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## Board of Directors

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**Agenda**  
Clubhouse Two  
Tuesday, January 24, 2017  
10:00 a.m.

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. President's Comments
4. Announcements/Service Awards
5. Seal Beach Mayor's Update
6. Shareholder/Member Comments

*Note: Foundation Shareholder/Members are permitted to make comments before the meeting business of the Board begins. The Open Meeting Act allows boards of directors to establish reasonable time limits for the open forum and for speakers to address the board. ([Civ. Code §4925\(b\).](#)) Time limits, per speaker, are limited to:*

- 4 - minute limit per speaker, when there are no more than 15 speakers
  - 3 - minute limit per speaker, 16- 25 speakers
  - 2 - minute limit per speaker, over 26 speakers
7. Consent Calendar – Approval of Board Committee Meeting Minutes (pp. 1-2)
  8. Approval of Minutes
    - a. December 27, 2016 (pp. 3-18)
  9. New Business
    - a. Executive Committee
      - i. Approve Group Insurance Renewal (Ms. Stone, pp. 19-22)
      - ii. Approve Employee Flexible Spending Plan (Ms. Hopewell, pp. 23-26)
      - iii. Approve Property Lease, Mutual Eight (Mr. McGuigan, pp. 27-32)

- iv. Adopt Policies, GRF Code of Ethics and Conduct (Mrs. Reed, pp. 33-38)
  - a) 5092-30, Board of Directors Code of Ethics and Conduct
  - b) Policy 5092.1-30, Board of Directors Censure Procedure
  - c) Adopt Policy 5092.2-30, Motion to Censure
- b. Finance Committee
  - i. Accept December 2016 Financial Statements for Audit (Ms. Hopewell, pp. 39-46)
  - ii. Revision to Financial Statements for Audit Format (Mr. Hood, pp. 47-66)
  - iii. Approve Lease, Leisure World Meals (Ms. Snowden, pp. 67-74)
- c. Physical Property Committee
  - i. Trust Property Improvement, 1.8 Acres (Mr. Lukoff, pp. 75-78)
  - ii. Replacement of Work Tables and Storage Racks, Service Maintenance Department (Mrs. Tran, pp. 79-80)
  - iii. Interior Improvements and Work Station Replacements, Purchasing Department (Mr. Stone, pp. 81-88)
  - iv. Trust Property, Approve Fire Protections Services Contract (Ms. Rapp, pp. 89-94)
- d. Recreation
  - i. Trust Property Use, Girls Scout Cookie Sales (Mrs. Perrotti, pp. 95-98)
  - ii. Trust Property Use, Monthly Used Vehicle Sales (Mr. McGuigan, pp. 99-101)

10. Staff Reports

- a. Director of Finance's Report – Ms. Miller
- b. Executive Director's Report – Mr. Ankeny

11. Board Member Comments

12. Next Meeting/Adjournment

- a. **February 28, 2017, 10:00 a.m.**

In accordance with Civil Code 4090, the Foundation will make available a summary of the meetings where a quorum of the Board was present. A quorum of the Board was present at the following December 2016 Committee meetings:

- Minutes of the ITS Committee Board Meeting of December 5, 2016
- Minutes of the Strategic Planning Ad Hoc Committee Board Meeting of December 6, 2016
- Minutes of the Security, Bus & Transportation Committee Board Meeting of December 7, 2016
- Minutes of the Executive Committee Board Meeting of December 9, 2016
- Minutes of the Physical Properties Committee Board Meeting of December 12, 2016
- Minutes of the Architectural Design and Review Committee of December 13, 2016
- Minutes of the Mutual Administration Committee Board Meeting of December 13, 2016
- Minutes of the Publications Committee Board Meeting of December 14, 2016
- Minutes of the Recreation Committee Board Meeting of December 14, 2016
- Minutes of the Finance Committee Board Meeting of December 20, 2016
- Minutes of the Special Architectural Design and Review Committee of December 20, 2016

Using a consent calendar format, the GRF Board of Directors is requested to approve these Committee Board meeting minutes in one motion.

