition, he voiced his approval for the start of the sidewalk repair project.

Kitty Platt (3249-B) commented on her confusion about the letter she received regarding her garden plot and requested clarification.

Chris Collins (3306-Q) spoke on the attributes of the Laguna Woods Foundation and thanked members for their contributions.

Cash Achrekar (201-E) thanked Mr. Hudson and the VMS team for all their work and the speedy repair of Clubhouse 4. He also commented on the request for project funds from GRF, and his concerns about a suspicious car parking on Village property.

Ming-Lee Chang (771-C) commented on the usefulness of the garden center plots and the need to provide residents more time to make corrections to their plots.

Mary Stone (356-C) spoke on the confusion regarding the garden plot letter, sidewalk ownership; and the bus shelter change at Gate 5.

Stanford Glasky (5521-C) commented on the need for permitting chairs in the garden center.

Maxine McIntosh (68-C) suggested that the executive session agenda should list whom contractual and litigation is with; and complimented TV6 for improving programming content.

GRF Directors Milliman, Beckett, Perak and Chair Parker briefly responded to Members' comments.

CONSENT CALENDAR

No matters under the Consent Calendar. 5a. Additional Resident Fee passed 30-day wait.

UNFINISHED BUSINESS

Entertain Motion to Approve Revisions to Golden Rain Foundation Director Code of Ethics – Resolution

Secretary of the Board, Director JoAnn diLorenzo, read the resolution approving revisions to the Golden Rain Foundation Director Code of Ethics (Amended Item No. 12a). Director diLorenzo moved to approve the resolution. Director Troutman seconded the motion. Discussion ensued.

Director Milliman moved to amend the Code of Ethics by adding a bullet point under the "We Pledge" section. Director Sirkel seconded. Discussion ensued. Director Freshley made a motion to amend the amendment by adding Director Milliman statement to the fifth bullet point. Director Phelps seconded. Discussion ensued. Director Milliman called the question for the Freshley amendment.

By a vote of 3-7-0, the motion was defeated.

Director Milliman called the original motion for a separate bullet point for a vote.

By a vote of 9-1- 0 the motion carried to add a separate bullet point under the “We Pledge” section as follows:

- never make personal attacks on colleagues, staff or residents

Director Freshley made a motion to eliminate all the items highlighted in red from the Code of Ethics. Director diLorenzo seconded the motion. Discussion ensued.

Members Lucy Shimon (3228-D) and Ryna Rothberg (Towers) commented on the amendment.

By a vote of 3-7-0, the motion failed.

Director Milliman made a motion to amend the resolution by changing all references of the Managing Agent to VMSI. Director Phelps seconded the motion. Discussion ensued.

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

Director Milliman made a motion to add the word “consider” to the first sentence highlighted in red. Director Phelps seconded the motion. Discussion ensued.

By a vote of 8-1-1,(Director Freshley abstained) the motion carried to change the first line highlighted in red to read, “Directors should **consider resigning** from the Board if they find they can no longer maintain this agreement to serve.”

Member Mary Stone (356-C) commented on adding to the resolution. Member Ryna Rothberg (Towers) commented on Mutual 50 in relation to the resolution.

Director Freshley made a motion to add a bullet point to the top of page two to read, “To refrain from behavior that could possibly create a hostile work environment”. Director Milliman seconded the motion. Discussion ensued.

Member Maxine McIntosh (68-C) commented on the amended resolution.

By a vote of 9-1-0, the motion carried to add a bullet point to the top of page two.

By a vote of 7-3-0, the motion carried and the Board approved the following amended resolution and direct staff to include the Code of Ethics in applications given to members interested in applying for a board seat:

Resolution 90-17-12

Code of Ethics for GRF Directors

WHEREAS, the Board of the Golden Rain Foundation (GRF) wishes to institute a Code of Ethics for GRF Directors;

THEREFORE, BE IT RESOLVED, March 7, 2017, the Board hereby adopts the following Code of Ethics for GRF Directors;

Code of Ethics for GRF Directors

We, the Board of Directors of the Golden Rain Foundation, do hereby adopt this Code of Ethics for GRF Directors, to guide our conduct and to serve as a guide for newly elected GRF Directors.

