

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

April 1, 2008

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 April 1, 2008, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Bob Miller, Ruth May, Don Tibbetts, Bea McArthur, Ken Hammer, Joseph Heller, Ray Gros, Erwin Stuller, Mark Schneider, Noel Hatch

Directors Absent: Jack Bassler

Others Present: Milt Johns, Patty Fox, and Janet Price (10:36 A.M.-11:22 A.M.)
Executive Session: Milt Johns, Patty Fox, Cris Trapp

Designated Representative: None

CALL TO ORDER

Bob Miller, 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 Ken Hammer led the membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

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

APPROVAL OF AGENDA

Without objection, the agenda was approved as written.

APPROVAL OF MINUTES

Without objection, the Minutes of the Regular Board Meeting of March 4, 2008 were approved as written.

MEMBER COMMENTS

- Carol Moore (3399-A) addressed the Board on recycling
- Lilly Lachter (3211-B) commented on her mutual landscape request
- Libby Marks (82-Q) announced that the United Nominating Committee is looking for qualified candidates to run for the Board
- Jerry Sheinblum (3488-C) announced the next CCA Town Hall Meeting
- Paula Page (4008-2E) encouraged residents to attend a class to prepare for disasters

- Linda Wilson (816-P) announced the upcoming First Aid simplified classes
- Denny Welch (5517-1C) encouraged residents to support legislation to give co-op members the option to get reverse mortgages that are guaranteed by FHA
- Ming Chang (771-C) commented on lights on in the Community Center during the day and GRF's policy on making clubhouse room reservations one week in advance
- Mike Curtis (342-A) commented on the new communications plan
- Mary Stone (356-C) requested that GRF consider the financial circumstances of the mutual members while considering the budget plan
- Diane Norcross (5526-A) commented on her plumbing issue
- Kay Margason (510-C) commented on the Community's financial stability
- Delsie Zuzak (674-A) commented on the Community's financial stability and need for forensic audit

DIRECTORS' RESPONSE TO MEMBER COMMENTS

- President Miller briefly responded to Member comments
- Director Schneider commented on the budget process
- Director May commented on Mr. Curtis' comments regarding Mr. Johns
- Director Tibbetts responded to Ms. Lachter's tree removal request
- Mr. Johns commented on Mr. Curtis' misinformation

CHAIR'S REPORT

President Miller commented on a presentation from Watson Wyatt on PCM's Incentive Plan, announced the upcoming budget meetings, and announced a presentation from the Needs Assessment consultant to be held on April 25th.

Members Mike Curtis (342-A) commented on the Incentive Plan presentation and Karel Brouwer (3189-C) commented on GRF capital expenditures.

OLD BUSINESS

The Secretary of the Corporation, Director Bea McArthur, read a proposed resolution disbanding the Transportation Sub-Committee. Director McArthur moved to approve the resolution. Director Joseph Heller seconded the motion and discussion ensued.

Members Mary Stone (356-C) addressed the Board on the motion and recommended that the Bus Services Committee Charter be revised to include all transportation matters; Libby Marks (82-Q) and Mike Curtis (342-A) commented on the motion.

Director Erwin Stuller made a motion to call the question. Director Mark Schneider seconded the motion. By a vote of 7-0-2 (Directors Schneider, Stuller, McArthur, Heller, Gros, Tibbetts, Hatch, and Director May and Hammer abstained), the motion carried.

By a vote of 7-1-1 (Directors Schneider, Stuller, Gros, McArthur, Hatch, Tibbetts and Heller voted in favor, Director May abstained and Director Hammer opposed) the main motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-08-23

WHEREAS, the GRF Transportation Sub-Committee, although not formally constituted by the Board, was formed as a sub-committee under the GRF Maintenance and Construction Committee, and is no longer necessary;

NOW THEREFORE BE IT RESOLVED, April 1, 2008 the Board of Directors of this Corporation hereby disbands the Transportation Sub-Committee; 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 proposed changes to the Committee Appointments. Director McArthur moved to approve the resolution. The motion was seconded.

Without objection, the Board agreed to change the committee name from "Gate Beautification" to "Gate Renovation."

