



FINANCE COMMITTEE
Administration Building Conference Room
Recording Secretary – Marisa McAuley
Tuesday, December 16, 2014 – 10:00 a.m.

AGENDA

1. Call to Order
2. Pledge Of Allegiance
3. Roll Call
4. Introduction Guests and Staff
5. Committee Rules
6. Consent Calendar - Approval of Finance Committee Minutes:
 - a. Approval of the Regular Meeting Minutes of November 7, 2014
 - b. Approval of the Special Meeting Minutes of November 18, 2014
 - c. Approval of the Special Meeting Minutes of November 24, 2014
7. Chairs Announcement
8. Foundation Member Comments (*Agenda Items Only*)
9. Review Correspondence
10. Staff Reports
 - a. Controller (pg.1-22)
 - b. Purchasing Supervisor (pg.23-26)
 - c. Executive Director
11. Accept November 2014 Financial Statements
12. UNFINISHED BUSINESS
 - a. Approve Resales Contract (pg.27-35)
 - b. Mutual 17 Renters Lease and Form (pg.36-37)
 - c. Mutual Self-Insurance Fund (pg.38)



13. NEW BUSINESS
 - a. *Golden Rain News* Uncollectable Accounts
 - b. Superwire Contract – Discussion Only (pg.39-66)
 - c. Golden Age Foundation (GAF) – Amazon Smile
 - d. Approve Non-Budgeted Fund Request From Recreation (pg.67)
 - e. Approve Non-Budgeted Fund Request From Physical Properties
14. President's Comments
15. Foundation Member Comments
16. Committee Member Comments
17. Next Monthly Meeting: January 20, 2015 @ 10:00 a.m.
18. Adjournment

****Agenda Is Subject To Change****

Controller's Financial Recap – November 2014

As of the eleven-month period ended November 2014, the financial reports indicate that GRF is in favorable financial position with a surplus of \$827,231.

Major variances are:

Salaries, Wages & Benefits	693,515	YTD FTEs are below budget by 4.79;\$42K workers comp 2013 refund plus YE of \$58.8 favorable variance; New Group Ins contract < budget.
Temp EEs / Recruitment	(56,487)	Temps used to fill key positions.
Net positive variance	637,028	
Depreciation	160,004	Capitalization of the paving project of \$1.9M was deferred for 4 months; \$886K carryover from 2013 not yet used.
Onsite Sales Office Rental Inc.	56,798	Actual sales exceeded budget
Other Income	55,762	YTD donations of \$20K; Building permits \$35K.
State & Federal Taxes	46,933	Although \$51,200 was budgeted for the year, the current tax liability is sufficient for the year. YTD accrual was reversed.
SRO Labor Cost Recovery	(43,375)	Lag in labor recognition due to pending open work orders.
Stock Transfer Fees	(51,063)	Less stock transfers than planned.
Record Retention	(70,819)	Document scanning – unbudgeted item.

Controller's Financial Recap – November 2014

Capital Budget expenditures for the year are \$305,306 with a budget of 3M.

Funds totaling \$2.9M were carried over from the 2013 capital budget. Projects totaling \$2M have been completed and capitalized from these funds. The remaining \$886K is assigned to projects that have not yet been completed.

2014 CAPITAL ACQUISITION BUDGET

Center	Description	Budget Amount	EXPENDITURES			Remeaining Balance	Labor	Variance
			Jan- Oct	Nov	Total			
30	45 Chairs for Admin Conference Room	9,680	9,680.00		9,680.00	0.00		0.00
30	Lobby Area Chairs outside Conference Room	0	1,594.32		1,594.32	(1,594.32)		(1,594.32)
30	Admin. Lunch Room- Conference Table and Mid Back chairs	0	3,178.15		3,178.15	(3,178.15)		(3,178.15)
30	Admin. Building Remodel 2014	71,000	-			71,000.00		
32	Cantilever Rack for Wood Storage	3,000	1,709.99		1,709.99	1,290.01		1,290.01
32	Barcode label printer	1,000	-		0.00	1,000.00		1,000.00
32	Showroom remodel (from 2013 but not carried forward)	0	1,584.92		1,584.92	(1,584.92)		(1,584.92)
34	IP Phones (8@500, plus conference phone \$1k)	5,000	863.98		863.98	4,136.02		4,136.02
34	Tablet Devices for Physical Properties (8@ \$700)	5,600	3,846.28		3,846.28	1,753.72		1,753.72
34	Tablet Devices for Managers (5@ \$700)	3,500	4,780.08	531.12	5,311.20	(1,811.20)		(1,811.20)
34	Tablet Devices for Service Maintenance (30 @ \$700) (21K)	0	-		0.00	0.00		0.00
34	Library Patron/Print Management System	10,000	6,400.00		6,400.00	3,600.00		3,600.00
34	Workstation Replacements, Peripherals, Misc Hardware	15,000	8,777.47	631.56	9,409.03	5,590.97		5,590.97
34	Dell R710 Server Memory Upgrade	10,000	-		0.00	10,000.00		10,000.00
34	Windows 7 Licenses	2,000	-		0.00	2,000.00		2,000.00
34	Time and Attendance Hardware	6,395	2,354.34		2,354.34	4,040.66		4,040.66
34	Surveillance Camera Expansion	30,000	10,824.40	14,401.14	25,225.54	4,774.46	5,952.00	(1,177.54)
34	Campus Wifi for GRF staff & directors (40K)	0	-		0.00	0.00		0.00
34	Jenark One time Fee	145,000	-		0.00	145,000.00		145,000.00
34	iPads for Directors and IT (from 2013 but not carried forward)	0	3,243.47		3,243.47	(3,243.47)		(3,243.47)
35	Jamex 6557 Multi Copy, bill and coin unit- Delivery Charge	0	29.00		29.00	(29.00)		(29.00)
35	8 Computers Patron use	6,500	6,145.89		6,145.89	354.11		354.11
35	Security & Catalog Software	0	14,110.66		14,110.66	(14,110.66)		(14,110.66)
35	Installed Gas electric package A/C unit	0	5,800.00		5,800.00	(5,800.00)		(5,800.00)
36	6 Mini Mac Computers @ \$600 each	3,600	1,090.80		1,090.80	2,509.20		2,509.20
36	6 Computer monitors @ \$300 each	1,800	612.78		612.78	1,187.22		1,187.22
36	Filemaker Pro 12 Advanced	500	-		0.00	500.00		500.00
36	4 Filemaker Pro Licenses @ \$300 each	1,200	-		0.00	1,200.00		1,200.00
36	Ipad Mini Wi-Fi Cell 16GB (Phase 1 Credit Card Solution)	0	913.20		913.20	(913.20)		(913.20)
37	Case Management Software (10K)	0	-		0.00	0.00		0.00
37	4 Visitor Admissions Printers	4,000	-		0.00	4,000.00		4,000.00
37	4 Replacement Security Patrol Vehicles	120,000	106,549.98		106,549.98	13,450.02		13,450.02
37	Overhead lights, spotlight, and siren for new patrol vehicles	5,000	3,988.98		3,988.98	1,011.02		1,011.02
37	Portable security cameras for outdoor use	3,000	-	1,565.44	1,565.44	1,434.56		1,434.56
37	License plate recognition system (one at each gate)	20,000	19,587.72		19,587.72	412.28		412.28
37	Replace work station- Security Office Assistant	0	-	1,532.49	1,532.49	(1,532.49)		(1,532.49)
40	Clubhouse Air conditioner Replacements	20,000	-		0.00	20,000.00		20,000.00
40	Miscellaneous Sound Equipment	5,000	-		0.00	5,000.00		5,000.00
40	Professional services for master planning	50,000	-		0.00	50,000.00		50,000.00
45	Amphitheater- Replace console	0	1,409.50		1,409.50	(1,409.50)		(1,409.50)
48	Hot pool shade	4,000	-		0.00	4,000.00		4,000.00
48	Raypack Pool Pump	0	1,309.08		1,309.08	(1,309.08)		(1,309.08)
48	Installed Gas Pool Heater at the Pool/Spa	0	3,280.00		3,280.00	(3,280.00)		(3,280.00)
51	Clubhouse 1- Blue Chairs	5,000	4,975.34		4,975.34	24.66		24.66
52	Clubhouse 2- Blue Chairs	5,000	4,975.34		4,975.34	24.66		24.66
52	Clubhouse 2- Replaced Auto Transfer Switch	0	3,517.00		3,517.00	(3,517.00)		(3,517.00)
53	Clubhouse 3- Blue Chairs	5,000	4,975.34		4,975.34	24.66	162.00	(137.34)
53	Clubhouse 3- Microphones- Audio Technica Pro	0	323.94		323.94	(323.94)		(323.94)

2014 CAPITAL ACQUISITION BUDGET

Center	Description	Budget Amount	EXPENDITURES			Remeaining Balance	Labor	Variance
			Jan- Oct	Nov	Total			
53	Clubhouse 3- Recover Sound Panels in Room 1-9	0	7,550.00		7,550.00	(7,550.00)		(7,550.00)
53	Clubhouse 3- Replaced Vertical Blinds in Room 1-9	0	4,078.60		4,078.60	(4,078.60)		(4,078.60)
53	Clubhouse 3- Restroom Auto Doors	0	4,453.00		4,453.00	(4,453.00)		(4,453.00)
54	Clubhouse 4- Blue Chairs	5,000	4,975.34		4,975.34	24.66	162.00	(137.34)
54	Clubhouse 4- Entry Way concrete replacement	9,000	-		0.00	9,000.00		9,000.00
54	Clubhouse 4- Art Room Heat Pump	0	4,600.00		4,600.00	(4,600.00)		(4,600.00)
54	Clubhouse 4- Remove Concrete and Construct Wheel Chair R	0	10,788.00		10,788.00	(10,788.00)		(10,788.00)
56	Excerise Equipment (Use Tax) (from 2013 but not carried forw	0	303.60		303.60	(303.60)		(303.60)
56	Stiga Surround- Table tennis barriers	0	862.56		862.56	(862.56)		(862.56)
74	2 Portable Air Compressor	0	645.84		645.84	(645.84)		(645.84)
74	Compactor WP- 1150AW Asphalt	0	2,279.88		2,279.88	(2,279.88)		(2,279.88)
79	Lanscaping at Trailer Park	0	3,675.00		3,675.00	(3,675.00)		(3,675.00)
79	Perimeter wall sections M & L	1,200,000	-		0.00	1,200,000.00		1,200,000.00
79	Perimeter wall Engineering	30,000	-		0.00	30,000.00		30,000.00
79	Landscape Improvement	40,000	-		0.00	40,000.00		40,000.00
79	Trust Street Paving Project	1,000,000	-		0.00	1,000,000.00		1,000,000.00
79	Trust Street Landscape Improvements	52,000	-		0.00	52,000.00		52,000.00
79	Re-roof community facilities buildings- Clubhouse One	90,000	-		0.00	90,000.00		90,000.00
79	Paint Main Gate Areas	20,000	-		0.00	20,000.00		20,000.00
Total Planned Capital Acquisitions		3,022,775.00	286,643.77	18,661.75	305,305.52	2,717,469.48	6,276.00	2,640,193.48

Donated Capital

Center	Description	EXPENDITURES			Labor
		Jan- Oct	Nov	Total	
38	Access Bus- 2014 ARBOC Spirit Freedom (donated by GAF)	117,166.12		117,166.12	
51	Clubhouse 1 - Ice Machine (donated by GAF)	191.52		191.52	681.00
54	Clubhouse 4 - Ice Machine (donated by GAF)	191.52		191.52	723.00
56	Excerise Equipment (donated by GAF)	4,196.60		4,196.60	
79	Polara Navigator Audible Pedestrian Pushbutton System (donated by GAF)	11,895.00		11,895.00	
Total Donated Capital		133,640.76	0.00	133,640.76	1,404.00

Total Capital Acquisitions

3,022,775.00	420,284.53	18,661.75	438,946.28	2,717,469.48	7,680.00	2,640,193.48
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Earmarked for a different project

2013 CAPITAL ACQUISITION BUDGET CARRYOVER TO 2014

Center	Description	Carryover Balance	EXPENDITURES			Remaining Balance	Labor	Variance
			Jan- Oct	Nov	Total			
30	Sound and Projection System - Admin. Conference Room	33,031.00	37,115.11		37,115.11	(4,084.11)	20,448.30	(24,532.41)
32	Relocate Warehouse heating unit (Proj. 3338-13P)	2,000.00	2,132.00		2,132.00	(132.00)		(132.00)
33	Stock Transfer Mail Folder Inserter Machine	19,029.44	19,029.44		19,029.44	0.00	180.00	(180.00)
33	Stock Transfer 10 lb Scale Postage Machine	13,961.72	13,961.72		13,961.72	0.00		0.00
34	31 Computers & laptops	27,185.00	23,833.08		23,833.08	3,351.92		3,351.92
34	Server Rack and Network Infrastructure Improvements (sales tax)	56.40	56.40		56.40	0.00		0.00
34	Jenark / MicroMain	115,000.00	0.00		0.00	115,000.00		115,000.00
37	Radio repeaters for Security & Service Maintenance	5,872.10	6,233.44		6,233.44	(361.34)		(361.34)
37	St. Andrews Gate carpet replacement	2,500.00	1,698.20		1,698.20	801.80		801.80
37	Automated Pedestrian Gate	5,000.00	0.00		0.00	5,000.00		5,000.00
51	Clubhouse 1 - Lobby Furniture	15,000.00	9,861.50		9,861.50	5,138.50	942.00	4,196.50
52	Clubhouse 2 - 52 Long Tables (sales tax)	549.87	549.87		549.87	0.00		0.00
53	Clubhouse 3 - Heat pump	4,500.00	5,000.00		5,000.00	(500.00)		(500.00)
54	Clubhouse 4 - Heat pump	3,690.00	4,100.00		4,100.00	(410.00)		(410.00)
54	Clubhouse 4 - Replace All Tiles	40,000.00	0.00		0.00	40,000.00		40,000.00
55	Video Producers Equipment (sales tax)	62.32	62.32		62.32	0.00		0.00
55	Café Project	11,040.00	10,128.32		10,128.32	911.68	6,597.00	(5,685.32)
56	Various Exercise Equipment	7,042.53	7,042.53		7,042.53	0.00	72.00	(72.00)
70	Carpeting - downstairs	10,000.00	20,200.00		20,200.00	(10,200.00)		(10,200.00)
70	Interior Painting (1st & 2nd Floors)	16,000.00	16,000.00		16,000.00	0.00		0.00
70	Exterior Painting	10,000.00	3,985.00		3,985.00	6,015.00		6,015.00
74	Gas Welding Machine with Torch	9,000.00	8,066.48		8,066.48	933.52		933.52
74	2 Portable generators (sales tax)	127.84	127.84		127.84	0.00		0.00
74	Chairs for Lunch Room (sales tax)	78.72	78.72		78.72	0.00		0.00
79	Perimeter Wall Replace - A & B (Chgd to R) (Proj. 591-01B)	500,000.00	0.00		0.00	500,000.00		500,000.00
79	Main Gate Beautification (Proj. 683-12A)	200,000.00	0.00		0.00	200,000.00		200,000.00
79	Landscape Improvement	24,136.10	0.00		0.00	24,136.10		24,136.10
79	Trust Street Paving Projects	1,898,896.00	1,898,895.85		1,898,895.85	0.15		0.15
Total Planned Capital Acquisitions Carryover from 2013		2,973,759.04	2,088,157.82	0.00	2,088,157.82	885,601.22	28,239.30	857,361.92

