

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

November 3, 2015

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, November 3, 2015, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Kathryn Freshley, Sharon Roddan, Lucy Shimon, Mary Stone, Dick Palmer, Richard Johnston, John Beckett, JoAnn di Lorenzo, Stanley Feldstein, John Parker, Margaret Klein

Directors Absent: None

Staff Present: Jerry Storage, Kim Taylor

Others Present: Jacqueline Pagano, Corporate Counsel

CALL TO ORDER

President Kathryn Freshley 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.

The recall meeting of November 2, 2015 was briefly discussed.

PLEDGE OF ALLEGIANCE TO THE FLAG

Director John Beckett led the membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF MEDIA

A representative of the Laguna Woods Globe and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

APPROVAL OF AGENDA

Director Parker moved to approve the agenda as amended by adding under New Business as agenda item 11c "Discuss and Consider the Village Management Services, Inc. draft Bylaws." Director Stone second the motion.

By a vote of 8-0-2 (Directors Klein and Beckett abstained) the motion carried.

Director Stone moved to remove agenda item 11b "Discuss and Consider Flyer Postings" from the agenda as there are no documents to review at this time. Director Johnston seconded the motion. Without objection the motion carried.

Without objection, the agenda was approved as amended.

APPROVAL OF THE MINUTES

Without objection, the meeting minutes of October 6, 2015 were approved as written.

During Member Comments Member Sally Sunderhaus (580-O) requested that the GRF minutes of October 6, 2015 (page 14) reflect her request to delay the motion. Without objection, the Board agreed to add the request to the October 6, 2015 minutes.

CHAIR'S REPORT

President Freshley spoke to the Corporate Members meeting of November 2, 2015.

MEMBER COMMENTS

- Burt Baum (3524-B) spoke to the recall meeting of November 2, 2015.
- Judith Troutman (3011-B) spoke to the minutes taken from the Third Board regarding the calling of the recall meeting.
- Lynn Hamm (747-C) commented on the cost of the recall, the Transition and thanked Directors from the United Board.
- John Luebbe (3301-A) commented on the recall, a possible lawsuit and the possible calling of another recall.
- Johnathan Adler (2315-B) commented on the recall meeting of November 2, 2015.
- Pat English (928-A) spoke to the recall meeting and thanked Kathryn Freshley and Mary Stone for their leadership with the Transition.
- Mike Comer (380-A) spoke to the recall, openness, Third Mutual, new Management structure, and staff.
- Sally Sunderhaus (580-O) commented on the GRF minutes of October 6, 2015 and asked that the minutes of October 6, 2015 (page 14) reflect her request to delay a motion.
- Bob Hatch (5064) commented on the Laguna Woods Village Foundation and asked for community support by way of donations.
- Ed Tao (2306-B) commented on Kathryn Freshley and Mary Stone sitting at the dais and the recall meeting of November 2, 2015.
- Rosemarie di Lorenzo Dickins (4014-2G) commented on the recall meeting and spoke to Third Mutual regarding the Transition.
- Maxine McIntosh (68-C) commented on the cost of the recall.
- Roberta Berk (933-B) commented on the recall and Third Mutual.
- Lynn Kunysz (39-P) commented on United and Third Mutuals.
- Darlene Bacus (4023-A) commented on the Transition, and Village Management Services, Inc.
- Heather Gerson (53-N) commented on the recall one year ago.

- Ming-Lee Chang (771-C) commented on the recall meeting yesterday and spoke to the Village Management Services, Inc. Board of Directors appointment.
- Dick Rader (270-D) commented on the legal fees regarding the issues surrounding the recall.
- Franklin Smith (5369-3D) spoke to transparency regarding the calling of the recall meeting.
- Jan Blake (481-N) spoke to her support of Kathryn Freshley.
- Elizabeth Morris (581-O) asked when the articles and the Bylaws for the Village Management Services, Inc. will be available for the residents.
- Carol Moore (3399-A) commented on the past GRF Board, and who is paying for ads being placed in the Globe.
- Isabel Muennichow (5285) spoke to how money was spent in the past and an incident that took place on a past Third Board.

The GRF Directors responded to Members' Comments.

Director Feldstein announced the withdrawal of his candidacy for the GRF Board Annual Election.

GENERAL MANAGER'S REPORT

In the interest of time, Mr. Jerry Storage did not present a report.