These Committee Board meeting minutes will be available on the Foundation's website for view after approval. If you would like a hard copy of the minutes, please see a staff member in the Administration Office.

Thank you.

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**BOARD OF DIRECTORS MEETING MINUTES  
GOLDEN RAIN FOUNDATION  
DECEMBER 27, 2016**

**CALL TO ORDER**

Vice President Linda Stone called the regular monthly meeting of the Board of Directors (BOD) of the Golden Rain Foundation (GRF) to order at 10:00 a.m., on Tuesday, December 26, 2016, in Clubhouse Four.

**PLEDGE OF ALLEGIANCE**

City of Seal Beach Mayor Sandra Massa-Lavitt led the Pledge of Allegiance.

**ROLL CALL**

Following the roll call, Recording Secretary Bennett reported that Directors Perrotti, R. Stone, Pratt, Snowden, L. Stone, Rapp, Hood, McGuigan, Doderio, Greer, Lukoff, Tran, and Fekjar were present. Directors Damoci, Hopewell, Moore, Reed and Scheuermann were absent. Thirteen Directors were present, with a quorum of seven.

**PRESIDENTS COMMENTS**

The President announced the passing for former GRF Director Ron Kravitz.

**ANNOUNCEMENTS/ SERVICE AWARD PRESENTATIONS**

Two special GRF Board of Directors meetings took place on November 29 and December 20, 2016. The GRF Board of Directors met in Executive Session on December 15 and December 20, 2016 to discuss legal and contractual matters.

Please keep an eye on the *Golden Rain News* for the meeting schedule. As a reminder, committee meetings are open to all shareholders.

**SERVICE ANNIVERSARIES**

The employees eligible for service awards were not available.

**SEAL BEACH MAYOR'S REPORT**

The Mayor of Seal Beach provided a recap of the City of Seal Beach City Council meeting.

### **SHAREHOLDER/MEMBER COMMENTS**

In accordance with Policy 5610, Participation by Foundation Members, members may enter into a comment period prior to the beginning of business. **NOTE:** Foundation members are permitted to make comments before the business of the Board begins. Requests must be registered in advance of the meeting. The Open Meeting Act allows boards of directors to establish reasonable time limits for the open forum and for speakers to address the board. ([Civ. Code §4925\(b\)](#).) Time limits, per speaker, are limited to:

- 4 minute limit per speaker, when there are no more than 15 speakers
- 3 minute limit per speaker, 16- 25 speakers
- 2 minute limit per speaker, over 26 speakers

One shareholder/member offered comments.

### **CONSENT CALENDAR – APPROVAL OF BOARD COMMITTEE MEETING MINUTES**

In accordance with Civil Code 4090, the Foundation will make available a summary of the meetings where a quorum of the Board was present. A quorum of the Board was present at the following ten November 2016 Committee meetings:

- Minutes of the Strategic Planning Ad Hoc Committee Board Meeting of November 1, 2016
- Minutes of the Security, Bus & Transportation Committee Board Meeting of November 2, 2016
- Minutes of the ITS Committee Board Meeting of November 7, 2016
- Minutes of the Architectural Design and Review Committee of November 8, 2016
- Minutes of the Mutual Administration Committee Board Meeting of November 8, 2016
- Minutes of the Publications Committee Board Meeting of November 9, 2016
- Minutes of the Recreation Committee Board Meeting of November 9, 2016
- Minutes of the Executive Committee Board Meeting of November 10, 2016
- Minutes of the Physical Properties Committee Board Meeting of November 14, 2016
- Minutes of the Finance Committee Board Meeting of November 15, 2016

### **APPROVAL OF BOARD MEETING MINUTES**

The minutes of the November 22, 2016 were approved, by general consent of the Board, as distributed. Correction was offered to the Special November 29, 2016 Golden Rain Foundation Board meeting minutes. The minutes were approved, as by general consent of the Board, as corrected.