2,961,919.00 Per Capital Budget Variance Report - December 31, 2013
 4,788.00 Add back Ice Machines deducted from 2013 budget (donated by GAF)
 5,000.00 Add overall unused funds to CC 34 for Jenark / MicroMain
 2,106.03 Misc variance with paving project & added sales tax for 2013 purchases
 (53.99) Adjustment to CH3 - Microphones

2,973,759.04

0.00

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Project No.	Description	Approved Outlay	Date Approved																
591-01B	Perimeter Wall Sections R	499,565.00																	*
	Contingencies																		*
Vendor :	John Dantuma Masonry	423,630.00	12/3/2013	contract date															*
	John's Landscape	2,460.00	12/3/2013	contract date															*
	Ted Stamen	450.00	2/19/2014	contingency fund															*
	Pinnacle Landscape	6,000.00	4/4/2014	contract date															*
	MJ Jurado	41,760.00	6/4/2014	contract date															*
	Spectrum Care Landscape	9,800.00	8/21/2014	contract date															*
	John's Landscape	3,840.00	8/19/2014	No Contract															*
	Spectrum Care Landscape	2,315.00	8/8/2014	PP Committee Minutes															*
	Spectrum Care Landscape	9,310.00	11/17/2014	contract date															*

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Date	Vendor / Job Details	Invoice Number	Amount	Monthly Total	Project Total												
12/10/13	John Dantuma Masonry	332	52,342.50	52,342.50	52,342.50												
2/12/2014	John Dantuma Masonry	3321	84,335.00														
2/7/2014	John's Landscape	CF-0035-90	2,214.00	86,549.00	138,891.50												
3/11/2014	John Dantuma Masonry	3322	84,335.00														
3/17/2014	Ted Stamen	022414-Revi	450.00	84,785.00	223,676.50												
4/9/2014	John Dantuma Masonry	3323	84,335.00	84,335.00	308,011.50												
5/6/2014	John Dantuma Masonry	3324	84,335.00														
5/19/2014	Pinnacle Landscape Co.	71762	5,400.00	89,735.00	397,746.50												
6/30/2014	City of Seal Beach- reimburs. Sidewalk		(7,000.00)	(7,000.00)	390,746.50												
7/24/2014	John Dantuma Masonry	3325	33,947.50	33,947.50	424,694.00												
9/3/2014	MJ Jurado	362	43,884.00														
9/5/2014	MJ Jurado	372	4,876.00														
9/15/2014	Johns Landscape Services	Ex0814CF	3,840.00														
9/30/2014	Spectrum Care Landscape	PP Minutes	2,315.00	54,915.00	479,609.00												
10/2/2014	Spectrum Care Landscape	0054972-IN	9,800.00	9,800.00	489,409.00												

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Project No.	Description	Approved Outlay	Date Approved						
591-01B	Perimeter Wall Sections A Contingencies	394,500.00	10/6/2014						
Vendor :	John Dantuma Masonry	378,000.00	10/6/2014 contract date						
	Peterson's Tree Works	16,500.00	11/7/2014 contract date						

Date	Vendor / Job Details	Invoice Number	Amount	Monthly Total	Project Total

10/29/2014	Dantuma Masonry	430	37,800.00	37,800.00	37,800.00

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Project No.	Description	Approved Outlay	Date Approved		*
668-11B	Westminster Development Contingencies	8,525.00			*
Vendor :	Craig Weber & Associates	675.00	7/3/2014	No Contract	*
	Black Rock Geosciences	7,850.00	6/30/2014	Contract	*
					*
					*
					*
					*

Date	Vendor / Job Details	Invoice Number	Amount	Monthly Total	Project Total
8/13/2014	Craig Weber & Associates	7/3/2014	675.00		
8/22/2014	Black Rock Geosciences	7/25/14	5,850.00	6,525.00	6,525.00

Project No.	Description	Approved Outlay	Date Approved	
683-12A	Main Entrance Beautification	37,155.34		*
Vendor :	Craig Weber & Associates	3,760.00	1/21/2013 Contract Date	*
	Graham Stanley & Associates	3,000.00	1/21/2013 Contract Date	*
	Graham Stanley & Associates	3,000.00	3/1/2013 Contract Date	*
	Graham Stanley & Associates	88.84	3/31/2013 No Contract	*
	Craig Weber & Associates	1,950.00	10/25/2013 No Contract	*
	Craig Weber & Associates	18,650.00	11/26/2013 GRF Board Approved	*
	Pen, Ink, Color	1,500.00	2/15/2014 Contract Date	*
	Pen, Ink, Color	1,050.00	5/27/2014 No Contract	*
	Craig Weber & Associates	1,283.50	6/4/2014 No Contract	*
	Craig Weber & Associates	1,000.00	8/9/2014 No Contract	*
	Craig Weber & Associates	953.00	8/10/2014 No Contract	*
	Craig Weber & Associates	920.00	8/7/2014 No Contract	*

Date	Vendor / Job Details	Invoice Number	Amount	Monthly Total	Project Total
3/22/2013	Graham Stanley & Associates	2716	3,000.00		
3/22/2013	Graham Stanley & Associates	2720	1,000.00	4,000.00	4,000.00
5/1/2013	Graham Stanley & Associates	2723	2,000.00		
5/2/2013	Graham Stanley & Associates	2724	88.84		
5/31/2013	Craig Weber & Associates	2-1-13	3,760.00	5,848.84	9,848.84
11/1/2013	Craig Weber & Associates	10-1-13	1,950.00	1,950.00	11,798.84
1/28/2014	Craig Weber & Associates	12-2-13	6,131.00	6,131.00	17,929.84
2/12/2014	Craig Weber & Associates	1-2-14	2,567.50		
2/20/2014	Pen, Ink, Color	February 13, 2014	500.00	3,067.50	20,997.34
4/21/2014	Craig Weber & Associates	3-4-14	390.00	390.00	21,387.34
5/6/2014	Craig Weber & Associates	2-1-14	1,080.00	1,080.00	22,467.34
6/3/2014	Pen, Ink, Color	May 27, 2014	2,050.00		
6/11/2014	Craig Weber & Associates	5-1-14	3,520.00	5,570.00	28,037.34
8/13/2014	Craig Weber & Associates	7-4-14	970.00	970.00	29,007.34
9/5/2014	Craig Weber & Associates	6-4-14	5,275.00	5,275.00	34,282.34
10/2/2014	Craig Weber & Associates	8-9-14	1,000.00		
10/2/2014	Craig Weber & Associates	8-10-14	953.00		
10/2/2014	Craig Weber & Associates	8-7-14	920.00	2,873.00	37,155.34

Project No.	Description	Approved Outlay	Date Approved	
ABR2014	Administration Building Renovation	71,000.00	7/15/2014	
712-14				
Vendor :	Coast Factory Blinds	3,932.40	9/24/2014	
	Golden State Surfaces	22,800.00	9/23/2014	
	General Coatings	5,450.00	9/24/2014	
	Miscellaneous	7,277.21		
	Total Commitments	39,459.61		
		Materials	Labor	Total
SROs:	231854	8.52	123.00	131.52
	232024	2.03	414.00	416.03
	233909	0.00	474.00	474.00
	233138	0.00	54.00	54.00
	236282	0.00	18.00	18.00
	235958	0.00	27.00	27.00
	233498	8.92	843.00	851.92
	237075	0.00	36.00	36.00
	236357	0.00	180.00	180.00
	235509	0.00	24.00	24.00
	233642	0.00	1554	1,554.00
	239249	0.00	27.00	27.00
	234007	15.26	8682.00	8,697.26
Other:	See details below			39,459.61
	Total Project			51,950.34

Date	Vendor / Job Details	Invoice Number	Amount	Monthly Total	Project Total
8/26/2014	Cheaper Office Solutions- Desk	PO021930	774.72		
8/26/2014	Liquidation Group- Desk	PO021931	999.00		
8/26/2014	Overstock- Workstation	PO021936	1,186.99	2,960.71	2,960.71
9/11/2014	Mark Ambrose- Re-upholster chairs	PO021983/431	591.44		
9/17/2014	Apple- Apple TV USA	PO022010/4272754962	101.52		
9/23/2014	Frys.com- LG 42" TV	CR-00609	327.92		
9/23/2014	Amazon- EVGA GeForce 8400GS Video Card	CR-00608	44.68		
9/23/2014	Amazon- Gold Premium 50ft Cable	CR-00621	33.64		
9/23/2014	Bizchair.com- Bookcase	PO022110	144.00		
9/23/2014	Amazon- Tv Wall Mount	CR-00615	34.56		
9/23/2014	Amazon- GE HDMI Wall Plate	CR-00620	16.29		
9/25/2014	Amazon- Coastal Décor Clock	PO022186	48.44		
9/29/2014	Overstock- Rising Ride Canvas Print	PO022185	135.99	1,478.48	4,439.19
10/2/2014	Los Alamitos Lock Services- Part and Labor	Inv. S11733	199.45		
10/2/2014	Los Alamitos Lock Services- Rekey and Labor	Inv. A11718	177.50		
10/17/2014	Golden State Surfaces- Remove and install Carpet	Inv. GS1267-1	2,280.00		
10/20/2014	Overstock- Artworks	PO022326	251.43		
10/31/2014	Zoro Tools- Electrical Brackets	PO022008	21.16	2,929.54	7,368.73
11/6/2014	Golden State Surfaces- Remove and install Carpet	Inv. GS1267-2	9,120.00		
11/6/2014	XLNT TINT- Commercial Window Tinting	43440	316.67		
11/6/2014	Office Sign Company- Signs for Admin Hallway	PO022420	341.95		
11/17/2014	Fabric and Mileage for Admin. Office Chairs		445.11		
11/19/2014	Mark Ambrose- Re-upholster chairs	PO022571	960.75		
11/19/2014	Coast Factory Blinds- Replace blinds	Inv. 1188	3,932.40		
11/19/2014	General Coatings- Painting	H4-031-1	4,905.00		
11/19/2014	General Coatings- Painting	H4-031-R	545.00		
11/25/2014	Golden State Surfaces- Remove and install Carpet	Inv. GS1267-3	11,400.00		
11/30/2014	Overstock- Workstation (Use Tax)	PO021936	94.95		
11/30/2014	Bizchair.com- Bookcase (Use Tax)	PO022110	11.52		
11/30/2014	Amazon- Tv Wall Mount (Use Tax)	CR-00615	2.77		
11/30/2014	Amazon- Coastal Décor Clock (Use Tax)	PO022186	3.88		
11/30/2014	Overstock- Rising Ride Canvas Print (Use Tax)	PO022185	10.88	32,090.88	39,459.61

*****				*****	*****	*****	*****	*****
Project No.	Description	Approved Outlay	Date Approved					*
Jenark	Jenark and Micromain Project	226,774.20						*
Vendor :	CoreLogic Jenark	165,509.20	2/24/2014					*
	MicroMain Corporation	61,265.00	2/24/2014					*
								*
								*
								*
								*
								*

*****				*****	*****	*****	*****	*****
Date	Vendor / Job Details	Invoice Number	Amount	Monthly Total	Project Total			
2/20/2014	Jenark 50% down payment	Ck req. 2/14/	79,145.00					
3/11/2014	Micromain setup expenses	54166	52,197.50					
6/3/2014	Jenark 50% down payment sales tax	112875	6,331.59	137,674.09	137,674.09			
8/22/2014	Jenark- Technical Services	113934	19,786.00	19,786.00	157,460.09			
9/5/2014	Jenark- License Fee & Technical Services	113606	40,460.59	40,460.59	197,920.68			

Jenark and MicroMain Software Purchase

MicroMain:

Software Licenses	20,900.00
Annual Maintenance	12,600.00
One-Time Setup	1,890.00
Project Implementaion Customization	2,340.00
Training & Implementation	7,740.00
Application Integration/Customization	15,795.00
Travel expenses (variable)	
	<u>61,265.00</u>

Corelogic Jenark:

License Fees (Taxable)	90,240.00
Tech Charges (Non-taxable)	<u>68,050.00</u>
Total Contract Amount (not incl tax)	158,290.00
Taxes on License Fees	<u>7,219.20</u> 165,509.20

Budgeted Funds

2013 Capital Acquisition Budget Carryover to 2014	115,000
2014 Capital Acquisition Budget	<u>145,000</u>

Total 260,000

Total Conversion Costs

226,774.20

Jenark: Progress Payments

	License	Tech	Tax	Total	Inv #	Inv Date	Check #	Ck Date
Down Pymt with Agreement	79,145.00		6,331.60	85,476.60	112875	2/14/2014	94278	2/21/2014
						3/5/2014	94904	6/3/2014
Pymt Upon Installation of Software	11,095.00	28,478.00	887.60	40,460.60	113606	7/1/2014	95418	9/11/2014
Pymt 30 days after installation of software		19,786.00		19,786.00	113924	7/31/2014	95368	8/29/2014
Pymt 60 days after installation of software		19,786.00		19,786.00	Not yet billed			
Total	90,240.00	48,264.00	7,219.20	145,723.20				

MicroMain: Progress Payments

	License	Tech	Tax	Total	Inv #	Inv Date	Check #	Ck Date
Software Licenses	20,900.00			20,900.00	54166	2/24/2014	94441	3/14/2014
One-Time Setup	1,890.00			1,890.00	54166	2/24/2014	94441	3/14/2014
Annual Maintenance	12,600.00			12,600.00	54166	2/24/2014	94441	3/14/2014
Training & Implementation	7,740.00			7,740.00	54166	2/24/2014	94441	3/14/2014
Project Implementaion Customization (50%)	1,170.00			1,170.00	54166	2/24/2014	94441	3/14/2014
Application Integration/Customization (50%)	7,897.50			7,897.50	54166	2/24/2014	94441	3/14/2014
Project Implementaion Customization (50%)	1,170.00			1,170.00	Not yet billed			
Application Integration/Customization (50%)	7,897.50			7,897.50	Not yet billed			
	52,197.50	-	-	52,197.50				

Total Progress Payments

142,437.50 48,264.00 7,219.20 197,920.70

Amount due on contracts

28,853.50

*****		*****	*****	*****	*****
Project No.	Description	Approved Outlay	Date Approved		
708-14	St. Andrews Improvement at Tam O'Shanter	8,420.00			
Vendor :	Anderson Penna	8,420.00	5/9/2014	Contract Data	

*****		*****	*****	*****	*****
Date	Vendor / Job Details	Invoice Number	Amount	Monthly Total	Project Total
8/6/2014	Anderson Penna	2790	3,182.00		
8/6/2014	Anderson Penna	2846	950.00	4,132.00	4,132.00

*****		*****	*****	*****	*****	*****
Project No.	Description	Approved Outlay	Date Approved			*
702-13	In Road Lighting Plan- St. Andrews Drive	82,750.00				*
Vendor :	JLS Engineering	2,000.00	7/1/2014	Contract Date		*
	Dynaelectric	80,750.00	10/30/2014	Contract Date		*
						*