We acknowledge our duty to follow the Business Judgment Rule:

1. A director shall perform his or her duties:
 - in good faith,
 - in a manner the director believes to be in the best interests of the Membership and the corporation, and
 - with such care as an ordinarily prudent person would use under similar circumstances.
2. A director shall make reasonable inquiry when circumstances indicate the need for inquiry.
3. A director shall be entitled to rely on the information, opinions, reports or statements provided by:
 - officers and agents of the corporation that the director believes to be reliable and competent in the matters presented,
 - experts, as to matters that are within the expert's competence,
 - legal counsel, as to matters that are within counsel's professional competence,
 - committees on which the director does not sit, as to matters within the committee's designated authority that the director believes merit confidence,but only if the director:
 - has made reasonable inquiry as to the person's competence, and
 - acts without knowledge that that would cause such reliance to be unwarranted.
(Corporations Code Section 7231)

We pledge:

- to act honestly, fairly, and ethically;
- to conduct ourselves in a professional, courteous and respectful manner;
- to obey all federal, state and local laws;
- to act in compliance with the governing documents;
- to act in good faith, with prudent care, and due diligence;

- to refrain from behavior that could possibly create a hostile work environment;

- to avoid situations that may give rise to an actual or potential conflict of interest or the appearance of a conflict of interest, and report these situations to the Board in the event they arise;
- to make available to fellow Directors all documents and records that may assist those Directors in the performance of their duties;
- to serve impartially all three GRF Corporate Members, and all *12,736 Mutual* Members;
- to share such information with the Board as may be appropriate;
- to respect the confidentiality of information relating to legal strategy, or personnel matters relating to VMSI employees, except when authorized or legally required to disclose such information;
- never to use confidential information acquired in the course of our service as Directors for personal advantage;
- never to allow our independent judgment to be subordinated;
- never make personal attacks on colleagues, staff or residents;
- never to accept any gift from a person or entity that does business or seeks to do business with the Board, except promotional items having a value of \$20 or less.

No code or policy can anticipate every situation that may arise. Accordingly, a Director who has a question or concern regarding compliance with this Code should raise the matter with the Board, who will determine what action shall be taken.

Directors should consider resigning from the Board if they find they can no longer maintain this agreement to serve.

I have read and understand the above Golden Rain Foundation Directors' Code of Ethics.

Signature: _____ Date: _____

Print Name: _____

BE IT FURTHER RESOLVED, that Resolution 90-15-04 is hereby superseded, to the extent that it differs, and cancelled;

BE IT FURTHER RESOLVED, that a copy of this Resolution shall be given to every candidate for GRF Director;

BE IT FURTHER RESOLVED, that VMSI is directed to carry out this Resolution.

NEW BUSINESS

Discuss and Consider Laguna Hills Memorial Day Half-Marathon, 10k and 5k

The Board considered hosting the Laguna Hills Memorial Day Half-Marathon, 10k and 5k. Discussion ensued.

Director Milliman made a motion to approve hosting the Laguna Hills Memorial Day Half-Marathon, 10k and 5k. Director diLorenzo seconded.

By a vote of 9-0-0 (Director Perak was absent for the vote) the motion carried.

Entertain Motion to Approve a Drone Policy – Resolution (initial notification – must Postpone to May to conform to the 30-day notification requirement)

Secretary of the Board, Director JoAnn diLorenzo, read a resolution approving revisions to the Golden Rain Foundation Drone Policy. Director diLorenzo moved to approve the resolution. Director Sirkel seconded the motion. Discussion ensued.

Director Sirkel made a motion to amend the resolution to include Mutual 50 in the policy and on the application. Director Beckett seconded the motion. Discussion ensued.

