

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

May 2, 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 May 2, 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, Jack Bassler, Joseph Heller, Bea McArthur

Directors Absent: Noel Hatch

Others Present: Milt Johns, Patty Fox
Executive Session: Milt Johns, Patty Fox, 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 Cynthia Chyba led the membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Cheryl Walker from the Laguna Woods Globe was acknowledged as present, and the TV Channel 6 Camera Crew staff was acknowledged as present by way of remote cameras.

APPROVAL OF AGENDA

The agenda was approved as amended by adding 5(b) Action by Way of Unanimous Consent Dated April 10, 2006, and 14(a) Resolution to Approve Upgrade Security Surveillance System at the Community Center.

APPROVAL OF MINUTES

The Minutes of the April 4, 2006 Regular Board Meeting and the April 10, 2006 Action by Way of Unanimous Consent were approved as written.

President Portlock introduced Ms. Leslie Keane, the Laguna Woods City Manager, who reported on the proposed limitations on high speed golf car use on the City's parks and streets.

CHAIRMAN'S REPORT

President Portlock introduced Harry Curtis, Chair of the Nominating Committee who announced that the Committee is now accepting applications from qualified candidates to fill three vacancies on the Board, and to contact Barbara Pavia in the General Manager's office for applications.

President Portlock reported on the Golden Rain Foundation's duties, responsibilities, and powers in accordance with the governing documents and the laws of the State of California, and indicated that the Board is doing all it can to fulfill its duties to the Community.

OLD BUSINESS

Director Joseph Heller made a motion to rescind the motion made at the April Board Meeting 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 Cynthia Chyba seconded the motion. Discussion ensued.

The following United and Third Mutual Members commented on the motion and indicated whether they were for or against the motion: Mike Curtis (342-A), Harry Curtis (5371-2A), John Dalis (8-P), Libby Marks (82-Q), Len Peverieri (76-P), Ken Hammer (797-B), Barbara Copley (410-D), Pam Grundke (2214-B), Linda Wilson (816-P), Richard Moos (5345-A), Bob Zuzak (674-A), Kay Margason (510-C), and Dottie Fredericks (776-Q).

By a unanimous vote of 9-0-0 the motion to rescind carried.

Director Heller made a motion, by way of a Special GRF Maintenance and Construction Committee, to evaluate all options of Gate 12 East identified in the Woll Report, and to make a recommendation to the GRF Board. The motion was seconded.

United Mutual Members Mike Curtis (342-A) and Connie Grundke (2214-B) commented on the motion.

Directors Ruth May and Mark Stein left the meeting at 10:30 A.M.

The motion carried by a vote of 7-0-0 (Directors May and Stein were absent from meeting).

Director Marty Rhodes made a motion to remove from the table a motion to approve the Media Use Policy. Director Bea McArthur seconded the motion, and the motion carried by a vote of 7-0-0 (Directors May and Stein were absent from meeting).

By way of consensus, the reading of the resolution was waived.

Director May returned to the meeting at 10:38 A.M.

United Mutual Member Mike Curtis (342-A) commented on changes to the policy.

By a vote of 8-0-0 (Director Stein was absent from the meeting), the motion to approve the Media Use Policy carried, and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-31

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;

NOW THEREFORE BE IT RESOLVED, May 2, 2006 that the Board of Directors of this Corporation hereby adopts Media Use Policy Mission Statement and Guidelines, 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 McArthur made a motion to remove from the table a motion to approve the Recreation Fee Schedule. Director Rhodes seconded the motion, and the motion carried by a vote of 8-0-0 (Director Stein was absent from the meeting).

By a vote of 8-0-0 (Director Stein was absent from the meeting), the motion to approve the Recreation Fee Schedule carried, and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-32

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

RESOLVED FURTHER, that any and all prior Resident Fee Schedules are 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 Rhodes made a motion to remove from the table a motion to approve the Cash Denomination Policy. Director May seconded the motion, and the motion carried by a vote of 8-0-0 (Director Stein was absent from the meeting).

United Mutual Member Mike Curtis (342-A) commented on the vote.

By a vote of 8-0-0 (Director Stein was absent from the meeting), the motion to approve the Cash Denomination Policy carried, and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-33

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 remove from the table a motion to approve the Election Procedures. Director McArthur seconded the motion, and the motion carried by a vote of 8-0-0 (Director Stein was absent from the meeting).

Director Stein entered the meeting at 10:43 A.M.

By a unanimous vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-34

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.

NEW BUSINESS

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

United Mutual Member Dick Sharp (887-Q) commented on the City-Wide Trails and Signs Sub-Committee.

An amended motion was made to add the following members to the City-Wide Trails and Signs Sub-Committee: Dick Sharp, Chair; Ruth May; Marty Rhodes; and Jack Bassler. The motion was seconded and carried unanimously.