Member Mike Curtis (342-A) commented on the committee make-up.

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

RESOLUTION 90-08-24

RESOLVED, April 1, 2008 that the following persons are hereby appointed and ratified to serve on the Committees of this Corporation:

Broadband Services Committee

Noel Hatch, Chair (GRF)
Bea McArthur, Vice Chair (GRF)
Ruth May (GRF)
Stanley Feldstein (Third)
Don Lippert (Third)
Lloyd Foster (United)
Marty Rubin (United)
Keith Wallace (Mutual 50)
Non-Voting Advisors: Eliot Brody, Bob Payne

Business Planning

Bob Miller, Chair (GRF)
Don Tibbetts, Vice Chair (GRF)
Noel Hatch (GRF)
John Paulus (Third)

Bob Hatch (Third)
Jim McNulty (United)
Beth O'Brien (United)
Richard Wurzel (Mutual 50)

Bus Services Committee

Ken Hammer, Chair (GRF)
Ray Gros, Vice Chair (GRF)
Ruth May (GRF)
Dominic Burrasca (Third)
Jim Matson (Third)
John Dalis (United)
Mary Stone (United)
Janet Schwartz (Mutual 50)
Non-Voting Advisors: Maury Kravitz

Community Activities

Mark Schneider, Chair (GRF)
Jack Bassler, Vice Chair (GRF)
Bea McArthur (GRF)
Carol Moore (Third)
Isabel Muennichow (Third)
Jan McLaughlin (United)
Jim McNulty (United)
Richard Wurzel (Mutual 50)
Non-Voting Advisor: Jim Bragg

Finance

Don Tibbetts, Chair (GRF)
Erwin Stuller, Vice Chair (GRF)
Mark Schneider (GRF)
Robert Hatch (Third)
John Paulus (Third)
Jim McNulty (United)
Burns Nugent (United)
Richard Wurzel (Mutual 50)
Non-Voting Advisor: Allen Cohen, Jim Hart

Gate Renovation Ad Hoc Committee

Bea McArthur (GRF)
Don Tibbetts (GRF)
Jack Bassler (GRF)
Bevan Strom (United)
Maxine McIntosh (United)
Gunter Vogt (Third)
Jim Matson (Third)
Dick Gray (Mutual 50)

Government & Public Relations

Ruth May, Chair (GRF)
Bea McArthur, Vice Chair (GRF)
Erwin Stuller (GRF)
Isabel Muennichow (Third)
Dominic Burrasca (Third)
Burns Nugent (United)
Mary Stone (United)
Richard Gray (Mutual 50)
Non-Voting Advisor: Bevan Strom

Laguna Canyon Foundation

Mark Schneider

Landscape Committee

Bea McArthur, Chair (GRF),
Mark Schneider, Vice Chair (GRF)
Jack Bassler (GRF)
Carol Moore (Third)
Gunter Vogt (Third)
Linda Wilson (United)
Maxine McIntosh (United)

Maintenance & Construction

Joseph Heller, Chair (GRF)
Ken Hammer, Vice Chair (GRF)
Noel Hatch (GRF)
Jim Matson (Third)
Larry Souza (Third)
Lloyd Foster (United)
Bevan Strom (United)
Non-Voting Advisor: Bob Morton

Security and Community Access

Erwin Stuller, Chair (GRF)
Ray Gros, Vice Chair (GRF)
Joseph Heller (GRF)
Dominic Burrasca (Third)
John Paulus (Third)
Linda Wilson (United)
Lloyd Foster (United)
Non Voting Advisor: Libby Marks, John Dudley

Select Audit

Bob Miller
Don Tibbetts

Transportation Sub-Committee

~~Mary Stone~~

GRF Designated Representative from Mutual 50

Keith Wallace (Mutual 50)

RESOLVED FURTHER, that Resolution 90-08-14 adopted March 4, 2008 and all other GRF committee appointments are hereby superseded and cancelled.

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 Secretary of the Corporation read a proposed resolution approving a request from the Orange County Registrar of Voters. Director McArthur moved to approve the resolution. Director Heller seconded the motion.

