

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, 2006**

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, 2006, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: George Portlock, Marty Rhodes, Maury Kravitz, Mark Stein, Cynthia Chyba, Bob Miller (via telephone), Ruth May, Noel Hatch, Jack Bassler, Joseph Heller, Bea McArthur (via telephone)

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (9:47 A.M. – 11:58 A.M.)  
*Executive Session:* Cris Trapp

**CALL TO ORDER**

George Portlock, President served as Chairman 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.

A moment of silence and reflection was held to honor our US Troops who are serving our Country, and for those who are in harm's way.

**PLEDGE OF ALLEGIANCE TO THE FLAG**

Director Joseph Heller led the membership in the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF PRESS**

Cheryl Walker from the News, and Staff from TV Channel 6 Camera Crew were acknowledged.

**APPROVAL OF AGENDA**

The agenda was approved as amended by adding a Committee Appointments Resolution under the Bus Services Committee Report as 16(b).

**APPROVAL OF MINUTES**

The Minutes of the February 7, 2006 Regular Board Meeting were approved as submitted.

**CHAIRMAN'S REPORT**

President Portlock showed the audience a display of a chip of the El Toro Runway as presented to GRF by the El Toro Reuse Planning Authority; presented a plaque to Dick Sharp in appreciation of his work on the City Wide Trials Subcommittee; encouraged the residents to attend the Land Use Entitlements Townhall Meeting on March 17, 2006 in Clubhouse 3 at 1:30 P.M to voice their opinions and concerns; and encouraged the residents and all board directors to work together to improve the Community.

## **OLD BUSINESS**

No action was taken.

## **NEW BUSINESS**

A discussion was held relative to the new law, Civil Code §1363.03 effective July 1, 2006 regarding election procedures.

A motion was made and second to approve Alternative One – Utilize Community volunteers with the assistance of in-house staff. Discussion ensued.

Ms. Janet Price entered the meeting at 9:47 A.M.

Mutual Members Maxine McIntosh (68-C) commented on the report.

Director Heller made a motion to table to satisfy the statutory thirty-day notification requirements. Director Hatch seconded the motion. The motion carried unanimously and the following resolution was tabled to the May meeting:

### **RESOLUTION 90-06-**

**WHEREAS**, California Civil Code §1363.03, effective July 1, 2006 regulates the manner in which Common Interest Developments conduct their election process; and

**WHEREAS**, it is necessary for each corporation to adopt the rules regarding elections;

**NOW THEREFORE BE IT RESOLVED**, May 2, 2006 that the Board of Directors of this Corporation hereby authorizes staff to administer the election process per the subject report titled "Election Procedure" which is attached to the official record of this meeting in the files of this Corporation, and which is in compliance with Civil Code §1363.03, 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.

## **CONSENT CALENDAR**

There were no items under the Consent Calendar.

## **COMMITTEE REPORTS**

Director Maury Kravitz reported on the Treasurer's Report and from the Finance Committee.

Director Marty Rhodes reported from the Community Activities Committee.

The Secretary of the Corporation, Director Chyba read a proposed resolution on approving the Memorial Half Marathon and Laguna Woods Village 5K event. Director Rhodes moved to approve the resolution. Director May seconded the motion.

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

**RESOLUTION 90-06-15**

**WHEREAS**, the Saddleback Memorial Foundation has requested access to a portion of Laguna Woods Village for the annual Memorial Half Marathon and Laguna Woods Village 5K events, to be held on May 29, 2006; and

**WHEREAS**, the 5K event will enter and exit through Gate 2 and finish at the Laguna Hills Community Center;

**NOW THEREFORE BE IT RESOLVED**, March 7, 2006, that the Board of Directors of this Corporation hereby authorizes the limited use of the community inside Gate 2 on May 29, 2006, for the Memorial Half Marathon and Laguna Woods Village 5K event; 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.

The Secretary of the Corporation, Director Chyba read a proposed resolution on accepting a donation of funds to purchase window film from the Duplicate Bridge Club for use in Clubhouse Seven. Director Rhodes moved to approve the resolution. Director Heller seconded the motion.

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

**RESOLUTION 90-06-16**

**RESOLVED**, March 7, 2006 that the Board of Directors of this Corporation hereby accepts the donation from the Duplicate Bridge Club of \$740.00 as a payment in full for the window film installed on the Clubhouse Seven Bridge Room windows; and

**RESOLVED FURTHER**, that the President of this Corporation is hereby authorized to advise said donor in writing and to express the thanks of the corporation.