*****		*****	*****	*****	*****	*****
Date	Vendor / Job Details	Invoice Number	Amount	Monthly Total	Project Total	
9/5/2014	In Road Lighting Plan	08072014-01GRF	2,000.00	2,000.00	2,000.00	

*****	*****	*****	*****	*****	*****	*****
Project No.	Description	Approved Outlay	Date Approved			*
710-14	Pedestrian Circulation Evaluation and Design/Ramp Design	0.00				*
Vendor :	ADA Inspection Plus	2,500.00				*
						*
						*
						*
						*

*****	*****	*****	*****	*****	*****	*****
Date	Vendor / Job Details	Invoice Number	Amount	Monthly Total	Project Total	
10/31/2014	ADA Inspection Plus	A2014077	2,500.00	2,500.00	2,500.00	

**Golden Rain Foundation
Cash Flow Activity - All Reserves
For the Month of November 2014**

	Contingency Operating Fund	Trust Improvement Fund	Capital Improvement Fund	Liability Insurance Fund	Mutuals' Self-Insurance Fund	Other Restricted	Nonrestricted Funds	Total
Balance 10/31/2014	685,047	92	6,072,709	1,020,052	20,894	645,253	610,858	9,054,905
Funded: Trust Asset Dep'n								-
Funded: Non-Trust Asset Dep'n		65,308	1,189					66,496
Funded: Membership Fees collected (47)			51,277					51,277
Progress Payments on CIP		(32,091)						(32,091)
New Capital Purchases		(18,662)						(18,662)
Replenish funds for Donated Assets								-
Net Monthly Claims								-
Disbursement to Mutuals								-
Replenish fund for Item Donations								-
Transfers between funds								-
Net Monthly Activity						(92,879)	240,249	147,370
Balance 11/30/2014	685,047	14,647	6,125,174	1,020,052	20,894	552,374	851,107	9,269,296
 Net Activity	 -	 14,555	 52,466	 -	 -	 (92,879)	 240,249	 214,391

20-11320-00 Miscellaneous Receivables
General Ledger Analysis
11/30/2014

<u>Invoice</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Paid</u>	<u>Notice</u>	<u>SENT DATE</u>	<u>Comment</u>
9241	9/30/14	American Legion- Copy	7.50		3rd reminder	11/3/2014	Suspension list
9242	9/30/14	Computer Club - Copy	8.50		3rd reminder	11/3/2014	Suspension list
9259	10/31/14	LW HCC - Landscape	850.00		2nd reminder	11/3/2014	
9260	10/31/14	LW HCC - Computer Files	79.00		2nd reminder	11/3/2014	
9261	10/31/14	LW-HCC - Water	150.00		2nd reminder	11/3/2014	
9262	10/31/14	John's Landscape Co.	225.00		2nd reminder	11/3/2014	
9266	10/31/14	U.S. Post Office	75.00		2nd reminder	11/3/2014	
9268	10/31/14	American Legion AUX- Copy	9.00		1st reminder	11/3/2014	Deposit in Dec
9269	10/31/14	Computer Club - Copy	31.30		2nd reminder	11/3/2014	Suspension list
9275	10/31/14	Korean American Club	5.00		2nd reminder	11/3/2014	Suspension list
9277	10/31/14	Y's Service Club	7.50		2nd reminder	11/3/2014	Suspension list
9281	11/3/14	HCC- 1st Installment Property Tax	19,257.78		1st reminder	12/1/2014	
9282	11/7/14	LW HCC-Fire Service	113.42		1st reminder	12/1/2014	
9284	11/24/14	Karaoke Club-Sheet Protectors	214.48		1st reminder	12/1/2014	Deposit in Dec
9285	11/24/14	GAF- Copier Lease	111.64		1st reminder	12/1/2014	
9286	11/28/14	LW HCC - Landscape	850.00		1st reminder	12/1/2014	
9287	11/28/14	LW HCC - Computer Files	79.00		1st reminder	12/1/2014	
9288	11/28/14	LW-HCC - Water	150.00		1st reminder	12/1/2014	
9289	11/28/14	John's Landscape Co.	225.00		1st reminder	12/1/2014	
9290	11/28/14	Faith Christian-sewer	26.25		1st reminder	12/1/2014	
9291	11/28/14	nuVision Landscaping	75.00		1st reminder	12/1/2014	
9292	11/28/14	Charles Briskey Real Estate	20.00		1st reminder	12/1/2014	
9293	11/28/14	Ad Hoc Chorus- Copy	9.50		1st reminder	12/1/2014	
9294	11/28/14	Computer Club - Copy	5.00		1st reminder	12/1/2014	
9295	11/28/14	Congregation Sholom- Copy	7.00		1st reminder	12/1/2014	
9296	11/28/14	Episcopal Church- Copy	5.00		1st reminder	12/1/2014	
9297	11/28/14	KACMA- Copy	5.00		1st reminder	12/1/2014	
9298	11/28/14	LW Mini Farms- Copy	5.00		1st reminder	12/1/2014	
9299	11/28/14	Producers' Club- Copy	12.00		1st reminder	12/1/2014	
9300	11/28/14	Theater Club- Copy	9.50		1st reminder	12/1/2014	
9301	11/28/14	Seal Beach Shopping Center	500.00		1st reminder	12/1/2014	
			<u>23,128.37</u>				
			23,116.02				

USE TAX RECEIVED FROM KARAOKE CLUB
CLEAR IN JAN WHEN USE TAX REPORTED

12.35

Golden Rain Foundation
December 16, 2014 meeting of the Finance Committee
Controller's Report

Golden Rain Foundation
Budget Comparison Report
Finance - CC 31
For the Eleven Months Ending November 30, 2014

		YTD		
G/L Number	Description	Actual	Budget	Budget Variance
Expenses				
61000	Salaries & Wages	\$461,564	\$481,509	\$19,945
61400	Payroll Taxes	37,698	39,979	2,281
61420	Workers Compensation	6,427	7,103	676
61430	Group Insurance Medical	46,220	48,688	2,468
61433	Group Insurance - Dental	1,206	1,130	(76)
61435	Group Insurance - Vision	857	864	7
61440	Retirement Fund	9,392	14,587	5,195
61450	Group Insurance - Life	1,894	1,434	(460)
61460	Long Term Disability Insurance	1,766	2,655	889
64100	Materials & Supplies	19,342	23,320	3,978
64440	Equipment Rental	2,491	3,667	1,176
64750	Empl. Recruitment / Temp. Fees	17,806		(17,806)
64810	Continuing Education	25	440	415
64820	Mileage	45	55	10
64830	Dues & Memberships		504	504
64890	Uncollectible Accts/Misc W/Os	686		(686)
64940	Service Contracts	1,693	229	(1,464)
Total Expenses		609,111	626,164	17,053
Other Cost Recovery				
5385...	Other Income	3,091	3,667	(576)
55400	Discounts Earned	1,055	275	780
Total Other Cost Recovery		4,147	3,942	205
53300	Trust Admin. Cost Recovery	621,720	621,722	(2)
Total Cost Recovery		625,867	625,664	203
Off Budget Items				
Net Income / (Expenses)		16,756	(500)	17,255

Budget Variance Report - November 2014

Finance Department - CC #31

<u>GL Code</u>	<u>Account Description</u>	<u>Variance</u>	<u>Explanation</u>
61000	Salaries & Wages	19,945.00	A/P Clerk replaced with lower salary
61400	Payroll Taxes	2,281.00	A/P Clerk replaced with lower salary
61430	Group Insurance - Medical	2,468.00	Lower negotiated insurance plan for 2014
61440	Retirement Fund	5,195.00	New employee not eligible for participation
64100	Materials & Supplies	3,978.00	Cyclical spending and anticipated YE higher expenditures
64750	Empl. Recruitment / Temp. Fees	(17,806.00)	A/P position replacement & A/P temporary replacement
Total Explained Variances		16,061	

Investments

- Purchase in December
 - 52-week CDAR for \$550,000

General Audit Timeline

2014 Financial Statement Audit Timeline	
Mid December	Interim fieldwork begins - auditors onsite Walk-throughs, assess controls, review legal bills, develop the audit plan.
Dec 30	Physical inventory - auditors onsite to observe
Early January	Send out audit confirmations: Attorneys & financial institutions
Late January	Year-end fieldwork - auditors onsite
February	Finalize financial statements & prepare tax filings - Auditors offsite
Feb / Mar	Present audited financial statements to GRF & Mutual boards. Once board approves, make copies for newspaper distribution
Mar 16	Due date for tax filing (Finalize by Mar 3 - 7)
Apr 6 - 10	Provide News with financial statements for distribution
Apr 16	Distribute financial statements via Golden Rain News

Tangible Property Regulations Update

1. Tangible Property Regulations Update
 - a. New IRS regulations set forth the framework for distinguishing capital expenditures from supplies, repairs & maintenance.
 - b. Prior to this regulation, there were no specific conditions for a taxpayer to write off any dollar amount.
 - c. Based on the new rule, GRF and Mutuals are required to have a written capitalization policy that defines the threshold purchase amount of a capital asset.
 - d. The IRS defines this required adoption of the new regulation as a change in accounting method and must be reported by filing Form 3115.
 - e. Required Action by GRF and Mutuals:
 - i. Establish and adopt a capitalization policy that is effective 1/1/2014 because although the regulation was just passed, it is retroactive to 1/1/2014.
 - ii. When filing the 2014 tax returns, include Form 3115. (NSBN will take care of this.)
 - iii. Review all fixed assets for each company and remove those assets from the books that are most likely no longer in use. (Example, if a computer acquired in 1986 exists on the books, most likely it is long gone.) A physical inventory of fixed assets has not been performed since prior to 2007.
 - f. The above steps are required, however there will be no tax impact as a result of this regulation
 - i. GRF and the Mutuals fall under IRS Ruling 70-604 Sub-Chapter T which means that any income tax is determined on what is referred to as non-patronage income. Non-patronage income is basically investment income earned on CDARs and money market accounts (where interest is not tax exempt) offset by expenses directly related to this income (investment management advisory fees).
 - ii. Based on the above statement, depreciation does not reduce the tax liability for either GRF or the Mutuals.
 - g. The reason why it is necessary to comply with the IRS regulation to show due diligence and cooperation should an IRS audit arises.
 - h. Next step, staff to draft a capitalization policy that complies with the IRS regulation and bring to committee next month.

New Bank Structure

Current Structure

Designated Deposits:

Contingency Operating Fund	685,047
Trust Improvement Fund	14,647
Capital Improvement Fund	6,125,174
Liability Insurance Deductible Fund	1,020,052
Mutuals' Self-Insurance Fund	20,894
Other Restricted Fund	552,374

Total Designated Funds	<u>8,418,188</u>
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2015 Structure

Designated Deposits:

Reserve Fund	6,980,767
Committed Funds	-
Capital Fund	-
Contingency Operating Fund	685,047
Liability Insurance Deductible Fund	200,000
Other Restricted Fund	552,374

Total Designated Funds	<u>8,418,188</u>
------------------------	------------------

Jenark Conversion

1. 2012 Year-end balances, 2013 YTD activity and 2014 monthly activity through October have been loaded into Jenark for GRF and all Mutuals.
2. Continue with uploading 2012 - 2014 Budget data for both GRF and Mutuals. 2015 budget data still needs to be loaded.
3. Staff received training on building financial reports. The task of building reports continue. Reports need to be built before loading budget data into Jenark so that uploaded data can be validated.
4. Established transaction flows for all SRO bill codes so that charge codes can be established.
5. Created a preliminary file with inventory data to upload to MicroMain. Currently, scrubbing the inventory data for better descriptions and item numbers.
6. Between now and year-end, the following will be completed:
 - a. Upload the vendor database into Jenark
 - b. Upload Accounts Receivable (member) balances into Jenark
 - c. Upload inventory quantities and values into MicroMain

Aged Receivables

1. Initially presented the aged receivables to the Finance Committee in January 2014.
2. The Committee authorized the write-off of all aged receivables from 2006 – 2010 to be added to the Controller's report to the GRF Board at the January meeting.
3. Collection efforts for balances 2011 – current. Collection letters were sent on February 5, 2014.
4. On 2/10/2014, signage was placed in the Purchasing Department to notify all contractors that we will no longer honor credit for over-the-counter purchases.
5. Committee authorized write-offs of \$617.49 on May 20th.
6. Collected \$962.77 from Verizon that was delinquent from November 2011.
7. In November, the Finance Committee approved the write-off of \$196.74 from the Valley Crest Landscape account which was a balance due from 8/16/2011. This balance will be written off in December.
8. News Receivable write-offs for December:

Pending Action Items:

- Review 2014 capital carryover for 2015 at the December meeting.
- Map out PO process
- Change PR to include:
 - Project number and name
 - Authorized person
 - Requester
 - Budgeted?
 - Board Approved? When?
- Mutual 17 Lease

Purchasing Supervisor Report

Finance Committee Meeting, December 16, 2014

1. Budget Variance:

For cost center 32 there is a positive variance to budget YTD of \$35,969. The variance is mainly due to the changes in salaries in staff over 2014 YTD with the total of wage related categories \$34,978 below budget. Freight and handling YTD total \$4,422 below budget. Inventory over/short YTD total over budget at \$3498 and we are currently over budget in materials and supplies by \$7959 due to the accrual of the cost of the warehouse shelving project.

2. Project Report:

- Jenark/Micromain data import preparation.
 - Database clean-up ongoing. Conversion to MicroMain currently planned for early next year.
- Ongoing obsolete inventory review:
 - Identify.
 - Discontinue.
 - Rotate back to supplier where possible items in inventory that are no longer in use. Write-off where necessary.
- 2014 Year End Inventory.
 - Scheduled for 12-30-14
- Warehouse Shelving replacement.
 - Warehouse shelving project at this time is scheduled to be completed on Friday December 12, 2014.

3. 2014 Capital Project Status:

- Cantilever Rack – complete.
- Bar Code Printer Label – This is in test and all purchases will be completed by year end.