By a unanimous vote of 9-0-0, the main motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-35

RESOLVED, May 2, 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)
Bevan Strom (United) (replaced Charlene Sydow)

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: 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

City-Wide Trails and Signs Sub-Committee

Dick Sharp, Chair
Marty Rhodes (GRF)
Ruth May (GRF)
Jack Bassler (GRF)
Mary Stone (United)
Beth O'Brien (United)
Gunter Vogt (Third)

Landscape Sub-Committee

Bevan Strom (United)

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 90-06-22 adopted April 4, 2006 is hereby superseded and cancelled.

CONSENT CALENDAR

The Consent Calendar was approved and the following actions were taken.

RESOLUTION 90-06-36

WHEREAS, Girl Scout Troop 1389 requested the use of the Clubhouse Four Sewing Room for one day to work on their "Sewing Badge;"

NOW THEREFORE BE IT RESOLVED, May 2, 2006 that the Board of Directors of this Corporation hereby approves the use of the Sewing Room at Clubhouse Four by Girl Scout Troop 1389; and

RESOLVED FURTHER, that the use of the room shall be subject to meeting GRF's insurance requirements; 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.

RESOLUTION 90-06-37

RESOLVED, May 2, 2006 that the Board of Directors of this Corporation hereby approves the Fraud Fest Program presented by the Community Civic Association on June 15, 2006 at Clubhouse Three from 9:00 A.M. to 1:00 P.M.; and

RESOLVED FURTHER, that such program shall endeavor to assist senior citizens on how to avoid being defrauded.

RESOLUTION 90-06-38

RESOLVED, May 2, 2006, that the Board of Directors of this corporation hereby approves the request of the Men's 18-Hole Golf Club to charge guests the reduced rate of \$25.00, during their Annual Member-Guest Golf Tournament and Father-Sibling Golf Tournaments in 2006; 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.

COMMITTEE REPORTS

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

United Mutual Member Mike Curtis (342-A) commented on the EIR reports relating to the Cities of Lake Forest and Irvine.

Director Marty Rhodes reported from the Community Activities Committee.

The Secretary of the Corporation, Director Chyba read a proposed resolution on approving a donation from Farmers and Merchants Trust to be used toward the 2006 Senior Games. Director Chyba moved to approve the resolution. Director Heller seconded the motion.

By a unanimous vote of 9-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-39

RESOLVED, May 2, 2006 that the Board of Directors of this Corporation hereby accepts the donation of \$1,000 from Farmers and Merchants Trust to be used toward the cost of the 2006 Laguna Woods Village Senior Games reception; and

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

The Secretary of the Corporation read a proposed resolution on approving a donation of accessories for the Tennis Facility. Director Chyba moved to approve the resolution. The motion was seconded.

By a unanimous vote of 9-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-40

RESOLVED, May 2, 2006 that the Board of Directors of this Corporation hereby accepts the donation of six patio tables, twenty-four chairs and a refrigerator from the Tennis Club, for a total value of \$1,027.69; and

RESOLVED FURTHER, that such accessories shall be used at the GRF Tennis Facility; and

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.

Director Rhodes read a proposed resolution on approving a donation of \$1,500 from the Tennis Club toward improvements at the Tennis Facility, adding the following paragraph: *RESOLVED FURTHER, that the acceptance of this donation does not obligate GRF to afford any other work contemplated by the Tennis Club.* Director Rhodes moved to improve the resolution. Director Chyba seconded the motion.

By a unanimous vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 90-06-41

RESOLVED, May 2, 2006 that the Board of Directors of this Corporation hereby accepts the donation of \$1,500 from the Tennis Club to be used toward the installation of a concrete slab and landscaping between the tennis clubhouse and court number two; and

RESOLVED FURTHER, *that the acceptance of this donation does not obligate GRF to afford any other work contemplated by the Tennis Club*; and

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.

By way of consensus, the reading of the following proposed resolution on approving Clubhouse Seven Bridge Room SPI 600.035 was waived:

RESOLUTION 90-06

WHEREAS, the Board of Directors of this Corporation adopted 90-04-87, adopted December 7, 2004 which approved the Recreation Standard Procedure Index (SPI's); and

WHEREAS, a recommendation has been made by the Community Activities Committee to propose a new SPI for the Clubhouse Seven Bridge Room;

NOW THEREFORE BE IT RESOLVED, June 6, 2006, that the Board of Directors of this Corporation hereby adopts the attached SPI 600.035 (Clubhouse Seven Bridge Room); 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; and

RESOLVED FURTHER, that Resolution 90-04-87, adopted December 7, 2004 is hereby amended.

Director Rhodes moved to approve the SPI. Director Heller seconded the motion. Discussion ensued.

United Mutual Member Delsie Zuzak (674-A) commented on renting the Bridge Room.

Director McArthur moved to table the resolution to satisfy the statutory thirty-day notification requirements. The motion was seconded and carried unanimously.

