

SPECIAL MEETING OF THE CORPORATE MEMBERS
OF THE GOLDEN RAIN FOUNDATION OF LAGUNA WOODS
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

May 31, 2006

The Special Meeting of the Corporate Members of the Golden Rain Foundation of Laguna Woods, a California non-profit mutual benefit corporation, met on Wednesday May 31, 2006 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

The purpose of the meeting was to ballot on each proposed amendment to the GRF Bylaws. The meeting was open. The following members were present or represented by proxy (P) at the meeting:

United Laguna Hills Mutual:	Ray Barrett Linda Wilson Bevan Strom Larry Dersh Burns Nugent Beth O'Brien	Mary Stone Connie Grundke Jim McNulty Ken Hammer (P) Don Tibbetts
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United Mutual Members Absent: None

Third Laguna Hills Mutual:	Richard Moos Raymond Gros Gunter Vogt George Arnold Robert Hatch Jim Keysor	Jim Matson Larry Souza (P) Phyllis Fish (P) Dominic Burrasca Mark Schneider
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Third Mutual Members Absent: None

Laguna Woods Mutual 50:	Richard Wurzel	Ruth Mervis (P) Joe Schaefer
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Mutual 50 Members Absent: Mollie Hayes, Bill Masterson

Golden Rain Foundation:	George Portlock Jack Bassler Noel Hatch Maury Kravitz Mark Stein	Marty Rhodes Ruth May Cynthia Chyba Bob Miller Bea McArthur
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GRF Members Absent: Joseph Heller

Staff Present: Milt Johns, Patty Fox, Janet Price, Bill Hart, Esq. of Hart, King and Coldren

Others Present: *Media:* Cheryl Walker

CALL TO ORDER

George Portlock, President of the Golden Rain Foundation, called the meeting to order at 9:30 A.M.

President Portlock acknowledged the large crowd and announced that the room has reached its full capacity and stated that the meeting will recess until 10:00 A.M to accommodate the members by way of Channel 6 and an overflow room.

The meeting recessed at 9:38 A.M. and reconvened at 10:01 A.M.

United Mutual Member Len Peverieri (76-P) announced that in addition to the coverage provided by TV 6, he would video and audio tape the meeting.

Richard Moos, President of Third Mutual acted as Chairman and called the meeting to order at 10:01 A.M., indicated that more than fifty-one percent of the voting power was present, and stated that it was Special Meeting held pursuant to notice duly given to act on the proposed GRF Bylaw changes.

The Chair introduced the Inspectors of Election: Jan McLaughlin, Mildred Kaminsky, and Mae Stein.

United Mutual Director Beth O'Brien rose to a point of information on a question raised by members on the notice of the meeting under GRF Bylaw Article 5.10.1 and addressed Mr. Bill Hart of Hart, King and Coldren as to the applicability of the provisions to actions taken at a meeting where Corporate Members are present. Mr. Hart clarified that the provisions of Article 5.10 do not apply when actions are taken at a meeting.

Milt Johns explained the voting procedures and indicated that any changes made to the proposed bylaws would subject the proxies to voiding.

Director Ray Barrett addressed Mr. Johns on the weighting of votes.

Mr. Hart indicated that California law does not prohibit the proposed changes to be implemented, but strongly advised the Corporate Members to consider how the proposed bylaw changes will likely cause the impracticality of GRF to transact property.

Mr. Hart stated that once Corporate Members insert themselves into the decision-making process by way of the proposed bylaw changes, either as reserving or exercising the right to override GRF's decisions, the Corporate Members would fall under the same responsibility and fiduciary duty as GRF, which would subject them to various legal exposures.

Mr. Hart further indicated that it is his understanding that such proposed bylaws may require the Mutual housing corporations to become Co-borrowers or Guarantors on GRF's Bank of America loans.

The Corporate Members were given the opportunity to address Mr. Hart on the ramifications of the proposed changes.

Third Mutual Director Jim Matson addressed the audience and Corporate Members and stated that the intent of the proposed changes was to bring in additional expertise at the director level to assist GRF in the decision-making process.

Third Mutual Director Jim Keysor made a motion to table the proposed changes. United Mutual Director Linda Wilson seconded the motion. By way of a count of hands, the Housing Mutuals voted against the motion.

Third Mutual Director Mark Schneider made a motion to call the question. Third Mutual Director Ray Gros seconded the motion. By way of a count of hands, the directors of the Corporate Members approved the motion unanimously.

Mr. Hart left the meeting at 11:30 A.M.

United Mutual Director Mary Stone made a motion to accept the ballots. The motion was seconded and carried unanimously.