## **NEW BUSINESS**

### **Architectural Design and Review Committee**

#### **Landscape Replacements, Four Locations**

At its special meeting on December 20, 2016, the Architectural Design Review Committee (ADRC) reviewed Community areas in need of landscaping upgrades. The Committee reviewed proposals from current GRF Landscaper, Johns Landscape Maintenance (JLM), for the following areas and costs: #10, Palm Island/Admin, \$1,000; #13, Entrance J Island, \$7,249 and #14, Pump Island, \$2,000. Scheduled 2016 Reserve Funding is available for landscape replacement, in the amount of \$10,249. The majority of the Committee agreed to recommend to the GRF Board landscape replacements.

At the same meeting, the ADRC looked at the area between the Amphitheater and Healthcare Building (South Side Hill) for landscaping improvements. Upon review of the proposal from JLM, the majority of the Committee agreed to recommend to the GRF Board landscape replacements in the area, for a cost not to exceed \$3,206, using Capital Funding.

Mr. McGuigan MOVED, seconded by Ms. Rapp and carried unanimously by the Board members present-

**TO** award contracts to JLM for the landscape replacements in the areas of the parking lot at the Administration/Healthcare Center described as Palm Island, Entrance J Island, and Pump Island, using Reserve Funds, in an amount not to exceed \$10,249, per proposals dated December 9 and 19, 2016, and to award a contract for landscape improvements at the South Side Hill, between the Amphitheater and Healthcare Building, for a cost not to exceed \$3,206, per proposal dated November 7, 2016, using Capital Funding and approve the President to sign the contracts.

### **Executive Committee**

#### **Approve 2017 Election Materials**

Policy 5025-30, Election Procedures, sets forth information regarding the election process for the GRF Board of Directors. Four changes are recommended to improve clarification about candidate responsibilities and materials: 1) Specify the application materials candidates will turn in prior to



the deadline, and clarify that candidates are required to provide photo identification when turning in candidate application materials; and 2) Add information about the Candidate Eligibility Disclaimer which was put into practice per GRF Board approval on February 23, 2016; and 3) Set forth the cost to purchase mailing labels at a flat rate of \$10 plus \$0.25 per sheet total cost (background data on requests and costs attached); and 4) Correct GRB to GRF on page 5 of the policy.

At its meeting on December 9, 2016, the Executive Committee unanimously recommended the Board approve this amendment.

Mrs. Perrotti MOVED, seconded by Mr. Hood and carried unanimously by the Board members present-

**TO** amend Policy 5025-30, Election Procedures, to set forth the application materials that candidates will turn in prior to the deadline, state that candidates are required to provide photo identification when turning in application materials, add information about the Candidate Eligibility Disclaimer, specify the cost of mailing labels as \$10 plus \$0.25 per sheet, and correct GRB to GRF on page 5 of the policy.

Seven Board members and the Executive Director spoke on the motion.

Mrs. Greer MOVED, seconded by Ms. Rapp and carried unanimously by the Board Members present –

**TO** amend Policy 5025-30, Election Procedures, page 2, item c:

"Refer to GRF Bylaws, Article Six, Section One. Candidates shall complete an Eligibility Disclaimer to set forth that they are qualified to serve on the GRF Board of Directors."

## **Finance Committee**

### Accept November Financials for Audit

At the regular meeting of the Finance Committee on December 20, 2016, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the November 2016 Financial Statements for audit.

Mr. Hood MOVED, seconded by Ms. Rapp and carried unanimously by the Board members present –

TO accept the November 2016 Financial Statements for audit.

Consideration of Annual Leases

At the December 20, 2016, meeting of the Finance Committee, the Committee reviewed proposed annual lease agreements in the use of Trust Property for the:

- Genealogy Club (Room 10, CH3)
- Historical Society (Room A, CH1)
- Radio Club (Room D, Amphitheater)
- Theater Club (Room A, Amphitheater)

The Committee unanimously approved to recommend to the Board the agreements, as noted, to stipulate clear terms and conditions in the use of Trust property.