Golden Rain Foundation
Budget Comparison Report
Purchasing - CC 32
For the Eleven Months Ending November 30, 2014

INTERNALLY PREPARED
FOR MANAGEMENT USE ONLY

November			YTD				Annual		
Actual	Budget	Budget Variance	G/L Number	Description	Actual	Budget	Budget Variance	Annual Budget	Unused Budget
Expenses									
\$7,357	\$17,407	\$10,050	61000	Salaries & Wages	\$161,579	\$191,482	\$29,903	\$208,889	\$47,310
1,067	1,446	379	61400	Payroll Taxes	14,065	15,906	1,841	17,352	3,287
185	190	5	61420	Workers Compensation	12,363	13,630	1,266	13,820	1,457
2,159	2,904	745	61430	Group Insurance Medical	24,755	31,945	7,190	34,849	10,094
79	63	(16)	61433	Group Insurance - Dental	652	692	40	755	103
40	43	3	61435	Group Insurance - Vision	408	477	69	520	112
247	456	209	61440	Retirement Fund	4,091	5,021	930	5,477	1,386
73	56	(17)	61450	Group Insurance - Life	714	621	(93)	677	(37)
58	104	46	61460	Long Term Disability Insurance	606	1,149	543	1,253	647
14,792	375	(14,417)	64100	Materials & Supplies	18,795	4,125	(14,670)	4,500	(14,295)
519	1,064	545	64110	Freight & Handling	7,277	11,699	4,422	12,763	5,486
112	150	38	64440	Equipment Rental	1,081	1,650	569	1,800	719
82	30	(52)	64700	Equipment Repair & Maintenance	315	330	15	360	45
	50	50	64720	Building Repair & Maintenance		550	550	600	600
145	142	(3)	64800	Uniforms & Laundry	1,791	1,558	(233)	1,700	(91)
	20	20	64810	Continuing Education		220	220	240	240
	10	10	64820	Mileage		110	110	120	120
	5	5	64821	Meals & Special Events	102	55	(47)	120	18
	10	10	64830	Dues & Memberships	192	110	(82)	120	(72)
1,683		(1,683)	64895	Inventory Over/Short- Purchasing	(3,498)		3,498		3,498
24		(24)	64940	Service Contracts	179		(179)		(179)
28,622	24,525	(4,097)		Total Expenses	245,466	281,330	35,864	305,915	60,449
Other Cost Recovery									
105		105	5385...	Other Income	104		104		104
105		105		Total Other Cost Recovery	104		104		104
25,493	25,493		53300	Trust Admin. Cost Recovery	280,423	280,422	1	305,915	(25,492)
25,598	25,493	105		Total Cost Recovery	280,527	280,422	105	305,915	(25,388)
Off Budget Items									
2,760		2,760	5390...	Materials Recovery	37,300		37,300		37,300
2,760		(2,760)	64150	Materials Pass Thru	37,300		(37,300)		(37,300)
(3,024)	968	(3,992)		Net Income / (Expenses)	35,062	(908)	35,969		35,062

Budget Variance Report - Nov 2014

Purchasing - CC#32

<u>GL Code</u>	<u>Account Description</u>	<u>YTD Variance</u>	<u>Explanation</u>
61000	Salaries & Wages	\$ 29,903	Open positions in purchasing
64100	Materials & Supplies	\$ (14,670)	Warehouse Shelving Update applied to 64100
64110	Freight & Handling	\$ 4,422	Utilizing prepaid shipments
64895	Inventory Over/Short	\$ 3,498	Inventory Adjustments were made to clear negative inventory balances.

Total Explained Variances	<u>\$ 23,153</u>
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Month	Days	Purch Cash Sales	Mat'l Reqs Processed	Receipt Trans Processed	Walk-In Sales	Recorded Contractors	Purchase Orders	Total Services
January	22	\$ 2,439.40	673	130	148	20	241	1212
February	19	\$ 2,139.70	703	172	163	27	242	1307
March	21	\$ 4,502.39	741	163	176	29	222	1331
April	22	\$ 3,360.12	738	142	141	4	193	1218
May	21	\$ 3,347.50	748	78	163	46	151	1186
June	21	\$ 3,854.66	717	120	149	52	185	1223
July	22	\$ 2,883.20	726	139	146	34	213	1258
August	21	\$ 3,786.00	706	155	157	38	202	1258
September	21	\$ 6,112.32	679	169	176	42	240	1306
October	23	\$ 4,106.96	715	208	207	19	240	1389
November	19	\$ 3,310.33	609	97	149	29	192	1076
December								0
Total	232	\$ 39,842.58	7755	1573	1775	340	2321	13764
Daily Avg		\$ 171.74	33	7	8	1	10	59



LEASE AGREEMENT

This LEASE AGREEMENT made and entered into effective this 1st day of January 2015, by and between GOLDEN RAIN FOUNDATION (hereinafter referred to as "LESSOR") and CHARLES BRISKEY REAL ESTATE, INC. (hereinafter referred to as "LESSEE"), without regard to date of actual execution:

WITNESSETH

That the LESSOR, in consideration of the rents, covenants and agreements hereafter contained, to be paid, kept and performed by the LESSEE, and upon the condition that each and all of the said covenants and agreements shall be duly kept and performed by the LESSEE, does by these presents lease, demise and let unto the LESSEE, for the purpose of conducting therein real estate sales and escrow operation, and for no other purposes, those certain premises situated in the City of Seal Beach, County of Orange, State of California, and more particularly described as follows, to wit: Leisure World Resales Office at 1901 Golden Rain Road, Seal Beach, California ("Premises").

The term of this Lease commences on the 1st day of January 2015, and shall be for a period of three (3) years, commencing on said date and continuing through December 31, 2017 ("Initial Term"), unless sooner terminated in accordance with the terms of this Lease. After the expiration of the Initial Term, the parties have the option to renew the Agreement for an additional three (3) years ("Renewal Term"). The Renewal Term must be agreed to by both parties in writing prior to the commencement of the Renewal Term. The rental fee shall be negotiated 60 days before the beginning of each year thereafter, until 2017. After expiration of the Initial Term of this Lease, the rental fee shall be negotiated 90 days before the beginning of each year thereafter for each successive Renewal Term.

LESSEE shall pay to LESSOR during the period January 1, 2015 through December 31, 2017, a monthly rental fee of 54% of the gross monthly commission, which is the 3.5% income from sales generated (or such lesser commissions as maybe generated) and is payable in monthly installments in arrears on the first day of each month of said period beginning February 1, 2015, so as to calculate the amount due for the preceding month. Rental fee in any event, shall not be less than \$120,000 per year.

In the event rent is not paid by the 10th day of each month in which the rent is due, there shall be payable a penalty for failure to pay rent in the sum of five percent (5%) of the amount due each month the rent remains unpaid, and commencing on the 21st day of the delinquency of said rent.

LESSEE does hereby hire and take possession of and from the LESSOR the said Premises as is, for the said term and at the said rental, and does jointly and severally hereby covenant and agree with the LESSOR as follows:

FIRST: That the LESSEE will pay the said rent reserved to the LESSOR at the office of the LESSOR. If the LESSEE shall be in default in the performance of any condition, covenant, or agreement herein contained, or shall abandon or vacate said Premises, besides other remedies or rights the LESSOR may have, it shall be optional with the Lessor, after giving said three day written notice of default to relet said Premises, or any portion thereof, for such rent and upon such terms as the LESSOR may see fit, and if a sufficient sum shall not be thus realized after paying the expenses of such reletting and collecting to satisfy the rent hereby reserved, the LESSEE agrees to satisfy and pay any deficiency, including any and all attorney's fees and real estate commissions. All remedies herein given the LESSOR shall be cumulative and in addition to any other legal and equitable rights which the LESSOR may have.

A default under and pursuant to the terms of the LESSEE's Resales Operations Agreement executed concurrently with this Lease shall constitute a default under the terms of this Lease.

SECOND: That the LESSEE will not use, or permit to be used, the said Premises, or any part thereof, for any purpose or purposes other than the purpose or purposes for which the said Premises are leased, demised and let unto the LESSEE, as hereinabove specified; and no use shall be made of said Premises, nor acts done, which will increase the hazard thereof or the existing rate of insurance upon the building thereon, nor shall the LESSEE sell, or permit to be kept, used or sold, in or about the said Premises, any article which may be prohibited by the standard form of fire insurance policies, or by law or ordinance.

THIRD: That LESSEE will not commit, or suffer to be committed, any waste upon the said Premises.

FOURTH: As hereinabove provided, this Lease is for the Initial Term of three (3) years, with an optional additional three (3) year Renewal Term by giving written notice of intention to renew which said notice shall be given not less than sixty (60) days prior to the end of the Initial Term of the Lease. Each party to this Lease shall have the right to terminate the Lease at any time without cause by giving written notice of its intention to terminate the Lease, which said notice shall be given one hundred and eighty (180) days prior to end of the Initial Term of the Agreement or any Renewal Term or extension thereof.

FIFTH: That the LESSEE will not make, or suffer to be made, any alterations of the said Premises, or any part thereof, without the written consent of the LESSOR first had and obtained and that any additions to or alterations of the said Premises, except moveable furniture and trade fixtures, shall become at once a part of the realty and become the property of the LESSOR.

SIXTH: That the LESSEE will not assign this Lease, or any interest therein, and will not lease, sub-lease, sublet or underlet the said Premises, or any part thereof, or any right or privilege appurtenant thereto, or mortgage or

hypothecate the leasehold, without the written consent of the LESSOR first had and obtained, and that a consent to one assignment or subletting or hypothecation shall not be construed as a consent to any subsequent assignment or subletting or hypothecation. And it is hereby mutually covenanted and agreed that, unless such written consent thereto has been so had and obtained, any assignment or transfer, or attempted assignment or transfer of this Lease or any interest therein, or underletting or hypothecation, either voluntary or involuntary act of the LESSEE, or by operation of law, or otherwise, shall at the option of the LESSOR, terminate this Lease; and any such purported assignment (by death excepted), transfer or underletting, without such consent, shall be null and void. The LESSOR's consent to any such assignment or subletting shall not relieve the LESSEE from any obligation under this Lease, unless the LESSOR expressly agrees in writing to relieve the LESSEE from such obligation.

SEVENTH: That the LESSEE will, at its sole cost and expense, faithfully observe in the use of the Premises all municipal regulations and ordinances, and state and federal regulations and statutes now in force, or which may hereafter be in force. The commencement or pendency in any state or federal court of any abatement proceedings affecting the use of the said Premises shall, at the option of the LESSOR, terminate the LESSEE's right of possession under this Lease.

EIGHTH: That the LESSEE, as a material part of the consideration under this Lease, does hereby assume all risk of injury or damage to persons or property, including all property of the LESSEE and the LESSOR, in or about the said Premises from every source, and that the LESSEE will hold the LESSOR harmless on account of any such damage or injury, except that the LESSEE shall not be liable to LESSOR for any damage or injury to LESSOR's property caused by accidental fire, earthquake or other acts of God.

Except for LESSOR's negligence or willful misconduct, LESSEE shall indemnify, defend, protect and hold harmless the Premises and LESSOR, its officers, directors, employees, managers and agents, from and against any and all claims, loss of rents, actions, damages, liabilities, costs and expenses (including without limitation court costs and attorneys' fees), that (i) arise from or are in connection with the possession, use, occupancy, management, repair, maintenance or control of the Premises, or any portion thereof; (ii) arise from or are in connection with any act or omission of LESSEE or LESSEE's agents, employees, contractors, licensees or invitees; (iii) result from any default, breach, violation or nonperformance of this Lease or any provision hereof by LESSEE; and/or (iv) result from injury to person or property or loss of life sustained in or about the Premises. At LESSOR's request, LESSEE shall, at LESSEE's expense and by counsel reasonably satisfactory to LESSOR, defend LESSOR in any action or proceeding arising from any such claim or liability and shall indemnify LESSOR against all costs, reasonable attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding. LESSOR shall cooperate with LESSEE in such defense. LESSOR need not have first paid any such claim in order to be defended or indemnified.

NINTH: That the LESSEE will permit the LESSOR and its agents to enter into and upon said Premises at all reasonable times, but not less than once per year, for the purposes of: (a) inspecting the same, (b)

repossessing said Premises and/or (c) making repairs, alterations, or additions to any portion of said building, without any rebate of rent to the LESSEE for any loss of occupancy or quiet enjoyment thereby occasioned.

The LESSEE will permit the LESSOR at any time after thirty (30) days prior to the expiration or termination of this Lease to place upon said Premises any ordinary "To Let" or "To Lease" sign. The LESSEE will permit the LESSOR, or its agents, upon any default or violation under this Lease by the LESSEE to remove any sign or signs, on said Premises and substitute therefor any sign or signs, which the LESSOR may deem advisable.

TENTH: That on the last day of the said term or other sooner termination of this Lease, the LESSEE will peaceably and quietly leave, surrender, and yield up to the LESSOR all and singular the said Premises, with the said appurtenances and fixtures, in good order, condition and repair, damage by acts of God excepted. If the LESSEE does not clean the Premises before surrendering the said Premises, the LESSOR may do so and in that event LESSEE agrees to pay the LESSOR for the cost of cleaning the same.

ELEVENTH: Should LESSEE continue to occupy the Premises after the expiration of the Lease with the consent of LESSOR, a month-to-month tenancy shall be deemed to exist and such holding over shall not constitute an extension of the Lease, provided, however, that during such tenancy, all of the terms and conditions of this Lease (except for those relating to the term hereof) shall remain in full force and effect.

TWELFTH: In the event of any legal proceeding, litigation or arbitration between LESSOR and LESSEE to enforce any provision of this Lease or otherwise with respect to the Premises (including any bankruptcy proceedings), the prevailing party in such proceeding shall be entitled to its reasonable attorneys' fees, costs and expenses incurred in connection with the proceeding.

THIRTEENTH: In the event of a partial destruction of the said Premises during the said term, from any cause, the LESSOR shall forthwith repair the same, provided such repairs can be made within thirty (30) days after the regulations of federal, state, county or municipal authorities, but such partial destruction shall in no way annul or void this Lease, except that the LESSEE shall be entitled to a proportionate deduction of rent while such repairs are being made, such proportionate deductions to be based upon the extent to which the making of such repairs shall interfere with the business carried on by the LESSEE in said Premises, but in no event to be more than the amount of the monthly rental. In the event that the LESSOR does not make such repairs in thirty (30) days, or such repairs cannot be made under such regulations, this Lease may be terminated at the option of either party. In respect to any partial destruction which the LESSOR is obligated to repair or may elect to repair under the terms of this paragraph, the provisions of Section 1932, Subdivision 2, and of Section 1933, Subdivision 4, of the Civil Code of the State of California, are waived by the LESSEE. A total destruction of the building in which the said Premises are situated shall terminate this Lease.

FOURTEENTH: The waiver by the LESSOR of any breach of any term, covenant, or condition herein contained, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein.

FIFTEENTH: LESSEE agrees to carry a public liability policy in the amount of one million dollars (\$1,000,000) and a one million dollars (\$1,000,000) property damage policy with some reputable insurance company, naming LESSOR as an additional named insured.

SIXTEENTH: The LESSOR will pay for all heat, light, power, all other utilities, landscaping, telephone equipment, property taxes and property and fire insurance associated with said Premises. The said Premises, and every part thereof, and all inside and outside tile, window and other structural glass and other glazing, electric, plumbing, heating and lighting fixtures and locks, bolts, wiring, heating systems and other fixtures, including sewer system, in and about the said Premises are at the date hereof in good order, condition and repair; that they will be so kept by the LESSOR at the sole cost and expense of the LESSOR during the said term. The LESSEE shall pay the LESSOR a total of \$300 per month, in addition to the monthly rental fee, during the term of this Lease for the following utilities and services which will be provided by LESSOR: telephone service, Internet access, webpage maintenance, ITS support services, and janitorial service.

SEVENTEENTH: Each one of the undersigned hereby releases and waives the right of subrogation against the other, including their officers, directors and employees, if any, for the responsibility for damage to property caused by fire, explosion or other hazard covered by a standard fire insurance policy with an extended coverage endorsement attached.

EIGHTEENTH: Nothing in this Agreement shall be construed to grant LESSEE the right, license or permission to use the term "Leisure World Seal Beach" or the registered trademark owned by RRLH, INC, including but not limited to the "Leisure World Globe." LESSEE is responsible for securing any required license, permission or consent to use the same. If the LESSOR uses a name other than "Leisure World," LESSOR shall permit the LESSEE to use such other name at no extra charge.