The Secretary of the Corporation read the following proposed resolution on establishing an outside rental fee for use of the Clubhouse Seven Bridge Room:

RESOLUTION 90-06

WHEREAS, the American Contract Bridge League (ACBL) Unit is an outside group of which some of the Laguna Woods Village bridge players are members; and

WHEREAS, the ACBL Unit 525 desires to rent the Bridge Room at Clubhouse Seven for Sunday bridge games; and

WHEREAS, the Community Activities Committee recommends establishing a fee for use of the Bridge Room;

RESOLVED FURTHER, June 6, 2006 that the Board of Directors of this Corporation hereby establishes an outside rental fee of ~~\$300~~ **\$160** for use of the Bridge Room, and that the fee shall apply to the monthly ACBL Unit games on the second Sunday of every month; 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 moved to approve the resolution. Director Chyba seconded the motion. Discussion ensued.

Director Rhodes amended the motion to lower the fee from \$300 to \$160. Director Jack Bassler seconded the motion. Discussion ensued.

The following United Mutual Members commented on the amendment: Dottie Fredericks (776-O), Delsie Zuzak (674-A), Maxine McIntosh (68-C); Dick Kellis (370-H); and Ray Barrett (223-B).

By a vote of 6-2-1 (Directors May and Heller opposed, and Director Kravitz abstained), the amendment carried.

Director Heller made a motion to table the resolution to satisfy the thirty-day statutory notification requirements. Director Rhodes seconded the motion, and the motion carried unanimously.

Third Mutual Member Gary Empfield (3148-C) addressed the board on the RV rental fees and horse trailer parking fees coming under the purview of the Security Division.

Director Heller made a motion to keep horse trailer parking under the purview of the Security Division. Director Bassler seconded the motion. Discussion ensued.

Third and United Mutual Members Gary Empfield (3148-C), and Libby Marks (82-Q) commented on the motion.

By a vote of 4-3-2 (Directors Rhodes, Heller, Miller and Kravitz voted in favor; Directors McArthur, Stein, and Bassler opposed; and Directors May and Chyba abstained), the motion carried.

Director Joseph Heller reported from the Maintenance and Construction Committee.

Director Maury Kravitz left the meeting at 11:25 A.M.

The Secretary of the Corporation read a proposed resolution on approving a supplemental appropriation to install additional lights at Clubhouse One Pool. Director Chyba moved to approve the resolution. Director Heller seconded the motion. Discussion ensued.

By a vote of 8-0-0 (Director Kravitz was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-42

WHEREAS, the Aquadettes have requested the installation of additional overhead lighting on two steel beams at Clubhouse One Pool;

NOW THEREFORE BE IT RESOLVED, May 2, 2006 that the Board of Directors hereby authorizes a supplemental appropriation not to exceed \$6,000 from the Facilities Fund to install additional lighting above the Clubhouse One Pool; and

RESOLVED FURTHER, that the Aquadettes agreed to contribute \$2,000 toward the cost; 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.

Mr. Dick Sharp reported on the Signs and Trails Sub Committee.

Director Kravitz entered the meeting at 11:28 A.M.

Director Heller reported on the proposed removal of trees at Gate 7.

Third Mutual Member Harry Curtis (5371-2A) commented on the history of the trees.

Director Rhodes made a motion to rescind the Board's original motion last year to not remove the trees. The motion was seconded. Discussion ensued

President Portlock left the meeting at 11:41 A.M.

Director Heller chaired the meeting.

The following United and Third Mutual Members commented on the motion: Harriet Arnest (4010-1A), Isabel Muennichow (5285), Mike Curtis (342-A), and Linda Wilson (816-P).

By a vote of 2-5-1 (Directors Miller and Bassler voted in favor; Director May abstained) the motion to rescind failed.

President Portlock entered the meeting at 11:57 A.M.

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

By way of consensus the Board removed agenda item 14(a) Upgrade Existing Security Surveillance System In and Around the Community Center and returned it to the Security and Community Access for further review.

United Mutual Members Linda Wilson (816-P) commented on the Disaster Earthquake Drill; Libby Marks (82-Q) addressed Director Stein on his report; Kay Margason (510-C) commented on Security Guard employee hours; Mary Stone (356-C) commented on installing larger stop signs; Mike Curtis (342-A); Len Peverieri (76-P); and Bob Zuzak (674-A) commented on security employees.

Director Bea McArthur reported from the Government & Public Relations Committee.

Director Bob Miller reported from the Broadband Services Committee.

Director Maury Kravitz reported from the Bus Services Committee.