UNFINISHED BUSINESS

No Unfinished Business came before the Board.

NEW BUSINESS

Director Stone moved to approve the City's request to place noise sensors at four GRF locations as part of the General Plan Noise Element Update. Director Parker seconded the motion. The Board briefly discussed the request.

By a vote of 9-0-1 (Director Klein abstained) the motion carried.

'Discuss and Consider Flyer Postings' was removed from the agenda during approval of the agenda.

The Board discussed the Village Management Services, Inc. Bylaws.

Director Parker moved to approve the Village Management Services, Inc. Bylaws as amended and noted attached in the document. Director Stone seconded the motion. Discussion further ensued.

Members Roberta Berk (933-B), Carol Moore (3399-A), and Elizabeth Morris (581-O) commented on the draft Bylaws.

By a vote of 8-0-2 (Directors Beckett and Klein abstained) the motion carried.

CONSENT CALENDAR

No Consent Calendar items came before the Board.

The Board took a brief recess for lunch at 12:45 PM and returned at 1:30 PM.

COMMITTEE REPORTS

Director Johnston reported from the Finance Committee, presented the Treasurer's Report, spoke to the cost of the Transition to date, and updated the Members on the Microsoft Dynamics AX conversion project.

Director Johnston reported from the Administrative Processes and Procedures Ad-Hoc Committee.

Director Parker reported from the Landscape Committee.

Director Shimon reported from the Mobility and Vehicles Committee.

Director Roddan reported from the Maintenance and Construction Committee.

The Secretary of the Corporation, Director Stone read a proposed resolution approving a Supplemental Appropriation of \$65,000 for Clubhouse 1 pool boiler replacement. Director Stone moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

Member Marvin Rawitch (5510-3B) and John McRae (5500-2H) commented on the resolution.

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

RESOLUTION 90-15-62

Clubhouse 1 Pool Boiler Replacement

WHEREAS, the boiler at Clubhouse 1 pool is 11 years old and has failed;
and

WHEREAS, the expected service life of the boiler is 12 years, therefore repairing the boiler is not a cost effective alternative; and

WHEREAS, the GRF Maintenance and Construction Committee requested that Johnson Controls Inc. present energy efficient replacement alternatives for the boiler; and

NOW THEREFORE BE IT RESOLVED, November 3, 2015, the Board of Directors of this Corporation hereby authorizes a supplemental appropriation not to exceed \$65,000, from the Facilities Fund, to replace the Clubhouse 1 pool boiler with a high efficiency model; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution.

Director Roddan reported from the Security and Community Access Committee.

Director Feldstein reported from the Media and Communications Committee.

Director Feldstein moved to include in the GRF Regular Open Meeting Agenda the Traffic Report and the Broadband report. By a vote of 9-0-1 (Director Klein abstained) the motion carried.

Director Feldstein reported from the Laguna Woods Village Traffic Hearings.

Director Palmer reported from the Energy Committee.

Director Stone reported from the Clubhouse 2 Renovation Ad Hoc Committee.

Director Stone reported from the Community Activities Committee.

FUTURE AGENDA ITEMS

Director di Lorenzo suggested adding a discussion on providing coffee at Clubhouses. Director Stone suggested putting the item on the next CAC Agenda.

DIRECTORS' COMMENTS

The Directors made their final comments.

MEETING RECESS

The meeting was recessed at 3:45 PM to reconvene November 5, 2015 at 8:30 AM.

Judith Troutman, Secretary

Summary of Previous Closed Session Meetings per Civil Code Section §4935

During its Regular Executive Session Meeting of October 8, 2015 the Board approved the Regular Executive Session meeting minutes of September 3, 2015 and the Special Executive Session meeting of September 1, 2015 as written. The Board approved two (2) hearing requests; held three (3) Disciplinary Hearings and imposed \$450 in fines; discussed and approved three (3) Mutual's request for Members Deactivation of Cable services; approved a Clubhouse 2 contract; discussed the OC Register contract; held one (1) Member requested Meet and Confer. The board recessed and reconvened into Executive Session on October 9, 2015 at 10:00 a.m. and at that time the Board discussed and considered gate access/security compliance issues; approved a contract for temporary cooling system for Clubhouse 5; legal matters; litigation matters; contract limits and Board duties regarding Clubhouse 2; transferring payroll; and approved a contract for temporary cooling system for Clubhouse 5.