NINETEENTH: This Lease, along with the Resales Operations Agreement between the parties, present the sole and entire Agreement between the parties hereto and supersede all prior representations, negotiations, promises, understandings or agreements, whether oral or written, between the parties with respect to the subject matter hereof. No modifications may be made herein except in writing signed by both parties hereto.

[Signatures to follow.]

IN WITNESS WHEREOF, the LESSOR and the LESSEE have hereunto and to a duplicate hereof, set their respective hands and seals, the day and year first above written.

Attest:

GOLDEN RAIN FOUNDATION

Dated: _____

By: _____
Ronde Winkler, President

CHARLES BRISKEY REAL ESTATE, INC.

Dated: _____

By: _____
Elaine Briskey, President



RESALES OPERATIONS AGREEMENT

This OPERATIONS AGREEMENT made and entered into effective this 1st day of January 2015, by and between GOLDEN RAIN FOUNDATION (hereinafter referred to as "FOUNDATION") and CHARLES BRISKEY REAL ESTATE, INC. (hereinafter referred to as "AGENT"), without regard to date of actual execution:

WITNESSETH

Now therefore, in consideration of the terms, conditions and covenants hereinafter set forth, the parties hereto mutually agree as follows:

FIRST: The term of this Agreement commences on the 1st day of January 2015, and shall be for a period of three (3) years, commencing on said date and continuing through December 31, 2017 ("Initial Term"), unless sooner terminated in accordance with the terms of this Agreement. After the expiration of the Initial Term, the parties have the option to renew the Agreement for an additional three (3) years ("Renewal Term"). The Renewal Term must be agreed to by both parties in writing prior to the commencement of the Renewal Term. This Agreement may be terminated by either party at any time and without cause by the party desiring to terminate giving written notice to the other party at least one hundred eighty (180) days prior to the end of the Initial Term of the Agreement or any Renewal Term or extension thereof.

SECOND: The AGENT shall operate a resales office and escrow office. The AGENT shall offer for sale individual stock interests in any and all Mutual Corporations and the associated memberships in the FOUNDATION; it is understood and agreed by the parties hereto that the memberships referred to are membership transfers of existing and outstanding memberships previously issued by the FOUNDATION.

THRD: The parties acknowledge that the transfer of a membership in the FOUNDATION is prohibited, except that the transfer thereof is in conjunction with the transfer of a membership or share of stock in a cooperative housing corporation or a condominium in Seal Beach Mutual Number 17, specifically those cooperative housing corporations located within the confines of Leisure World, Seal Beach, California, known as Seal Beach Mutuals Numbers 1 through 12 and 14 through 16, and condominiums located in Seal Beach Mutual Number 17.

FOURTH: The AGENT shall expend commercially reasonable efforts to procure buyers and transferees for the memberships in this corporation. The AGENT shall further prepare sales materials and brochures and shall

employ the necessary sales persons and office personnel to carry on an active sales program for the memberships in the FOUNDATION in conjunction with the sale of the related share of Mutual stock. The FOUNDATION shall provide upon its web sites home page active hyperlink's to the AGENT's website. Such hyperlinks shall include: link upon the main tab bar, link upon the quick links box, and a link of substance including heading, photograph, and general content descriptive.

FIFTH: The AGENT shall be free to solicit prospects at such time and in such manner as it shall deem fit , but in order that the FOUNDATION may be kept informed, the AGENT shall, from time to time, report to the FOUNDATION in respect to memberships listed for sale and shall submit a report within ten (10) days following the end of each calendar month advising the FOUNDATION as to the number of membership listings for sale and listed with the AGENT, the number of sales consummated and the number of sales in escrow.

SIXTH: Notwithstanding any provisions in this Agreement to the contrary, in performing the services described herein, AGENT shall operate as an independent contractor, maintaining its own corporation as distinct and separate from FOUNDATION. Performance hereunder shall be subject entirely to the internal direction of AGENT. AGENT shall have the sole and exclusive authority to hire and terminate the personnel providing services hereunder. No provision in this Agreement is intended to create nor shall it be deemed or construed to create any relationship between AGENT and FOUNDATION other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement.

AGENT shall make no representations to any prospective purchaser of membership, except those in writing previously approved by the FOUNDATION. It is agreed by the AGENT that this Agreement does not constitute an exclusive agency by AGENT for the purpose of sale of memberships in the FOUNDATION.

SEVENTH: The AGENT shall not be restricted or limited in respect to the properties it may seek to sell or in respect to the person it may solicit. The AGENT does, however, covenant and agree that as to any sales facilities granted, leased or permitted to be used for sales within the confines of Seal Beach Leisure World, that no transaction of business, other than that relating to the sale of memberships in the FOUNDATION, shall be carried on, except the incidental sale of shares of stock in the housing cooperative constituting Seal Beach Leisure World, and escrow services as above provided.

EIGHTH: The AGENT covenants that it will not permit or suffer use to be made of any facilities granted, rented or leased by the AGENT within the confines of Seal Beach Leisure World, for sales, by any person not employed by AGENT and engaged in the business of selling and procuring buyers for memberships in the FOUNDATION.

NINTH: The FOUNDATION owns the Resales Facility premises and agrees to lease said premises to the AGENT for the duration of this Agreement and according to the terms of the Lease Agreement of the same date, attached hereto and made a part hereof. The parties hereto understand that this is an essential provision, upon which both parties have relied in executing this Agreement and without the inclusion of which the parties would not have entered into this Agreement. Each agreement is dependent on the other agreement; a breach of one of the agreements shall constitute a breach of the other.

TENTH: The AGENT shall not and is not authorized expressly or by implication, to make any commitment, engagement or contract on behalf of the FOUNDATION and shall have no authority to sign on behalf of the FOUNDATION any contract or other instrument.

ELEVENTH: In the event of any legal proceeding, litigation or arbitration between FOUNDATION and AGENT to enforce any provision of this Lease or otherwise with respect to the premises (including any bankruptcy proceedings), the prevailing party in such proceeding shall be entitled to its reasonable attorneys' fees, costs and expenses incurred in connection with the proceeding.

TWELFTH: This Agreement, along with the Resales Lease Agreement between the parties, present the sole and entire Agreement between the parties hereto and supersede all prior representations, negotiations, promises, understandings or agreements, whether oral or written, between the parties with respect to the subject matter hereof. No modifications may be made herein except in writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

Attest:

GOLDEN RAIN FOUNDATION

Dated: _____

By: _____
Ronde Winkler, President

CHARLES BRISKEY REAL ESTATE, INC.

Dated: _____

By: _____
Elaine Briskey, President

Seal Beach Mutual 17

Lease Agreement – 2015

Mutual: 17 Condo #: _____

*Current Homeowner's or Legal Representative's Information

Name:	
Current Address:	
Telephone #	()
Cell Phone #	()
Lessor above is:	Check box that applies: Current Homeowner <input type="checkbox"/> Successor Trustee <input type="checkbox"/> Power of Attorney <input type="checkbox"/> Court Ordered Executor <input type="checkbox"/>
If you are legally representing a Mutual 17 homeowner – Please provide the Stock Transfer Office a copy of your legal document(s) giving you legal authority.	

*#1 Renter/Lessee's Information

Name:	
Current Address:	
Telephone #	()
Cell Phone #	()

*#2 Renter/Lessee's Information

Name:	
Current Address:	
Telephone #	()
Cell Phone #	()

Renter's/Lessee's Emergency Contact

Name:	
Telephone Number:	()
Cell Phone Number:	()

Renter's/Lessee's Emergency Contact

Name:	
Telephone Number:	()
Cell Phone Number:	()

Terms of Agreement

1. •LESSEE must be at least 55 years of age
2. •LESSEE must enter into a lease agreement of not less than one year renewable every year thereafter
3. •LESSEE shall renew this Lease Agreement annually on the anniversary date of this original agreement
4. •LESSEE understands that the Photo-ID Card allows them the use and enjoyment of Foundation facilities.
5. •LESSEE shall provide a fully executed ORIGINAL copy of this lease agreement to the Stock Transfer Office

Lessee Annual Fee – GRF Policy 5061-33

1. •The GRF lessee fee is a required use fee for access to the community facilities, amenities, and participation in GRF activities. The lessee fee is calculated at 20% of the GRF annual assessment rounded up to the nearest dollar for each occupant.
2. •LESSEES shall pay the annual fee for 2015 in the amount of \$----- ea. for issuance of a Golden Rain Foundation Photo-ID Card.
3. The required annual fee is due and payable in full on the date of the lease agreement.

*Indemnification

FOUNDATION MEMBER or LEGAL REPRESENTATIVE and LESSEE(S) hereby agree to abide by all of the rules, regulations and policies promulgated by the Mutual Seventeen Corporation, as well as the conditions set forth in the CC&R's R's of Seal Beach Mutual Seventeen; and shall hold harmless and INDEMNIFY the Golden Rain Foundation and the Mutual Seventeen Corporation and its representatives and employees for any damages caused by the LESSEE(S).

Failure to comply shall be grounds for revocation of the right to LEASE and the cancellation of this Lease Agreement.

I, (We) Foundation Members and Lessee(s) for the above unit hereby understand and agree to abide by the terms of this Lease agreement with Mutual Number Seventeen.

*Executing Signatures

Homeowner's Signature	X	Date	
Homeowner's Signature	X	Date	
Lessee's Signature	X	Date	
Lessee's Signature	X	Date	

Policy 7562.17

Mutual Seventeen Board Approval

Approved ☐ Disapproved ☐

By: _____

Date: _____

GRF Board Approval


Approved ☐ Disapproved ☐

By: _____

Date: _____

GOLDEN RAIN
foundation
SEAL BEACH

MEMO

TO: CAROLYN MILLER
FROM: RANDY ANKENY 
SUBJECT: MSIF
DATE: DECEMBER 4, 2014
CC: FILE, FINANCE COMMITTEE

At the regularly scheduled meeting of the President's Council on December 4, 2015, the council reviewed and discussed Mutual 4's request to retain \$10,000 from the MISF for a pending Small Claims Court action against the Mutual in reference to a MSIF loss which occurred prior to close of the Fund.

By majority vote of the attending President Council Members, the motion passed to refund any remaining MSIF funds to the Mutuals on a pro rata basis.

Please take the required steps to close out the MSIF fund and distribute any remaining funds in the appropriate manor.



August 14, 2007

Mr. Tom Barrett
President
Golden Rain Foundation
Leisure World Seal Beach

Dear Tom:

Since Time Warner has been added as a service provider in our Agreement originally signed on February 18, 2004, this letter restates and confirms Superwire's agreement and commitment to abide by certain commitments understandings regarding payments to Golden Rain Foundation.

To wit:

1. STI will pay GRF a monthly rental of \$1,500.00 for office space constructed and occupied by STI at 1431 Northwood Dr., Seal Beach CA. We will begin payment on the first day of the month following the date that the office space becomes available and operational. We understand that GRF expects that to be NOVEMBER 1st, 2007.
2. In addition STI will pay GRF an amount equal to Five Percent (5%) of all collected receipts for services provided by Time Warner or Superwire to Residents at LWSB. Payment will be paid monthly, for prior month's collected receipt, within 7 banking days of receipt of said funds by STI.

Sincerely,

A handwritten signature in dark ink, appearing to read "James W. Truher".

James W. Truher
Chairman

ORIGINAL

Amendment to Telecommunications Services Agreement

This Amendment to the Telecommunications Services Agreement (the "Amendment"), entered into as of the date last executed below (the "Amendment Date"), is between Superwire Telecom, Inc., a California corporation ("STI") and Golden Rain Foundation, Inc., a California non-profit corporation ("GRF").

STI and GRF are parties to that certain Telecommunications Services Agreement dated February 18, 2004 (the "Agreement"), which provides for STI to provide video, Internet, telephone and other services to residents of the Property. The parties desire to amend the Agreement as set forth herein. Capitalized terms used in this Amendment without definition shall have the meanings assigned to them in the Agreement.

In consideration of the above recital, the covenants and obligations contained in this Amendment, and for other valuable consideration, the adequacy and receipt of which are hereby acknowledged by the parties, STI and GRF agree as follows:

1. Amendment to Section 2.1.4 (Quality of Service). Section 2.1.4 of the Agreement ("Quality of Service (QoS)") is hereby deleted in its entirety and replaced with the following:

Service Standards. STI will provide Services (other than the Bulk Video Service) to the Property (i) that generally equal or exceed the same type of services provided to Comparable Properties by the majority of Benchmark Service Providers and (ii) excluding the rates charged for the Bulk Video Service, at rates that are equal to or better than the rates charged by the majority of Benchmark Service Providers to residents of Comparable Properties for corresponding services, taking into account all factors, including, but not limited to, service quality, quality and quantity of channels, costs of channels provided, installation and response times, etc. (collectively, the "Service Standards"). "Comparable Properties" are single family homes within a five mile radius of the Property. A "Benchmark Service Provider" is subject to the same federal, state and local regulation as is the provider of the Service, and provides services equivalent to the Services.

Maintenance of Service Standards. If STI fails to meet the Service Standards, then GRF will have the right to give STI notice reasonably detailing such failure. STI will then have 60 days to respond or cure. If STI does not so respond or cure (which cure may include a proposal with an implementation schedule reasonably acceptable to GRF), then GRF will have the option (only once any applicable disputes are finally resolved as set forth hereafter), as GRF's sole remedy for STI's failure to meet the Service Standards, of terminating this Agreement.

Resolution of Dispute Regarding Service Standards. If a dispute arises regarding whether STI has met the Service Standards, then the parties shall resolve such dispute as follows: a party shall provide the other with notice reasonably detailing the disputed matter and clearly stating that it desires to resolve such dispute in accordance with this provision. The dispute promptly shall be considered by the contact persons designated under this Agreement. If the parties have not settled the dispute within 30 days (or such longer period as may be mutually agreed upon) from the date of the notice, then the matter shall be escalated to and considered by an executive officer of each party that has the authority to settle the dispute but who has not been involved in the day-to-day management of this Agreement. If the dispute has not been settled to the satisfaction of the parties within 60 days (or such longer period as may be agreed upon) from the date of the original notice, then, only at such time, the parties shall, at the request of either party, promptly submit the dispute to binding arbitration on an expedited basis to determine the sole question of whether STI has met the Service Standards. The arbitration shall be (i) conducted in the state in which the Property is located, (ii) finally settled under the then current rules of the American Arbitration Association for commercial arbitration by one arbitrator appointed in accordance with such rules, and (iii) confidential between the parties (including, but not limited to, the existence and participation of the parties in the arbitration and the findings of the arbitrators).

2. Amendment to Article 4 (Fees). Section 4.2 of the Agreement ("Adjustment of Fees") is hereby **9750** deleted in its entirety and replaced with the following:

4.2 ADJUSTMENT OF FEES. On January 1 of each calendar year, the Bulk Video Fee will automatically adjust by the lesser of (a) the change, if any, to the retail rates charged by TWC for multi-channel video services in the Seal Beach area from the preceding January 1, and (b) 3.5%. Exhibit I will be deemed amended on the effective date of such adjustment. This adjustment limitation excludes any taxes, fees or surcharges imposed by federal, state or local authorities or agencies (including franchise fees, FCC fees, sales taxes, etc.).