GOOD OF THE ORDER:

Mutual Members:

- Maxine McIntosh (68-C) commented on the Woll Report for Clubhouse Two
- John Dalis (8-P) invited the membership to the Kiwanis Pancake Breakfast
- Len Peverieri (76-P) commented on credit card bills
- Jerry Sheinblum (3488-C) announced the next CCA Townhall Meeting on Thursday May 25 at 10:00 A.M regarding managing the community and invited all to attend
- Harriet Arnest (4010-1A) commented on the dangers of standing water
- Dick Sharp (887-Q) inquired on the schedule for removing perimeter wall signs
- Mike Curtis (342-A) commented on GRF spending

Board of Directors:

- Director Rhodes commented on CAC Charter
- Director Chyba commented on the removal of the perimeter wall signs at the gates
- Director Heller addressed Director Chyba on her comments, and encouraged the residents to attend the budget meetings
- Director Miller announced the next Broadband Services Committee Meeting
- Director Kravitz addressed resident McIntosh on her comments on the Woll Report

- President Portlock commented on the chocolate coins on the table and chairs

RECESS INTO EXECUTIVE SESSION

The meeting recessed at 1:04 P.M. and went into Executive Session at 1:39 P.M.

During the April Executive Session the Board approved the minutes of the Regular Executive Session Meeting of March 7, 2006, and the minutes of the Special Executive Session Meeting of March 23, 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 3:51P.M.

Cynthia Chyba, Secretary



Laguna Woods Village

MEDIA USE POLICY

DATE: September 22, 2006

FOR: Golden Rain Foundation
Board of Directors

SUMMARY

The Golden Rain Foundation (GRF) provides the oversight and funding for the community cable system and website. The cable system currently has advertising time available on twenty-three of the thirty channels that can be used for commercial ad insertion to generate revenue. The Corporation markets the sale of the airtime and allocates a portion for non-chargeable use such as Public Service Announcements (PSA's). GRF also provides and maintains the community website as an additional vehicle for communication and promotion of activities held in the community. The community has other opportunities to utilize advertising as a way to offset operational expenses.

It is recommended that the GRF Board of Directors adopt a mission statement and set of guidelines that will clearly define the community's policy for the administration of all media, including, but not limited to leased access, commercial ad insertion, public service announcements, the community website administration and access, and print advertising that will be consistent with the active lifestyle image of the community.

BACKGROUND

Golden Rain Foundation's purpose is defined under Article III of the Articles of Incorporation "To provide services and community facilities to the members of this Corporation and to their memberships." A broad variety of services benefit the community through recreational, social, educational, and cultural activities. Governance information and project status is communicated through Channel 6 and the www.lagunawoodsvillage.com website.

On February 5, 2002 the GRF Board of Directors adopted Resolution G-02-10 establishing the initial Mission Statement and Guidelines for Administration of the Community Website, which provided the starting point for this document. If approved by GRF, the proposed Media Use Policy Mission Statement and Guidelines contained herein would supersede that document, thereby providing one set of guidelines to apply to all media forms.

The Golden Rain Foundation has a long-standing history of providing services to its members that promote good health through an active lifestyle. Technology has now allowed the Golden Rain Foundation another means to reach its members through chargeable and non-chargeable program and commercial airtime. In addition, the community has other options available to advertise to its members for services utilizing venues including, but not limited to, special event sponsorship, new resident welcome kits, the community website and community directories.

ANALYSIS

The Golden Rain Foundation is receiving increased interest in programming and advertising for chargeable and non-chargeable airtime. Advertising revenues will help offset costs associated with other broadband operations. Further, the community has the ability to charge for access and advertise on the community website, at special events, in new resident welcome kits and in directories as a means to defray the operational costs associated with these areas.

The following information is intended to provide a Media Use Policy Mission Statement and Guidelines for the administration and editorial oversight all media, including, but not limited to program airing, all forms of commercial advertising, website content, leased access, public, educational, governmental, public service announcements (PSA's) and event sponsorships that will be consistent with the active lifestyle image of the community.

Media Use Policy Mission Statement and Guidelines

The community cable system, website and other advertising venues are owned and operated by the Golden Rain Foundation for the benefit of its members and residents. All media and access requests are subject to inventory space availability. Staff will utilize the media guidelines as a source for editorial decision-making. The GRF Board is the final decision making body on community print or media issues.

General Advertising Guidelines

Television, print, and website advertising in the community are intended to provide a broad variety of information that will promote services or products for the benefit of the community which give consideration to recreation, finance, education, and good health for the active senior resident, using the following guidelines for commercial advertising:

- Advertising must contain:
 - Community relevance
 - High editorial and creative quality
 - Focus on products or services and/or information for community residents
- Advertising must **not** contain:
 - Indecent content
 - Controversial messaging
 - Defamatory, illegal or inappropriate information
- Utilize advertisers that serve this community professionally and provide products and/or services relevant to the community's needs
- Rates based on current rate card

- Provide information to the community that maintains a high level of consistent messaging by utilizing the cable networks, in conjunction with TV-6 advertising as well as print advertising. (message board, ads, appearances, sponsorships, welcome kits, directories, community website etc.).
- Message Board Announcements are limited to Clubs and Organizations affiliated with the community of Laguna Woods Village and users must use the Message Board Template Form to submit no more than one (1) announcement per week.
 - Message Board Announcements are limited to two (2) pages and available for sale to individuals and businesses.
- Issues and arguments for or against United, Third, Mutual Fifty, or GRF governance policy or action will not be permitted.
- GRF reserves the right to refuse, edit or withdraw materials in violation of the Media Use Policy, and to terminate the agreement at any time.
- Advertising inquiries will follow the Request Review Process outlined in this policy.

