

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

January 4, 2011

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, January 4, 2011, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Jim Matson, Lloyd Foster, Don Tibbetts, Ruth May, Bob Hatch, Ken Hammer, Larry Souza, Patrick Murphy, Lynne Dvorak, Burns Nugent, Ray Gros (9:46 A.M.)

Directors Absent: None

Others Present: Jerry Storage, Patty Kurzet
Executive Session: Jerry Storage, Cris Robinson, Patty Kurzet, Luis Rosas

Designated Representative
from Mutual Fifty: None

CALL TO ORDER

President Jim Matson 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 Foster led the membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Ms. Claire Webb from the Laguna Woods Globe was not present at the time the meeting started, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

APPROVAL OF AGENDA

Without objection, the agenda was approved as written.

APPROVAL OF MINUTES

The Board reviewed and approved without objection the minutes of the Regular Meeting of December 7, 2010.

CHAIR'S REPORT

President Matson wished everyone a happy New Year; commented on the recent power outage; and provided an overview of the numerous articles published in the Globe pertaining to GRF and Community business.

GENERAL MANAGER'S REPORT

Mr. Storage updated the membership on the ongoing projects in the Community; and reported on the recent storm activity and Staff's proactive response to mitigate property damage and to protect the safety of the residents.

OLD BUSINESS

Director Bob Hatch provided a brief summary of the revised Recreation Division Policy with respect to Section XXIV Garden Center.

The Secretary of the Corporation, Director Lynne Dvorak, read the following proposed resolution to approve the revised Recreation Division Policy with respect to "Section XXIV Garden Center," which was postponed from last month to conform to the thirty-day notification requirements:

RESOLUTION 90-11

WHEREAS, the Board of Directors of this Corporation adopted Resolution 90-07-82 on November 6, 2007, which approved Section III of the new Recreation Division Policy with respect to "Recreational Facilities;" 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, February 1, 2011, that the Board of Directors of this Corporation hereby approves the revised Recreation Division Policy with respect to "Section XXIV Garden Center," effective February 2, 2011, by adding the following changes:

- Number 11, "No sprinkler systems other than drip or soaker systems are permitted in a plot."
- Number 20, "...including the parking areas."
- Number 21, "GRF reserves the right to prohibit or limit any plantings that it deems not to be in the best interest of the community or the garden centers."

RESOLVED FURTHER, that Resolution 90-09-25 adopted April 7, 2009 is hereby superseded and cancelled and Resolution 90-07-82 adopted November 6, 2007 is hereby amended; 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.

Member Barbara Copley (410-D) commented on the revisions.

Director Gros entered the meeting at 9:46 A.M.

Director Foster made a motion to postpone the resolution to the February meeting to conform to the thirty-day notification requirements. Director Hammer seconded the motion and the motion carried unanimously.

Director Gros provided a brief summary of the revisions to the Recreational Vehicle Parking Areas Rules and Regulations.

The Secretary of the Corporation read the following proposed resolution approving the revised Recreational Vehicle Parking Areas Rules and Regulations," which was postponed from last month to conform to the thirty-day notification requirements:

RESOLUTION 90-11-

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, a recommendation has been made by the Security and Community Access Committee to update the Recreational Vehicle Parking Standard Operating Procedure to make the policy more applicable to the current operation of the facility and the needs of the residents;

NOW THEREFORE BE IT RESOLVED, February 1, 2011, that the Board of Directors of this Corporation hereby approves the revised Recreational Vehicle Parking Areas Rules and Regulations, as attached to the official minutes of this Corporation; and

RESOLVED FURTHER, that Resolution 90-10-38 adopted June 1, 2010 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 Gros made a motion to postpone the resolution to the February meeting to conform to the thirty-day notification requirements. Director Dvorak seconded the motion and the motion carried unanimously.

NEW BUSINESS

Director May made a motion to accept the donation from Associa of up to \$50,000 for use in the Community. Director Gros seconded the motion and discussion ensued.

Members Connie Grundke (2214-B), Carol Moore (3399-A), Barbara Copley (410-D), Pamela Grundke (2214-B), Art Harris (3244-1G), Corkey Eley (2401-2E), Carol Skydell (3070-B),

Delsie Zuzak (674-A), Kathryn Freshley (5090-N), and Tony Dauer (96-C) expressed their concern with the donation.

