

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

June 6, 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 June 6, 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, Noel Hatch

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (10:04 A.M – 10:36 A.M.)
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 Maury Kravitz 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 11(d) Resolution Approving a Donation from EZ/LUBE.

APPROVAL OF MINUTES

The Minutes of the May 2, 2006 Regular Board Meeting and the May 31, 2006 Special Board Meeting were approved as written.

CHAIRMAN'S REPORT

First Vice President Joseph Heller introduced Bob Morton and presented him with an award in appreciation of his work as an Advisor on the Maintenance and Construction Committee.

Mr. Morton thanked the Board for its support and confidence in him.

President Portlock further thanked the volunteers for their efforts in promoting Laguna Woods Village at the Annual Saddleback Memorial Foundation 5K and Half Marathon Community Expo.

President Portlock congratulated Ms. Wendy Bucknum, Legislative Analyst for the awards received from the US Congress and thanked her for all that she has achieved.

Director Maury Kravitz commented on the flyers circulating within the Community criticizing GRF on building Clubhouse Seven, and dispelled rumors on its construction.

President Portlock announced that the Regular July Meeting falls on a Holiday and will be held on Monday July 3, 2006.

OLD BUSINESS

The Secretary of the Corporation, Director Cynthia Chyba, read a proposed resolution on the Clubhouse Seven Bridge Room SPI.

A motion was made, seconded and carried unanimously to remove from the table a motion to approve the Clubhouse Seven Bridge Room SPI 600.035.

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

RESOLUTION 90-06-45

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.

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

Director Marty Rhodes made a motion to remove from the table a motion to approve an outside rental fee for use of the Clubhouse Seven Bridge Room. Director Heller seconded the motion, and the motion carried by a vote of 9-1-0 (Director May opposed).

Discussion ensued on the resolution.

Ms. Janet Price entered the meeting at 10:04 A.M.

United and Third Mutual Members Maxine McIntosh (68-C), Ruby Rhodes (3249-O) Mary Stone (356-C), Connie Grundke (2214-B), and Lucie Falk (3377-A) commented on the motion.

By a vote of 7-3-0 (Directors Heller, May and Stein opposed), the motion to approve the outside fee carried, and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-46

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;

NOW THEREFORE BE IT RESOLVED, June 6, 2006 that the Board of Directors of this Corporation hereby establishes an outside rental fee of \$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.

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.

NEW BUSINESS

No action was taken.

CONSENT CALENDAR

No action was taken.

COMMITTEE REPORTS

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

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

Ms. Janet Price left the meeting at 10:36 A.M.

A motion was made and seconded to change the July Board Meeting from the 3rd to the 5th of July.

Director Mark Stein amended the motion to keep the date open and to inform the Directors of the set time. The motion was second and carried unanimously.

By a unanimous vote of 10-0-0, the main motion as amended carried.

Director Marty Rhodes reported from the Community Activities Committee.

The Secretary of the Corporation read a proposed resolution on approving the use of a clubhouse for a personal religious ceremony. Director Rhodes moved to approve the resolution. Director Heller seconded the motion. Discussion ensued.

United and Third Mutual Members Libby Marks (82-Q), Larry Dersh (222-D), Mary Stone (356-C), Ruby Rhodes (3249-O), and Lucie Falk (3377-A) commented on the resolution.

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

RESOLUTION 90-06-47

WHEREAS, a resident requested to rent a room in one of the clubhouses at a reduced rate for a religious ceremony for his grandson;

NOW THEREFORE BE IT RESOLVED, June 6, 2006 that the Board of Directors of this Corporation hereby approves the use of a clubhouse at the reduced rate from the outside rate to the resident private party rate for this personal religious ceremony;

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 read the following proposed resolution on allowing the Shuffleboard Club to purchase signs for installation on Building "C":

RESOLUTION 90-06

WHEREAS, in 2005 the Shuffleboard Club was granted permission to purchase and install two Shuffleboard signs on the exterior of Building "B," and

WHEREAS, the Shuffleboard Club requested permission to purchase and have installed two matching signs for Building "C";

NOW THEREFORE BE IT RESOLVED, June 6, 2006 that the Board of Directors of this Corporation hereby allows the Shuffleboard Club to purchase two matching Shuffleboard signs at its own expense; and for Staff to install them on the exterior of Building "C," 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. The motion was seconded and discussion ensued.

