

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 4, 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 April 4, 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, Ruth May, Noel Hatch, Jack Bassler, Joseph Heller, Bea McArthur

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (9:50 A.M. – 9:57 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 Bob Miller led the membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Cheryl Walker from the Laguna Woods Globe, and the TV Channel 6 Camera Crew staff were acknowledged.

APPROVAL OF AGENDA

The agenda was approved as submitted.

APPROVAL OF MINUTES

The Minutes of the March 7, 2006 Regular Board Meeting, the March 23, 2006 Special Board Meeting, and the March 27, 2006 Special Board Meeting were approved as written.

CHAIRMAN'S REPORT

President Portlock introduced Harry Curtis, Chair of the Nominating Committee who announced that the Committee is now accepting applications to fill three vacancies on the Board, and to contact Barbara Pavia in the General Manager's office for applications. President Portlock summarized the various projects accomplished throughout the Community over the year; clarified the cost of the floor plan change in the Community Center to accommodate Broadband Services' expansion and increase in service levels; and announced

the upcoming practice earthquake drills; and encouraged the residents to support the Boards for their hard work.

OLD BUSINESS

No action was taken.

NEW BUSINESS

The reading of the resolution was waived, and the Secretary of the Corporation, Director Cynthia Chyba announced the Committee Appointment revisions. Director Chyba moved to approve the resolution, and the motion was seconded.

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

RESOLUTION 90-06-22

RESOLVED, April 4, 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)

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)

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)
Joe Schaefer (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)
Voting Advisor: Libby Marks, John Dudley
Non Voting Advisor: Larry Souza

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)
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 90-06-20 adopted March 7, 2006 is hereby superseded and cancelled.

CONSENT CALENDAR

There were no items under the Consent Calendar.

Ms. Janet Price entered the meeting at 9:50 A.M.

COMMITTEE REPORTS

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

Ms. Price left the meeting at 9:57 A.M.

Director Marty Rhodes reported from the Community Activities Committee.

The Secretary of the Corporation, Director Chyba read a proposed resolution on authorizing the Camera Club to sole source a contract to design a specialized PC. Director Rhodes moved to approve the resolution. Director Joseph Heller seconded the motion. Discussion ensued.

Director Rhodes amended the motion to include a statement that the cost of equipment will be born by the Camera club. Director Chyba seconded the motion.

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

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

RESOLUTION 90-06-23

WHEREAS, the Camera Club is attempting to design a PC that will be updateable as new hardware and software technology is available, and is requesting to sole source a contract for the purpose of constructing a specialized PC;

NOW THEREFORE BE IT RESOLVED, April 4, 2006 that the Board of Directors of this Corporation hereby authorizes the Camera Club to sole source a contract for the purpose of constructing a specialized PC; and

RESOLVED FURTHER, *that the cost of the equipment shall be born by the Camera Club; 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 from the Shuffleboard Club of \$600 as payment in full for cleaning and sealing the shuffleboard courts. Director Chyba moved to approve the resolution. Director Rhodes seconded the motion.

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

RESOLUTION 90-06-24

RESOLVED, April 4, 2006 that the Board of Directors of this Corporation hereby accepts the donation from the Shuffleboard Club of \$600.00 as a payment in full for the cleaning of and application of sealer on the six shuffleboard courts in Building "B"; 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 cash from local sponsors for the 2006 Senior Games. Director Chyba moved to approve the resolution. Director McArthur 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 90-06-25

WHEREAS, local businesses have generously donated to the 2006 Laguna Woods Village Senior Games, totaling \$8,750;

NOW THEREFORE BE IT RESOLVED, April 4, 2006 that the Board of Directors of this Corporation hereby accepts the following donations from the following list of sponsors for the 2006 Laguna Woods Village Senior Games:

Diamond Sponsors at \$1,500 each

Farmers and Merchants Bank (5-year agreement)
Attentive Home Care
BriteAge Corporation

Gold Sponsors at \$750 each

Van, Phyllis and Jennifer Heflin, Laguna Woods Properties
Professional Community Management, Corporate Office

Silver Sponsors at \$500 each

Renaissance at the Regency
Town Centre Travel, Inc.
Ayres Hotel, Laguna Woods

Bronze Sponsors at \$250 each

Autobody by Caldwell
Community Civic Association
Mary A. Anderson and Lisa Letourneau, Laguna Woods Properties
IndyMac Bank
California Bank and Trust

TOTAL SPONSORSHIP \$8,750

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

United Mutual Member Mike Curtis (342-A) addressed Director Rhodes on his report.

Director Joseph Heller reported from the Maintenance and Construction Committee.

Director Heller made a motion to build a new Clubhouse Two Facility, and to send the directive to the Maintenance and Construction Committee to further review the design studies. Director Chyba seconded the motion. Discussion ensued.

Director Noel Hatch amended the motion establish an Ad Hoc Committee, that would report to the Maintenance and Construction Committee, to review the design studies. Director Mark Stein seconded the motion. Discussion ensued.