During the Special Executive Session All Boards meetings of October 9th, October 16th, and October 30th 2015 the Board discussed and considered contractual matters. During the Special Executive Session meeting of October 16, 2015 the Board discussed and considered contractual and legal matters.

During the Special Executive Session meeting of October 20, 2015 the Board discussed and considered contractual and legal matters.

During the Special Emergency Executive Session meeting of October 28, 2015 the Board discussed and considered legal matters regarding the recall, litigation matters and Member Matters.

**FINAL
DRAFT**

**BYLAWS
OF
VILLAGE MANAGEMENT SERVICES, INC.
A California Nonprofit Mutual Benefit Corporation**

ARTICLE I

NAME AND PRINCIPAL OFFICE

The name of the corporation is VILLAGE MANAGEMENT SERVICES, INC., a California nonprofit mutual benefit corporation (hereinafter referred to as the "Corporation"). The Corporation is organized under the California Nonprofit Mutual Benefit Law. The principal office for the transaction of business of the Corporation shall be 24351 El Toro Road, Laguna Woods, California 92637.

ARTICLE II

DEFINITIONS

Throughout the Bylaws the following terms shall have the meanings as set forth below, unless the context otherwise requires:

2.1 Board of Directors. "Board of Directors" or "Board" shall mean the board of directors of Village Management Services, Inc.

2.2 Chair of the Board. "Chair of the Board" shall mean a non-compensated member of the Board whose sole duty shall be to preside over meetings of the Board and the Members.

2.3 Corporation. "Corporation" shall mean Village Management Services, Inc., a California nonprofit mutual benefit corporation.

2.4 Chief Operating Executive Officer/General Manager. "Chief Operating Officer/General Manager" shall mean the Chief Operating Officer and General Manager of the Corporation, who shall be a compensated employee of the Corporation and who shall be neither a member of the Board of Directors nor a resident of Laguna Woods Village.

2.5 Director. "Director" shall mean a member of the Board of Directors of Village Management Services, Inc.

2.6 Member. "Member" shall mean a member of Village Management Services, Inc., As of the date of these Bylaws, the Members are: United Laguna Woods Mutual; Third Laguna Hills Mutual; and Golden Rain Foundation of Laguna Woods.

2.7 Member Board Meeting. "Member Board Meeting" shall mean a meeting of the board of directors of a Member.

2.8 Mutual. "Mutual" shall mean United Laguna Woods Mutual, Third Laguna Hills Mutual and/or Mutual Number Fifty.

ARTICLE III MEMBERS

3.1 Membership. There are a total of three (3) Members of the Corporation. As of the date of these Bylaws, the Members are: United Laguna Woods Mutual; Third Laguna Hills Mutual; and Golden Rain Foundation of Laguna Woods. There shall be one membership for each of the foregoing Members, to be represented by and through the boards of directors of their respective corporations.

3.2 Voting Rights of Members at Membership Meetings. There shall be eleven (11) votes for each membership, to be exercised and cast by each Member as follows. Whenever action by the Members is required or taken, each Member shall hold a Member Board Meeting, with each respective Member board member entitled to cast one (1) vote. The Member Board Meeting shall be held no less than two (2) days before the membership meeting at which action will be taken. At the membership meeting, each Member shall then cast its eleven (11) votes in the same number and manner, including any non-votes or abstentions, as such votes were cast by that Member's board of directors in its Member Board Meeting. Except as otherwise provided in these Bylaws, the presence at any meeting of Members entitled to cast a majority of the voting power of the Members shall constitute a quorum for the transaction of business. Unless otherwise provided herein or by law, a majority of votes cast at a membership meeting at which a quorum of Members is present shall determine the issue.

3.3 Place of Meeting of Members. Meetings of the Members shall be held at the principal office of the Corporation, or such other suitable place as proximate thereto as practicable within the County of Orange, State of California and convenient to the Members.

3.4 Annual Meetings of Members. The annual meeting of the Members shall be held in the same month of each calendar year, or as close thereto as reasonably practicable, to be set by resolution of the initial Board of Directors, and at a time and place as prescribed by these Bylaws or as selected by the Board. At each annual meeting of Members there shall be an appointment of directors to the Board of Directors, in accordance with the requirements of Article IV, Section 4.3 of these Bylaws.