By a vote of 0-8-2 (Directors May and Hatch abstained), the motion failed.

CONSENT CALENDAR

Without objection, the Board approved the items that fell under the Consent Calendar and the Board approved the following:

- Approve to rescind P09018 Pro Shop Patio Floors from the Capital Plan Projects.

COMMITTEE REPORTS

Director Nugent gave the Treasurer's and Finance Committee reports.

Director May reported from the Government and Public Relations Committee.

Director Ken Hammer reported from the Bus Services Committee.

Director Murphy left the meeting at 10:41 A.M.

The Secretary of the Corporation read a proposed resolution approving the request from the Third Mutual Maintenance and Construction Committee for use of a GRF bus with a driver in perpetuity for their committee tours. Director Hammer moved to approve the resolution. Director Gros seconded the motion.

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

RESOLUTION 90-11-01

WHEREAS, the Third Mutual Maintenance and Construction Committee meets monthly, typically on the second Monday of every month; and the Friday prior to the meeting, the Committee tours the Community, visually evaluating items that are on that month's agenda; and

WHEREAS, the Committee has been utilizing a minivan which cannot accommodate all committee members and staff who often engage in discussions related to variance requests and other maintenance items; and

WHEREAS, the Third Mutual Maintenance and Construction Committee requests use of a GRF bus with driver in perpetuity for their tours that occur the Friday preceding their monthly meetings;

NOW THEREFORE BE IT RESOLVED, January 4, 2011, that the Board of Directors of this Corporation hereby approves the request from the Third Mutual Maintenance and Construction Committee for use of a GRF bus with a

driver in perpetuity for their tours that occur the Friday preceding their monthly meetings; and

RESOLVED FURTHER, that should the bus be needed for regular bus services, the standard bus system takes precedence; 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 Hatch reported from the Community Activities Committee.

Director Don Tibbetts reported from the Landscape Committee.

Director Jim Matson reported from the Golf Building Ad Hoc Committee.

Director Bob Hatch reported from the Land Use Ad Hoc Committee and announced that another presentation will be made at the next Resident's Voice meeting.

Member Pamela Grundke (2214-B) announced that the next meeting of the Resident's Voice will be held on January 20, 2011 at Clubhouse Five.

Director Murphy returned to the meeting at 10:55 A.M.

Director Lloyd Foster reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to purchase a new tub grinder. Director Hammer moved to approve the resolution. Director Foster 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 90-11-02

WHEREAS, in 2006 a compact horizontal grinder was purchased to facilitate curbside grinding to grind green waste into mulch; however, the lifespan of the horizontal grinder is about four years and is unrepairable; and

WHEREAS, by way of Capital Plan item P10013, the Board appropriated \$97,000 to purchase an additional compact horizontal grinder, but Staff learned that the manufacturer of one model horizontal grinder discontinued their model and distributors withdrew their bid to sell their model; and the only alternative equipment to replace the horizontal grinder was a tub grinder;

NOW THEREFORE BE IT RESOLVED, January 4, 2011, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$25,900 to be funded from the Equipment Fund and use existing funding of \$97,000 in Capital Plan Item P10013 to purchase a new tub grinder at a total cost of \$122,900; 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.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to install a surveillance camera at the south property line at Aliso Creek. Director Foster moved to approve the resolution. Director Gros seconded the motion.

By a vote of 7-3-0 (Directors Murphy, Dvorak, and Nugent opposed), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 90-11-03

WHEREAS, Aliso Creek has large upper and lower security gates along the property lines which are normally closed and locked except during expected seasonal rainfalls to allow surfeit water and debris to flow freely; and

WHEREAS, Security Staff regularly patrols the areas near the gates, but the open gates are unattended during periods of rainy weather;

NOW THEREFORE BE IT RESOLVED, January 4, 2011, that due to safety and security concerns from residents living along Aliso Creek, the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$26,000 funded from the Equipment Fund to install a surveillance camera at the south property line at Aliso Creek; and

RESOLVED FURTHER, that the surveillance camera will enable security dispatch to monitor and record images on a continuous basis; 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.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to replace the Koi Pond at Clubhouse One. Director Hammer moved to approve the resolution. Director Foster seconded the motion.

