

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

September 4, 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 September 4, 2007, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

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

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (9:50 A.M.– 10:34 A.M.)
Executive Session: Milt Johns, Patty Fox, Cris Trapp

CALL TO ORDER

George Portlock, President, served as Chair 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 Erwin Stuller 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 Report of the GRF Business Planning Committee Version 2 of July 23, 2007, the Minutes of the Regular Board Meeting of August 7, 2007, the Report of the GRF Business Planning Committee Version 3 of August 8, 2007, and the Action By Way of Written Unanimous Consent of August 17, 2007 were approved as written.

CORPORATE MEMBER AND RESIDENT MEMBER COMMENTS

- Iris Gorin (828-Q) requested an update on the land use project
- Jerry Sheinblum (3488-C) announced the next CCA Townhall Meeting at Clubhouse 5
- Connie Grundke (2214-B) commented on Third Mutual's ballot process and announced the next Resident's Voice Meeting

- Barbara Copley (410-D) commented on the corporate documents and CC&Rs
- Linda Wilson (816-P) commented on the next Disaster Task Force meeting
- Pamela Grundke (2214-B) commented on the approved Staff Support Expenditures Policy
- Karel Brouwer (3189-C) commented on budget meetings

CHAIR'S REPORT

President Portlock opened the floor to Mr. Johns who provided an update on the Specific Plan Project. President Portlock announced his 57th Wedding Anniversary, and commented on the approved Staff Support Expenditures Policy.

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

OLD BUSINESS

Marty Rhodes, Chair of the Nominating Committee, presented the report from the Nominating Committee and announced the endorsed candidates.

NEW BUSINESS

The Secretary of the Corporation, Director Cynthia Chyba, read a proposed resolution on adopting the 2008 Business plan. Director Ruth May moved to approve the resolution. Director Joseph Heller seconded the motion.

Director Bob Miller amended the motion to reduce the 2008 reserves contributions by the equivalent of \$1.00 per manor/per month (\$152,832). Director Noel Hatch seconded the motion and discussion ensued.

Mutual Members Jerry Sheinblum (3488-C), Bud Nesvig (2392-3H), and Larry Souza (5077) addressed the Board on the amendment.

By a vote of 1-9-0 (Director Miller voted in favor), the amendment failed.

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

RESOLUTION 90-07-66

GOLDEN RAIN FOUNDATION OF LAGUNA WOODS 2008 BUSINESS PLAN RESOLUTION

RESOLVED, September 4, 2007, that the Business Plan for this Corporation for the year 2008 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said Business Plan, the Board of Directors of this Corporation hereby estimates that the sum of \$38,301,286 will be required by the Corporation to meet its annual expenses of operation for the year 2008, including the cost of managing, operating, maintaining and repairing certain facilities, and of providing certain services for the benefit of members of the Corporation, and said sum is hereby authorized to be expended.

Additionally, \$4,737,792 is required for reserve contributions. After deducting \$650,000 derived from prior years' surplus and the sum of \$11,111,508 expected to be received from various sources as revenue during 2008, the Board of Directors hereby estimates that the net sum of \$31,277,570 will be required to be paid by the Corporation members in accordance with the terms of that certain Trust Agreement dated March 2, 1964, as amended, and the bylaws of the Corporation; and

RESOLVED FURTHER, that this Corporation shall charge each corporate member the sum of \$204.65 per month per membership of said Corporation, for its share of the aforesaid net expenses and reserve contributions for the year 2008; 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 adopting the 2008 Capital Reserve Expenditures plan. Director Bea McArthur moved to approve the resolution. Director Erwin Stuller seconded the motion and discussion ensued.

By a vote of 7-3-0 (Directors Hatch, Schneider, and Bassler opposed) the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-07-67

**GOLDEN RAIN FOUNDATION OF LAGUNA WOODS
2008 CAPITAL RESERVE EXPENDITURES PLAN RESOLUTION**

RESOLVED, September 4, 2007, that the Capital Reserve Expenditures Plan of this corporation for the year 2008 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said Plan, the sum of \$3,571,300 is hereby authorized to be expended in 2008 for the purposes provided therein, of which \$1,617,100 shall be expended from the Equipment Fund, \$1,954,200 from 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 on adopting the 2008 Replacement Reserves plan. Director Miller moved to approve the resolution. Director Stuller seconded the motion and discussion ensued.

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

RESOLUTION 90-07-68

**GOLDEN RAIN FOUNDATION OF LAGUNA WOODS
2008 REPLACEMENT RESERVES RESOLUTION**

WHEREAS, Civil Code § 1365.2.5 requires specific reserve funding disclosure statements for homeowner associations; and

WHEREAS, planned assessments or other contributions to replacement reserves must be projected to ensure balances will be sufficient at the end of each year to meet the association's obligations for repair and/or replacement of major components during the next 30 years;

NOW THEREFORE BE IT RESOLVED, September 4, 2007, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plan (attached) with the objective of maintaining replacement reserve balances at or above a threshold of \$5,200,000 (indexed for projected inflation), while meeting its obligations to repair and/or replace major components; 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.

