

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

August 1, 2006

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 August 1, 2006, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: George Portlock, Marty Rhodes, Maury Kravitz, Mark Stein, Cynthia Chyba, Bob Miller, Ruth May, Jack Bassler, Joseph Heller, Bea McArthur, Noel Hatch

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (10:56 A.M – 12:34 P.M.)
Executive Session: Milt Johns, Patty Fox, Cris Trapp, Bill Hart, Esq.

CALL TO ORDER

George Portlock, President served as Chairman 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 Marty Rhodes led the membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

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

APPROVAL OF AGENDA

The agenda was approved as amended by changing the order of the Committee Reports.

APPROVAL OF MINUTES

The Minutes of the June 6, 2006 Regular Board Meeting and the July 6, 2006 Action By Way of Unanimous Consent were approved as written.

MEMBER AND RESIDENT MEMBER COMMENTS

- Libby Marks (82-Q) commented on the use of the pedestrian gate during construction at the former Administration Building site.
- Mike Curtis (342-A) commented on the Board's review of the Management Agreement
- Jerry Sheinblum (3488-C) announced the next CCA Townhall Meeting
- Kay Margason (510-C) commented on a letter she sent to Russ Disbro
- Joy Hirsh (686-D) commented on service levels pertaining to dumpsters

- Min Chang (771-C) commented on the Mayer construction project water hook-ups
- Jerry Gross (5577-A) commented on hiring a management consultant to review community operations
- Maxine McIntosh (68-C) commented on Ms. Hirsh's dumpster issue
- Barbara Copley (410-D) commented on the construction project contract
- Delsie Zuzak (674-A) commented on security guards issuing tickets
- Bob Zuzak (674-A) addressed the Board on the Management Agreement

CHAIRMAN'S REPORT

Director Maury Kravitz introduced Ms. Grete Rothschild and presented her with an award in appreciation of her hard work and dedication as an Advisor on the Bus Services Committee.

Ms. Rothschild thanked the Board and all her volunteer helpers.

OLD BUSINESS

Director Joseph Heller made a motion to remove from the table the motion to approve the elimination of firearms from GRF's service level. The motion was seconded and carried.

Mutual Members Ken Bennett (942-A); Mike Curtis (342-A); Barbara Copley (410-D); and Jerry Sheinblum (3488-C) addressed the Board on their comments and concerns with the resolution.

Discussion ensued on the resolution.

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

RESOLUTION 90-06-56

WHEREAS, State regulations require the managing agent to be licensed as a Private Patrol Operator (PPO) in order to continue to provide security functions for Laguna Woods Village; and

WHEREAS, PCM, Inc. applied for a PPO license with the California Bureau of Security and Investigative Services (BSIS), agreeing to furnish security services to protect the safety and integrity of the Community, and in order to comply with the PPO requirements, PCM, Inc. must modify the structure to the Security Division which shall affect the objectives of the Division as a whole;

NOW THEREFORE BE IT RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby authorizes the restructuring of the Security Division to comply with the PPO state requirements, which includes changing to conforming uniforms, patches, badges, vehicle decals, and position titles; and

RESOLVED, that the Board of Directors of this Corporation hereby directs its Managing Agent to eliminate the carrying of firearms from the service level provided by GRF; 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.

Ms. Wendy Bucknum reported on the progress on the reverse mortgage legislation HR 5121.

Mr. Marcel Bradley reported on the scope of work regarding GRF's Land Entitlement Specific Plan.

The Secretary of the Corporation read a proposed resolution on the treatment of corporate documents policy in compliance with California Civil Code §1365.2. Director Bob Miller moved to approve the resolution. Director Bea McArthur seconded the motion. Discussion ensued.

Mutual Member Mike Curtis (342-A) addressed the Board on the resolution.

