

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 5, 2007**

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 5, 2007, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: George Portlock, Bob Miller, Ruth May, Mark Schneider, Don Tibbetts, Bea McArthur, Joseph Heller, Cynthia Chyba, Erwin Stuller, Noel Hatch

Directors Absent: Jack Bassler

Others Present: Milt Johns, Patty Fox, Janet Price (10:51 A.M.– 11:51 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 the Country, and for those in harm's way.

**PLEDGE OF ALLEGIANCE TO THE FLAG**

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

**ACKNOWLEDGEMENT OF PRESS**

Lindsey Baguio 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 amended by removing *13(e) Accept Donation of Two Refrigerated Drinking Fountains from Men's 18-Hole Golf Club* referring it to the GRF M&C Committee; removing *9(a) Approval of Revised Officer Resolution* adding it to the Consent Calendar; and adding under New Business *Discussion on Select Audit Committee Recommendation*.

**APPROVAL OF MINUTES**

The Minutes of the Regular Board Meeting of May 1, 2007 were approved as written.

**CORPORATE MEMBER AND RESIDENT MEMBER COMMENTS**

- Jerry Sheinblum (3488-C) announced the next CCA Townhall Meeting at Clubhouse 5 at 9:30 A.M.
- Karel Brouwer (3189-C) commented on association fee increases

- Connie Grundke (2214-B) announced the next Resident Voice Meeting and commented on GRF expenditures
- Barbara Copley (410-D) commented on the Community's governing documents
- Bob Zuzak (674-A) commented on GRF expenditures
- Lucie Falk (3377-A) commented on enforcing rules and regulations
- Libby Marks (82-Q) commented on cost of living increases
- Delsie Zuzak (674-A) commented on Community issues and GRF expenditures
- Corkie Eley (2401-2E) commented on Community governing documents and CC&Rs
- Kay Margason (510-C) commented on need to hire Robert Adel of Greenberg Traurig to assist with Community issues
- Diane Norcross (5526-A) commented on attorney usage
- Ken Hammer (797-B) encouraged the residents to run for the Boards

### **CHAIRMAN'S REPORT**

No comments were made.

### **OLD BUSINESS**

Director Ruth May made a motion to remove from the table the motion to approve the new Recreation Division Policy. Director Bob Miller seconded the motion. By a vote of 9-0-0 the motion carried.

The Secretary of the Corporation, Director Cynthia Chyba read the proposed resolution and discussion ensued.

Mutual Members Barbara Copley (410-D), Maxine McIntosh (68-C), Connie Grundke (2214-B), Fanny Labin (608-D), and Corkie Eley (2401-2E) commented on the new policy.

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

### **RESOLUTION 90-07-44**

**WHEREAS**, the Board of Directors of this Corporation adopted Resolution 90-04-87 on December 7, 2004, which approved the Recreation Standard Procedure Index (SPIs); and

**WHEREAS**, a recommendation has been made by the Community Activities Committee to re-name, re-format, and update the current Recreation Division Standard Procedure Index (SPIs) to eliminate confusion and to accommodate the needs of the residents; and

**WHEREAS**, the proposed format is changed from multiple documents to one cohesive document divided into three sections;

**NOW THEREFORE BE IT RESOLVED**, June 5, 2007, that the Board of Directors of this Corporation hereby adopts and approves the new Recreation

Division Policy with respect to two sections: "General Recreation" and "Use of Clubhouses and Community Center Rooms", effective June 5, 2007; and

**RESOLVED FURTHER**, that Resolution 90-04-87 adopted December 7, 2004 is hereby amended and SPIs 600.001 – 600.034 and SPI 613.001 are hereby superseded and cancelled; 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 Miller made a motion to remove from the table the following resolution approving the Schedule of Monetary Penalties for Recreation Vehicle Parking Areas. Director May seconded the motion:

**RESOLUTION 90-07-**

**WHEREAS**, by way of Resolution 90-07-03 the Board approved the Recreational Vehicle Parking Areas #A and #B Rules and Regulations which are precautionary rules and regulations intended to protect the property of GRF as well as the residents who utilize the RV Lots; and

**WHEREAS**, the Security Division has the primary responsibility for administration, governance and coordinating maintenance issues of the Recreational Vehicle Parking Lots A and B; and

**WHEREAS**, currently, there is no monetary penalty policy set in place for violations of the RV rules and regulations;

**NOW THEREFORE BE IT RESOLVED**, June 5, 2007 that the Board of Directors of this Corporation hereby adopts a Schedule of Monetary Penalties for the Recreational Vehicle Parking Areas, as attached to the official minutes of this Corporation; 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 Noel Hatch made a motion to refer the resolution back to the Security Committee. The motion was seconded and carried unanimously.