United and Third Mutual Members Mike Curtis (342-A); Larry Dersh (222-D); Maxine McIntosh (68-C); Harry Curtis (5371-2A); Ken Hammer (797-B); Richard Moos (5345-A); and Bud Nesvig (2392-3H) addressed their comments and concerns with the amendment.

By a vote of 3-7-0 (Directors Hatch, Rhodes, and Stein voted in favor) the amendment failed.

United and Third Mutual Members Mike Curtis (342-A); Larry Dersh (222-D); Maxine McIntosh (68-C); Harry Curtis (5371-2A); and Ray Barrett (223-B) provided comments on refurbishment v. rebuild.

After thorough discussion and by a vote of 8-1-1 (Director Bassler voted against, and Director Stein abstained), the motion carried.

The Secretary of the Corporation, Director Chyba read a proposed resolution on authorizing a supplemental appropriation for improvements to the Tennis Facility. Director Bob Miller moved to approve the resolution. Director Heller seconded the motion.

Third Mutual Member Karel Brouwer (3189-C) commented on selling Garden Center One.

By a vote of 9-1-0 (Director May opposed), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-26

WHEREAS, the toilet facilities at Garden Center One needs repairing;

NOW THEREFORE BE IT RESOLVED, April 4, 2006 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$18,500 from the Facilities Fund to provide improvements to the septic system at Garden Center One; and

RESOLVED FURTHER, that such improvements would eliminate sanitary problems; 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.

United Mutual Members Libby Marks (82-Q); Mike Curtis (342-A); and Karel Brouwer (3189-C) addressed Director Rhodes on his report.

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

United and Third Mutual Members Libby Marks (82-Q); Mike Curtis (342-A); Karel Brouwer (3189-C); and Linda Wilson commented on wall ownership.

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 revised election procedures. Director Chyba moved to approve the resolution. Director McArthur seconded the motion. Discussion ensued.

United Mutual Member Mike Curtis (342-A) commented on the proposed procedure change.

By a vote of 9-1-0 (Director Hatch opposed), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-27

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

WHEREAS, Senator Battin introduced Senate Bill 1560 on February 23, 2006 to amend California Civil Code §1363.03;

WHEREAS, SB 1560 modifies election requirements as follows:

- Allows the inspectors of election to appoint and oversee additional persons to count and tabulate votes (i.e. staff or outside contractor)
- Clarifies quorum requirements as stated in bylaws of an association
- Would require that a director not participate in decisions in which the director has a material financial interest
- Clarifies the use of proxies as stated in the bylaws of an association
- Once a secret ballot is cast it shall be irrevocable
- A membership meeting shall not be required unless required by the governing documents
- Specifies that procedures in the code shall apply only to membership voting, not delegate or elected representative voting (i.e. GRF)

WHEREAS, this Bill does not address the Community's current allowance for self-nomination by petition; and

NOW THEREFORE BE IT RESOLVED, April 4, 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 Senate Bill 1560, language that requires allowance of a self nomination process by petition, based on a reasonable number of required signatures and if specified in the community's governing documents; 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 Hatch made a motion to oppose AB 770 (Mullin) and SB 551 (Lowenthal) – *Common Interest Developments Ombudsperson*. Director McArthur seconded the motion. Discussion ensued and carried by a unanimous vote of 10-0-0.

The Board did not take action on AB 2851 (DeVore) – *Condominium Plan Change Requirements* sponsored by Third Laguna Hills Mutual because it did not fall under the purview of GRF.

Director Bob Miller reported from the Broadband Services Committee.

Director Maury Kravitz reported from the Bus Services Committee.

GOOD OF THE ORDER:

Mutual Members:

- Ken Hammer (797-B) commented on posting the meetings re Clubhouse Two
- Jerry Sheinblum (3488-C) announced the next CCA Townhall Meeting
- Mike Curtis (342-A) commented on an investigation undertaken by his employer

Board of Directors:

- Director Rhodes commented on installing a cellular tower near the Community
- Director Stein welcomed Directors McArthur and Miller back to the Board
- Director Heller promised to inform the Community and Directors of all meetings on Clubhouse Two; and commented on the installation of a cellular tower
- Director Miller commented on prior M&C meetings on Clubhouse Two
- Director Kravitz announced the upcoming budget meetings and encouraged the residents to attend to voice their comments and concerns
- Director Hatch commented on creating an ongoing matrix on all Clubhouse Two issues and projects
- Director May commented on partnering with a developer for Clubhouse Two
- Director Bassler commented on brotherly love
- President Portlock commented on a HOA in Florida with high association fees and few facilities

RECESS INTO EXECUTIVE SESSION

The meeting recessed at 12:29 P.M. and went into Executive Session at 1:15 P.M.

During the March Executive Session the Board approved the minutes of the Special Executive Session Meeting of February 1, 2006, and the minutes of the Regular Executive Session Meeting of February 7, 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 3:16 P.M.

Cynthia Chyba, Secretary