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

RESOLUTION 90-08-25

RESOLVED, April 1, 2008 that the Board of Directors of this Corporation hereby approves the request from the Orange County Registrar of Voters that GRF waives the outside rental fee for use of Clubhouses Two and Six in May 2008 to train poll workers for the 2008 elections; 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 Miller announced that the Earthworks Club is planning to clean up a portion of the horse trails as part of their scheduled events on Earth Day April 22, 2008.

Earthworks Club Member Carol Moore (3399-A) provided a background of the events sponsored by the Earthworks Club during Earth Day.

Director Joseph Heller made a motion directing staff to prepare an RFP to employ the services of a CPA firm for a "certified audit" of all the financial books and records of GRF and all its corporate holdings, direct the President of GRF to instruct the Select Audit Committee to review bids, determine the period to be audited, and select the final CPA firm who will perform the certified audit. Once the Committee has completed its work by recommending a firm and attendant appropriation, the President shall call a meeting of the Corporate

Members to cast their votes for or against spending the monies for the audit, and that all fees pertaining to the audit shall be assessed as a one time assessment to all manors. Director Ruth May seconded the motion and discussion ensued.

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

Members Mike Curtis (342-A), Bud Nesvig (2392-3H), Kay Margason (510-C), and Delsie Zuzak (674-A) addressed the Board on the motion and GRF's current auditing firm.

By a vote of 3-6-0 (Directors Stuller, Hammer and Heller voted in favor), the motion failed.

A discussion was held relative to a surcharge on theater tickets to offset expenditures for the Clubhouse Three theater sound system.

Members Libby Marks (82-Q), Allen Cohen (2391-2A), and Marty Rhodes (5369-2A) commented on fees and the cost sharing concept.

A discussion was held relative to designating one parking stall in front of the Community Center to a "compact" parking stall to provide for easier access to the loading area for GRF's buses.

Member Mike Curtis (342-A) commented that this cannot be done since it will remove a handicapped parking space. His misinformation was later corrected.

Without objection, the Board directed staff to move forward with the designation.

A discussion was held relative to a public hearing held by the Local Agency Formation Commission of Orange County (LAFCO) to consider a proposed Laguna Laurel annexation to the City of Laguna Woods.

Councilman Bob Bouer (2370-1E) commented on the proposed annexation.

CONSENT CALENDAR

Absent objections, the Consent Calendar was approved as written and the Board of Directors approved the following Landscape Recommendations:

- (a) Approval of Landscape request for shrubbery removal and replacement at 172-E
- (b) Approval of Landscape request for shrubbery removal and replacement at 178-B

COMMITTEE REPORTS

Director Don Tibbetts reported on the Treasurer's Report and from the Finance Committee.

Member Mike Curtis (342-A) addressed Director Tibbetts on his report.

Ms. Price left the meeting at 11:22 A.M.

Director Ken Hammer reported from the Bus Services Committee.

Members Mike Curtis (342-A) and Maxine McIntosh (68-C) addressed Director Hammer on his report.

Director Mark Schneider reported from the Community Activities Committee.

The Secretary of the Corporation read a proposed resolution approving the Saddleback College Emeritus Institute's request to add a third stained glass class. Director McArthur 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 90-08-26

WHEREAS, Saddleback College's Emeritus Institute is requesting to add a third stained glass class to the schedule effective with the Fall 2008 Semester; and

WHEREAS, the Recreation Division Policy states that the College cannot add or change classes on the schedule without Board approval;

NOW THEREFORE BE IT RESOLVED, April 1, 2008 that the Board of Directors of this Corporation hereby approves the request from Saddleback College's Emeritus Institute to add a third stained glass class to the schedule; 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 the Bridge Club. Director McArthur moved to approve the resolution. Director Hammer seconded the motion.

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

RESOLUTION 90-08-27

RESOLVED, April 1, 2008 that the Board of Directors of this Corporation hereby accepts the donation of an Epson Powerlite Digital Projector from the Bridge Club for use in the Clubhouse Seven Bridge Room; 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.

Director Bea McArthur reported from the Landscape Committee.

Director Bea McArthur reported from the Gate Renovation Ad Hoc Committee.

The Secretary of the Corporation read a proposed resolution approving the Ad Hoc Committee charter. Director McArthur moved to approve the resolution. Director Gros seconded the motion.