Public Service Announcements (PSA's)

The community cable system also enables residents to obtain current information about governance, project status, and the community's recreational, social, educational, and cultural activities via Public Service Announcements (PSA's) using the following guidelines:

- Public Service advertising is defined as "information that serves the public interest." The objectives of these ads are education and awareness of significant social issues.
- PSA shall be 30 or 60 seconds in length.
- PSA must contain:
 - Community relevance
 - Focus on information or services for community residents
- PSA must **not** contain:
 - Indecent content
 - Controversial messaging
 - Defamatory or inappropriate information
- Issues and arguments for or against United, Third, Mutual Fifty or GRF governance policy or action will not be permitted, except that GRF may choose to state reasons for a Board decision.
- Message Board Announcements are limited to one (1) page and users must use the Message Board Template Form to submit announcements.
 - Clubs must be registered with the Recreation Department—no promotion of overnight trips or excursions are permitted.
 - GRF, Third, United and Fifty Board announcements.
 - GRF & Mutual Committee announcements submitted by Committee Chair or designated member.
 - Community news and communications
 - Laguna Woods City News & Communications
 - Community Newspaper corrections or announcements
- GRF reserves the right to refuse, edit or withdraw materials in violation of the Media Use Policy, and to terminate the agreement at any time.
- Submittals will follow the Request Review Process outlined in this policy.

Leased Access

Television programming in the community is intended to provide a broad variety of information for the benefit of the community, which give consideration to recreation, finance, education, community and good health for the active senior resident using the following guidelines:

- Programming must **not** contain:
 - Indecent content.
 - Defamatory or inappropriate information.
- Programmer is required to have and maintain in force Liability Insurance Coverage at a minimum of \$300,000 for leased access programming.
- Rates based on current rate card.
- GRF reserves the right to refuse, or withdraw materials in violation of the Media Use Policy, and to terminate the agreement at any time.
- Submittals will follow the Request Review Process outlined in this policy.

Educational & Governmental Access

The community cable system is intended to enable residents to obtain current information about governance, project status, and the community's recreational, social, educational and cultural activities using the following guidelines as inventory permits via TV6:

- Programming must contain:
 - Community relevance
 - Focus on information or services for Laguna Woods Village residents
- Programming must **not** contain:
 - Indecent content.
 - Controversial messaging.
 - Defamatory or inappropriate information.
- The following programming is allowed on a no-fee basis as program inventory availability allows:
 - GRF, Third, United and Fifty Board announcements.
 - GRF & Mutual Committee announcements submitted by Committee Chair or designated member.
 - Community news and communications via the news staff..
 - Government programming from:
 - Laguna Woods City as submitted, based on the current agreement in place with the City.
 - Governmental Representatives
 - Local public utilities
 - Orange County Board of Supervisors
 - Community newspaper corrections or announcements.
 - Educational programming from:
 - Local Community College District
 - Local School District
- Issues and arguments for or against United, Third, Fifty or GRF governance policy or action will not be permitted.
- GRF reserves the right to refuse, edit or withdraw materials in violation of the Media Use Policy, and to terminate the agreement at any time.
- Submittals will follow the Request Review Process outlined in this policy.

GRF Event Sponsorship

GRF will sponsor a limited number of events held in the community to provide an opportunity to expose residents to current information on topics that interest the community. An event organizer can be an individual, a club, or a committee and will use the following guidelines:

- The designated organizer must fill out a Special Event Request Form for the event and submit it for approval to the GRF, Government and Public Relations Committee staff officer at least 60 days prior to the proposed date of the event.
- Facility rental rates for the event organizer will be equivalent to current club facility rental rates, unless it is an approved GRF Committee sponsored function.
- GRF sponsorship provides the following:
 - GRF Oversight
 - Promotional Support
 - Venue and Equipment Access
- To offset the cost of holding the event, a sponsor/vendor/agency may provide goods, services or a sponsorship fee to GRF.
 - Sponsorship fee payment will be made to GRF 30 days prior to the event.
 - Funds will be utilized to offset the cost of holding the event.
 - Product or service information must be submitted for approval to the staff officer of the committee overseeing the event at least 30 days prior or in a time-frame required to meet the program printing schedule.
 - Event banners, flyers or any display materials must be submitted for approval to the staff officer of the committee overseeing the event at least 30 days prior or in a time-frame required to meet the program printing schedule.
- All event participants shall follow current Recreation Department Standard Procedure Indexes (SPI)'s relative to the use of GRF Facilities.
- GRF reserves the right to refuse, edit or withdraw materials in violation of the Media Use Policy, and to terminate the agreement at any time.
- All goods and services must be in compliance with the General Advertising Guidelines.
- Issues and arguments for or against United, Third, Mutual Fifty or GRF governance policy or action will not be permitted.
- Submittals will follow the Request Review Process outlined in this policy.