The Secretary of the Corporation, Director Chyba read a proposed resolution on accepting a donation of funds for the purchase of a bandsaw from the Clubhouse Four Woodshop

Supervisors for use in Clubhouse Four. Director Rhodes moved to approve the resolution. Director Heller seconded the motion. Discussion ensued.

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

**RESOLUTION 90-06-17**

**RESOLVED**, March 7, 2006 that the Board of Directors of this Corporation hereby accepts the following donation from the Clubhouse Four Woodshop Supervisors, valued at a total of \$836;

- 14 inch Powermatic bandsaw

**RESOLVED FURTHER**, that such equipment shall be used in the Clubhouse Four Woodshop; and

**RESOLVED FURTHER**, that the President of this Corporation is hereby authorized to advise said donor in writing and to express the thanks of the corporation.

The Secretary of the Corporation, Director Chyba read the following resolution on approving the proposed Recreation Fee Schedule for 2006:

**RESOLUTION 90-06**

**RESOLVED**, May 2, 2006 that the Board of Directors of this Corporation hereby approves the attached Proposed Fee Schedule for 2006, effective January 1, 2007; and

**RESOLVED FURTHER**, that any and all prior Resident Fee Schedules are hereby superceded 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.

Director Rhodes made a motion to approve the resolution. Director Hatch seconded the motion. Discussion ensued.

Director Heller made a motion to table to satisfy the statutory thirty-day notification requirement. Director Stein seconded the motion. The motion carried unanimously.

Director Rhodes reported on accessorizing Clubhouse Seven. By way of consensus, the Board authorized the CAC Committee to make decisions on all Clubhouse Seven accessorizing.

The Secretary of the Corporation, Director Chyba read the following resolution on cash denominations:

**RESOLUTION 90-06**

**WHEREAS**, fees are collected on behalf of the Golden Rain Foundation of Laguna Woods for use of community facilities and services provided to residents and guests; and

**WHEREAS**, bills in large denominations, i.e. \$50 or \$100 are sometimes received to pay for these services, which can subject GRF to counterfeit risks;

**NOW THEREFORE BE IT RESOLVED**, May 2, 2006 that the Board of Directors of this Corporation hereby limits the denominations of bills received at locations other than the Community Center Building for recreation and landscape services to \$20 and smaller to reduce GRF's risk; 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.

Director Rhodes made a motion to approve the resolution. Director Kravitz seconded the motion. Discussion ensued.

Director Heller made a motion to table to satisfy the statutory thirty-day notification requirement. Director Kravitz seconded the motion. The motion carried unanimously.

A discussion ensued on the shared cost concept.

Third and United Mutual Members Lucie Falk (3377-A) addressed the Board on the use of the facilities by the Bridge Club; Mechelina De Munck (556-B) commented on use of Clubhouse seven; Marilyn Sortino (4008-1G) commented on a shared cost concept ad hoc committee; Kay Margason (510-C) addressed Director Rhodes on an update on Clubhouse One.

Director Joseph Heller reported from the Maintenance and Construction Committee.

The Secretary of the Corporation, Director Chyba read a proposed resolution on authorizing a supplemental appropriation for improvements to the Tennis Facility. Director Rhodes moved to approve the resolution. Director Kravitz seconded the motion. Discussion ensued.

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

**RESOLUTION 90-06-18**

**WHEREAS**, the Tennis Facility is in need of minor improvements to improve the functionality of the Facility for residents and guests using the facility;

**NOW THEREFORE BE IT RESOLVED**, March 7, 2006 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$14,000 from the Facilities Fund; and

**RESOLVED FURTHER**, that the funds shall be used to replace the non-conforming wood rails, install metal handrails and guardrail to meet local and state code and ADA requirements, and extend a walkway to ease access to the seating area below the trellis; 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.

Director Heller made a motion to establish a workshop to discuss the Clubhouse Two Woll Report. The motion was seconded. By a unanimous vote of 10-0-0, the motion carried.

Director Mark Stein reported from the Security and Community Access Committee.

United Mutual Members Kay Margason (510-C) addressed Director Stein on his report; Pamela Grundke (2214-B) reported on security issues; Maxine McIntosh (68-C) commented on speed limit signs; and Donald Kent (2136-A) addressed the Board on speed limit signs.

Director Chyba reported from the Government & Public Relations Committee on behalf of Director McArthur.

The Secretary of the Corporation, Director Chyba read a proposed resolution on reserve legislation. Director Kravitz seconded the motion. Discussion ensued.