United Mutual Member Dick Sharp (887-Q) addressed the Board on the signs.

Director Joseph Heller made a motion to table the resolution referring it to the Maintenance and Construction Committee. Director Kravitz seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read a proposed resolution on approving a supplemental appropriation to purchase a new video projector for Clubhouse Three. Director Rhodes moved to approve the resolution. Director Heller seconded the motion. Discussion ensued.

Director Rhodes amended the motion directing staff to review an alternative within 30-days. The amendment failed due to a lack of a seconded.

United Mutual Members Mike Curtis (342-A) and Connie Grundke (2214-B).addressed the board on costs of potential alternatives.

By a vote of 8-2-0 (Directors Stein and McArthur opposed) the motion carried and the Board of Directors of this Corporation adopted the following resolution:

RESOLUTION 90-06-48

WHEREAS, the Clubhouse Three video projector was built in 1997, and due to its age, the manufacture no longer makes replacement parts for this model of projector, making servicing unavailable;

NOW THEREFORE BE IT RESOLVED, June 6, 2006 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation of \$49,000 to

be funded from the Equipment Fund to purchase a new auditorium video projector; and

RESOLVED FURTHER, that a review of less expensive alternative equipment is made prior to purchase; 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 read a proposed resolution approving a donation from EZ Lube toward the Pro/AM Golf Tournament. Director Chyba moved to approve the resolution. Director Heller seconded the motion. Discussion ensued.

United Mutual Members Connie Grundke (2214-B) commented on commercial vehicle policy and Libby Marks (82-Q) commented on the proposed golf cart.

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

RESOLUTION 90-06-49

WHEREAS, the annual local Southern California Senior PGA Professional/Resident Golf Tournament will take place on July 27, 2006; and

WHEREAS, EZ Lube Corporation has generously offered to donate up to \$5,000 to sponsor the tournament and is willing to give away a golf cart (with EZ Lube signage) to a resident of Laguna Woods Village who wins part of the tournament;

NOW THEREFORE BE IT RESOLVED, June 6, 2006 that the Board of Directors of this Corporation hereby accepts the donation of \$5,000 and the golf cart to support the Laguna Woods Village annual Professional/Resident (Pro/Amateur) Golf Tournament; 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 Joseph Heller reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read a proposed resolution on approving a supplemental appropriation to renovate the ceiling in one sewing workroom. Director Rhodes moved to approve the resolution. Director Heller seconded the motion. Discussion ensued.

Director May left the meeting at 11:29 A.M.

By a vote of 9-0-0 (Director Ruth May was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-50

WHEREAS, the ceiling in one of the sewing workrooms in Clubhouse Four is in a state of disrepair;

NOW THEREFORE BE IT RESOLVED, June 6, 2006 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation of \$13,640 to be funded through the Facilities Fund to renovate the ceiling in one of the sewing workrooms located in Wing "B of Clubhouse Four; 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 May entered the meeting at 11:33 A.M.

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

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

The Secretary of the Corporation read a proposed resolution on approving a supplemental appropriation to upgrade the security surveillance system. Director Stein moved to approve the resolution. Director Miller seconded the motion. Discussion ensued.

Mr. Rich Lee, MIS Manager entered the meeting at 11:49 A.M.

United Mutual Member Len Peverieri (76-P) commented on the placement of the cameras.

Mr. Rich Lee provided insight on the proposed upgrade.

United Mutual Members Mike Curtis (342-A) and Ken Hammer (797-B) commented on the need for security.

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

RESOLUTION 90-06-51

WHEREAS, there is a heightened need to increase the security surveillance system in the parking lot of the Laguna Woods Community Center, the surrounding areas, and other areas within the Community,

NOW THEREFORE BE IT RESOLVED, June 6, 2006 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation of \$284,518

to be funded through the Equipment Fund to upgrade the existing security surveillance system in and around the Community; and

RESOLVED FURTHER, that approval of this resolution rescinds Resolution 90-06-12 by which the purchase of 15 monitors was approved for the Security Dispatch 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.

Mr. Rich Lee, MIS Manager left the meeting at 11:58 A.M.

The Secretary of the Corporation read a proposed resolution on restructuring the Security Division. Director Heller moved to approve the resolution. Director Hatch seconded the motion. Discussion ensued.