CONSENT CALENDAR

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

RESOLUTION 90-07-69

RESOLVED, September 4, 2007 that the Board of Directors of this Corporation hereby accepts the donation of \$500 from the Saddleback Kiwanis Club; and

RESOLVED FURTHER, that the funds shall be used to support the Fitness Centers as determined by staff; 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.

RESOLUTION 90-07-70

RESOLVED, September 4, 2007 that the Board of Directors of this Corporation hereby accepts the donation of \$200 from the Shuffleboard Club; and

RESOLVED FURTHER, that such funds shall be applied to the cost of the maintenance recently performed on the six shuffleboard courts in Building B; and

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

RESOLUTION 90-07-71

WHEREAS, the Historical Society requested an exception to the Clubhouse Reservation Lottery Policy to book Clubhouse Five for a gala party on March 22, 2009;

NOW THEREFORE BE IT RESOLVED, September 4, 2007 that the Board of Directors of this Corporation hereby approves an exception to the Clubhouse Reservation Lottery process for the Historical Society to hold a gala party to celebrate the 10th Anniversary of 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.

COMMITTEE REPORTS

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

Mutual Member Barbara Copley (410-D) addressed the Board on a Trust Improvement Fund.

Ms. Price left the meeting at 10:34 A.M.

Director Joseph Heller reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation in the amount of \$11,000 to install fans at Clubhouse One. Director Miller moved to approve the resolution. Director Heller seconded the motion.

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

RESOLUTION 90-07-72

WHEREAS, the Clubhouse One Shuffleboard Court C heating, ventilation and air conditioning systems are not effective in controlling the interior climate, causing discomfort for the users of the facility during times of extreme outdoor temperatures;

NOW THEREFORE BE IT RESOLVED, September 4, 2007 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$11,000 to be funded from the Trust Improvement Fund to

install new ceiling fans and wall mounted oscillating fans in Court C at Clubhouse One; 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 in the amount of \$3,900 to complete the Woodshop improvements. Director Miller moved to approve the resolution. Director May seconded the motion and discussion ensued.

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

RESOLUTION 90-07-73

WHEREAS, on May 1, 2007, the Board of Directors of this Corporation approved Resolution 90-07-41 which appropriated funds to improve the environmental conditions in the Woodshop at Clubhouse Four; and

WHEREAS, based on the lowest bid obtained, the total expected amount of funding required to complete the project is \$3,900 over the appropriated amount;

NOW THEREFORE BE IT RESOLVED, September 4, 2007 that the Board of Directors of this Corporation hereby authorizes an additional supplemental appropriation in the amount of \$3,900 to be funded from the Facilities Fund to complete the environmental improvements in the Clubhouse Four Woodshop; 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 Cynthia Chyba reported from the Bus Services Committee.

Director Ruth May reported from the Community Activities Committee.

Director Joseph Heller left the meeting at 10:47 A.M. and did not return.

The Secretary of the Corporation read the following proposed resolution revising the new Recreation Division Policy with respect to: "General Recreation" and "Use of Clubhouses and Community Center Rooms:"

RESOLUTION 90-07-

WHEREAS, the Board of Directors of this Corporation adopted Resolution 90-

07-44 on June 5, 2007, which approved the new Recreation Division Policy with respect to two sections: "General Recreation" and "Use of Clubhouses and Community Center Rooms; and

WHEREAS, a recommendation has been made by the Community Activities Committee to make additional changes to further accommodate the needs of the residents;

NOW THEREFORE BE IT RESOLVED, November 6, 2007, that the Board of Directors of this Corporation hereby adopts and approves the revised Recreation Division Policy with respect to Sections I and II: "General Recreation" and "Use of Clubhouses and Community Center Rooms," effective November 6, 2007; and

RESOLVED FURTHER, that Resolution 90-07-44 adopted June 5, 2007 is 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 May moved to approve the resolution. Director Miller seconded the motion and discussion ensued.

Director McArthur made a motion to table the resolution to the November Meeting to satisfy the required statutory thirty-day notice requirements. Director Don Tibbetts seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read the following proposed resolution adopting the new Recreation Division Policy Section III with respect to "Recreational Facilities:"

RESOLUTION 90-07-

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, November 6, 2007, that the Board of Directors of this Corporation hereby adopts and approves the new Recreation

Division Policy Section III with respect to "Recreational Facilities", effective November 6, 2007; and

RESOLVED FURTHER, Resolution 90-04-87 adopted December 7, 2004 is hereby superseded and cancelled, and SPIs 600.029 through 600.034, 613.001, 614.001 - 614.010, 620.001- 620-007, 630.001, 670-001 - 670.010, 690-001, and 691.001 - 691.002 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.

A motion was made and seconded to approve the resolution.

Director Stuller made a motion to table the resolution to the November Meeting to satisfy the required statutory thirty-day notice requirements. Director Miller seconded the motion and the motion carried unanimously.