Mr. Pratt MOVED, seconded by Ms. Snowden and carried unanimously by the Board members present-

TO approve annual lease agreements with the Genealogy Club (Room 10, CH3), the Historical Society (Room A, CH1), the Radio Club (Room D, Amphitheater), the Theater Club (Room A, Amphitheater), per the attached Exhibits 1 through 4 (included in the agenda packet, and, upon securing the signature of the authorized officer of the clubs, authorize the President to sign the agreements.

Sales Office – Enhanced Internet Service

At the December 20, 2016 meeting of the Finance Committee, the Committee reviewed a December 6, 2016 request from onsite sales in reference to internet speeds being "...incredibly slow and almost unusable..."

Per terms of the agreement between GRF and on site sales, GRF is to provide internet access:

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.

Currently provided - Frontier DSL (3Mbps/768Kbps) for \$54.99/month.

Frontier has quoted 50Mbps/50Mbps for \$99.99 month. Other costs involved:

- One-time installation fee: \$59.99
- Rent router for \$9.99/month or purchase for \$199.99

As the sales office has 11 plus users, staff has recommended the 50Mbps service at \$99.99 per month (an additional \$45 per month, plus applicable installation fees).

Mr. Stone MOVED, seconded by Mr. McGuigan-

**TO** approve the upgrade of internet service to the sales office, in the amounts of an additional \$45 per month for 50Mbps/50Mbps (plus applicable taxes), Installation fee of \$59.99 (plus applicable taxes), Router rental of \$9.99 per month (plus applicable taxes) and authorize the President to sign all applicable agreements.

Five Board members and the Executive Director spoke on the motion.

The motion was carried with one recusal (Fekjar).

### **Mutual Administration Committee**

#### **FINAL APPROVAL: Policy 1201-33, Photo ID Cards**

At its meeting on September 13, 2016, the Mutual Administration Committee reviewed potential revenue increases in fee rates for services provided by the Stock Transfer Office. In order to implement the fee changes, Policy 1201-33 must be amended. The proposed fee changes

include an increase from \$10 to \$20 for the replacement of lost ID cards (first loss).

The proposed fees reflect a potential revenue increase from this policy change of more than \$1,200.

The Mutual Administration Committee recommended the tentative amendment of Policy 1201-31, Photo ID Cards, to the Golden Rain Foundation Board of Directors at its meeting in September, with final adoption scheduled for December.

Mrs. Greer MOVED, seconded by Ms. Rapp-

**TO** amend Policy 1201-33, Photo ID Cards, to reflect an increase in the fee to replace a lost ID card (1<sup>st</sup> loss), from \$10 to \$20, to become effective January 1, 2017.

One Board member spoke on the motion.

The motion was carried unanimously by the Board members present.

**FINAL APPROVAL: Policy 5061-31, Fees**

At its meeting on September 13, 2016, the Mutual Administration Committee reviewed potential revenue increases in fee rates for services provided by the Stock Transfer Office. In order to implement the fee changes, Policy 5061-31 must be amended. The proposed fee changes include:

Established Fees	Policy	Current Fee	Proposed Fee
Co-Occupant Setup Fee	5061-31, Fees	\$50	\$100
Certificate Preparation Fee (i.e. Stock Transfer Fee)	5061-31, Fees	\$150	\$250
Escrow Transfer Fee	5061-31, Fees	\$350	\$500
New Fees	Applicable Policy	Current Fee	Proposed Fee
Powers of Attorney and Court Orders	5061-31, Fees	-	\$75
Additional Map	5061-31, Fees	-	\$5

The proposed fees reflect a potential revenue increase from this policy change of more than \$55,000.

At its meeting of September 4, 2016, the Board of Directors voted to tentatively amend this policy, pending a 30-day notice period to Foundation members. The policy draft was published in the October 6<sup>th</sup> edition on the *Golden Rain News*. Members were welcomed to submit their comments or questions to the Board Office on this matter. One comment was received. This process is recommended in accordance of the Davis-Stirling Act, Civil Code §4360.



The policy will become effective January 1, 2017.