By a vote of 10-0-0 the amended motion to add Mutual 50 carried.

Members Mary Stone (356-C) and Larry Cunningham (154-D) commented on the amended resolution.

Director Freshley made a motion to accept Drone Policy as amended. Director Milliman seconded.

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

RESOLUTION 90-17-13

Drone Policy

WHEREAS, the Security & Community Access and Media & Communications Committees recommend adopting a Drone Policy, to fairly and reasonably address small unmanned aircraft systems, known as Drones, in Laguna Woods Village; and

WHEREAS, Drones are regulated by the Federal Aviation Administration (FAA); and

WHEREAS, the Golden Rain Foundation has received numerous requests from various residents to fly Drones in the community;

NOW THEREFORE BE IT RESOLVED, March 7, 2017, that the Board of Directors of this Corporation hereby adopts the following “Drone Policy”;

I. Purpose

It is the policy of the Golden Rain Foundation (GRF) that Residents and/or approved commercial users may operate Drones in the Laguna Woods Village Community in compliance with the following rules and regulations.

II. Definitions

For the purpose of this policy:

- a. A Remote Pilot in Command (PIC) is directly responsible for the operation of the Drone, and must ensure the Drone will pose no undue hazard to people, aircraft, or property in the event of loss or control of the Drone.
- b. A Drone as used in this Policy is defined as a Small unmanned aircraft system as that term is defined in 14 C.F.R. §107.3.
- c. Federal Aviation Administration (FAA) of the United States is a national authority with powers to regulate all aspects of civil aviation.
- d. Visual Observer means a person who is designated by the PIC to assist the PIC in seeing and avoiding other air traffic or objects aloft or on the ground.
- e. Resident is defined as a Member or Lessee who has been approved by the Board of Directors for occupancy.

III. Conditions

- a. A Drone is not allowed to operate unless a permit is granted by GRF.
- b. The Resident or approved commercial user to whom a permit for the operation of a Drone is granted is deemed the PIC, and only the PIC may manipulate the controls of the Drone.
- c. The PIC must submit a flight plan prior to each and every flight of the Drone which must occur wholly within the bounds of Laguna Woods Village.
- d. Each PIC may operate only one drone at a time within Laguna Woods Village.
- e. Guests of Laguna Woods Village Residents are not permitted to operate Drones in the Village.
- f. The PIC must provide proof the Drone is registered with the FAA.
- g. The PIC must be at least 18 years of age and must not operate in a careless or reckless manner so as to endanger the life or property of another.
- h. A Visual Observer is encouraged, but not required, as an additional measure of safety protecting life and property within Laguna Woods Village. However, the Drone must remain within visual line-of-sight of the PIC. Visual line-of-sight means that the PIC has an unobstructed view of the drone.
- i. The FAA registration number must be displayed on the aircraft decal.
- j. The PIC must provide flight software (version and manufacturer) that has the FAA "Return to Home" safety feature (in case of low battery or loss of signal).
- k. The time period during which a drone may be used within the Village is limited to the hours between sunrise and 30 minutes before sunset.
- l. Resident and/or approved commercial user planning to operate a Drone must provide proof of liability insurance with \$1 Million policy limits. The Resident and/or approved commercial user agrees to indemnify GRF, Village Management Services, Inc. (VMSI), United Laguna Woods Mutual (ULWM), Third Laguna Hills Mutual (TLHM) and or Mutual 50 in the event a claim is asserted against GRF, VMSI, ULWM, TLHM, and/or Mutual 50 relating to an act

- or omission involving Drone use, with GRF, ULWM, TLHM, and/or Mutual 50 named as an additional insured on their liability insurance policy.
- m. The PIC agrees to yield the right-of-way to other aircraft; the Drone must not exceed 100 MPH; may not carry hazardous materials; and must fly below 400 feet. The only exception is to allow takeoff and landing of the drone.
 - n. The Drone cannot be operated above anyone not directly participating in the operation, from under a covered structure, or from either a moving or stationary vehicle.
 - o. The PIC must adhere to all state and federal laws regarding Drones.