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

RESOLUTION 90-06-57

WHEREAS, California Corporations Code § 8333 provides that:

“The accounting books and records, minutes of proceedings of the members, and the Board and committees of the board shall be open to inspection upon the written demand on the corporation of any member at any reasonable time, for a purpose reasonably related to such person’s interests as a member”; and

WHEREAS, California Civil Code §1365.2 defines “association records” and “enhanced association records” under new subsections (a)(1) and (2) respectively, as follows:

Association Records:

- Any financial document required to be provided to an Owner in Section 1365.
- Any financial document or statement required to be provided in Section 1368.
- Interim unaudited financial statements, periodic or as compiled, containing any of the following: balance sheet, income and expense statement, budget comparison, general ledger (a report that shows all transactions that occurred in an association account over a specified period of time), all of which are prepared in accordance with generally accepted accounting principles.
- Executed contracts not otherwise privileged under law.
- Written board approval of vendor or contractor proposals or invoices.
- State and federal tax returns.
- Reserve account balances and records of payments made from reserve accounts.

- Agendas and minutes of meetings of the members, the board and any committees appointed by the board of directors; excluding, however, agendas, minutes, and other information from executive sessions of the board of directors as described in Section 1363.05.
- Check registers.
- Membership lists.

Enhanced Association Records:

- Invoices, receipts and canceled checks for payments made by the association, purchase orders approved by the association, credit card statements for credit cards issued in the name of the association, statements for services rendered, and reimbursement requests submitted to the association, provided that the person submitting the reimbursement request shall be solely responsible for removing all personal identification information from the request;

WHEREAS, subsection (m) of the new California Civil Code § 1365.2 provides that to the extent of any inconsistency, as applied to an association and its members, the provisions of § 1365.2 supersede the provisions of California Corporations Code § 8330 and § 8333; and

WHEREAS, California Corporations Code § 8334 provides that:

“Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation of which such person is a director;” and

WHEREAS, the Board of Directors believes, based upon the opinion of Corporate Legal Counsel with respect to members’ inspection rights that there is no legal obligation to make available anything other than those documents that are statutorily required, as specified above; and

WHEREAS, the Board believes, based upon the advice of Corporate Legal Counsel that, in order to legally preserve the attorney client privilege, it is essential that the contents of any communications to or from the corporation’s attorneys or prospective attorneys, whether oral or written, including but not limited to legal opinions, not be disclosed to third parties other than the Directors, Board authorized advisors, and agents.

NOW THEREFORE BE IT RESOLVED, August 1, 2006 that subject to compliance with the corporation’s obligations under the above-referenced California Corporations Code and California Civil Code Sections, as well as the Common Interest Development Open Meeting Act codified at California Civil Code Section § 1363.05, et seq., the Board of Directors on behalf of the corporation hereby states its policy with respect to treating as confidential certain of the documents produced by the corporation, its attorneys, or its agent Professional Community Management (PCM); and

RESOLVED FURTHER, that during the preparation of documents to be used by the Board of Directors in the performance of their duties, PCM as agent for the corporation, shall designate as "Confidential" all documents submitted to the Boards of Directors for their review, analysis and action which relate to or deal with matters to be addressed in Executive Session, namely matters pertaining to the formation of third party contracts, personnel issues, member discipline, litigation, meeting with a member, upon the member's request, regarding the member's payment of assessments, and all written communications to and from Corporate Legal Counsel; and

RESOLVED FURTHER, that the Board of Directors of this corporation reserves the right to designate additional documents as "Confidential" or to modify the confidential designation given by the managing agent, PCM (so long as any such characterization is reasonably supported by applicable law); and

RESOLVED FURTHER, that thereafter, any document so designated as confidential or that the Board shall determine to be confidential shall not be copied nor distributed to the general membership, nor shall it be disclosed in whole or in part by any Directors or any person connected with this corporation through membership or otherwise, to any third party who is not also: (a) a Director of this corporation, or (b) a PCM agent or employee, (c) a Board authorized advisor, or (d) Corporate Legal Counsel; and

RESOLVED FURTHER, that this policy respecting documents designated as confidential shall be equally applicable to any meetings of the Committees of the Board; and

RESOLVED FURTHER, that the Board of Directors encourages its members to participate in the community's governance by attending Committees and Board meetings where full discussion of corporate business may be heard (other than business that is statutorily protected by empowering the Board to meet in closed Executive Session; i.e., for personnel matters, member discipline, the formation of third party contractual matters, and matters involving litigation, and to meet with a member upon the member's request, regarding the member's payment of assessments); and

RESOLVED FURTHER, that the Board of Directors of this corporation hereby instructs staff to carry out the purpose of this resolution; and

RESOLVED FURTHER, that Resolution G-00-29 dated April 4, 2000 is hereby superseded and cancelled by the terms of this Resolution.