3.5 Special Meetings of Members. Special meetings of the Members shall be promptly called by the Board upon (i) the vote for such a meeting by a majority of a quorum of the Board, (ii) request of the Chief ~~Operating~~ **Executive** Officer/General Manager, or (iii) request of any one Member of the Corporation (i.e., by any such Member casting no less than a majority of its votes, at a Member Board Meeting, in favor of calling a special meeting). The notice of any special meeting shall be given within twenty (20) days after adoption of such resolution or receipt of such request and shall state the date, time and place of such meeting and the purpose thereof. The special meeting of Members shall be held not less than thirty-five (35) days nor more than ninety (90) days after adoption of such resolution or receipt of such request. No business shall be transacted at a special meeting of Members except as stated in the notice.

3.6 Notice of Meetings It shall be the duty of the Board to send, or cause to be sent, a notice of each annual or special meeting by first-class mail, at least ten (10) but not more than ninety (90) days prior to such meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member of record. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served, forty-eight (48) hours after such notice has been deposited in a regular depository of the United States mail. At any meeting of the Members, an entry in the minutes to the effect that notice has been given shall be conclusive evidence that such notice was properly given.

3.7 Adjourned Meetings. Any meeting of the Members, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting power of the Members present and represented at such meeting. When any meeting of the Members, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment, other than by announcement at the meeting at which such adjournment is taken.

3.8 Action Without Meeting. Any action, which may be taken by the vote of the Members at a regular or special meeting, may be taken without a meeting by

written ballot of the Members. Ballots shall be solicited in the same manner as provided in Section 3.6 herein for the giving of notice of meetings of Members. Such ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall specify (a) the number of responses needed to meet the quorum requirements, (b) the percentage of approvals necessary to approve the action, and (c) the time by which ballots must be received in order to be counted. Receipt within the time period specified of a number of ballots which equals or exceeds the quorum required, and a number of approvals which equals or exceeds the number of votes which would be required for approval at a meeting, constitute approval by written ballot.

3.9 Consent of Absentees. The transactions of any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the Members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

ARTICLE IV BOARD OF DIRECTORS

4.1 Powers and Duties. Subject to the limitations of the Articles of Incorporation, of these Bylaws, and of the California Corporations Code as to acts to be authorized or approved by the Members, and subject to the duties of directors as prescribed by these Bylaws, all the corporate powers shall be exercised by and under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Directors. The Board of Directors shall have all powers conferred upon the Corporation as set forth in the Articles of Incorporation and these Bylaws, and shall have all powers necessary for the administration of the affairs of the Corporation, excepting only those powers expressly reserved to Members. Without prejudice to such general powers, but subject to the limitations as specifically set forth in these Bylaws, the Board of Directors is hereby vested with the following powers:

(a) Subject to the approval of Members required by Section 4.1(e)(1) herein, to select, appoint and remove all officers of the Corporation, and to prescribe such powers and duties for them as may be consistent with law, the Articles of Incorporation, and these Bylaws.

(b) To select, appoint and remove a Chair of the Board, who shall be a Director and whose sole duty shall be to preside over meetings of the Board and the Members.

(c) To conduct, manage and control the affairs and business of the Corporation consistent with law, the Articles of Incorporation, and these Bylaws, as the Board may deem necessary or advisable.

(d) To enforce the provisions of these Bylaws and any agreements of the Corporation.

(e) Notwithstanding anything in these Bylaws or the Articles of Incorporation to the contrary, the Board of Directors shall not take any of the following actions, except with a vote at a meeting of the Members, or by written ballot without a meeting pursuant to Section 3.8 herein, of no less than two-thirds (2/3) of the total voting power of the Members:

(1) Hire or terminate the Chief ~~Operating~~ **Executive** Officer/General Manager, or equivalent employee of the Corporation;

(2) Enter into any contract, including a contract with any Member or Mutual, for a term in excess of three (3) years;

(3) Pay any compensation to any members of the Board for services performed in the conduct of the Corporation's business.

4.2 Number and Minimum Qualifications. The Board of Directors shall consist of nine (9) Directors. All Directors must be members of either United Laguna Woods Mutual or Third Laguna Hills Mutual and must be full-time residents of Laguna Woods Village. A Director of the Corporation may not be a current member of the board of directors of any Mutual at Laguna Woods Village or of the Golden Rain Foundation of Laguna Woods. Each Member, through its respective board of directors, may create any additional qualifications for the directors it appoints, as it deems necessary and/or prudent.