Director Noel Hatch amended the motion to separate the provision regarding the elimination of carrying firearms. The motion was seconded and carried unanimously.

United Mutual Member Connie Grundke (2214-B) commented on the resolution.

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

RESOLUTION 90-06-52

WHEREAS, State regulations require the managing agent to be licensed as a Private Patrol Operator (PPO) in order to continue to provide security functions for Laguna Woods Village; and

WHEREAS, PCM, Inc. applied for a PPO license with the California Bureau of Security and Investigative Services (BSIS), agreeing to furnish security services to protect the safety and integrity of the Community, and in order to comply with the PPO requirements, PCM, Inc. must modify the structure to the Security Division which shall affect the objectives of the Division as a whole;

NOW THEREFORE BE IT RESOLVED, June 6, 2006 that the Board of Directors of this Corporation hereby authorizes the restructuring of the Security Division to comply with the PPO state requirements, which includes changing to conforming uniforms, patches, badges, vehicle decals, and position titles; 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 read the following proposed resolution on restructuring the Security Division regarding carrying firearms:

RESOLUTION 90-06-

WHEREAS, State regulations require the managing agent to be licensed as a Private Patrol Operator (PPO) in order to continue to provide security functions for Laguna Woods Village; and

WHEREAS, PCM, Inc. applied for a PPO license with the California Bureau of Security and Investigative Services (BSIS), agreeing to furnish security services to protect the safety and integrity of the Community, and in order to comply with the PPO requirements, PCM, Inc. must modify the structure to the Security Division which shall affect the objectives of the Division as a whole;

NOW THEREFORE BE IT RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby authorizes the restructuring of the Security Division to comply with the PPO state requirements, which includes changing to conforming uniforms, patches, badges, vehicle decals, and position titles; and

RESOLVED, that the Board of Directors of this Corporation hereby directs its Managing Agent to eliminate the carrying of firearms from the service level provided by GRF; 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 Bob Miller moved to approve the resolution. The motion was seconded and discussion ensued.

Third and United Mutual Members Lucie Falk (3377-A), Connie Grundke (2214-B), Maxine McIntosh, and Nina Brice (5558-B) commented on Security personnel carrying firearms.

Director Hatch made a motion to table the resolution to satisfy the required statutory thirty-day notice requirements. Director Stein seconded the motion and the motion carried unanimously.

United Mutual Member Mary Stone (356-C) commented on security performance, Libby Marks (82-Q) commented on "For Sale" signs policy, Connie Grundke (2214-B) commented on the policy allowing outsiders to enter the Community for events.

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

Director McArthur made a motion to support the revisions to AB 2100 (Laird) Reserve Funding. Director Chyba seconded the motion. Discussion ensued.

Director Stein left meeting at 12:34 P.M.

By a vote of 8-0-1 (Director Hatch abstained and Director Stein was absent from the meeting) the motion carried.

Director Bob Miller reported from the Broadband Services Committee.

Director Stein entered the meeting at 12:37 P.M.

Director Maury Kravitz reported from the Bus Services Committee.

GOOD OF THE ORDER:

Mutual Members:

- Mary Stone (356-C) commented on removal of commemorative plaque and homeowner participation in board meetings
- Lucie Falk (3377-A) commented on rental rates and security
- Dick Sharp (887-Q) announced the June 30 Golf Cart Safety and Navigation Workshop
- Libby Marks (82-Q) commented on security guards
- Jerry Sheinblum (3488-C) announced the next CCA Townhall Meeting on Thursday June 15 at 9:00 A.M. at Clubhouse Three

Board of Directors:

- Director May commented on the acts of the disgruntled residents who attended the recent Corporate Members Meeting
- Director Hatch commented on moving the Good of the Order at the beginning of the meeting, and encouraged the residents to run for the Board of Directors, and rated the Board Meeting as a "B+"
- Director Miller commented on the pending GRF Bylaw change that eliminates advisor voting requirements
- Director McArthur encouraged the residents to exercise their privilege to vote
- Director Rhodes commented on moving the Good of the Order and needs assessing

MEETING RECESS

The meeting recessed for lunch at 12:55 P.M. and went into Executive Session at 1:42 P.M.

During the May Executive Session the Board approved the minutes of the Regular Executive Session Meeting of April 4, 2006, and the April 10, 2006 Action By Way of Unanimous Consent; 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 3:39 P.M.

Cynthia Chyba, Secretary