NEW BUSINESS

A discussion was held relative to sending a letter to the City of Laguna Woods regarding GRF's use of Public Right of Way. By way of consensus, the Board authorized a letter accordingly under the President's signature.

The Secretary of the Corporation read a proposed resolution on establishing a Landscape Standing Committee. Director Miller moved to approve the resolution. The motion was seconded.

Director Maury Kravitz left the meeting at 10:53 A.M.

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

RESOLUTION 90-06-58

WHEREAS, in order to better address GRF-related landscape matters, it is recommended that all landscape issues be addressed under a new standing committee

NOW THEREFORE BE IT RESOLVED, August 1, 2006 that in compliance with Article 7, Section 7.1.1 of the Golden Rain Foundation Bylaws, adopted May 2002, the Board of this Corporation hereby establishes a new standing committee identified as the Landscape Committee to serve at the pleasure of this Board; and

RESOLVED FURTHER, the duties and powers of this Committee shall be determined by the Board, provided that the authority is limited to advising the Board and all final action is subject to the specific approval of the Board; 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

By way of consensus, the consent calendar was approved and the following actions were taken:

RESOLUTION 90-06-59

RESOLVED, August 1, 2006, that the following persons are hereby appointed to the committees of this corporation:

Broadband Services Committee

Bob Miller, Chair (GRF)

Noel Hatch, Vice Chair (GRF)

Ruth May (GRF)

Larry Souza (Third)

Jim Keysor (Third)

Larry Dersh (United)

Burns Nugent (United)

Voting Advisors: Eliot Brody, Bob Payne,

Non-Voting Advisors: Joe Schwarz

Business Planning

George Portlock, Chair (GRF)
Maurice Kravitz, Vice Chair (GRF)
Noel Hatch (GRF)
Richard Moos (Third)
Robert Hatch (Third)
Jim McNulty (United)
Beth O'Brien (United)

Bus Services Committee

Maury Kravitz, Chair (GRF)
Bea McArthur, Vice Chair (GRF)
Jack Bassler (GRF)
Dominic Burrasca (Third)
Phyllis Fish (Third)
Linda Wilson (United)
Mary Stone (United)
Voting Advisors: Janet Schwartz, Grete Rothschild
Non voting Advisor: Shirley Niederkorn

Community Activities

Marty Rhodes, Chair (GRF)
Joseph Heller, Vice Chair (GRF)
Ruth May (GRF)
Mark Schneider (Third)
George Arnold (Third)
Bevan Strom (United)
Larry Dersh (United)
Ruth Mervis (Mutual 50)

Finance

Maury Kravitz, Chair (GRF)
Mark Stein, Vice Chair (GRF)
Marty Rhodes (GRF)
Robert Hatch (Third)
Gunter Vogt (Third)
Jim McNulty (United)
Larry Dersh (United)

Government & Public Relations

Bea McArthur, Chair (GRF)
Cynthia Chyba, Vice Chair (GRF)
Ruth May (GRF)
Mark Schneider (Third)
Jim Keysor (Third)
Bevan Strom (United)
Mary Stone (United)
Joe Schaefer (Mutual 50)

Landscape Committee

Noel Hatch (GRF), Chair
Ruth May (GRF), Vice Chair
Jack Bassler (GRF)
Dominic Burrasca (Third)
Gunter Vogt (Third)
Ken Hammer (United)
Don Tibbetts (United)

Maintenance & Construction

Joseph Heller, Chair (GRF)
Bob Miller, Vice Chair (GRF)
Jack Bassler (GRF)
Jim Matson (Third)
Larry Souza (Third)
Don Tibbetts (United)
Ken Hammer (United)
Voting Advisor: Bob Morton