4.3 Appointment and Term of Office. Directors shall be appointed by the Members, acting through their respective boards of directors, in the same month as each annual meeting of this Corporation's Members. There shall be no general election of Directors. Rather, each Member of this Corporation shall be entitled to appoint a certain number of Directors to the Board, up to three (3) Directors. United Laguna Woods Mutual and Third Laguna Hills Mutual shall only appoint Directors who are

resident-members of their respective Mutuals. Golden Rain Foundation shall appoint Directors who are resident-members of either the aforesaid Mutuals.

At the first annual meeting of Members, United Laguna Woods Mutual, Third Laguna Hills Mutual, and Golden Rain Foundation of Laguna Woods shall each appoint three (3) qualified Directors, designating one of said Directors to serve a three-year term, one of said Directors to serve a two-year term, and the final Director to serve a one-year term. At each subsequent annual meeting, each Member shall appoint one (1) Director to serve a three-year term. With the exception of Directors appointed at the first annual meeting, all Directors shall serve a three-year term. Each Director shall hold office until his or her successor has been appointed or until his or her death, resignation, removal, or judicial adjudication of mental incompetence. The term of office of each Director appointed to fill a vacancy created by the resignation, death or removal of his or her predecessor shall be the balance of the unserved term of his or her predecessor. Any person serving as a Director may be reappointed, and there shall be no limitation on the number of terms which a Director may serve, except that no Director may serve more than two consecutive three-year terms.

4.4 Vacancies. Vacancies in the Board of Directors may be filled within thirty (30) days by special appointment by the Member responsible for electing a Director to the vacant seat, and each Director so appointed shall hold office until his or her successor is appointed at the next annual meeting of Members. A vacancy or vacancies shall be deemed to exist in the case of the disqualification, death, resignation, removal, or judicial adjudication of mental incompetence of any Director, or if the Members shall increase the authorized number of Directors but should fail at the meeting at which such increase is authorized, or at any adjournment thereof, to appoint the additional Directors so provided for, or in the case the Members fail at any time to appoint the full number of authorized Directors. If any Director tenders his or her resignation to the Board of Directors, the Member who appointed said Director shall have the power to appoint a successor to take office at such time as the resignation shall become effective. No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

4.5 Removal. A Director may be removed without cause by the Member entitled to appoint the Director to fill the subject seat.

4.6 Voting by Directors at Board Meetings; Quorum. At all meetings of the Board of Directors, the presence of two-thirds (2/3) of the Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting to another time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.7 Place of Meeting. All meetings of the Board of Directors shall be held at the principal office of the Corporation, or at such other suitable place or places within the County of Orange, State of California, as may be designated from time to time by the Board of Directors.

4.8 Organization Meeting of Board. Immediately following each annual meeting of Members of the Corporation, the Board of Directors shall hold a regular meeting for the purpose of organization and transaction of other business. No notice of such meeting to the Members or the newly elected Directors shall be necessary in order legally to constitute such meeting.

4.9 Meetings of Board. Meetings of the Board may be called by the Chair, by any two Directors, or by the Chief ~~Operating~~ **Executive** Officer/General Manager. Regular meetings of the Board may be held at such place and day and hour as may be fixed from time to time by resolution of the Board; provided, however, that such meetings shall be held no less frequently than quarterly. Meetings of the Board shall be conducted pursuant to, and in conformity with, the Common Interest Development Open Meeting Act (Civil Code Section 4900, et seq., or any equivalent, superseding statute), and shall be open to the directors of the Mutual Members and Golden Rain Foundation, except when the Board may adjourn to, or meet solely in, executive session to consider litigation, matters relating to the formation of contracts with third parties, or personnel matters.

4.10 Notice of Board Meetings.

(a) Notice to Directors. Regular meetings of the Board may be held without notice if the time and place of the meetings are fixed by resolution of the Board, and notice of which is provided to the Members as required herein. Special meetings of the Board shall be held upon four (4) days' notice to Directors by first-class mail, or forty-eight (48) hours' notice delivered personally or by telephone, including a voice messaging system or electronic transmission; provided, however, that notice of a meeting need not be given to any Director who has provided a waiver of notice, or signed a written consent to holding of the meeting.