Ms. Rapp MOVED, seconded by Mr. McGuigan-

**TO** amend Policy 5061-31, Fees, to reflect an increase in Co-Occupant Setup fees, from \$50 to \$100; an increase in the Certificate Preparation Fee, from \$150 to \$250; an increase in the Escrow Transfer Fee, from \$350 to \$500; and the establishment of new fee, Power of Attorney and Court Orders, \$75 and new fee for additional maps, \$5, to become effective January 1, 2017.

Two Board members and the Executive Director spoke on the motion.

Mr. Lukoff MOVED, seconded by Mr. McGuigan-

**TO** amend Policy 5061-33, Fees, to exempt shareholders from the new \$5 fee for additional maps.

Three Board members and the Executive Director spoke on the amendment.

The amended main motion was carried unanimously.

**FINAL APPROVAL: Policy 5536.1-33, Gate Passes**

At its regularly scheduled meeting of the Mutual Administration Committee (MAC) on December 13, 2016, the Committee reviewed a proposed procedural amendment to Policy 5536.1-33, as approved by the Board on October 25, 2016, to tentatively approve for the required 30 day posting (excerpt of the Board minutes were attached, as Exhibit A, in the agenda packet).

Following the posting of the proposed policy, at the November meeting of the Presidents Council, a general consensus was established, noting each Mutual Board shall determine the number of additional passes, which shall not exceed four (4).

To be compliant with the consensus of opinion by the collective Mutual Board Presidents, a procedural amendment to policy would be required. Such amendment shall require each Mutual Board annually, on or before December 15<sup>th</sup> of each year, provide a resolution to set a number of additional guest passes, which shall not exceed four (4) additional guests.

The Committee, at its December 13, 2016 meeting, unanimously approved to recommend a procedural amendment to proposed policy 5536.1-33 (included in the agenda packet as Exhibit

B). Notice of Mutual Board resolution attached for the Board's information (included in the agenda packet as Exhibit C).

At its meeting of October 25, 2016, the Board of Directors voted to tentatively amend policy 5536.1-33, pending a 30-day notice period to Foundation members in accordance with applicable section of the California Civil Codes. The policy draft was published in the November 2<sup>nd</sup> edition on the *Golden Rain News*. Members were welcomed to submit their comments or questions to the Board Office on this matter. No comments were received.

Ms. Rapp MOVED, seconded by Mr. Lukoff-

**TO** ratify and adopt Policy 5536.1-33, as amended.

One Board member and the Executive Director spoke on the motion.

Ms. Snowden MOVED, seconded by Mr. Pratt-

**TO** amend Policy 5536.1-33, Gate Passes to include "if no resolution is received from any Mutual by December 15, the previous year's resolution will stand."

The amendment carried with one no vote (McGuigan).

Five Board members and the Executive Director spoke on the amended motion.

The amended main motion was carried unanimously by the Board members present.

### **Physical Property Committee**

#### Paving Project, Phase One

At its regularly scheduled meeting on December 12, 2016, the Physical Property Committee (PPC) reviewed an updated priority list for Trust Streets in need of repair and/or replacement; the scope of work includes 2" grind and overlay of asphalt, the removal and replacement of flow lines and gutters and, the re-striping of street markings. The Physical Property Department sent out a Request for Proposals to nine contractors and received four bids based on their square footage and lineal costs, as follows: All American Asphalt \$403,388.54, MJ Jurado \$458,469.51, Nelson Paving (NPG)\* 548,303.52, EBS (did not respond to verify cost) \*Contractor completed Del Monte R/R without a change order.

Upon discussion on the scope of work, locations and contractor proposals, the Committee duly moved and unanimously approved to recommend the Board award a contract to Nelson Paving (NPG), for a cost of \$ 548,303.52 (Exhibit A in the agenda packet) to repave the following streets: Cedar Crest, Knollwood, Fairfield/Prestwick, Shawnee, Sunningdale, McKinney, Homewood and Weeburn.

Funding is available through Reserves, in the amount of \$600,000. It is staff's recommendation to include \$51,696.48 as contingency for this project, for a total not to exceed \$600,000.