Web Site

The community website is intended to be a means of disseminating information that will provide information for the benefit of the community giving consideration to recreation, finance, education, and good health, as well as providing information regarding social, educational and cultural activities using the following guidelines as space permits:

- Links
 - No commercial advertising shall be authorized.
 - Other site links submitted and approved by Community Relations Director or designated staff for the following:
 - Governmental agencies

- Registered Laguna Woods Village Clubs/Organizations
- Non-profit corporations
- Organizations authorized to have links on the web site shall execute a Web Site Users Agreement.
- Board Member email access – with permission of individual board member.
- A participating club and other approved organization shall maintain current and accurate information and provide a disclaimer on its own posting stating that the content and opinions are solely those of that organization, and that neither GRF nor the Managing Agent is responsible for the accuracy or validity of content.
- GRF reserves the right to refuse, edit or withdraw materials in violation of the Media Use Policy, and to terminate the agreement at any time.
- Must be in compliance with General Advertising Guidelines.
- Issues and arguments for or against United, Third, Fifty or GRF governance policy or action will not be permitted.
- Submittals will follow the Request Review Process outlined in this policy.

Request Review Process

- Requests will be evaluated for conformity with the Media Use Policy guidelines by the Managing Agent.
- In those cases in which the Managing Agent determines that submitted material is inappropriate based on approved guidelines, staff shall advise the submitting organization that the advertisement or messaging is not acceptable.
 - If the organization wishes to challenge the decision, an appeal may be directed to the Editorial Board (which shall be comprised of the GRF Board of Directors) for final resolution.

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ELECTION PROCEDURE

DATE: September 22, 2006

FOR: Golden Rain Foundation, United Mutual, Third Mutual, Mutual Fifty Board of Directors

SUMMARY / RECOMMENDATION

The purpose of this report is to evaluate California Civil Code §1363.03, effective July 1, 2006 that regulates the manner in which Common Interest Developments conduct their election process. Staff recommends that the boards of directors adopt the Election Rules as required by Civil Code §1363.03 utilizing Alternative One– *Utilization of Community Volunteers with the assistance of In-House Staff.*

BACKGROUND INFORMATION

There are several components comprising this new law. One of the key components is that it will be necessary for each corporation to adopt the rules regarding elections. Since each corporation already follows many of the procedures outlined in 1363.03, only minimal modification to the existing procedure is required.

Nominating Committee

Current Procedure: The boards of directors appoint a nominating committee that operates in compliance with governing documents.

Civil Code §1363.03: Although the new law does not require any change to this existing procedure, staff recommends consistency with the inspectors of election requirements.

Recommendation: Add the requirement that members of the Nominating Committee are (1) members of the association (2) not a member of the Mutual or GRF board of directors or related to a member of the Mutual or GRF board of directors (3) not a candidate or related to a candidate for the board.

Selection of Qualified Candidates

Current Procedure: The bylaws of each corporation establish the qualifications for candidates (i.e. Members in good standing) and the Nominating Committee meets with prospective candidates to explain the obligations placed on board members. Candidates are placed on the ballot either by the Nominating Committee or through a petition process.

Civil Code §1363.03(a)(3): The Association shall adopt rules that specify the qualifications for candidates for the board of directors and any other elected position, and procedures for the nomination of candidates. A nomination or election procedure shall not be deemed reasonable if it disallows any member of the association from nominating themselves for election to the board of directors.

Recommendation: Modify the existing policy to allow self-nomination.

Appointment of Inspectors of Election

Current Procedure: Each Corporation appoints three Inspectors of Election consisting of Members who are not on the Nominating Committee nor serving on the board of directors nor running for the board of directors.

Civil Code §1363.03 (c)(1): The Association shall select an independent third party or parties as Inspector(s) of Election. The number of Inspectors shall be one or three.

Civil Code §1363.03 (c)(2): An independent third party includes, *but is not limited to*, a volunteer poll worker with the county registrar of voters, a licensee of the California Board of Accountancy, or a notary public. An independent third party may be a member of the association, but may not be a member of the board of directors or a candidate for the board of directors or related to a member of the board of directors or candidate for the board of directors. An independent third party may not be a person who is currently employed or under contract to the association for any compensable services *unless expressly authorized by rules of the association*.

Recommendation: Current process complies with the new law. Addition of the alternative process should also be stipulated in the new procedures. If the board of directors is unable to recruit Inspectors of Election with the qualifications previously stated, the board has the discretion to subcontract this function to a third party service. Inspectors shall not be employees of the managing agent, however employees of the managing agent may assist the Inspector(s) of Election with their duties if permitted in the board-adopted election procedure.