Member Tony Dauer (96-C) commented on the motion.

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

RESOLUTION 90-11-04

WHEREAS, Clubhouse One Fountain and the surrounding area has been recently renovated; and

WHEREAS, the GRF Maintenance and Construction Committee recommends replacing the adjacent Koi Pond at Clubhouse One with similar construction as the renovated Clubhouse One Fountain; and

WHEREAS, the GRF Maintenance and Construction Committee recommends hiring the same contractor that renovated the Clubhouse One Fountain to install the Koi Pond;

NOW THEREFORE BE IT RESOLVED, January 4, 2011, that the Board of Directors of this Corporation hereby authorizes to move forward with the design and construction of the Koi Pond with similar construction of the renovated Clubhouse One Fountain with a supplemental appropriation of \$45,000 from the Facilities Fund; and

RESOLVED FURTHER, that the same contractor that renovated Clubhouse One Fountain shall be selected to install the Koi Pond; 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 Ruth May reported from the Broadband Services Committee.

Director Ray Gros reported from the Security and Community Access Committee.

MEMBER COMMENTS

- Margaret Klein (3487-A) commented on land use and rezoning.
- Lucie Falk (3377-A) commented on the Saddleback Church using community facilities.
- Corkey Eley (2401-2E) commented on GRF's ad in the Globe responding to her letter to the Board regarding the GRF Trust and CC&Rs.
- Roy McLain (2087-E) commented on GRF's Articles of Incorporation.
- Art Harris (3244-1G) commented on accepting bids for golf course consultants and Janet Price's promotion.
- Ralph Belitz (124-R) commented on the Saddleback Church using community facilities and the need for oversight of PCM employees.
- Delsie Zuzak (674-A) commented on disclosing the Hunsucker Report and rezoning GRF property.
- Bevan Strom (30-A) commented on the history of GRF and the Community's governing documents.

- Pamela Grundke (2214-B) commented on Associa's donation and her distribution of PCM's Discretionary Bonus payout information to the Community.
- Betty Salazar (40-O) commented on discretionary bonus payouts.
- Tony Dauer (96-C) commented on using solar energy and electric cars.

DIRECTORS' RESPONSES TO MEMBER COMMENTS

- Director Hammer commented on the cameras at Aliso Creek.
- Director Hatch commented on communicating GRF's Land Use Plan by way of an Outreach Program and encouraged residents to attend the Resident's Voice meeting to hear the updated Land Use presentation.
- Director Tibbetts commented on Mr. Dauer's comments on electric cars.
- Director Foster commented on Mr. Dauer's comments on solar energy and electric cars.
- Director Souza announced his resignation as a GRF Board member.
- Director Murphy commented on communicating GRF's Land Use Plan to the Community, the motion denying Associa's donation, and financing solar panel installations.

DIRECTOR COMMENTS

- Director Hammer wished everyone a happy New Year and expressed his sentiments with living in the Community.
- Director Hatch commented on the Land Use Outreach Program and the Land Use Consultants' proposed plan.
- Director Foster commented on subsidizing special groups.
- Director Gros wished everyone a happy and prosperous New Year.
- Director Matson thanked Director Souza for his service to the Board and the Community.

MEETING RECESS

The regular open meeting recessed at 12:00 P.M. and reconvened into Executive Session at 1:00 P.M.

Summary of Previous Closed Session Meetings per Civil Code Section §1363.05

During its Regular Executive Session meeting of December 7, 2010, the Board reviewed and approved the minutes of the Special Executive Session meeting of October 14, 2010, the Special Executive Session meeting of October 21, 2010, the Special Executive Session meeting of October 26, 2010, the Special Executive Session meeting of October 27, 2010, the Regular Executive Session meeting of November 2, 2010, the Special Executive Session meeting of November 10, 2010, and the Special Executive Session meeting of November 23, 2010. The Board approved the GRF Security and Community Access Committee recommendations for RV Lot violations; discussed contractual and potential litigation matters; and reviewed the litigation status report.

During its Special Executive Session meeting of December 15, 2010, the Board discussed contractual matters.

During its Special Executive Session meeting of December 22, 2010, the Board discussed contractual matters.

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 4:00 P.M.

Lynne Dvorak, Secretary