**NEW BUSINESS**

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to secure land entitlements.

Director Miller made a motion to approve the resolution. The motion was seconded and discussion ensued.

Ms. Janet Price entered the meeting at 10:51 A.M.

Mutual Members Kay Margason (510-C), Connie Grundke (2214-B), Barbara Copley (410-D), and Bob Zuzak (674-A) commented on the resolution.

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

**RESOLUTION 90-07-45**

**WHEREAS**, by way of Resolution 90-06-29 the Board of Directors of this Corporation appropriated \$250,000 for the preparation of a Specific Plan and Environmental Impact Report (EIR) to secure public entitlements for eight parcels of under/undeveloped land owned by GRF; and

**WHEREAS**, the scope of work for the Specific Plan and EIR is increased to include a Land Use Analysis; and

**WHEREAS**, this appropriation is also to provide an allowance for Agency Review and Filing Fees for the Specific Plan and EIR, and is to provide for consultancy fees for fiscal analysis, traffic analysis, biological survey, parcel title reports, aerial topographic maps, infrastructure preliminary cost estimates, boundary mapping and a review of hydrology, geotechnical conditions, drainage and existing infrastructure; and

**WHEREAS**, on behalf of GRF, proposals for this service were obtained and all proposals received exceeded the appropriated amount; and

**NOW THEREFORE BE IT RESOLVED**, June 5, 2007 that the Board of Directors of this Corporation hereby authorizes the additional expenditure of \$244,000 funded from the Unappropriated Expenditures Fund to secure public entitlements for GRF's eight under/undeveloped properties; 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 turned the meeting over to First Vice President Ruth May who entertained a discussion on the recommendation made from the Select Audit Committee to appropriate monies to review GRF expenditures.

President Portlock left the meeting at 10:53 A.M.

Mr. Johns provided a summary of the motion discussed during the Select Audit Committee Meeting of May 31, 2007.

Director Noel Hatch made a motion authorizing a supplemental appropriation in the amount of \$15,000 to obtain a review of GRF credit card expenditures. Director Don Tibbetts seconded the motion.

Director Heller moved to refer the discussion back to the Select Audit Committee for further information. Director Miller seconded the motion. By a vote of 2-6-0 (Directors Heller and Hatch voted in favor), the motion failed.

Discussion ensued on the original motion.

Mr. Johns requested direction from the Board on the kind of review the Board desires, i.e., legal, financial, or management consultant.

Mutual Members Bud Nesvig (2392-3H), Kay Margason (510-C), John Dalis (8-P), Delsie Zuzak (674-A), Laretta Cecchino (512-C), and Betty Salazar (40-O) addressed their comments and concerns with the motion.

By a vote of 0-7-1 (Director Schneider abstained) the motion main failed.

Director Hatch made a motion authorizing Directors Schneider, Tibbetts and Stuller to meet with Janet Price to re-review the 2006 credit card statements and background materials, and return to the Board with another recommendation based on the information obtained. Director Chyba seconded the motion. Discussion ensued.

By a vote 3-1-4 (Directors Hatch, Schneider, Miller voted in favor, Director McArthur opposed, and Directors Tibbetts, Chyba, Stuller and Heller abstained), the motion carried.

### **CONSENT CALENDAR**

Without objection the Consent Calendar was approved and the following actions were taken:

3024-A/3026-B Approval of off-schedule tree trimming at the Mutual's expense

### **RESOLUTION 90-07-46**

**RESOLVED**, June 5, 2007 that the following persons are hereby elected as officers of this Corporation:

George Portlock	President
Ruth May	1st Vice President
Bea McArthur	2nd Vice President
Cynthia Chyba	Secretary
Bob Miller	Treasurer