Security

Mark Stein, Chair (GRF)
Bob Miller, Vice Chair (GRF)
Jack Bassler (GRF)
Ray Gros (Third)
George Arnold (Third)
Linda Wilson (United)
Ken Hammer (United)
Voting Advisor: Libby Marks, John Dudley
Non Voting Advisor: Larry Souza

City-Wide Trails and Signs Sub-Committee

Jack Bassler (GRF)
Mary Stone (United)
Jim McNulty (United)
Gunter Vogt (Third)

Select Audit

Maury Kravitz
Mark Stein

Laguna Canyon Foundation

Marty Rhodes

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; and

RESOLVED FURTHER, that Resolution 90-06-35 adopted May 2, 2006 is hereby superseded and cancelled.

RESOLUTION 90-06-60

RESOLVED, August 1, 2006, that the Board of Directors of this Corporation hereby approves the use of the Birch Room in the Laguna Woods Village Community Center on Thursday August 10, 2006 at 4:00 P.M. for the Laguna Canyon Foundation August Board Meeting.

RESOLUTION 90-06-61

WHEREAS, on May 2, 2006 the Board of Directors of this Corporation adopted their election procedures in compliance with Civil Code §1363.03, which states that ballots must be mailed or delivered by the association to every member not less than 30 days prior to the deadline for voting; and

WHEREAS, Resolution 90-05-80 sets the date for the 2006 Annual Meeting of the Corporate Members of the Golden Rain Foundation for Wednesday October 25, 2006 which is less than 30 days from the seating of Directors of the Corporate Member for United Laguna Hills Mutual, which will occur after the adjournment of their Annual Meeting on October 10, 2006;

NOW THEREFORE BE IT RESOLVED, August 1, 2006, that the Board of Directors of this Corporation hereby moves the Annual Meeting of the Corporate Members of the Golden Rain Foundation to November 9, 2006 to comport with the aforementioned Civil Code; and

RESOLVED FURTHER, that Resolution 90-05-80 adopted October 26, 2005 is hereby rescinded; 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.

RESOLUTION 90-06-62

RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby accepts the request of the Saddleback Kiwanis Club for use of Clubhouse Five on a Saturday night in 2007 for its annual Casino Night; 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.

RESOLUTION 90-06-63

RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby approves the use of the Redwood Room in the Laguna Woods Village Community Center, at no cost, by the AARP TCE TaxAide Group during the 2007 tax season every Wednesday from February 7, 2007 through April 11, 2007 for tax preparation services; 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 90-06-64

RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby authorizes staff to extend the summer pool hours at Pool Four one hour a day from 9:00 P.M. until 10:00 P.M for the months of July, August, and September at an additional cost of \$1,000 funded from the Operating Budget; 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.

RESOLUTION 90-06-65

WHEREAS, several computers (PC) in the PC Workshop are scheduled for replacement in 2006; and

WHEREAS, PCs that are more than 3 years old are not adequate for the PC Facility since they won't accommodate the latest software applications, but as long as they are functional, they are adequate for certain functions;

NOW THEREFORE BE IT RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby approves the transfer of one obsolete PC from the PC Workshop to the Earthquake and Disaster Preparedness Task Force to be used for emergency-related work; 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.

RESOLUTION 90-06-66

WHEREAS, on June 6, 2006 the Board of Directors of this Corporation adopted Resolution 90-06-48 which authorized funding to purchase a new portable auditorium video projector for Clubhouse Three since the current projector was non-serviceable; and

WHEREAS, it was requested that the old projector be kept as a back-up;

NOW THEREFORE BE IT RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby approves to retain the replaced projector to be used as a spare for as long as it is functional; 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 Mark Stein reported from the Security and Community Access Committee.

Director Kravitz returned to the meeting at 10:56 A.M.

Janet Price entered the meeting at 10:56 A.M.

Director Stein made a motion that the Board approves the Opinion Survey for distribution to the RV Users. Director Joseph Heller seconded the motion. Discussion ensued.