Director Bea McArthur reported from the Landscape Committee.

Director Noel Hatch reported from the Broadband Committee.

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

Director Bob Miller reported from the Security and Community Access Committee.

DIRECTOR'S COMMENTS:

Director May wished George and Beverly Portlock a happy Wedding Anniversary

Director Schneider wished George a happy Anniversary

Director Stuller wished George a happy Anniversary

Director Miller commented on increased assessments

Director Hatch commented on assessments

MEETING RECESS

The meeting recessed at 11:26 A.M. and went into Executive Session at 12:15 P.M.

During its Special Executive Session meeting of August 13, 2007, the Board of Directors discussed contractual and personnel issues.

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 3:30 P.M.

Cynthia Chyba, Secretary

**GOLDEN RAIN FOUNDATION & TRUST
 2008 RESERVES PLAN
 Replacement Reserves 30-Year Funding Plan**

Baseline (Threshold): \$5,200,000
 Indexed for inflation

Year	Assessment		Interest Earnings	Other Additions	Planned Expenditures	Reserve Balance
	Per Manor Per Month	Total Contribution				
2007	\$ 30.00	\$ 4,584,960	\$ 708,993	\$ 1,975,000	\$ 4,299,269	\$ 17,252,220
2008	\$ 30.00	\$ 4,584,960	\$ 774,023		\$ 5,436,210	\$ 17,174,992
2009	\$ 33.00	\$ 5,043,456	\$ 596,056		\$ 13,477,947	\$ 9,336,557
2010	\$ 38.50	\$ 5,884,032	\$ 404,516		\$ 6,969,511	\$ 8,655,595
2011	\$ 43.50	\$ 6,648,192	\$ 336,927		\$ 9,310,380	\$ 6,330,334
2012	\$ 48.50	\$ 7,412,352	\$ 278,650		\$ 7,957,790	\$ 6,063,545
2013	\$ 44.00	\$ 6,724,608	\$ 313,955		\$ 5,201,481	\$ 7,900,628
2014	\$ 43.00	\$ 6,571,776	\$ 417,766		\$ 4,209,295	\$ 10,680,875
2015	\$ 43.00	\$ 6,571,776	\$ 492,949		\$ 6,500,966	\$ 11,244,633
2016	\$ 43.00	\$ 6,571,776	\$ 501,136		\$ 7,272,539	\$ 11,045,007
2017	\$ 43.00	\$ 6,571,776	\$ 533,973		\$ 5,445,573	\$ 12,705,183
2018	\$ 43.00	\$ 6,571,776	\$ 614,141		\$ 5,280,341	\$ 14,610,759
2019	\$ 43.00	\$ 6,571,776	\$ 700,299		\$ 5,345,492	\$ 16,537,342
2020	\$ 43.00	\$ 6,571,776	\$ 752,016		\$ 6,950,098	\$ 16,911,036
2021	\$ 43.00	\$ 6,571,776	\$ 635,163		\$ 12,778,045	\$ 11,339,930
2022	\$ 43.00	\$ 6,571,776	\$ 486,118		\$ 8,116,091	\$ 10,281,733
2023	\$ 43.00	\$ 6,571,776	\$ 477,877		\$ 6,357,996	\$ 10,973,390
2024	\$ 46.00	\$ 7,030,272	\$ 481,185		\$ 8,055,962	\$ 10,428,885
2025	\$ 49.00	\$ 7,488,768	\$ 479,177		\$ 7,512,760	\$ 10,884,071
2026	\$ 52.00	\$ 7,947,264	\$ 484,277		\$ 8,659,869	\$ 10,655,743
2027	\$ 57.00	\$ 8,711,424	\$ 494,994		\$ 8,501,433	\$ 11,360,727
2028	\$ 62.00	\$ 9,475,584	\$ 538,751		\$ 8,773,069	\$ 12,601,993
2029	\$ 67.00	\$ 10,239,744	\$ 625,147		\$ 8,263,421	\$ 15,203,463
2030	\$ 70.00	\$ 10,698,240	\$ 699,843		\$ 10,677,204	\$ 15,924,342
2031	\$ 72.00	\$ 11,003,904	\$ 620,724		\$ 15,864,595	\$ 11,684,375
2032	\$ 72.00	\$ 11,003,904	\$ 538,846		\$ 10,944,576	\$ 12,282,549
2033	\$ 73.50	\$ 11,233,152	\$ 600,922		\$ 9,671,209	\$ 14,445,414
2034	\$ 75.00	\$ 11,462,400	\$ 741,031		\$ 8,134,471	\$ 18,514,375
2035	\$ 75.00	\$ 11,462,400	\$ 851,504		\$ 11,469,239	\$ 19,359,039
2036	\$ 75.00	\$ 11,462,400	\$ 743,832		\$ 17,839,962	\$ 13,725,309
2037	\$ 75.00	\$ 11,462,400	\$ 644,751		\$ 10,880,361	\$ 14,952,099