Director Bob Hatch amended the motion to add the words "who are part of an association with collectively " after the word "communities" in the fourth paragraph. Director Heller seconded the motion. Discussion ensued.

By a unanimous vote of 10-0-0, the amendment carried.

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

**RESOLUTION 90-06-19**

**WHEREAS**, over the past several years the California Legislature has passed legislation that mandates how Associations must calculate and report replacement reserve funding plans; and

**WHEREAS**, the Legislature seems to be moving in the direction of increased reserve reporting requirements and an ultimate stipulation of a minimum reserve-funding level requirement;

**NOW THEREFORE BE IT RESOLVED**, March 7, 2006 that the Board of Directors of this Corporation hereby approves and authorizes staff to communicate to appropriate state legislative entities and HOA industry organizations, regarding newly introduced Assembly Bill 2100, language that conveys that GRF recognizes it is important for all community associations to adopt and use a financial planning and budget process that accurately reflects projected annual operating costs and long-term reserve expenditures that result in a balanced budget. In addition, GRF supports the full and open disclosure to members and the opportunity for participation by members in the development of the budget. The elected Board of Directors is charged with the fiduciary duty for managing the community, and resulting liability, and therefore should be the final decision-making entity for their communities.

**RESOLVED FURTHER**, that if and when legislation is drafted that mandates a minimum funding level, staff is authorized to communicate to the aforementioned Legislative bodies and HOA organizations that the Golden Rain Foundation recognizes and supports the need for adequate reserve funding levels and recommends a minimum funding requirement of up to 50% for communities *who are part of an association with collectively over 1,000 units* to be achieved over a period of ten years.

**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.

The Secretary of the Corporation, Director Chyba read the following resolution on approving a Media Use Policy:

**RESOLUTION 90-06**

**WHEREAS**, the community cable system, website, and other advertising venues are owned and operated by the Golden Rain Foundation (GRF) for the benefit of its members and residents; and

**WHEREAS**, GRF utilizes these media avenues as a way to offset operational expenses; and

**WHEREAS**, GRF has found it necessary to define the Community's policy for the administration and editorial oversight of all media, including, but not limited to leased access, commercial ad insertion, public service announcements, and event sponsorships that will be consistent with the active lifestyle image of the Community;

**WHEREAS**; GRF does not wish to have any advertising on its website;

**NOW THEREFORE BE IT RESOLVED**, May 2, 2006 that the Board of Directors of this Corporation hereby adopts the Media Use Policy Mission Statement and

Guidelines, while omitting any provision for web-site advertising, as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution G-02-10, adopted February 5, 2002 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.

Director Chyba moved to approve the resolution. The motion was seconded and discussion ensued.

Third and United Mutual Members Denise Welch (5517-1C) addressed the Board on the website; and Donald Kent (2136-A) addressed the Board on the proposed policy.

Director Heller made a motion to table to satisfy the statutory thirty-day notification requirements. Director Chyba seconded the motion and the motion failed by a vote of 3-7-0 (Directors Bassler, May, and Heller voted in favor).

Director Hatch amended the motion by striking out any paid advertisement on the website. The motion was seconded. Discussion ensued.

By a unanimous vote of 10-0-0, the amendment carried.

Director Kravitz made a motion to table to satisfy the statutory thirty-day notification requirement. Director May seconded the motion, and the motion carried unanimously.

The Secretary of the Corporation, Director Chyba read the following resolution on approving a supplemental appropriation to purchase promotional materials.

#### **RESOLUTION 90-06**

**RESOLVED**, March 7, 2006 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$6,020 from the Unappropriated Expenditures Fund; and

**RESOLVED FURTHER**, that such funds shall be used to purchase promotional materials to increase public awareness of the Community's name change to Laguna Woods Village; 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.

Director Chyba moved to approve the resolution. Director Heller seconded the motion. Discussion ensued.

United Mutual Member Barbara Copley (410-D) addressed the Board on the resolution.

By vote of 1-9-0 (Director Miller voted in favor), the motion failed.

Ms. Janet Price left the meeting at 11:58 A.M.

Director Noel Hatch reported from the Broadband Services Committee on behalf of Director Miller.

Director Maury Kravitz reported from the Bus Services Committee.