IV. Procedure

- a. The Resident and/or approved commercial user must complete and submit "Application for Use of a Drone Permit" for review, one time only.
- b. The "Application for Use of a Drone Permit" and "Flight Plan" must be received at least seven days prior to the anticipated use of the Drone.
- c. The Resident and/or approved commercial user must complete and submit a flight plan every time the drone goes up into the air with an approved permit on file.
- d. The Resident and/or approved commercial user must provide a copy of their FAA registration and liability insurance listing GRF, VMSI and ULWM, TLHM or Mutual 50 as additional insurer.
- e. The application and copies are to be submitted to the Resident Services Department located in the Laguna Woods Village Community Center.
- f. The application will be reviewed and conditionally approved or denied by the Chief of Security or his designee and the Resident and/or approved commercial user will be notified of the results within seven business days. Special circumstances may be granted.
- g. If approved, the Drone Permit must be present with the PIC whenever the Drone is operated.

V. Enforcement

GRF, VMSI ULWM, TLHM, and Mutual 50 are authorized to take disciplinary action against a Member found to be in violation of the Drone Policy. When a violation occurs, the Board is obligated to evaluate and impose, if appropriate, member discipline as set forth in the governing documents. The Board of Directors has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action.

The Member is entirely responsible for ensuring that the rules, regulations, and policies are followed by anyone they allow into the community. This includes any Co-occupant, lessee, or guest.

A complaint may be registered with the Compliance Department by calling 949-268-CALL or by calling the Security Department at 949-580-1400.

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

March Initial Notification (must postpone to May to conform to the 30-day notification requirement)
Should the Board endorse the proposed Drone Policy, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

Discuss and Consider a Mechanism to Accept Donations from Residents that Allows a Tax Write-off

Director Phelps made a motion, seconded by Director Milliman, to facilitate the formation of a task force of Laguna Woods Village residents who are interested in:

- 1) Determining the current obstacles for people who wish to give money to GRF projects.
- 2) Determining ways to alleviate the obstacles, possibly by setting up a charitable organization.
- 3) Making recommendations to the GRF Board of possible naming rights policies.

Director Phelps provided an April 1, 2017, deadline for residents who wish to join the Task Force. Discussion ensued.

Members Mary Stone (356-C) and Barbara Copley (410-D) commented on the discussion item.

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

COMMITTEE REPORTS

Director Diane Phelps reported on the Finance Committee.

Director Beth Perak reported on the Community Activities Committee.

Director JoAnn diLorenzo reported on the Media and Communications Committee.

President John Parker reported on the Landscape Committee.

Director Judith Troutman reported on the Maintenance and Construction Committee.

Director Tom Sirkel reported on the Security and Community Access Committee.

Director Ray Gros provided a Traffic Hearing Update.

Director Beth Perak reported on the Mobility and Vehicles Committee.

FUTURE AGENDA ITEMS

Entertain Motion to Approve Revised Recreation Polices – Resolution (February initial notification –must be postponed to April to conform to the 30-day notification requirement).

DIRECTORS' COMMENTS

The Directors made final comments.

MEETING RECESS

The Board recessed at 1:22 PM and reconvened into Executive Session at 2:00 PM.

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 5:06 PM.

JoAnn diLorenzo, Secretary
Golden Rain Foundation

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

During its Regular Executive Session Meeting of February 7, 2017, the Board approved the Regular Executive Session meeting minutes of February 7, 2017; approved four (4) Mutual's Request for Deactivation of Cable Services; held two (2) Disciplinary Hearings; discussed the Verizon Cell Tower Site; discussed and considered Member matters; discussed and considered other Contractual matters; discussed and considered Litigation matters; and reviewed the litigation status report.