3. Amendment to Section 5.6 (Early Termination). Section 5.6 (including all sub-Sections) of the Agreement ("Early Termination") is hereby deleted in its entirety and replaced with the following:

5.6 EARLY TERMINATION. GRF may terminate this Agreement before its natural expiration upon: (a) STI's becoming a debtor in a bankruptcy proceeding or similar action or proceeding that is not permanently dismissed within 60 days or STI's becoming insolvent; or (b) a material, uncured breach by STI of the Service Standards, as set forth in Section 2.1.4.

4. Addition of New Section 5.7 (System Ownership and Removal). The following shall be inserted as Section 5.7 of the Agreement:

5.7 SYSTEM OWNERSHIP AND REMOVAL. GRF acknowledges and agrees that (i) the hybrid fiber coaxial system currently used to provide Services to the residents at the Property (the "System") is owned by Time Warner NY Cable LLC ("TWC") under a prior service agreement, (ii) GRF will continue to allow the System to remain in place and be accessed and used by TWC as necessary to provide Services (through STI or as otherwise agreed by GRF) during the term of this Agreement, (iii) TWC shall at all times retain full ownership of the System and retain the exclusive right to access, control, operate, maintain, repair, replace and remove the System, (iv) that TWC shall have six months after the expiration or earlier termination of this Agreement to remove, disable and abandon, or sell the System, and (v) that TWC is an intended third party beneficiary of this Section and shall have the right to enforce the terms hereof.

5. Amendment to Section 9.17 (Independent Contractors). Section 9.17 of the Agreement ("Independent Contractors") is hereby deleted in its entirety.

6. Amendment to Exhibit I. Exhibit I to the Agreement ("Superwire Telecom Company Service and Pricing Information") is hereby deleted in its entirety and replaced with Attachment I to this Amendment.

7. Amendment to Exhibit II. Exhibit II to the Agreement ("Lease Payments for Building to Be Constructed by Superwire Telecom, Inc.") is hereby deleted in its entirety and replaced with Attachment II to this Amendment.

8. Amendment to Exhibit III. Exhibit III to the Agreement ("Superwire, Inc. Standard Terms and Conditions") is hereby deleted in its entirety.

9. Effect of Amendment. The Agreement shall continue in full force and effect as written except as amended hereby. To the extent that any term of the Agreement (prior to its amendment hereby) is inconsistent with the amendments set forth herein, such terms and provisions shall be deemed superseded hereby.

The individuals signing below represent, warrant and covenant to each other, to STI and to Operator that they are duly authorized to execute and deliver this Agreement on behalf of the entity for which they have signed.

Golden Rain Foundation, Inc.

By: Thomas E. Barrett
Name: Thomas E. Barrett
Title: President
Date: 7-12-2007

Superwire Telecom, Inc.

By: James W. Turner
Name: JAMES W. TURNER
Title: PRESIDENT
Date: 7/17/2007

ATTACHMENT I

to Amendment to Telecommunications Services Agreement

Service and Pricing InformationBULK VIDEO SERVICE

A channel line-up for the Bulk Video Service is attached. STI shall be entitled to add to, delete from, move channel positions, and otherwise modify the Bulk Video Service in its sole discretion from time to time, but the quantity and quality of channels offered under the Bulk Video Service package shall at all times remain reasonably comparable to the bulk multi-channel video services packages offered by STI to other bulk accounts in the current local franchised area.

BULK VIDEO FEE

The initial Bulk Video Services fee ("Bulk Video Fee") shall be \$17.68 per unit at the Property per month, based on the total of actually occupied units at the Property during that month, plus applicable taxes and fees, regardless of whether such units use the Bulk Video Service. STI and GRF shall reconcile any differences between the roster of Residents maintained by GRF and the list of Subscribers maintained by STI. GRF shall provide the roster of Residents for each month within 10 days of the end of the next billing month. The Bulk Video Fee does not include STI's provision of consumer grade equipment to Residents to receive the Bulk Video Service, if necessary, which shall be billed for and paid by Residents directly. Consumer grade equipment provided to Residents for Additional Services shall be billed to and paid by Residents.

During the term, STI (or its designee) will bill GRF for the Bulk Video Service on a monthly basis in advance and GRF shall pay STI (or its designee) such invoices in full no later than 30 days after the date of such invoice; provided that GRF shall not be required to pay any invoice more than 30 days prior to the month to which such invoice applies. If STI (or its designee) fails to present an invoice prior to the first day of the month for which Bulk Video Service is being provided, such failure shall not constitute a waiver of the Bulk Video Fee, and GRF promptly shall pay such invoice when delivered.

ADDITIONAL SERVICES

Any Additional Services will be provided to GRF at TWC's then-current published retail rates for the applicable service.

to Amendment to Telecommunications Services Agreement

In addition, STI will pay to GRF 5% of Gross Revenues. All such revenues will be calculated according to generally accepted accounting principles. "Gross Revenues" means the aggregate total of revenues actually received by STI each calendar month from all Services provided by STI to residents at the Property under this Agreement. Gross Revenues do not include (a) revenues related to the installation, repair and maintenance of the system, (b) revenues related to taxes, franchise fees, or other similar fees imposed or authorized by governmental entities, or (c) revenues derived from the installation, rental, repair or sale of equipment for Services to residents of the Property.

At the end of each calendar quarter, STI will calculate Gross Revenues for such calendar quarter and shall, within 45 days after the end of such calendar quarter (or portion thereof), pay to GRF the amount due for such calendar quarter.

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Basic and Standard Channels

Basic Channels		Standard Channels	
KCBS (CBS)	2	FSN West	33
Government Access	3	FSN Prime Ticket	34
KNBC (NBC)	4	ESPN	35
KTLA (DW)	5	ESPN2	36
KDOC (Ind)	6	The Weather Channel	37
KABC (ABC)	7	C-SPAN	38
KOCE (PBS)	8	Fox News Channel	40
KCAL (Ind)	9	CNN	41
KTTV (FOX)	11	Headline News	42
KMEX (UNI)	12	CNBC	43
KCOP (Ind)	13	MSNBC	44
OVC	14	Court TV	45
KJLA (Ind)	16	ABC Family	46
KTBN (TBN)	17	Cartoon Network	47
KSCI (Asian)	18	Disney Channel	48
KOLA (Ind)	19	Nickelodeon	49
Leased Access	20	TV Land	50
KPXN (ION)	21	Discovery Channel	51
KWHY (Spanish)	22	TLC	53
KVMD (Ind)	23	A&E	55
KBEH (Spanish)	24	The History Channel	56
KFTR (Telefuturo)	25	Oxygen	57
KRCA (Ind)	26	National Geographic	58
KAZA (Azteca)	27	Lifetime	59
KCET (PBS)	28	HGTV	60
KVEA (Telemundo)	29	Food Network	61
KLCS (PBS)	30	E!	62
TV Guide Channel	31	Style	63
KHIZ (Ind)	32	TNT	64
Public Access ²	95	TBS	65
WGN	96	Spike	66
Edu Access-CSUF ³	98	USA Network	67
Educational Access ⁴	99	Comedy Central	68
		Sci Fi	69
		FX	70
		BET	71
		MTV	72
		VH1	73
		AMC	75
		Bravo	76
		Galavision	77
		The Golf Channel	78

**TELECOMMUNICATIONS
SERVICES AGREEMENT**

Between

Superwire Telecom, Inc.

and

Golden Rain Foundation, Inc.

February 2004

SUPERWIRE TELECOM, INC. GOLDEN RAIN FOUNDATION, INC.
TELECOM SERVICES AGREEMENT

This TELCOM SERVICES AGREEMENT is made as of February ____ 2004, by and between SUPERWIRE TELECOM, INC., a California corporation ("STI"), and GOLDEN RAIN FOUNDATION, INC., a California non-profit corporation ("GRF").

RECITALS

- A. GRF and STI are entering into an Agreement under which STI will design, construct, operate, manage and maintain a services network at the property known as Leisure World Seal Beach ("PROPERTY") in accordance with Industry standards and will offer and promote STI Products and Services that operate on the STI Network for the benefit of GRF and the residents (MEMBERS) of the PROPERTY.
- B. GRF desires to enter into this agreement with STI, under which STI may furnish certain services to GRF and members. STI will build out, operate, manage, maintain and price the Services as defined in Exhibit I, attached hereto.
- C. STI will construct an office building on the PROPERTY at a location designated by GRF and lease said building from GRF under the terms and conditions as defined in Exhibit I attached hereto.

AGREEMENT

In consideration of the recitals and mutual covenants and agreements contained in this agreement, the sufficiency of which are hereby acknowledged, the parties, intending to be bound, agree as follows:

1. ENGAGEMENT OF STI

1.1. ENGAGEMENT OF STI. GRF engages STI to provide certain specified services in connection with the operations at the PROPERTY and for use by the Members in building out, operating, managing and maintaining the Services, subject to the terms and conditions of this agreement. STI accepts the engagement and will use the same effort and demonstrate the same care in performing its obligations under this agreement as it uses in conducting its own business. GRF will use the efforts and demonstrate the care necessary for STI to meet its obligations under this agreement. When providing the Selected Services, STI will provide those services to GRF and Members in the same manner it provides those services to its own business, including the use of third party vendors to provide certain Selected Services.

1.2. RELIANCE ON GRF. GRF understands that STI's ability to provide the Selected Services will depend largely on GRF cooperation with STI. GRF agrees to cooperate with STI to enable STI to perform its obligations under this agreement.

GRF will provide STI flyers initially to all tenants at beginning of STI service and thereafter to all new GRF tenants.

- 1.3. EXCLUSIVE ARRANGEMENT. During the term of this Agreement GRF will not contract with any other telecommunications provider to provide services similar to those offered under this Agreement. Nothing contained in this agreement confers upon GRF an exclusive right to any of the Services. STI may contract with others to provide expertise and services identical or similar to those to be made available or provided to GRF under this agreement. Nothing in this Agreement shall prohibit members from selecting alternative telecommunications services or providers.
- 1.4. GRF USE OF SERVICES. GRF agrees it will only use the Services in connection with this Property. GRF will not use the Services outside the Property or in connection with any other business without the express written consent of STI.
- 1.5. CABLE TELEVISION SERVICES. Cable Television Services proposed by STI will not take effect, be included in any advertisement, or be referred to in the member contract, until the contract between GRF and Adelphia expires, is cancelled, is acquired by STI, or is otherwise terminated without any obligation on the part of GRF or its Members or Subscribers.

2. SERVICES

2.1. SERVICES AND QUALITY OF SERVICES

- 2.1.1. SERVICES provided by STI will be the deployment of basic telephone services, cable television services and internet services for delivery to members and administrative offices at the PROPERTY
- 2.1.2. AVAILABLE SERVICES. Subject to the terms of this agreement, and the attached Standard Terms and Conditions, incorporated herein by reference (Exhibit III) GRF and Members may obtain any of the Available Services from STI in accordance with the provisions of this Section 2.1. The Available Services offered from time to time and the fees charged for such Available Services will be set forth on the then current Exhibit I (the "Available Services and Fees Schedule"). If STI offers any new Available Service, it will deliver a new Exhibit I indicating the new service and the fee for the new service.

STI may modify Exhibit I from time to time with approval of GRF, and such approval will not be unreasonably withheld. Exhibit I will be deemed amended upon delivery of the new Exhibit I to GRF.

- 2.1.3. PERFORMANCE OF SERVICES. STI may select the method, location and means of providing the Services. If STI wishes to use GRF's facilities, such as electrical outlets and existing communications cables, to provide the Selected Services, GRF must cooperate with STI to provide said services at no additional cost. However STI will pay a negotiated rent as

described in Exhibit II for its on site service building to be constructed on GRF property. STI affirms that the only business which will be conducted by STI on the PROPERTY will be in relation to services provided to the MEMBERS or to GRF.

2.1.4. **QUALITY OF SERVICE (QoS).** The QoS of STI Service to Members will be metered based surveyed customers. Quarterly requests for completed surveys to all members signed up for STI services, as to satisfaction with STI service will be sent out via E-Mail (or via mail for customers without E-Mail capabilities). If more than 10% of those surveyed report unsatisfactory service, STI will attend the subsequent GRF board meeting to discuss the results of the survey. If an adequate remedy to unsatisfactory service cannot be found after two consecutive quarters GRF will be free to begin transition to a new service

2.1.5. **CUSTOMER SIGNUP.** STI will provide potential customers the following ways to signup for services

2.1.5.1. Walk-in office for customers to connect/disconnect services in person during normal business hours.

2.1.5.2. Phone attendant for customers to call to connect/disconnect services during normal business hours.

2.1.5.3. Internet signup website for customers to use to connect/disconnect services on a 24/7 basis. Effective dates for actual connection/disconnection will be on a normal business hour basis.

2.1.7 **CUSTOMER PAYMENT.** Customers may pay their service bills via:

2.1.7.1 Automatic bank withdrawal

2.1.7.2 Letter drop-off at STI office (no postage required)

2.1.7.3 Letter via USPS or other delivery service.

2.1.7.4 Credit card deduction

2.1.7.5 Web site payment using credit card payment

2.2. **THIRD PARTY VENDORS.** Some of the Available Services may be provided by third party vendors under arrangements between STI and the third party vendors.

3. **CONDITIONS TO CLOSING.** Consummation of the transaction contemplated herein will be subject to the satisfaction of various conditions, including:

3.1. Approval of the operations and pricing structure of STI as outlined in Exhibit I, attached hereto and made a part hereof.

3.2. Approval of the transaction by the boards of directors of STI and GRF;

3.3. Obtaining by the parties of all consents or approvals of governmental bodies, and regulatory agencies as may be necessary to consummate the transaction;

3.4. Appropriate confirmations at the closing date as to compliance with representations, warranties and covenants as are customary in similar agreements; and

Handwritten initials and signature, possibly 'JKB' and a cursive signature, located in the bottom right corner of the page.