(b) Notice to Members. The Members shall be given notice of all regular and special meetings of the Board pursuant to the requirements of Civil Code Section 4920, or any equivalent, superseding statute.

4.11 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive personal notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to such Director. Attendance by a Director at any meeting of the Board shall be a waiver by him or her of personal notice of the time and place thereof. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at

a meeting duly held after regular call and notice, if (1) a quorum is present and (2) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes.

4.12 Committees. The Board of Directors, by resolution, may from time to time designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purposes of the committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Board. Committee members shall serve at the pleasure of the Board and may be removed by same.

4.13 Compensation. No Director shall receive any compensation for any service such Director may render to the Corporation as a Director; provided, however, that a Director may be reimbursed for out-of-pocket expenses incurred by such Director if authorized by the Board prior to any such expenses are incurred.

ARTICLE V

OFFICERS

5.1. Enumeration of Officers. The officers of the Corporation shall be a Chief ~~Operating~~ **Executive** Officer/General Manager, Treasurer, Secretary and such other officers as the Board may from time to time by resolution establish. Officers shall not be members of the Board of Directors or residents of Laguna Woods Village.

5.2. Appointment of Officers. Subject to the approval of Members required by Section 4.1(e)(1) herein with respect to the Chief ~~Operating~~ **Executive** Officer/General Manager, the officers of the Corporation shall be appointed by the Board of Directors and each officer shall hold his or her office at the pleasure of the Board. Subject to Section 4.1(e)(1), any officer may be removed from office with or without cause, by the vote of the Board, and his or her successor appointed, at any regular or special meeting of the Board at which a quorum is present.

5.3 Special Appointments. The Board of Directors may appoint such other officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in the Bylaws or as the Board of Directors may, from time to time, determine.

5.4 Vacancies. A vacancy in any office may be filled by the Board of Directors, subject to the approval of Members required by Section 4.1(e)(1) herein with respect to the Chief ~~Operating~~ **Executive** Officer/General Manager.

5.5 Chief ~~Operating~~ **Executive** Officer/General Manager. The Chief ~~Operating~~ **Executive** Officer/General Manager shall have, subject to the control of the Board and the provisions of these Bylaws, general supervision, direction and control of the business and officers of the Corporation.

ARTICLE VI

MISCELLANEOUS

6.1 Inspection of Corporate Records. The financial books of account, and the minutes of all meetings of the Members and the Board, shall be made available for inspection and copying upon the written request of any Member, or such Member's duly-appointed representative, at any reasonable time and for a purpose reasonably related to the Member's interest as a Member, in the manner provided in the Corporations Code of the State of California relating thereto.

6.2 Inspection of Bylaws. The Corporation shall keep in its principal office for the transaction of business, the original or a copy of the Bylaws as amended or otherwise altered to date, which shall be open to inspection by the Members at all reasonable times during office hours.

6.3 Inspection by Directors. Every Director of the Corporation shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties, if any, of the Corporation. This inspection by a Director may be made in person or by an agent or attorney appointed in writing by a requesting Director, and the right of inspection includes the right to copy and make extracts of documents.

6.4 Prohibition Against Hiring Residents and Members. Any resident of Laguna Woods Village or member of one of the Mutuels in Laguna Woods Village may not be hired as a full-time employee of the Corporation for compensation.

ARTICLE VII

AMENDMENT

These Bylaws may be adopted, amended or repealed only with the approval of a majority of the total voting power of the Members. Whenever an amendment or new

Bylaw is adopted, it shall be placed in the book of Bylaws in the appropriate place. If any Bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said book.

**CERTIFICATE OF ADOPTION
OF BYLAWS
BY MEMBERS
OF
VILLAGE MANAGEMENT SERVICES, INC.
A California Nonprofit Mutual Benefit Corporation**

IN WITNESS WHEREOF, I, the undersigned, do hereby certify that I am the duly elected, qualified and acting Secretary of VILLAGE MANAGEMENT SERVICES, INC., a California nonprofit mutual benefit corporation, and that the above and foregoing Bylaws were duly approved by the unanimous vote of the Members of VILLAGE MANAGEMENT SERVICES, INC. at a special meeting of Members held on _____, 20__.

Dated: _____, 20__.

VILLAGE MANAGEMENT SERVICES, INC., a
California nonprofit mutual benefit corporation

By: _____

Print Name: _____

Title: _____