

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

January 20, 2006

A Special Meeting of the Golden Rain Foundation of Laguna Woods Board of Directors, a California non-profit mutual benefit corporation was held on Friday January 20, 2006, at 10:00 A.M., at 24351 El Toro Road, Laguna Woods, California.

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

Directors Absent: None

Others Present: Milt Johns; Patty Fox; Russ Ridgeway, Janet Price
Closed Session: Larry Brose and Will Pfau of the Robert Mayer Corporation; John Atherton of Standard Pacific Homes; Marcel Bradley; and Doug Koller

CALL TO ORDER

George Portlock, President of the Corporation, called the meeting to order at 10:00 A.M., indicated that a quorum was present, and stated that it was Special Meeting held pursuant to notice duly given to consider enhancing the GRF Broadband System.

The meeting was open and telecast on Channel 6 television, and the press was acknowledged as present.

President Portlock announced the ground rules for the meeting.

The Secretary of the Corporation, Director Cynthia Chyba read a proposed resolution to upgrade the GRF Cable Technology to enhanced digital service as an in-house project. Director Chyba made a motion to approve the resolution. Director Heller seconded the motion. Discussion ensued.

Mutual Members Barbara Copley (410-D); Bob Payne (3129-P); Mike Curtis (342-A); Ruth Treeson (860-Q); Emanuel Treeson (860-Q); Denise Welch (5517-1C); Una Pierce (2386-1D); Lucie Falk (3377-A); Charlene Sydow (646-A); Joe Schwarz (2078-B); Perry King (2404-1E); Iris Gorin (828-Q); Linda Wilson (816-P); Pamela Grunke (2214-B); Delsie Zuzak (674-A); and Harry Curtis (5371-2A) addressed the Board with their comments and concerns, and spoke either in favor or against the resolution.

The Board Members were given the opportunity to address their comments and concerns.

Following a request, the Secretary of the Corporation reread the proposed resolution.

Director Hatch then inquired, based upon the language contained in the resolution as written, whether, in approving the resolution as a five-year program of implementation, the Board was approving or directing an allocation of funds, as set forth in Staff's report, for each of the five years of implementation. Director Rhodes explained, confirmed by President Portlock, that the intent of the resolution was to commence the in-house upgrade of the Broadband System with funding for the first year's improvements and expenses. Expenses required for the upgrade for each subsequent year would be included in that year's GRF Business Plan, there to be approved or disapproved by the then sitting GRF Board of Directors. As noted by Director Rhodes with completion of the first year of the upgrade, which will bring digital capacity to the system, the system thereby becomes more valuable in the marketplace. Director Hatch, without objection, asked that the minutes include this explanation and understanding of the subject resolution.

The following roll call vote was taken:

AYES: Marty Rhodes, Mark Stein, Bea McArthur, Cynthia Chyba, Bob Miller, Joseph Heller, Maury Kravitz

NAYES: Noel Hatch, Ruth May, Jack Bassler

The motion carried by vote of 7-3-0, and the Board of Directors adopted the following resolution:

RESOLUTION 90-06-06

WHEREAS, the Broadband Services Committee studied and recommended the implementation of a GRF-Funded Cable Technology Upgrade to Enhanced Digital Service to be funded over a period of five years at an approximate cost of \$5,000,000,

NOW THEREFORE BE IT RESOLVED, January 20, 2006 that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$702,000 from the Equipment Fund for Phase I for Year One of the five year Upgrade Plan as outlined in the Enhanced Digital Service Cable System Upgrade Subject Report of October 4, 2005; and

RESOLVED FURTHER, that in addition to the aforementioned appropriation, the Board of Directors of this Corporation hereby authorizes staff to incur the operating expenses necessary for the implementation of the Upgrade, an amount equal to annual expenditures of approximately \$495,000; and

RESOLVED FURTHER, that in subsequent years of the Upgrade, operating and capital expenditures will be included and budgeted in the Business Planning Process and Business Plan as approved by the Board of Directors; 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.

By way of consensus, the Board agreed to support the vote of the majority.

The Board recessed at 11:17 A.M. and reconvened into Executive Session at 11:29 A.M.

There being no further business to come before the Board of Directors, the special meeting was adjourned at 1:59 P.M.

Cynthia Chyba, Secretary