United Mutual Director Ray Barrett made a motion to commence balloting. The motion was seconded and carried unanimously.

The Corporate Members voted on the prepared ballot forms and the ballots were collected.

The Inspectors of Election counted the ballots during the open meeting and the following action was taken:

2.1.1 to develop and maintain facilities and services for the community areas of Laguna Woods Village, Laguna Woods, exclusive of the common areas of the Mutuals, on a mutual basis for the use of the Mutual Members (other than Lessors), Qualifying Residents, Co-occupants, Tenants, and their guests. **PASSED**

2.1.2 to operate the community facilities to provide various community-wide services as an integral portion of Laguna Woods Village, Laguna Woods "Senior Citizens Housing Development" in conformance with Civil Code Section 51.3 of the Unruh Civil Rights Act. **PASSED**

2.1.6 – that GRF shall obtain a majority vote from the Corporate Members (as defined in Paragraph 2.4.10) prior to engaging in any business or activity specified in the first three bulleted items of Paragraph 2.1.4 when notified by the Corporate Members that the vote of the Corporate Members is required. The vote shall be by ballot pursuant to Paragraph 5.8.2. **PASSED**

2.1.7 – that the Corporate Members shall notify GRF that a vote of the Corporate Members is required pursuant to Paragraph 2.1.6 when, by way of resolution pursuant to Corporations Code 7211 (b) or affirmative vote of the Corporate Members pursuant to Paragraph 5.8.2, the Corporate Members determine that such a vote is needed. **PASSED**

4.5.7 Responsibility for Traffic Enforcement. The security division is responsible for traffic enforcement within the entire Laguna Woods Village community, and may issue citations for violations of the traffic code adopted by this Corporation and/or the Mutuals. A Mutual Member, Qualifying Resident, Co-occupant, Tenant, or guest who is cited for a traffic violation of any type shall have such citation processed by the Mutual Member's Mutual, in accordance with the Bylaws and traffic rules adopted by that Mutual, no matter where in the Laguna Woods Village community the violation occurred. **PASSED**

5.4.5 Manner of Giving Notice. Notice of any meeting of Corporate Members shall be given either personally or by first-class mail, telegraphic, electronic mail or other electronic means, or other written communication, charges prepaid, addressed to each Corporate Member and to each Director of a Corporate Member, either at the address of that Director appearing on the books of this Corporation or the address given by that Director to this Corporation for the purpose of notice. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication. **PASSED**

6.4.1.3 a vote to remove a Director by majority of the voting power of the Corporate Members. **DEFEATED**

6.4.3.3 A majority of the voting power of the Corporate Members votes to remove the Director. **DEFEATED**

7.1.3 Advisors. Chairpersons of committees may appoint Advisors none whom shall have voting privileges. Appointment of Advisors requires the consent of the Board. It is a requirement that an Advisor be a Mutual Member. **PASSED**

8.2.2 Time of Appointment. At the second regular meeting after the Annual Meeting of GRF, the President shall propose appointees to the Nominating Committee. Such appointees shall be subject to the approval by the Corporate Members at a meeting of the Corporate Members subsequent to the proposal. Voting to approve the appointees shall be by ballot pursuant to Paragraph 5.8.2. If all Nominating Committee positions are not filled as a result of the vote of the Corporate Members, or if there are subsequent vacancies in the Nominating Committee then, at the next regular meeting of the Board of Directors of GRF, the President shall propose additional appointees for the Nominating Committee. Such appointees shall be subject to the approval of the Corporate Members at a subsequent meeting of the Corporate Members. Voting shall be by ballot pursuant to Paragraph 5.8.2. **PASSED**

By way of consent, the Corporation Members adopted the following resolution:

RESOLUTION 90-06-44

WHEREAS, the Corporate Members of Golden Rain Foundation of Laguna Woods, as represented by their Directors, met at a properly called Meeting of the Corporate Members at which a quorum was present, on May 31, 2006; and

WHEREAS, the Corporate Members considered the amendments to the Bylaws for Golden Rain Foundation of Laguna Woods proposed by the GRF Ad Hoc Bylaw Review Committee, and approved amendments thereto;

NOW THEREFORE BE IT RESOLVED, May 31, 2006 that the Corporate Members of Golden Rain Foundation of Laguna Woods hereby adopts the amended Bylaws, subject to the approval of the Department of Housing and Urban Development ("HUD") and the four co-op mortgage lenders, and authorizes the Management Agent to submit them to HUD and the lenders, and

RESOLVED FURTHER, that the Bylaws shall become effective ten (10) days after being approved by HUD and lenders; 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.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 12:06 P.M.

George Portlock, President
Golden Rain Foundation Board of Directors