Mr. Lukoff MOVED, seconded by Mr. Hood-

**TO** award a contract to Nelson Paving (NPG), for a cost of \$548,303.52, and include a \$51,696.48 contingency funding for this project, for a total not to exceed \$600,000, to repave and replace work called out on the RFP, dated February 2, 2016, for the following streets: Cedar Crest, Knollwood, Fairfield/Prestwick, Shawnee, Sunningdale, McKinney, Homewood and Weeburn, funding from the Reserve account and authorize the President to sign the contract and the Physical Property Chair sign any change orders.

Three Board members and the Executive Director spoke on the motion.

#### Replacement of Concrete and Trees Removal at South Entry, Building Five

At its regularly scheduled meeting on December 12, 2016, the Physical Property Committee (PPC) reviewed a request to replace the damaged concrete at the south end of Building 5 and remove two existing trees causing the damage. Also included in the scope of work is a budget to re-landscape the area, which will need to be reviewed by the Architectural Design and Review Committee (ADRC).

Upon discussion, the Committee unanimously agreed on the following: to have MJ Jurado remove and replace the damaged concrete at the south end of Building 5 and remove the two existing trees for the amount of \$14,500 (Exhibit A in the agenda packet), upon review by the ADRC, have our Community Facilities Landscaper install new irrigation and landscaping, for the cost not to exceed \$2,000 for a total project cost, and request new Capital funds, in an amount not to exceed \$16,500, and forward to the Finance Committee for review, and to the Board for final approval.

At its regularly scheduled meeting on December 20, 2016, the Finance Committee reviewed available Capital funding for this project and unanimously resolved to approve to recommend to the Board that sufficient Capital Funds are available, in an amount not to exceed \$16,500.

Ms. Rapp MOVED, seconded by Mr. McGuigan-

**TO** award a contract to MJ Jurado to remove and replace damaged concrete at the south end of Building 5 and remove two existing trees at the same location for a cost of \$14,500. Upon review by the ADRC, schedule our Community Facilities Landscaper to install new irrigation and landscaping, for a cost of \$2,000, for a total project cost not to exceed \$16,500, and to approve the President to sign the contract, funding from Capital.

Four Board members and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

#### New Pedestrian Gate off North Gate Road

At the regularly scheduled meeting on September 20, 2016, the Finance Committee reviewed a request from the Physical Property Committee (PPC) to install a Pedestrian Gate for the Northern section of the community. The following are excerpt from the minutes:

Pedestrian Gate at Northwood Road Ms. Snowden MOTIONED, seconded by Ms. Hopewell – **TO** approve the non-budgeted request for the placement of a pedestrian gate, not to exceed \$30,000, from Capital Funding. Item to be returned back to the Physical Property Committee to determine the exact location for this pedestrian gate.

At the regularly scheduled meeting on December 12, 2016, the PPC looked at location options to install a Pedestrian Gate on the north end of the community. Two options were presented to the Committee for consideration. Option one was in Mutual 15, by building 12; Option two was the Trust Property between the Mutuals 11 and 15, on Northwood Road. The PPC discussed locations and associated costs. The PPC unanimously chose Option two, the location on Northwood Road at the Trust Property, for a cost not to exceed \$28,143, as follows: Dantuma Masonry, install opening for gate, \$4,800; permit fees, \$1,500; MJ Jurado, ramps and sidewalk, \$5,100; Vortex, ADA gate, \$8,943, Solar/Controls, solar and gate controls, \$2,800; and contingency, \$5,000 for a total of \$28,143.

Mrs. Greer MOVED, seconded by Ms. Snowden and carried unanimously by the Board members present-

**TO** approve installation of a Pedestrian Gate at the location known as the Trust Property between the Mutuals 11 and 15, on Northwood

Road, at the cost not to exceed \$28,143, funding from Capital, and authorize the President to sign necessary contracts.