The reading of the proposed resolution was waived and the Secretary of the Corporation announced the revisions to the resolution. A motion was made and seconded. By a unanimous vote of 10-0-0 the Board of Directors adopted the following resolution:

**RESOLUTION 90-06-20**

**RESOLVED**, March 7, 2006, that the following persons are hereby appointed to the committees of this corporation:

**Business Planning**

George Portlock, Chair (GRF)  
Maurice Kravitz, Vice Chair (GRF)  
Noel Hatch (GRF)  
Richard Moos (Third)  
Robert Hatch (Third)  
Ray Barrett (United)  
Connie Grundke (United)  
Mildred Kaminsky (Mutual 50)

**Community Activities**

Marty Rhodes, Chair (GRF)  
Joseph Heller, Vice Chair (GRF)  
Ruth May (GRF)  
Mark Schneider (Third)  
George Arnold (Third)  
Charlene Sydow (United)  
Larry Dersh (United)  
Ruth Mervis (Mutual 50)

**Finance**

Maury Kravitz, Chair (GRF)  
Mark Stein, Vice Chair (GRF)  
Marty Rhodes (GRF)  
Robert Hatch (Third)

Gunter Vogt (Third)  
Connie Grundke (United)  
Jim McNulty (United)  
Mildred Kaminsky (Mutual 50)

**Government & Public Relations**

Bea McArthur, Chair (GRF)  
Cynthia Chyba, Vice Chair (GRF)  
Ruth May (GRF)  
Mark Schneider (Third)  
Jim Keysor (Third)  
Beth O'Brien (United)  
Mary Stone (United)  
Mildred Kaminsky (Mutual 50)

**Maintenance & Construction**

Joseph Heller, Chair (GRF)  
Bob Miller, Vice Chair (GRF)  
Jack Bassler (GRF)  
Jim Matson (Third)  
Larry Souza (Third)  
Don Tibbetts (United)  
Ken Hammer (United)  
*Voting Advisor: Bob Morton*

**Security**

Mark Stein, Chair (GRF)  
Bob Miller, Vice Chair (GRF)  
Jack Bassler (GRF)  
Ray Gros (Third)  
George Arnold (Third)  
Linda Wilson (United)  
Ken Hammer (United)  
Richard Wurzel (Mutual 50)  
*Voting Advisor: Libby Marks, John Dudley*

**Broadband Services Committee**

Bob Miller, Chair (GRF)  
Noel Hatch, Vice Chair (GRF)  
Ruth May (GRF)  
Larry Souza (Third)  
Jim Keysor (Third)  
Larry Dersh (United)  
Beth O'Brien (United)  
*Voting Advisors: Eliot Brody, Bob Payne,*  
*Non-Voting Advisors: Charlie Hellman, Joe Schwarz*

**Bus Services Committee**

Maury Kravitz, Chair (GRF)  
Bea McArthur, Vice Chair (GRF)  
Jack Bassler (GRF)  
Dominic Burrasca (Third)  
Phyllis Fish (Third)  
Linda Wilson (United)  
Mary Stone (United)  
Charles Gardner (Mutual 50)  
**Voting Advisors: Janet Schwartz, Grete Rothschild**  
**Non voting Advisor: Shirley Niederkorn**

**Select Audit**

Maury Kravitz  
Mark Stein

**Laguna Canyon Foundation**

Marty Rhodes

**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; and

**RESOLVED FURTHER**, that Resolution 90-05-82 adopted November 1, 2005 is hereby superseded and cancelled.

**GOOD OF THE ORDER:**

***Mutual Members:***

- Jerry Sheinblum (3488-C) announced the next CCA Townhall Meeting
- Lucie Falk (3377-A) commented on time limit on speakers
- Maxine McIntosh (68-C) announced the Laguna Woods Philharmonic performance at Clubhouse Three

***Board of Directors:***

- Director Miller thanked Noel Hatch for giving the Broadband report
- Director McArthur thanked all for the get well cards
- Director Rhodes commented on Measure M
- Director Heller commented on interchanging the old community name with Laguna Woods Village; and stop signs
- Director Kravitz announced the KPMG Presentation on March 27, and encouraged the residents to attend the upcoming Budget meetings
- Director Hatch commented on the new golf cart cross path
- Director May commented on attending the cancer awareness day
- President Portlock announced the GRF Land Use Entitlements Townhall Meeting on March 17 in Clubhouse Three

**RECESS INTO EXECUTIVE SESSION**

The meeting recessed at 12:29 P.M. and went into Executive Session at 1:22 P.M.

During the February Executive Session the Board approved the minutes of the Regular Executive Session Meeting of January 3, 2006, and the minutes of the Special Executive Session Meeting of January 20, 2006; discussed litigation and contractual issues; and reviewed the Litigation Status Report.

**ADJOURNMENT**

There being no further business to come before the Board of Directors, the meeting adjourned at 3:01 P.M.

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Cynthia Chyba, Secretary