- 3.5. Approval for the use by STI of operating space for equipment and office personnel at the Property and approval for construction of same

4. FEES FOR SELECTED SERVICES

- 4.1. PAYMENT OF FEES. STI and GRF agree that the fees for the Available Services will initially be those set forth on Exhibit I. The monthly charge for any fees based on the number of subscribers of the Property will be determined based on the number of subscribers as of the 15th day of the month for which the charge is being calculated. GRF agrees to pay the fees associated with the Administrative Telecom services to STI within 20 days after the date of the invoice. STI shall directly invoice the Members for services rendered.
- 4.2. ADJUSTMENT OF FEES. STI may submit fee adjustments for Services provided one time during any 12-month period by delivering a new Exhibit I to GRF in accordance with paragraph 2.1.2 of this document. Any fee adjustments will be negotiated by STI and GRF. Any fee adjustments will be approved in advance by both parties and shall not exceed the Consumer Price Index (CPI) or 3-½ %, which ever is less. Exhibit I will be deemed amended on the effective date noted on the new Exhibit I, which will be at least 30 days after delivering the new Exhibit I, and by approval of both parties. This adjustment limitation excludes any Taxes imposed by Federal, State or Local agencies. STI prices for Telephone Services will remain at a discount below Verizon standard tariff prices.
- 4.3. LATE PAYMENTS. Any payment due under this Section 3 that is not paid by GRF or resident to STI in accordance with the terms of this agreement will bear interest at the Default Rate beginning (and including) the 6th day after the due date until (and including) the date on which such payment is made.
- 4.4. TAXES. GRF will pay or reimburse STI for any sales, use, gross receipts or similar tax, administrative fee, telecommunications fee or surcharge for taxes or fees levied by a governmental authority on the fees and charges payable to STI by GRF for the Administrative telecommunications system.
- 4.5. STI PRICING COMMITMENT TO GRF FOR ADMINISTRATIVE SERVICES. It is understood that forecasted costs for GRF Administrative Services System cost include Telco changes that may vary. Equipment and Telco costs will be considered as a five-year (5-year) lease beginning with a monthly cost of \$2,709. Based on the number of subscribers, this monthly cost will reduce at 1,800+ 2,500+ and 5,000+ subscribers, as described in Exhibit I of this document. At the end of five years, STI will discontinue all equipment, telco and service charges for GRF Administrative Services. Equipment will be maintained throughout the 15-year agreement. Equipment will be upgraded as needed to stay current with technology standards throughout the 15-year agreement.

5. TERM; RENEWAL, SALE, TERMINATION

- 5.1. TERM. This agreement commences on the date of execution and continues for a term of 15 years

- 5.2. RENEWAL This Agreement may be renewed for additional periods to be determined by mutual agreement among the Parties.
- 5.3. SALE. STI may not sell the assets or operations related to this Agreement to a 3rd party without the express approval of GRF, except in the instance of TERMINATION as described below.
- 5.4. TERMINATION. Upon the termination of this agreement, all rights and obligations of each party under this agreement will immediately cease, except that:

- 5.4.1. Any rights arising out of a breach of any terms of this agreement will survive any termination of this agreement;
- 5.4.2. The provisions of this Section 4.2 and Sections 5.2, 6, 7, and 9 will survive any termination of this agreement; and
- 5.4.3. The payment obligations under Section 3 will survive any termination of this agreement if, and to the extent, any fees have accrued or are otherwise due and owing from GRF to STI or any STI Related Party as of the date of termination of this agreement.

5.5. TERMINATION TRANSITION. At the termination of the 15-year contract, STI will provide continuous operational services for a period of 6 months at the option of GRF. During this transition period, operations will continue as per the contract that was in force during the 15 years.

5.6 EARLY TERMINATION. There are three types of early terminations: Where STI is unable to continue in business, where STI chooses not to continue in business with GRF and where GRF chooses not to continue in business with STI due to STI's unsatisfactory quality of service as described in Section 2.1.4 of this document.

5.6.1. STI Unable To Continue – Where STI is unable to continue in business due to financial problems, GRF will choose a successor to take over STI's assets and operations. UTStarcom, Inc. will provide training and support to the successor for continuous operations. An independent assessment company, pre-selected before contract by GRF and STI, will determine the fair value of the STI Company, net of GRF's contribution to the value of the business by virtue of providing the customers to the business, and this will be paid to STI by GRF. GRF will pay UTStarcom a reasonable fee for transition training as specified in Appendix xyz of this proposal.

5.6.2. STI Decides Not To Continue – Where STI chooses not to continue in business with GRF, STI will provide notice 6 months before termination date. GRF will choose a successor to take over STI's assets and operations. As in 5.4.1, an independent assessment company, pre-selected before contract by GRF and STI, will determine the fair value of the STI Company, net of GRF's contribution to the value of the business by virtue of providing the customers to the business, and this will be paid to STI. UTStarcom, Inc. will provide training and support to the successor for continuous operations. GRF will pay UTStarcom a reasonable fee for transition training as specified in 5.4.1.

5.6.3. GRF Decides Not To Continue in Business with STI Due to STI's Quality of Service – In this case, GRF will choose a successor to take over STI's assets and operations. STI will provide the transition training for the new company at the same fee for transition as required by UTStarcom in 5.4.1. As in 5.4.1, an independent assessment company, pre-selected before contract by GRF and STI, will determine fair value of the STI Company, net of GRF's contribution to the value of the business by virtue of providing the customers to the business, and this will be paid to STI. STI will provide transition support for 6 months after agreement termination, in the normal operational role.

6. BOOKS AND RECORDS; CONFIDENTIAL INFORMATION

6.1 BOOKS AND RECORDS.

6.1.1. GENERAL. STI shall keep and maintain books and records to support and document any fees, costs, expenses or other charges due in connection with the provisions set forth in this agreement. STI will retain the records for a period of at least 3 years after the fees, costs, expenses or other charges to which the records relate have accrued and have been paid, or such other period as may be required by law.

6.1.2. AUDIT. On reasonable advance written notice by the GRF but no more frequently than annually, STI will provide a report issued in conformity with Generally Accepted Accounting Principles. Such report will be prepared by independent auditors and will provide an opinion on the controls placed in operation and tests of operating effectiveness of those controls in effect at STI at the Property.

6.2. CONFIDENTIALITY. Except as and to the extent required by law, GRF will not disclose or use, and will direct its representatives not to disclose or use to the detriment of STI, STI-furnished, or to-be-furnished Confidential Information (as defined below). This confidentiality shall be maintained with respect to Confidential Information provided by STI or its representatives to GRF or its representatives at any time or in any manner other than in connection with its evaluation of the transaction proposed in this Letter of Intent. For purposes of this paragraph, "Confidential Information" means any information about STI stamped "confidential" or identified in writing as such to GRF by STI. Additionally, "Confidential Information" includes any information orally identified by STI to GRF as "confidential," unless

- 6.2.1. Such information is already known to GRF or its representatives or to others not bound by a duty of confidentiality or such information becomes publicly available through no fault of GRF or its representatives,
- 6.2.2. The use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the transaction, or
- 6.2.3. The furnishing or use of such information is required by or necessary or appropriate in connection with legal proceedings. Upon the written

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request of STI, GRF will promptly return to such party or destroy any Confidential Information in its possession and certify in writing to such party that it has done so.

6.3. DISCLOSURE. Except as and to the extent required by law, STI will not disclose or use, and will direct its representatives not to disclose or use to the detriment of GRF, GRF-furnished, or to-be-furnished Confidential Information (as defined below). This confidentiality shall be maintained with respect to Confidential Information provided by GRF or its representatives to STI or its representatives at any time or in any manner other than in connection with its evaluation of the transaction proposed in this Letter of Intent. For purposes of this paragraph, "Confidential Information" means any information about GRF stamped "confidential" or identified in writing as such to STI by GRF. Additionally, "Confidential Information" includes any information orally identified by GRF to STI as "confidential," unless

6.3.1. Such information is already known to STI or its representatives or to others not bound by a duty of confidentiality or such information becomes publicly available through no fault of GRF or its representatives,

6.3.2. The use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the transaction, or

6.3.3. The furnishing or use of such information is required by or necessary or appropriate in connection with legal proceedings. Upon the written request of GRF, STI will promptly return to such party or destroy any Confidential Information in its possession and certify in writing to such party that it has done so.

6.3.4. Except as specifically authorized by this agreement, each of the parties must, for the term of this agreement and 3 years after the date of termination of this agreement, keep confidential, not disclose to others and use only for the purposes authorized in this agreement, all Confidential Information disclosed by the other party to the party in connection with this agreement, except that the foregoing obligation will not apply to the extent that any Confidential Information:

6.3.4.1. Is or becomes, after disclosure to a party, publicly known by any means other than through unauthorized acts or omissions of the party or its agents; or

6.3.4.2. Is disclosed in good faith to a party by a third party entitled to make the disclosure.

6.3.5. Notwithstanding the foregoing, a party may use, disclose or authorize the disclosure of Confidential Information that it receives that:

6.3.5.1. Has been published or is in the public domain, or that subsequently comes into the public domain, through no fault of the receiving party

6.3.5.2. Prior to the effective date of this agreement was properly within the legitimate possession of the receiving party, or subsequent to the

effective date of this agreement, is lawfully received from a third party having rights to publicly disseminate the Confidential Information without any restriction and without notice to the recipient of any restriction against its further disclosure.

- 6.3.5.3. Is required by the receiving party to be produced under order of a court of competent jurisdiction or other similar requirements of a governmental agency, and the Confidential Information will otherwise continue to be Confidential Information required to be held confidential for purposes of this agreement;

7. DISPUTE RESOLUTION

7.1. NEGOTIATION. The parties will attempt in good faith to resolve any dispute arising out of or relating to this agreement promptly by negotiation between or among representatives who have authority to settle the controversy. Either party may escalate any dispute not resolved in the normal course of business to the appropriate (as determined by the party) officers of the parties by providing written notice to the other party. Within 10 Business Days after delivery of the notice, the appropriate officers of each party will meet at a mutually acceptable time and place, and thereafter as often as they deem reasonably necessary, to exchange relevant information and to attempt to resolve the dispute.

7.2. UNABLE TO RESOLVE. If a dispute has not been resolved within 60 days after the notifying party's notice, the parties will continue to operate under this agreement and call for Arbitration other appropriate remedies as provided in this agreement, except neither party may bring a suit for damages based on an event that occurs during the first two years of this agreement.

7.3. ARBITRATION. Any claim, controversy or dispute arising out of the terms of this agreement, except as expressly set forth herein, which cannot be amicably settled as described in Paragraph 7.1 shall be referred to arbitration in accordance with rules of the American Arbitration Association (the "Association"). If demand for arbitration is made, each party will have the right to select one independent arbitrator. The two arbitrators shall select a third arbitrator. The arbitrators' decision concerning the claim, controversy or dispute, including allocation among the parties of costs and expenses associated with the arbitration, shall be final and binding on the parties and judgment on the award may be entered in any court having jurisdiction thereof. The arbitration will be conducted in California.

8. REPRESENTATIONS AND WARRANTIES. Each party for itself makes the following representations and warranties to the other party:

8.1. DUE INCORPORATION OR FORMATION; AUTHORIZATION OF AGREEMENTS. The party is either a corporation, limited liability company, or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. GRF is qualified to do business and in good standing in every jurisdiction in which the Service Area is located. The party has the full power and authority to execute and deliver this agreement and to perform its obligations under this agreement.

8.2. **VALID AND BINDING OBLIGATION.** This agreement constitutes the valid and binding obligation of the party, enforceable in accordance with its terms, except as may be limited by principles of equity or by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally.

8.3. **NO CONFLICT, NO DEFAULT.** Neither the execution, delivery and performance of this agreement nor the consummation by the party of the transactions contemplated in this agreement will conflict with, violate or result in a breach of (a) any law, regulation, order, writ, injunction, decree, determination or award of any governmental authority or any arbitrator, applicable to such party, or (b) any term, condition or provision of the articles of incorporation, certificate of limited partnership, certificate of organization, bylaws, partnership agreement or limited liability company agreement (or other governing documents) of such party or of any material agreement or instrument to which such party is or may be bound or to which any of its material properties or assets is subject.

8.4. **LITIGATION.** No action, suit, proceeding or investigation is pending or, to the knowledge of the party, threatened against or affecting the party or any of its properties, assets or businesses in any court or before or by any governmental agency that could, if adversely determined, reasonably be expected to have a material adverse effect on the party's ability to perform its obligations under this agreement. The party has not received any currently effective notice of any default that could reasonably be expected to result in a breach of the preceding sentence.


9. GENERAL PROVISIONS

9.1. **NOTICES.** Any notice, payment, demand, or communication required or permitted to be given by any provision of this agreement must be in writing and mailed (certified or registered mail, postage prepaid, return receipt requested), sent by hand or overnight courier, or sent by facsimile (with acknowledgment received and a copy sent by overnight courier), charges prepaid and addressed described on the Notice Address Schedule attached to the Master Signature Page, or to any other address or number as the person or entity may from time to time specify by written notice to the other parties.

9.2. All notices and other communications given to a party in accordance with the provisions of this agreement will be deemed to have been given when received.

9.3. **CONSTRUCTION.** This agreement will be construed simply according to its fair meaning and not strictly for or against either party.

9.4. **HEADINGS.** The table of contents, section and other headings contained in this agreement are for reference purposes only and are not intended to describe, interpret, define, limit or expand the scope, extent or intent of this agreement.



- 9.5. **FURTHER ACTION.** Each party agrees to perform all further acts and execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate, or desirable to carry out the intent and purposes of this agreement.
- 9.6. **SPECIFIC PERFORMANCE.** Each party agrees with the other party that the party would be irreparably damaged if any of the provisions of this agreement were not performed in accordance with their specific terms and that monetary damages alone would not provide an adequate remedy. Accordingly, in addition to any other remedy to which the non-breaching party may be entitled, at law or in equity, the non-breaching party will be entitled to injunctive relief to prevent breaches of this agreement and specifically to enforce the terms and provisions of this agreement.
- 9.7. **ENTIRE AGREEMENT; AMENDMENTS.** The provisions of this agreement (including the exhibits to this agreement) set forth the entire agreement and understanding between the parties as to the subject matter of this agreement and supersede all prior agreements, oral or written, and other communications between the parties relating to the subject matter of this agreement. Except for STI's right to amend the Available Services and the fees charged for such services as shown on Exhibit I, and GRP's right to amend the Selected Services listed on Exhibit I, this agreement may be modified or amended only by a written amendment signed by persons or entities authorized to bind each party.
- 9.8. **LIMITATION ON RIGHTS OF OTHERS.** Nothing in this agreement, whether express or implied, will be construed to give any person or entity other than the parties any legal or equitable right, remedy or claim under or in respect of this agreement.
- 9.9. **WAIVERS; REMEDIES.** The observance of any term of this agreement may be waived (whether generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce the term, but any waiver is effective only if in writing signed by the party against which the waiver is to be asserted. Except as otherwise provided in this agreement, no failure or delay of either party in exercising any power or right under this agreement will operate as a waiver of the power or right, nor will any single or partial exercise of any right or power preclude any other or further exercise of the right or power or the exercise of any other right or power.
- 9.10. **COMPLIANCE** STI is not in breach of any covenant in this agreement, if failure of such party to comply with such covenant or STI's non-compliance with the covenant results primarily from:
- 9.10.1. Any order or any other injunction issued by any governmental authority impeding the ability to comply with the covenant;
 - 9.10.2. The failure of any governmental authority to grant any consent, approval, waiver, or authorization or any delay on the part of any governmental authority in granting any consent, approval, waiver or authorization;
 - 9.10.3. Any act of God, act of war or insurrection, riot, fire, accident, explosion, labor unrest, strike, civil unrest, work stoppage, condemnation or any similar cause or event not reasonably within the control of STI.

9.11. WAIVER OF JURY TRIAL. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

9.12. GOVERNING LAW. The laws of the State of California (without regard to principles of conflicts of law) govern the validity of this agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

9.13. SEVERABILITY. The parties intend every provision of this agreement to be severable. If any provision of this agreement is held to be illegal, invalid, or unenforceable for any reason, the parties intend that a court enforce the provision to the maximum extent permissible so as to effect the intent of the parties (including the enforcement of the remaining provisions). If necessary to effect the intent of the parties, the parties will negotiate in good faith to amend this agreement to replace the unenforceable provision with an enforceable provision that reflects the original intent of the parties.