**RESOLVED FURTHER**, that the following persons are hereby appointed as officers of this Corporation:

Milton E. Johns	Vice President
Janet Price	Assistant Treasurer
Patty Fox	Assistant Secretary
Cris Trapp	Assistant Secretary
Wendy Panizza	Assistant Secretary, for the purpose of representing GRF in Small Claims Court
<b>Scott Dunham</b>	Assistant Secretary, for the purpose of representing GRF in Small Claims Court

**RESOLVED FURTHER**, that Ruth May shall be the Vice President described in Article 9, Section 9.1 of the by-laws and authorized to preside at meetings of the members and of the directors in the absence of the President, as provided in Article 9, Section 9.6.2 of the by-laws; and

**RESOLVED FURTHER**, that Bea McArthur shall preside over meetings of the members and of the directors in the absence of the President and 1st Vice President; and

**RESOLVED FURTHER**, that Resolution 90-06-106, adopted November 9, 2006 is hereby superseded and canceled.

## **COMMITTEE REPORTS**

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

President Portlock returned to the meeting at 11:38 A.M. and resumed as Chair.

The Secretary of the Corporation read a proposed resolution on transferring funds from the Operating Surplus to the Facilities Fund.

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

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

**RESOLUTION 90-07-47**

**WHEREAS**, according to the Davis-Stirling Act, a Common Interest Development shall not retain significant operating surplus (funds that are not needed to defray current operating costs); and

**WHEREAS**, the Golden Rain Foundation Balance Sheet reflects a total operating surplus from prior years of over \$1.6 million, of which \$650,000 is being returned to the members by way of reduced 2007 assessments;

**NOW THEREFORE BE IT RESOLVED**, June 5, 2007 that the Board of Directors of this Corporation hereby authorizes the transfer of \$975,000 from accumulated operating surplus to the Facilities Fund; 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 authorizing a supplemental appropriation to rebuild golf course green #12.

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

Mutual Members Libby Marks (82-Q) and Bud Nesvig (2392-3H) addressed the Board on the motion.

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

**RESOLUTION 90-07-48**

**WHEREAS**, on September 5, 2006, as part of the 2007 Capital Plan, the Board of Directors of this Corporation approved the rebuilding of Green #12 at the 27-Hole Golf Course, with an appropriation of \$47,500; and

**WHEREAS**, additional funding is needed due to the added materials and labor necessary to complete the project as specified by the USGA standards;

**NOW THEREFORE BE IT RESOLVED**, June 5, 2007 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$19,500 to be funded from the Facilities Fund to complete the Rebuild Green 12 Project; 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.

Ms. Janet Price left the meeting at 11:51 A.M.

President Portlock apologized for his abrupt behavior earlier in the meeting and encouraged the residents to attend the budget meetings and voice their opinions on expenditures.

Director Cynthia Chyba reported from the Bus Services Committee.

Mutual Member Jerry Sheinblum (3488-C) announced the Transportation Awareness Day.

Director Stuller left the meeting at 11:50 A.M.

Director Miller left the meeting at 11:54 A.M.

Director Ruth May reported from the Community Activities Committee.

The Secretary of the Corporation read a proposed resolution on approving a donation of \$1,430 from the Potters and Sculptors Club toward the purchase of kiln shelves. Director May moved to approve the resolution. Director Tibbetts seconded the motion.

By a vote of 7-0-0 (Directors Stuller and Miller were absent from the meeting) the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 90-07-49**

**RESOLVED**, June 5, 2007 that the Board of Directors of this Corporation hereby accepts the donation of \$1,430 from the Potters and Sculptors Club as a 50% donation toward the total cost of \$2,860 for 48 kiln shelves for use at Clubhouse Four; and

**RESOLVED FURTHER**, that the remaining funds of \$1,430 shall come from the Recreation Operating Budget; 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 read a proposed resolution on accepting a donation of \$700 from the Billiards Club toward the cost of repairs to the billiard table. Director May moved to approve the resolution. Director Heller seconded the motion and discussion ensued.

Director Stuller returned to the meeting at 11:56 A.M.

Mutual Member Sam Rose (5566-B) addressed the Board on the Club's request.

