

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

December 5, 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 December 5, 2006, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: George Portlock, Cynthia Chyba, Bob Miller, Ruth May, Jack Bassler, Noel Hatch, Mark Schneider, Don Tibbetts, Erwin Stuller, Bea McArthur (via telephone), Joseph Heller (9:55 A.M.)

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (10:13 A.M. – 10:29 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 Ruth May led the membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Cheryl Walker from the Laguna Woods Globe, and by way of remote cameras, 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 November 7, 2006 Regular Board Meeting were approved as amended by removing "Noel Hatch" from those Directors Present, and the Minutes of the November 9, 2006 Organizational Meeting were approved as submitted.

MEMBER AND RESIDENT MEMBER COMMENTS

- Harold Eisenberg (873-B) commented on attorney representation for the current lawsuits
- Jerry Sheinblum (3488-C) announced the next CCA Townhall Meeting in Clubhouse 5
- Dottie Fredericks (776-Q) commented on high electric bills due to misread meters

CHAIRMAN'S REPORT

President Portlock read a Christmas Holiday story, and announced that HUD approved the 2006 GRF Bylaw changes.

OLD BUSINESS

President Portlock entertained a motion to rescind Resolution 90-06-103, adopted November 7, 2006 which authorizes staff to proceed with the bid process to hire a Re-Branding Design Consultant Specialist to develop a new community logo.

Director Bob Miller made a motion to rescind Resolution 90-06-103. Director Don Tibbetts seconded the motion and the motion carried unanimously.

By way of consensus, the Board directed staff to draft a subject report for presentation directly to the Board that explains the scope of work, other alternatives, and costs attendant to the alternatives.

NEW BUSINESS

The Secretary of the Corporation, Director Cynthia Chyba, read the following proposed resolution on adopting a policy to impose disciplinary measures upon mutual members:

RESOLUTION 90-06

WHEREAS, pursuant to the Housing Mutuals' Bylaws, each Mutual has imposed monetary fines upon members who have been found to violate the rules and regulations; and

WHEREAS, there are members who refuse to pay the imposed fines, and the Mutuals have limited options to collect such fines; and

WHEREAS, GRF Bylaw Section 4.5.2 expressly authorizes its Board of Directors to take disciplinary action or suspension action against any Mutual Member, Qualifying Resident, Co-Occupant, Tenant, and their guests for breach of the governing documents and rules and regulations of this Corporation, or of the Mutual of such Mutual Member; and

WHEREAS, GRF Bylaw Section 4.5.1 references the permissible discipline or suspension action that may be taken, including the restriction of the right to use any GRF facility;

NOW THEREFORE BE IT RESOLVED, December 5, 2006 that the Board of Directors of this Corporation hereby adopts a policy to include the suspension of the right to use cable TV as a disciplinary measure imposed by GRF, as one of its options to discipline a Mutual Member; and

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

Director Bob Miller made a motion to approve the resolution. Director Noel Hatch seconded the motion. Discussion ensued.

Director Joseph Heller entered the meeting at 9:55 A.M.

United Mutual Members Linda Wilson (816-P), John Dalis (8-P), and Libby Marks (82-Q) addressed the Board on the resolution.

With no objection, the Board deferred the resolution to the end of the meeting for further discussion.

Mr. Milt Johns addressed the Board on Farmer Publications' plan to distribute oversized maps of the Community as an advertising entity.

Ms. Trudy Bigelow and Ms. Clare Twedt, owner of Farmer Publications, entered the meeting at 10:05 A.M.

Ms. Twedt provided a brief description of the maps.

United Mutual Members Maxine McIntosh (68-C) and Mary Stone (356-C) addressed the Board on the maps.

Ms. Janet Price entered the meeting 10:13 A.M.

Third Mutual Member Denise Welch (5517-1C) provided suggestions for Ms. Twedt

Ms. Twedt and Ms. Bigelow left the meeting at 10:17 A.M.

CONSENT CALENDAR

No action was taken.

COMMITTEE REPORTS

Director Bob Miller reported on the Treasurer's Report and from the Finance Committee.

Third Mutual Member Marty Rhodes (5369-2A) commented on parking lot lights and United Mutual Member Libby Marks (82-Q) addressed the Board on the Clubhouse Three parking lot.

Ms. Janet Price left the meeting at 10:29 A.M.

Director Cynthia Chyba reported from the Bus Services Committee.

Third Mutual Member Jerry Sheinblum (3488-C) thanked the Bus Committee for providing special bus services for the Community.

Director Ruth May reported from the Community Activities Committee.

Former GRF Director Marty Rhodes commented on his tenure as Chair of the CAC Committee and commended Staff for their excellent work.

Director Bea McArthur reported from the Landscape Committee.

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 modify the perimeter wall barbed wire along Ridge Route Drive.

Director Heller moved to approve the resolution. Director Tibbetts seconded the motion.