#### Trust Property-Red Curb Study

At its regularly scheduled meeting of the Physical Property Committee (PPC) on December 12, 2016, the Committee reviewed requests to add red curbing to Northwood Road at Shawnee Lane and at the south end of Thunderbird. Staff provided a proposal by Urban Crossroads, the current Traffic Engineer working in the community, to review all red curbing in the community, for a cost not to exceed \$9,720 (Exhibit A in the agenda packet).

The Committee discussed the scope of work and proposal provided by Urban Crossroads and resolved all red curbing throughout the community should be uniform. The PPC unanimously agreed to recommend to the Board a study of red curbs upon Trust property by Urban Crossroads, at a cost not to exceed \$9,720, and to forward this project to the Finance Committee for funding review.

At the regularly scheduled meeting of the Finance Committee on December 20, 2016, the Committee reviewed available Capital funding for this project and unanimously approved to recommend to the Board that sufficient Capital funds are available for this project, in an amount not to exceed \$9,720.

Mrs. Tran MOVED, seconded by Ms. Rapp-

**TO** award a contract to Urban Crossroads to perform a review and reset study on all red curbing within Trust property, at a cost not to exceed \$9,720, funding from Capital funding, and approve the President to sign the contract.

Three Board members, the Executive Director and the Project Coordinator spoke on the motion.

The motion was carried with one no vote (R. Stone).

#### Nassau Drive Landscape Removal

At its regularly scheduled meeting of the Physical Properties Committee (PPC) on December 12, 2016, the Committee reviewed a request from the Architecture Design Review Committee (ADRC) for removal of existing bougainvillea bushes and roots, the installation of 61 five gallon container size Calliandra plants along the perimeter wall on Nassau Drive across from Mutual Nine, grind 28 stumps from previously removed trees, and trim 72 Junipers to allow for growth.

Bids received for this scope of work were from Johns Landscaping, \$6,450; Andres Landscaping, \$9,430; and Total Landscaping (no bid).



The PPC unanimously agreed to recommend to the Board Johns Landscaping, at a cost not to exceed \$6,450, and forward this project to the Finance Committee for funding review.

At the regularly scheduled meeting of the Finance Committee on December 20, 2016, the Committee reviewed available funding for this project and unanimously resolved that sufficient Capital funds are available in an amount not to exceed \$6,450.

Ms. Stone MOVED, seconded by Ms. Rapp-

**TO** award a contract to Johns Landscaping to remove existing bougainvillea bushes and roots, install 61 five gallon container size Calliandra plants along the perimeter wall on Nassau Drive across from Mutual Nine, grind 28 stumps from previously removed trees, and trim 72 Junipers to allow for growth, at a cost not to exceed \$6,450, from Capital funding and approve the President to sign the contract.

One Board member spoke on the motion.

The motion was carried unanimously by the Board members present.

#### **Security, Bus and Traffic Committee**

#### **FINAL APPROVAL: Adopt Policy 1927-37, Parking Rules for Trust Property**

At the regularly scheduled meeting of the Golden Rain Foundation (GRF) Board of Directors (BOD), on November 22, 2016, the BOD voted to tentatively adopt Policy 1927-37, Parking Rules for Trust Property, pending a 30-day notice period to Foundation members. The policy draft was published in the November 24th edition of the Golden Rain News. Members were welcomed to submit their comments or questions to the Board Office on this matter. Printed copies were also available to shareholder/members in the News Office, the Library and the Reception desk, second floor of the Administration building. This process is recommended in accordance of the Davis-Stirling Act, Civil Code §4360.

Mr. McGuigan MOVED, seconded by Mr. Hood-

**TO** adopt Policy 1927-37, Parking Rules for Trust Property, to be effective January 1, 2017.

Two Board members and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

**FINAL APPROVAL: Adopt Policy 1927.1-37, Fees (Fines) for Parking Rules Violations on Trust Property**

At the regularly scheduled meeting of the Golden Rain Foundation (GRF) Board of Directors (BOD), on November 22, 2016, the BOD voted to tentatively adopt Policy 1927.1-37, Fees (Fines) for Parking Rules Violations on Trust Property, pending a 30-day notice period to Foundation members. The policy draft was published in the November 24th edition of the Golden Rain News. Members were welcomed to submit their comments or questions to the Board Office on this matter. Printed copies were also available to shareholder/members in the News Office, the Library and the Reception desk, second floor of the Administration building. This process is recommended in accordance of the Davis-Stirling Act, Civil Code §4360.