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

**RESOLUTION 90-07-50**

**WHEREAS**, the Billiards Club requested that the three-cushion billiard table at Clubhouse One be refurbished and that the contract be single-sourced with an expert who specializes in repairing antique billiard tables; and

**WHEREAS**, the Billiards Club hereby donates \$700 towards the total cost of such repair;

**NOW THEREFORE BE IT RESOLVED**, June 5, 2007 that the Board of Directors of this Corporation hereby accepts the donation in the amount of \$700 and authorizes the Billiards Club to single-source the contract with an expert; and

**RESOLVED FURTHER**, that the remaining cost of \$1,200 for the repair shall come from the Recreation Operating Budget; 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 on approving a donation of a large screen television from the Men's 18-Hole Golf Club. The motion was moved and seconded and discussion ensued.

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

**RESOLUTION 90-07-51**

**RESOLVED**, June 5, 2007 that the Board of Directors of this Corporation hereby accepts the donation of a large screen television from the Board of Directors of the Laguna Woods Men's Golf Club; and

**RESOLVED FURTHER**, that such equipment shall be installed on the patio of the Golf Starter Building; 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 read the following proposed resolution on increasing fees for driving range practice balls:

**RESOLUTION 90-07**

**WHEREAS**, on May 2, 2006, by way of Resolution 90-06-32, the Board of Directors of this Corporation approved the Resident Fee Schedule for 2007; and

**WHEREAS**, additional fees are needed to maintain the driving range in the appropriate condition;

**NOW THEREFORE BE IT RESOLVED**, August 7, 2007 that the Board of Directors hereby revises the Resident Fee Schedule for 2007 as follows:

- Resident fee increase for driving range, full bucket of balls from \$2.00 to \$4.00
- Resident fee increase for driving range, ½ bucket of balls from \$1.00 to \$2.00
- Eliminate Guest fees for driving range, full and ½ bucket of balls
- Add five additional balls to full and ½ bucket of balls

**RESOLVED FURTHER**, that such changes shall be effective August 7, 2007; and

**RESOLVED FURTHER**, that Resolution 90-06-32 adopted May 2, 2006 is hereby amended; 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 moved to approve the resolution. Director Heller seconded the motion and discussion ensued.

Mutual Members John Dalis (8-P), Marty Rhodes (5369-2A), Harry Curtis (5371-2A), and Bud Nesvig (2392-3H) addressed the Board on the resolution.

Director Bea McArthur made a motion to table the resolution to the August Meeting to satisfy the required statutory thirty-day notice requirements. Director Heller seconded the motion and the motion carried by a vote of 8-1-0 (Director Tibbetts opposed).

Due to time constraints, and without objection, the Board opted to dispense with the remaining committee reports, with the exception of the Security Committee.

Director Stuller made a motion to adjourn. The motion failed due to the lack of a seconded.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation for security surveillance system improvements. Director Miller moved to approve the resolution. Director Tibbetts seconded the motion.

By a vote of 8-1 (Director McArthur opposed) the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 90-07-52**

**WHEREAS**, by way of Resolution 90-06-51, the Board of Directors of this Corporation appropriated \$284,518 for improvements to the security surveillance system in the parking lot of the Community Center, the surrounding areas, and other areas within the Community; and

**WHEREAS**, the competitive bids received exceeded the appropriated amount;

**NOW THEREFORE BE IT RESOLVED**, June 5, 2007 that the Board of Directors of this Corporation hereby authorizes an additional supplemental appropriation in the amount of \$87,482 to be funded from the Equipment Fund to award a contract to the lowest bidder to improve the security surveillance system; 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.

Mutual Member Libby Marks (82-Q) inquired on the meaning of putting the shuffleboard fan project on fast track.

Without objection the Board deferred the request by Cal State Long Beach students to access the Community to study Barbara's Lake to next month.

**DIRECTOR'S COMMENTS:**

No comments were made.

**MEETING RECESS**

The meeting recessed at 12:22 P.M. and went into Executive Session at 1:06 P.M.

During the Regular Executive Session meeting of May 1, 2007, the Board of Directors reviewed and approved the Minutes of the Regular Executive Session Meeting of April 3, 2007, the Special Executive Session Meeting of April 12, 2007, and the Special Executive Session Meeting of April 23, 2007; discussed member discipline, contractual and litigation issues; and agreed to renew the Memorandum of Understanding with the City of Laguna Woods.

During the Special Executive Session meeting of May 24, 2007, the Board of Directors discussed third party contracts.

**ADJOURNMENT**

There being no further business to come before the Board of Directors, the meeting adjourned at 4:34 P.M.

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Cynthia Chyba, Secretary