Without objection, the Board agreed to change the third bullet point to read "Entryway design and architectural treatments."

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

RESOLUTION 90-08-28

**GOLDEN RAIN FOUNDATION
GATE RENOVATION AD HOC COMMITTEE CHARTER**

WHEREAS, on February 5, 2008 the Board of Directors of this Corporation (Board) created a Gate Renovation Ad Hoc Committee for the purpose of recommending to the Board improvements to the Community's gates/entryways:

NOW THEREFORE BE IT RESOLVED, April 1, 2008 that the Board of Directors of this Corporation hereby assigns the duties and responsibilities of this Ad Hoc Committee as follows:

1. In accordance with Capital Plan Item P08015 (Plan), the Gate Renovation Ad Hoc Committee will work with a professional consultant and staff to compile and determine all design criteria for a Gate Renovation Program.
2. In addition, together with the consultant and staff, the Committee will present to the Board for review and approval an implementation plan for the scope of work defined in the Plan.
3. When evaluating Community-wide concepts such as architectural treatments, the Committee shall consider an overall Community Plan, even though the current appropriation contemplates only two gates.
4. The Committee will focus on areas such as:

- Security Needs
- Traffic engineering and management
- Entryway design and architectural treatments
- Signage and logo placement/integration
- Focal features
- Pavement finishes
- Wall placement and finishes
- Planting plans
- Lighting

RESOLVED FURTHER, that the Ad Hoc Committee shall report and make recommendations to the GRF Board, but will also request comments on its recommendations prior to submittal of its work to the Board from the following GRF committees: Landscape, Maintenance and Construction, and Security and Community Access Committee; and

RESOLVED FURTHER, that the Ad Hoc Committee shall report on its activities to the GRF Board periodically or when requested by the GRF Board; and

RESOLVED FURTHER, that upon conclusion of the Committee's work, it will be disbanded by the Board; and

RESOLVED FURTHER, that the Gate Renovation Ad Hoc Committee shall perform such other duties as may be assigned by the Board.

Without objection, the Board agreed to move forward with obtaining an RFP for a consultant.

Director Joseph Heller reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read a proposed resolution on approving a supplemental appropriation for Clubhouse Three Auditorium improvements. Director McArthur moved to approve the resolution. Director Gros seconded the motion and discussion ensued.

Members Mary Stone (356-C) and Kay Margason (510-C) commented on the motion.

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

RESOLUTION 90-08-29

WHEREAS, by way of Resolution 90-07-57, the Board of Directors approved to fund the design of an upgraded sound system for the Clubhouse Three Auditorium; and

WHEREAS, an outside consultant was retained to develop a design plan to that would mitigate the issues of the current system;

NOW THEREFORE BE IT RESOLVED, April 1, 2008 the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$320,000 to be funded from the Facilities Fund to replace the current sound system with a new integrated audio and visual system that meets the recommendations designed by the outside consultant; 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 closing out a capital appropriation for Gate 16 access:

RESOLUTION 90-08

WHEREAS, by way of Resolution 90-03-65, the Board of Directors of this Corporation approved a supplemental appropriation in the amount of \$345,290 to develop site access control with a gatehouse for the Gate 12 West area (currently referred to as Gate 16); and

WHEREAS, the Security and Community Access Committee and Maintenance & Construction Committee are recommending other alternatives for access control and security surveillance;

NOW THEREFORE BE IT RESOLVED, April 1, 2008, that the Board of Directors of this Corporation hereby closes out the Gate 16 Access Control appropriation S03065, and that no further action shall be taken against this appropriation; and

RESOLVED FURTHER, that Resolution 90-03-65, adopted June 3, 2003 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 moved to approve the resolution. Director May seconded the motion and discussion ensued.

Members Karel Brouwer (3189-C), Linda Wilson (816-P), Denny Welch (5517-1C), and Maxine McIntosh (68-C) addressed their comments and concerns with the motion.

By a vote of 4-5-1, (Directors Hammer, Tibbetts, May and Schneider voted in favor, Directors Stuller, Gros, Heller, McArthur opposed and Director Hatch abstained, President Miller voted against the motion to break the tie), the motion failed.