United Mutual Member Mary Stone (365-C) commented on her opposition to the resolution.

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

RESOLUTION 90-06-109

WHEREAS, the barbed wire attached to the perimeter wall at various locations of the Golden Rain Foundation (GRF) property has been cited by the City of Laguna Woods for corrective action based upon its determination that the wire protrudes into the City's right-of-way in several locations;

NOW THEREFORE BE IT RESOLVED, December 5, 2006 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation of \$1,990 from the Unappropriated Expenditures Fund to modify 515 feet of barbed wire fencing affixed to the GRF section of block wall along Ridge Route Drive; and

RESOLVED FURTHER, that such funds shall be reimbursed by the City of Laguna Woods; 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 Member Maxine McIntosh (68-C) addressed Director Heller on his report.

On the behalf of Director Noel Hatch, Director Bob Miller reported from the Broadband Services Committee.

United Mutual Member Mary Stone (356-C) addressed the Board on upgrading Broadband services.

Director Mark Schneider reported from the Government and Public Relations Committee.

On behalf of Director Jack Bassler, Director Miller reported from the Security and Community Access Committee.

United Mutual Members Ken Hammer (797-B) commented on speeders near Clubhouse Three, and Linda Wilson (816-P) commented on available CPR classes.

Director Jack Bassler left the meeting at 11:05 A.M.

The Board furthered discussion on the proposed resolution on adopting a policy to impose disciplinary measures upon mutual members.

Director Noel Hatch amended the motion to add the sentence in the third paragraph "(herein collectively referred to as the "Mutual Member.") after the word "guests," and revise the fifth paragraph to read as follows:

NOW THEREFORE BE IT RESOLVED, December 5, 2006 that the Board of Directors of this Corporation hereby specifically identifies that the right to take disciplinary or suspension action against a Mutual Member has included and continues to include, but is not limited to, the suspension of the Mutual Member's right to use this Corporation's cable TV system during the period of the discipline or suspension; and

Director Heller seconded the motion and discussion ensued. The amendments carried by a vote of 8-1-0 (Director May opposed and Director Bassler was absent from the meeting).

Director Jack Bassler returned to the meeting at 11:07 A.M.

By way of consensus, the Board agreed that the policy did not require notification since it affirms GRF's governing documents.

By a vote of 8-0-2 (Directors May and Bassler abstained) the main motion as amended carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-110

WHEREAS, pursuant to the Housing Mutuals' Bylaws, each Mutual has imposed monetary fines upon members who have been found to violate the rules and regulations; and

WHEREAS, there are members who refuse to pay the imposed fines, and the Mutuals have limited options to collect such fines; and

WHEREAS, GRF Bylaw Section 4.5.2 expressly authorizes its Board of Directors to take disciplinary action or suspension action against any Mutual Member, Qualifying Resident, Co-Occupant, Tenant, and their guests (**herein collectively referred to as the "Mutual Member"**) for breach of the governing documents and rules and regulations of this Corporation, or of the Mutual of such Mutual Member; and

WHEREAS, GRF Bylaw Section 4.5.1 references the permissible discipline or suspension action that may be taken, including the restriction of the right to use any GRF facility;

NOW THEREFORE BE IT RESOLVED, December 5, 2006 that the Board of Directors of this Corporation hereby specifically identifies that the right to take disciplinary or suspension action against a Mutual Member has included and continues to include, but is not limited to, the suspension of the Mutual Member's right to use this Corporation's cable TV system during the period of the discipline or suspension; and

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

President Portlock requested direction from the Board Members as to whether they wish to hold or reschedule the January Board Meeting. By way of consensus, the Board agreed to hold the meeting at its regularly scheduled date.

DIRECTOR'S COMMENTS:

- Director Hatch commented on the article in the Register regarding the housing market
- Director McArthur commented on rescinding Resolution 90-06-103, and commented on the Directors use of the microphones
- Director May announced the next CAC Meeting
- Director Chyba wished everyone Happy Holidays
- Director Tibbetts wished the residents a Happy Holiday Season
- Director Stuller wished the residents a Happy Holiday and a prosperous New Year
- Director Schneider wished everyone a Happy Holiday
- Mr. Johns commented on an article in the Register about the Community in Seal Beach, that by law, is now compelled to disclose documents

MEETING RECESS

The meeting recessed for lunch at 11:19 A.M. and went into Executive Session at 12:01 P.M.

During the November Regular Executive Session the Board reviewed and approved the minutes of the Special Executive Session Meeting of September 27, 2006, the minutes of the Regular Executive Session Meeting of October 3, 2006, the minutes of the Special Executive Session Meeting of October 12, 2006, and the minutes of the Special Executive Session Meeting of October 24, 2006; discussed litigation, contractual, and member disciplinary issues; and reviewed the Litigation Status Report.

On November 30, 2006 the Board approved a resolution by way of unanimous consent regarding contractual issues.

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 4:40 P.M.

Cynthia Chyba, Secretary