9.14. LIMITATION OF LIABILITY. NO PARTY WILL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES, OR LOSS OF PROFITS, ARISING FROM THE RELATIONSHIP OF THE PARTIES OR THE CONDUCT OF BUSINESS UNDER, OR BREACH OF, THIS AGREEMENT, EXCEPT WHERE SUCH DAMAGES OR LOSS OF PROFITS ARE CLAIMED BY OR AWARDED TO A THIRD PARTY IN A CLAIM OR ACTION AGAINST WHICH A PARTY TO THIS AGREEMENT HAS A SPECIFIC OBLIGATION TO INDEMNIFY ANOTHER PARTY TO THIS AGREEMENT.

9.15. NO ASSIGNMENT; EXCEPTIONS. This agreement may not be assigned to any other parties.

9.16. DISCLAIMER OF AGENCY. Neither party by this agreement makes the other party a legal representative or agent of the party, nor does either party have the right to obligate the other party in any manner, except if the other party expressly permits the obligation by the party or except for provisions in this agreement expressly authorizing one party to obligate the other.

9.17. INDEPENDENT CONTRACTORS. The parties do intend to create additional arrangements, via a landlord-tenant relationship, resident billing arrangements, and building construction agreements that the parties will enter. Neither party to this agreement has any fiduciary duty to the other party.

9.18. EXPENSE. Each party bears the expense of complying with this agreement except as otherwise expressly provided in this agreement.

9.19. GENERAL TERMS. This agreement, including the attached Exhibit(s), is to be interpreted in accordance with the following rules of construction:

Handwritten signature and initials, possibly 'JH' and 'SHB', are present in the bottom right corner of the page.

- 9.19.1. The definitions in this agreement apply equally to both the singular and plural forms of the terms defined unless the context otherwise requires,
- 9.19.2. The words "include," "includes" and "including" are deemed to be followed by the phrase "without limitation";
- 9.19.3. All references in this agreement to Sections and Exhibits are references to Sections of, and Exhibits to, this agreement, unless otherwise specified; and
- 9.19.4. All references to any agreement or other instrument or statute or regulation are to it as amended and supplemented from time to time (and, in the case of a statute or regulation, to any corresponding provisions of successor statutes or regulations), unless the context otherwise requires.
- 9.19.5. Any reference in this agreement to a "day" or number of "days" (without the explicit qualification of "BUSINESS") is a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and the calendar day is not a Business Day, then the action or notice may be taken or given on the next Business Day.
- 9.20. MASTER SIGNATURE PAGE. Each party agrees that it will execute the Master Signature Page that evidences such party's agreement to execute, become a party to and be bound by this agreement, which document is incorporated herein by this reference.
- 9.21. COUNTERPARTS. This Agreement may be executed in one or more counterparts, including facsimile signatures thereon, each of which will be deemed to be an original copy of this Agreement and all of which, where taken together, will be deemed to constitute one and the same agreement.

AGREED TO ON THE DATE FIRST WRITTEN ABOVE:

For Golden Rain Foundation

By: Shirley H. Burns
 Date: 2/18/04
 Name: Shirley H. Burns
 Title: President

For Superwire Telecom, Inc.

By: James W. Truher
 Date: 2/18/04
 Name: JAMES W. TRUHER
 Title: Chairman

For Superwire, Inc.

By: James W. Truher
 Name: JAMES W. TRUHER
 Date: 2/18/04

Title: _____

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EXHIBIT I

Superwire Telecom Company
Service and Pricing Information

Telephone Services Pricing

Installation Charges

Residential Main line \$50.00 Additional lines: \$25.00

Monthly Service Charges

Flat Rate Service \$ 15.75 per month

Provides unlimited calling, for a fixed monthly charge, to locations within the local calling area, which includes the local exchange and exchanges within 12 miles of the local exchange, plus any Extended Area Service exchanges available for this area

Monthly Service Charges (cont)

Local Measured Service \$ 8.50 per month

Provides calling within the local calling area for a low monthly rate. Each call is billed at a per-minute rate of \$.04 for the initial minute and \$.01 for each additional minute. There is a \$3.00 allowance per month before per-minute charges begin

Superwire Term Pricing Commitment for Members:

<u>USERS</u>	<u>MONTHLY</u>	<u>LONG DISTANCE*</u>
1,000 - 2,000	\$15.75**	5.0¢ to 5.5¢
2,001 - 3,500	14.75	5.0¢ to 5.25¢
2,501 - 5,000	13.75	4.5¢ to 5.0¢
5,000 +	12.75	4.25¢ to 4.9¢* State & Interstate

Superwire Pricing Commitment for Golden Rain Foundation, Inc. Administrative Services:

Community Users	<1,800	1,800+	2,500+	5,000+	Telco	\$	0
0 0 0 Internet*			0	0	0	0 Equip	0
0 0 0 Svc				2,750	1,500	750	0 Total/Mo
2,750 1,500 750 0 60 Mo Cost				165,000	90,000	45,000	0

*Internet Speed 1.0 Megabit/second

Telephone Services Pricing (cont'd)

Custom Calling Features

Installation	\$ 5.00
Call Waiting	\$ 2.00
Three Way Calling	\$ 2.00
Call Forwarding	\$ 2.00
Speed Dial (8)	\$ 2.00
Speed Dial (30)	\$ 2.00
Package Any 3	\$ 6.00
Package All	\$ 8.00

Other Services

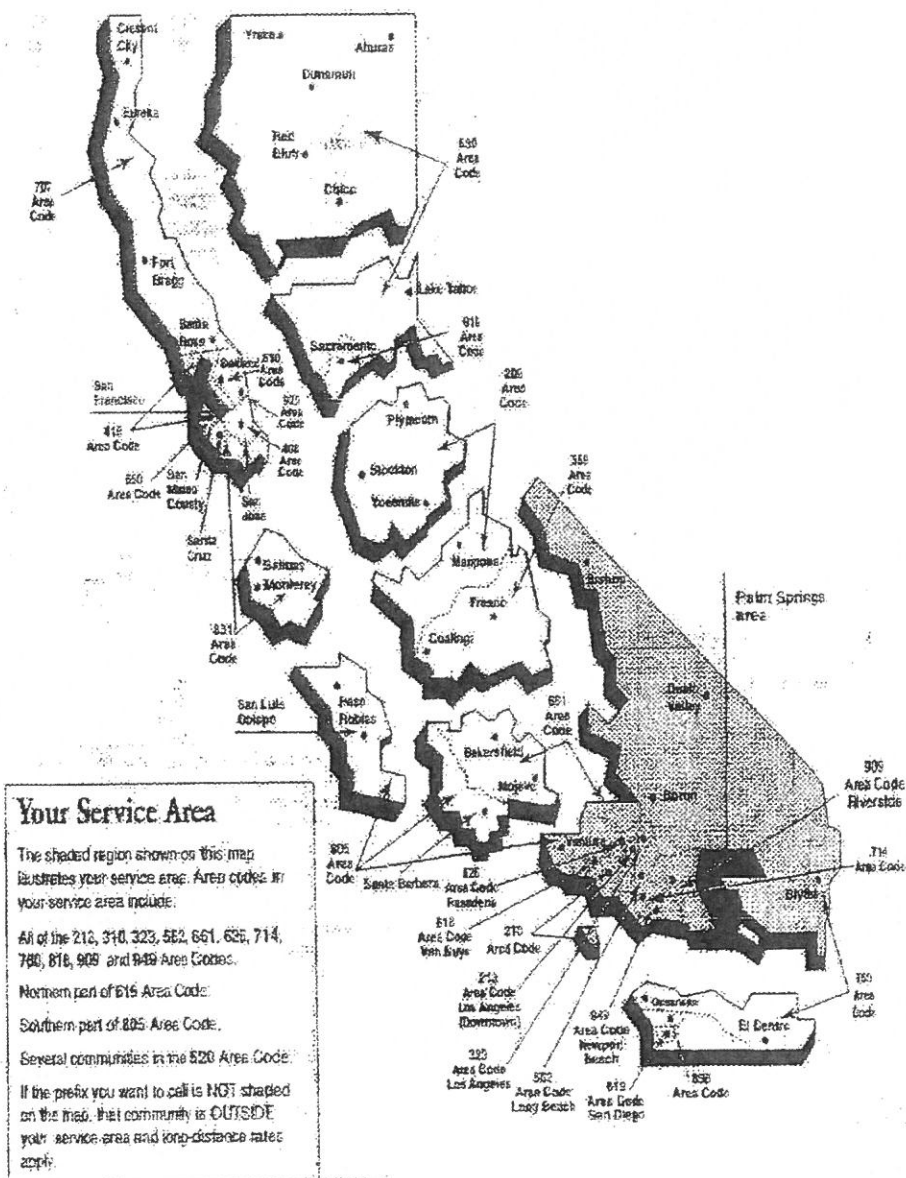
VOICE MAIL With Telephone Service

Installation:	\$ 0.00 with existing service.
Voice Mail Call Answering	\$ 1.00 10 Mins. Storage
Voice Mail - Message I	\$ 2.00 20 Mins. Storage
Voice Mail - Messaging II	\$ 3.00 30 Mins. Storage
Voice Mail - Messaging III	\$ 4.00 40 Mins. Storage

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Superwire Telecom, Inc.

Service Areas



Handwritten signature/initials

Internet Services Pricing

Dial Up Accounts:

Note: Set up (install) charge is \$ 10.00 and will be waived for those setting up a first time dialup account.

Standard: \$ 12.00 per month

This is the standard internet setup that is preferred by most users. This account includes: 5 E-mail accounts, browser based e-mail (remote access), access to STI Internet's news server, 20 MB of web space, 200 MB of outgoing file transfer, 56k modem support (K-flex technology & V90) and 24 hour 7 day a week technical support.

Platinum Account: \$20.00 per month

This account includes 7 email address, browser based e-mail (remote access), 25 meg web space, ftp or FrontPage file transfer, access to STI's news service, 1 dial up account, 800 technical support hot line, and 400 meg of outbound file transfer.

High Speed Internet Service: \$30.00 per month

Activation cost: No Charge

Hardware costs: Cable modem and NIC card: No Charge

Additional E-mail address \$1.00 ea per month.

Additional 5 MB Web Space \$ 1.00 per month

Additional 100 MB File Transfer \$ 1.00 per month

Domain Name Registration Fee \$ 10.00 one time fee.

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Cable TV Services Pricing

STI Cablevision Basic Package: \$ 17.00 per month

Includes 45 channels of movies, sports, specials, science, documentaries, education, news & information, local programming. (Please see "Channel Listings" on the following page for a complete list).

STI Cablevision Upgraded Package: \$ 35.00 per month

Includes 77 channels of movies, sports, specials, science, documentaries, education, news & information, local programming and much more (please see "Channel Listings" on the following page for a complete list).

Premium Channels

Showtime:	\$ 3.00 per month
Cinemax:	\$ 3.00 per month
HBO:	\$ 3.00 per month

Installation

New Installation:	\$ 50.00
Reconnect - New Customer:	\$ No Charge
Reconnect - Previous Customer:	\$ 25.00
Installation of Additional Outlet	\$ 50.00
Installation of Premium Channel:	\$ No Charge
Special Installation:	\$ 50.00 per hour

Optional Services Pricing

Unlimited Telephone Service and Usage*	\$50.00/month
Unlimited Telephone S&U Plus Basic Cable	\$65.00/month
Unlimited Telephone plus High Speed Internet	\$70.00/month
Unlimited Telephone S&U, Basic Cable Plus High Speed Internet	\$80.00/month

* US Domestic – excludes international calling

2/9
SHP

TV CABLE CHANNEL LINE UP

BASIC PACKAGE					
2	16	35	60		
3	17	36	61		
4	20	38	62		
5	21	39	63		
6	25	41	64		
7	26	42			
8	27	50			
9	28	51		UPGRADED PACKAGE	
10	29	55			
11	30	56			
13	31	57			
14	32	58			
15	33	59			

Note: see Key to Channel Assignment on the following page

KEY TO CHANNEL ASSIGNMENT

Channel	Network	Station /Service
2	KCBS	KCBS
3	GOLF	The Golf Channel
4	KNBC	KNBC
5	KTLA	KTLA
6	ESPN	ESPN
7	KABC	KABC
8	USA	USA Network
9	KCAL	KCAL
10	CNN	Cable News Network
11	KTTV	KTTV
13	KCOP	KCOP
14	QVC	Quality, Value, Convenience
15	A&E	Arts & Entertainment
16	LIFE	Lifetime Television
17	HN	Headline News
20	TMC	The Movie Channel
21	DIS	The Disney Channel
25	FOXNEWS	Fox News
26	FOXSPWST	Fox Sports West
27	KPXN	KPXN
28	KCET	KCET
29	ESPN2	ESPN2
30	TBS	TBS
31	TNT	Turner Network Television
32	FAM	ABC Family Channel
33	SBLW	Local Property Channel
35	AMC	American Movie Classics
36	THC	The History Channel
38	HEALTH	Fox Health Network
39	C-SPAN2	C-SPAN2
41	TRAVEL	The Travel Channel
42	C-SPAN	C-SPAN
50	KOCE	KOCE
51	TLC	The Learning Channel
55	CNBC	CNBC
56	KDOC	KDOC
57	HGTV	Home & Garden Television Network
58	HALLMARK	Hallmark (Formerly Odyssey)
58	KLCS	KLCS
59	TWC	The Weather Channel
60	FOOD	Food
61	CMT	Country Music Television
62	RELIGIOUS	Religious
63	BRAVO	Bravo
64	SCI-FI	The Sci-Fi Channel

AF
SHB

EXHIBIT II

LEASE PAYMENTS FOR BUILDING TO BE CONSTRUCTED
BY
SUPERWIRE TELECOM, INC.

Upon acceptance of the operations structure to be constructed and occupied by STI, STI will pay GRF a monthly fee based on the following:

Months 1 thru 12:	\$ 1,500.00 per month
Months 12 thru 180	\$1,500.00 per month minimum

In addition, during months 12 thru 180, STI will pay GRF Five Percent (5.0%) of Gross Revenues collected by STI from the Members at LWSB.

(See GRF lease document attached hereto)

STI
SMB

COMMITTEE ACTION REQUEST

TO: FINANCE COMMITTEE
FROM: RECREATION COMMITTEE
SUBJECT: NON-BUDGETED FUNDING REQUEST, HOLIDAY DECORATIONS
DATE: DECEMBER 8, 2014
CC: FILE

At the regularly scheduled meeting of the Recreation Committee held on December 8, 2014, the committee reviewed and unanimously approved to request the expenditure of an amount not to exceed \$25,000 for the replacement of the Foundation's holiday decorations.

A detailed review of the Foundation's holiday decorations was performed by committee members noting the majority of the holiday decorations have fully served their useful life and requires replacement. It is the intent of the committee to take advantage of after holiday sales to purchase decorations at highly discounted prices.

If approved by the Finance Committee and Board of Directors, all purchases will be charge to the appropriate cost centers and noted in the respective variance repots as an approved non budgeted expense.