President Miller suggested referring back the matter to the committee.

Director Noel Hatch reported from the Broadband Committee.

Director Ruth May reported from the Government and Public Relations Committee.

The Secretary of the Corporation read a proposed resolution authorizing the limited use of the Community for the City of Laguna Hills Memorial Half Marathon. Director McArthur moved to approve the resolution. Director Hammer seconded the motion and discussion ensued.

Members Denny Welch (5517-1C) and Tony Dauer (96-C) commented on the motion.

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

RESOLUTION 90-08-30

WHEREAS, Renegade Racing, the race management company for the City of Laguna Hills Memorial Half Marathon & 5K (previously the Saddleback Memorial Half Marathon & 5K) has requested access to a portion of Laguna Woods Village for the annual Laguna Hills Memorial Half Marathon and 5K event, to be held on May 26, 2008; and

WHEREAS, the 5K event will enter and exit through Gate 2 and finish at the Laguna Hills Community Center;

NOW THEREFORE BE IT RESOLVED, April 1, 2008, that the Board of Directors of this Corporation hereby authorizes the limited use of the Community inside Gate 2 on May 26, 2008, for the City of Laguna Hills Memorial Half Marathon and 5K event; 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 outsource the initial design and administration of a customer satisfaction survey. Director McArthur moved to approve the resolution. Director May seconded the motion and discussion ensued.

Without objection, the Board agreed to add the reference to the Management Agreement referencing that the Agent shall maintain a customer service quality check program.

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

RESOLUTION 90-08-31

WHEREAS, Article 2(c)(iii)(5e) of the Management Agreement between the Golden Rain Foundation (GRF) and its Agent (PCM) requires that the Agent maintains a customer service quality check program to insure that services are being delivered to the members in accordance with the terms and spirit of the Agreement; and

WHEREAS, a well crafted customer satisfaction survey can supplement existing methods and provide GRF a valuable tool to improve customer service and to measure and track performance improvements over time; and

WHEREAS, outsourcing the design and administration of a customer satisfaction survey will produce an accurate, objective, and meaningful baseline for future performance tracking;

NOW THEREFORE BE IT RESOLVED, April 1, 2008 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$17,246 from the Unappropriated Expenditures Fund to outsource the initial design and administration of a customer satisfaction survey and to purchase customer satisfaction survey software to analyze future surveys in-house; 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.

Due to time constraints and without objection, agenda item 19(c) *Entertain Motion to Approve Tasteful Sponsorship Advertising on Back of GRF Buses* was tabled to next month.

Director May provided background information on the Government and Public Relations Committee's recommended positions on proposed state Legislation Relative to AB 1921, AB 2259, and SB 1511. Without objection, the Board approved the following committee recommendations:

Assembly Bill 1921 (Saldana) – Davis Stirling Act Rewrite - Request that the bill become a two year bill to allow for comprehensive review and comment.
Assembly Bill 2259 (Mullin) – HOA Rental Restrictions Limitations - Oppose the bill.
Senate Bill 1511 (Ducheny) – Assessment Recovery & Association Solvency – Support the bill.

Director Erwin Stuller reported from the Security and Community Access Committee.

DIRECTOR'S COMMENTS:

- Director Gros commented on the need to clarify the misuse of information
- Director Schneider commented on being in the public sector and clarifying miscommunication
- Director Hammer announced that the shirts for the Senior Games are available
- Director Hatch commented on urban legends circulating the community creating an adversarial relationship
- Director Heller commented on hearing constant criticism but no resolutions
- Director Ruth commended Director Hatch on his comments
- President Miller commented on the new Communications Plan

MEETING RECESS

The meeting recessed at 12:42 P.M. and went into Executive Session at 1:22 P.M.

During its Regular Executive Session Meeting of March 4, 2008, the Board reviewed and approved the Minutes of the Regular Executive Session Meeting of February 5, 2008; and discussed contractual, litigation, and member disciplinary issues.

During its Special Executive Session Meeting of March 5, 2008, the Board discussed litigation matters.

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 2:52 P.M.

Elizabeth C. McArthur, Secretary