Third and United Mutual Members Mike Epstein (224-D); Marilyn Sortino (4008-1G); Pauline Wennerstrom (561-D); and Libby Marks (82-Q) addressed the Board on the proposed Survey.

The Board members addressed their comments and concerns with the Survey.

By a vote of 1-9-0 (Director Stein voted in favor) the motion failed.

The Secretary of the Corporation read the following proposed resolution on approving the proposed RV Lot Fees Policy:

RESOLUTION 90-06

WHEREAS, the GRF Security and Community Access Committee in search of a more equitable fee structure to be paid by users of the RV Lot has recommended that the fee charged to users become a function of the length of each vehicle using the lot instead of a single fee charged to all users,

NOW THEREFORE BE IT RESOLVED, September 5, 2006 that the Golden Rain Foundation of Laguna Woods hereby approves the policy that all recreational vehicles, trailers, boats, and trailer combinations or units would be measured and charged for overall length; and

RESOLVED FURTHER, that the length in feet would be determined by measuring the complete unit from front to rear, including any and all appurtenances at a cost of \$6.24 per linear foot per year; and

RESOLVED FURTHER, that Resolution 90-05-57, adopted August 2, 2005 is hereby amended; 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 Heller made a motion to approve the resolution. Director Maury Kravitz seconded the motion. Discussion ensued

Third and United Mutual Members Mike Epstein (224), Marilyn Sortino (4008-1G), Harry Curtis (5371-2A), Mike Curtis (342-A), Mary Stone (356-C), Jerry Gross (5577-A), and Rhoda Lindner (2019-C) addressed the Board on the resolution.

Director Heller made a motion to table the resolution. The motion failed due to the lack of a second. Discussion continued.

Director Hatch made a motion to table the resolution to satisfy the required statutory thirty-day notice requirements. Director Kravitz seconded the motion, and the motion carried unanimously.

Director Maury Kravitz reported from the Bus Services Committee.

Director Bob Miller reported from the Broadband Services Committee.

The Secretary of the Corporation read a proposed resolution on approving programming billing options. The motion was moved and seconded.

United Mutual Member Mike Curtis (342-A) addressed the Board on the resolution.

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

RESOLUTION 90-06-67

WHEREAS, the Broadband Services Division is required to establish a fee structure to offset the expense of providing digital cable services based on subscriber choices;

NOW THEREFORE BE IT RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby authorizes staff to charge subscribers for Digital Services based on the following fee structure:

Installation (one-time fee):	\$30.00
Equipment (monthly fee):	
Digital Set Top Box /TV	5.00
Digital Set Top Box/DVR	10.00

Digital Video Recorder Subscription	5.00
Programming:	
Digital Basic	10.00
Sports Pak (7 Channels)	4.00
Movie Packages	10.00
Pay Per View – First Run Movie	4.00
Pay Per View – Per Event – Adult	9.00
Playboy	15.00

RESOLVED FURTHER, that such fees shall be effective upon launch of digital cable service; 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 authorizing a supplemental appropriation for an additional cable modem card. Director Miller moved to approve the resolution. The motion was seconded and discussion ensued.

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

RESOLUTION 90-06-68

WHEREAS, one of the services provided by the Broadband Services Division is to oversee the delivery of high-speed data services to the Laguna Woods Village Community through a partnership with a local Internet Service Provider; and

WHEREAS, as a result of increased subscriber growth and internet usage, an additional cable modem card is required;

NOW THEREFORE BE IT RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$9,300 to be funded from the Equipment Fund; and

RESOLVED FURTHER, that such funds shall be used to purchase an additional cable modem card to maintain a desirable internet accessibility speed; 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 Bea McArthur reported from the Government & Public Relations Committee.

The Secretary of the Corporation read the following proposed resolution on approving the Saddleback Memorial Foundation's request to add a link to GRF's website:

RESOLUTION 90-06-

RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby approves the Saddleback Memorial Foundation's request to add a link to the "Senior Resources" section of the Laguna Woods Village website to provide valuable educational information and resources for the residents of Laguna Woods Village; 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 Rhodes moved to approve the resolution. Director McArthur seconded the motion. Discussion ensued.