Duties of the Inspectors of Election

Current Procedure: The Inspectors of Election open the sealed ballots and count and tabulate all votes, determine all challenges and questions that arise out of or in connection with the right to vote, and determine the results of election. The counting and tabulation of all votes is performed at a pre-arranged meeting that is not open to the membership.

Civil Code §1363.03 (c)(3): It shall be the duty of the Inspectors of Election to (1) determine the number of memberships entitled to vote and the voting power of each (2) determine the authenticity, validity, and effect of proxies, if any (3) receive ballots (4) hear and determine all challenges and questions in any way arising out of or in connection with the right to vote (5) count and tabulate all votes (6) determine the deadline in which all ballots must be returned (7) determine the results of the election (8) perform any acts as may be proper to conduct the election with fairness to all members, in accordance with CCC § 1363.03 and association rules.

Recommendation: To the duties of the Inspectors of Election, add the responsibilities of receiving ballots in a predetermined location, i.e., a special post office box, determine the deadline in which all ballots must be returned per the Corporation's bylaws, and perform any acts as may be proper to conduct the election with fairness to all members, in accordance with applicable California Civil Code and association rules. The housing Corporations do not use proxies.

Determination of the number of memberships entitled to vote and the voting power of each

Current Procedure: Each year, the boards of directors determine the number of memberships entitled to vote and the voting power of each in the form of a formal resolution. It is referred to as the adoption of the ballot package.

Civil Code §1363.03(c)(3)(A): It shall be the duty of the Inspectors of Election to make this determination therefore the Corporation shall provide the Inspectors of Election with a Membership List for this purpose.

Recommendation: To the duties of the Inspectors of Election, add the responsibility to determine the number of memberships entitled to vote and the voting power of each. This will be in the form of a ballot package to be approved by a resolution adopted by the board of directors. The Corporation shall provide the Inspectors of Election a Membership List for this purpose.

Processing of Return Ballots

Current Procedure-collection of returned ballots: The Corporation delegates the collection of the ballots to its management agent. Ballots are collected either by hand delivery or deposited into a post office box. A receipt is not issued to certify that the ballot has been returned.

Civil Code §1363.03 (2): the Inspectors of Election shall receive ballots either by hand delivery or through the U.S. Postal service. The member may request a receipt for delivery.

Recommendation: The mutual corporations should establish a method utilizing the Community Center address, which will involve staff at a minimal level as noted in method (a.) and (b.) or utilize an independent contractor to handle all aspects of receipt and storage as noted in method (c.):

- a. Delivery of the U.S. Postal Service to a P.O. Box with all keys under the control of the Inspectors of Election. Members wishing a receipt for delivery may do so through the U.S. Postal Service, Certified Delivery, return receipt requested at the Member's expense; and/or
- b. Hand delivered to a locked ballot box in the Community Center with all keys under the control of the Inspectors of Election. Members wishing a receipt for delivery may request a receipt from the front lobby receptionist.
- c. Delivery via mail or hand to an independent contractor at an address outside the community.

Current procedure-verification of returned ballots: The management agent sorts each return ballot by address and compares the name and address on the return envelope to the membership list. Duplicate, questionable, or unreadable return envelopes are set aside for the Inspector(s) of Election. Ballots remain sealed.

Civil Code §1363.03(c)(3)(C): The new law states that Inspectors of Election shall receive ballots. CC§1363.03(c)(3)(B) states that the Inspector(s) of Election shall determine the authenticity, validity, and effect of proxies, if any. It does not include language for validating and authenticating returned ballots.

Recommendation: To the duties of the Inspectors of Election, add the responsibility to determine the authenticity, validity, and effect of returned ballots with the assistance of the management agent or a third-party contractor.

Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.

Current Procedure: The Inspectors of Election hear and determine all challenges and questions in connection with the right to vote.

Civil Code §1363.03(C)(3)(D): The Inspectors of Election hear and determine all challenges and questions in connection with the right to vote.

Recommendation: Current process complies with the new requirements—no change recommended.

Counting and tabulation of votes

Current Procedure: The Inspectors of Election tabulate the votes at a predetermined date and time without candidates, board members, or voting members present.

Civil Code §1363.03(c)(3)(E): The Inspectors of Election shall tabulate the votes at a properly noticed, open meeting.

Recommendation: Modify procedures to include a properly noticed, open meeting of the Board of Directors for the Inspectors of Elections to tabulate the votes. The Inspector(s) may deputize a subcontracted, independent third party to electronically scan/tabulate the results under the watchful eye of the Inspector(s) of election.

Determination of when the polls shall close

Current Procedure: The bylaws of the Corporation state that the board of directors shall specify a reasonable time by which the ballot must be received in order to be counted. This is determined when the board of directors adopts the ballot package.

Civil Code §1363.03(C)(3)(F): The Inspectors of Election shall determine when the polls shall close.

Recommendation: Current process complies with the new law. Refer to the by-laws for ballot return guidelines.

Determination and announcement of the results of the election

Current Procedure: The Inspector(s) of Election determine the results of election. Once the candidates are notified of the results of election (usually within 24 hours) the board of directors are notified of the results and all members are notified via the Channel 6 News program.

Civil Code §1363.03(C)(2)(G): The Inspectors of Election determine the results of election. The results shall be promptly reported to the board of directors. Within fifteen (15) days of the election, the board of directors shall publicize the results of election in a communication directed to all members.

Recommendation: Current process complies with the new requirements—no change recommended.

Equal Access to Association Media, Websites, and Publications – Election of Board Members

Current Procedure: Each candidate is given an equal opportunity to advocate a point of view. Candidate statements are not edited or redacted. Candidates are not charged by the Corporation for distribution of a Candidate Statement with the election materials or for appearing on Meet the Candidates, a televised forum for candidates to make a public statement and respond to Member questions.

CC § 1363.03(1): requires Corporations to give each candidate an equal opportunity to advocate a point of view. A candidate's position shall not be edited or redacted.

CC § 1363.03(2): Ensure access to the common area meeting space, if any exists, during a campaign, at no cost, to all candidates, and to all members advocating a point of view, including those not endorsed by the board, for the purposes reasonably related to the election.

Recommendation: Current process complies with the new requirements—no change recommended.

Election Material

Current Procedure--GRF: *The Golden Rain Foundation permits Corporate Members to vote using proxies. Proxies are returned to the Corporation on one page and include instructions to the proxy holder from the director of the corporate member*

CC § 1363.03(d): any instructions given in a proxy issued for an election shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain.

Recommendation: Modify the procedure to include that any instructions given in a proxy issued for an election shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain.

Current Procedure--Mutual Housing Corporations:

The housing mutual corporations conduct their elections by way of "solicitation of written ballots." Ballots are mailed to each Member and returned to the Corporation in accordance with Mutual's bylaws. Ballots do not contain any information about the voting member (to maintain confidentiality) and the ballots are returned in a privacy envelope that is placed in a sealed return envelope. The sealed envelope is opened only by the Inspectors of Election. The sealed return envelope requires the voting Member to place his/her name, address, and signature. The association hires a third party election service that uses procedures used by California counties for ensuring confidentiality of the ballots.

CC § 1363.03

(e) ballots and two preaddressed envelopes with instructions on how to return the ballots shall be mailed by first-class mail or delivered by the association to every member not less than 30 days prior to the deadline for voting. In order to preserve the confidentiality, a voter may not be identified by name, address, lot, parcel, or unit number on the ballot. The association shall use as a model those procedures used by California counties for ensuring confidentiality of voter absentee ballots, including all of the following: (1) The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter prints and signs his or her name, address, and lot, or parcel, or unit number that entitles him or her to vote. (2) the second envelope is addressed to the inspector or inspectors of election, who will be tallying the votes.

Recommendation: Current process only requires minor modifications to comply with the new law, such as changing the formatting of the return envelope to include the signature portion on the front of the envelope and using a privacy envelope that can be sealed.

Retention of election ballots and re-count

Current Procedure: Ballots are stored in a box that is sealed by the Inspectors of Election for a three-year period. All Members wishing to challenge the election or who request a recount are required to submit a written request. The confidentiality of the vote is preserved during the recount.

CC § 1363.03(j): After tabulation, election ballots shall be stored by the association in a secure place for no less than one year after the date of election. Members wishing to challenge the election or who request a recount are required to submit a written request. The confidentiality of the vote is preserved during the recount.

Recommendation: No change to the existing procedure.

ANALYSIS / ALTERNATIVES

CC § 1363.03 delegates many duties that were previously assigned to the management agent to the Inspectors of Election. Following is a cost-comparison for performing these functions in-house using community volunteers vs. through an outside source.

Alternative One: Utilization of Community Volunteers with the assistance of support staff.

If it is the desire of the Corporation to pursue Alternative One, it is recommended that the Board adopt a resolution to administer the election using in-house staff and in compliance with the new law.

	United	Third	Fifty	GRF
Designated Locked Room <i>Note: United incurred this initial cost in 2005.</i>	\$ 0	\$ 475	\$ 475	\$ 0
Locked Ballot Boxes	80	80	80	0
2 Secure PO Boxes (1) to receive returned ballots (2) to receive undeliverable ballots	520	520	520	0
Staff Time	2,600	2,600	200	200
Total	\$3,200	\$3,675	\$1,275	\$200

Alternative Two: Outsourcing to an Independent Third Party.

If the board of directors is unable to recruit qualified Inspectors of Election from community volunteers it is recommended that administration of the election be outsourced to an Independent Third Party. Should the Board chose this option, it is recommended that the Board authorize a supplemental appropriation in the in the amount of \$23,000.

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