By a vote of 5-6-0 (Directors Chyba, Bassler, May, Hatch, and Heller opposed, and President Portlock voted against the motion to break the tie), the motion failed.

The board discussed designing a Community logo. By way of consensus, the Board agreed to request submittals from members to the Government and Public Relations Committee.

United Mutual Member Dick Sharp (887-Q) commented on the logo.

Director Joseph Heller reported from the Maintenance and Construction Committee. The Secretary of the Corporation read a proposed resolution on approving gate entrance identification numbers. Director Hatch moved to approve the resolution. Director Miller seconded the motion. Discussion ensued.

United Mutual Member Mary Stone (356-C) addressed the Board on the resolution.

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

RESOLUTION 90-06-69

WHEREAS, gate numbers are currently used to identify the majority of the entrances and emergency egress points in Laguna Woods Village; and

WHEREAS, currently no formal identifying name has been assigned to the new emergency egress access road into Laguna Audubon and to the entrance into the Clubhouse 7 area and;

NOW THEREFORE BE IT RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby designates the names "Gate15" for the

emergency egress road entrance into Laguna Audubon and "Gate 16" for the entrance to Clubhouse 7; 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 Maury Kravitz reported on the Treasurer's Report and from the Finance Committee.

The Secretary of the Corporation read a proposed resolution on transferring funds from the operating surplus. Director Miller moved to approve the resolution. Director Kravitz seconded the motion.

United Mutual Member Mike Curtis (342-A) addressed the Board on the resolution.

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

RESOLUTION 90-06-70

WHEREAS, the Golden Rain Foundation Balance Sheet reflects a total operating surplus of over \$2 million, of which over \$800,000 is from prior years; and

WHEREAS, according to the Davis-Stirling Act, a Common Interest Development shall not retain significant operating surplus (funds that are not needed to defray current operating costs);

NOW THEREFORE BE IT RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby authorizes the transfer of \$350,000 from accumulated operating surplus to the Facilities Fund and \$400,000 from accumulated operating surplus to the Unappropriated Expenditures 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.

Ms. Janet Price left the meeting at 12:34 P.M.

Director Marty Rhodes reported from the Community Activities Committee.

Director Rhodes acknowledged the donation of \$1,500 from the Tennis Club toward work performed at the Tennis Facility.

Director Maury Kravitz left the meeting as 12:34 P.M.

The Secretary of the Corporation read a proposed resolution on accepting a donation of a copier from the Potters and Sculptors Club. Director Rhodes moved to approve the resolution. The motion was seconded.

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

RESOLUTION 90-06-71

RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby accepts the donation of an HP Office Jet Copier Model Number 7300/7400, valued at \$427.88; and

RESOLVED FURTHER, that such equipment shall be used by the instructors and demonstrators in the Studio at Clubhouse Four; 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.

The Secretary of the Corporation read a proposed resolution on accepting a donation of a drill press from the Jewelry & Allied Arts Club. Director Rhodes moved to approved. Director McArthur seconded the motion.

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

RESOLUTION 90-06-72

RESOLVED, August 1, 2006 that the Board of Directors of this Corporation hereby accepts the donation from the Jewelry & Allied Arts Club of a five-speed drill press manufactured by American Tools, valued at \$100; and

RESOLVED FURTHER, that this equipment shall be used in the Clubhouse Four Jewelry 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.

GOOD OF THE ORDER:

Board of Directors:

- None

MEETING RECESS

The meeting recessed for lunch at 12:40 P.M. and went into Executive Session at 1:10 P.M.

During the June Executive Session the Board approved the minutes of the Regular Executive Session Meeting of May 2, 2006, and the Special Executive Session of May 8, 2006; discussed litigation and contractual issues; and reviewed the Litigation Status Report.

During its Special Executive Session Meeting of July 6, 2006, the Board discussed contractual issues. During its Special Executive Session Meeting of July 18, 2006, the Board discussed contractual issues. During its Special Executive Session Meeting of July 26, 2006, the Board discussed contractual issues.

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 3:06 P.M.

Cynthia Chyba, Secretary