The BOD received one piece of correspondence, which was shared with the GRF Board of Directors.

Mr. Pratt MOVED, seconded by Mr. Stone and carried unanimously by the Board members present-

**TO** adopt Policy 1927.1-37, Fees (Fines) for Parking Rules Violations on Trust Property, to be effective January 1, 2017.

One Board member spoke on the motion.

Mr. Lukoff MOVED, seconded by Mrs. Dodero-

**TO** eliminate progressive increase of all fines.

Nine Board members and the Executive Director spoke on the motion.

The motion to amend fails with two yes votes (Dodero and Lukoff).

**CONTROLLER'S REPORT**

The Controller's report is included at the end of the minutes as an attachment.

**EXECUTIVE DIRECTOR'S REPORT**

The Executive Director spoke on the new electrical panel on sewer lift and Clubhouse Four renovation.



### **BOARD MEMBER COMMENTS**

Thirteen Board members spoke on the proceedings of today's meeting.

### **ADJOURNMENT**

The meeting was adjourned was at 12:08 p.m.

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Linda Stone, Vice President  
GRF Board of Directors  
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Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

## BOARD ACTION REQUEST

**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** EXECUTIVE COMMITTEE  
**SUBJECT:** GROUP INSURANCE RENEWAL  
**DATE:** JANUARY 17, 2017  
**CC:** FILE

At the regularly scheduled meeting of the Executive Committee (EC) on January 13, 2017, the Committee reviewed the employee health care benefit package proposals (Exhibit A) for the policy period of April 1, 2017 to March 31, 2018. The information was provided by GRF's new health care benefits insurance broker, Trapan Dickins & Associates (TDA), and included quotes from other plan providers. The cost to GRF, services provided to our employees, employee plan contributions, plan design, customer service of each provider, and access to care was considered.

In review of the proposal, it was noted TDA was able to negotiate with the incumbent provider, Kaiser, a rate reduction of 5%, as well as rate pass (no increase) for Dental, Life, Long Term Disability, Accidental Death and Dismemberment and Employee Assistance Programs. The total benefit package, as proposed, represents an estimated savings of \$29,788.00 to the approved 2107 budget.

### Healthcare Budget/Costs – April 1, 2017 to December 31, 2017

GL Category	2017 Budget	Employer Portion as Recommended	Budget to Costs Savings	
	April to December	April to December	Based on Current Coverage Levels	
6143000 Medical	\$595,764.00	\$565,976.00	\$29,788.00	5.0%
6143300 Dental	\$12,177.00	\$12,177.00	\$0	0
6143500 Vision	\$7,584.00	\$7,584.00	\$0	0
6145000 Life	\$20,772.00	\$20,772.00	\$0	0
<b>Total Amount</b>	<b>\$636,279.00</b>	<b>\$606,509.00</b>	<b>\$29,788.00</b>	<b>4.7%</b>

Upon deliberation, the Committee unanimously approved to recommend to the GRF Board approval of the benefit package, as presented, including:

- Renewal of the pet insurance with VPI Pet. The pet insurance is 100% paid by our employees.
- Reimbursement of up to \$500 Hospitalization copay annually, per qualified employee (note: in 2016, the expense to GRF was \$1,000).

MOTION:

I move to approve the employee health benefit packages:

- Kaiser Medical Low and High Plans
- Guardian Dental HMO and PPO Plans
- Guardian VSP Vision Plan
- Guardian Basic Life and AD&D Insurance Plan
- Guardian Long Term Disability Plan
- Guardian Employee Assistance Plan
- Guardian Voluntary Life Plan
- VPI Voluntary Pet Insurance Plan
- Reimbursement of up to \$500 hospitalization copay annually, per qualified employee

And authorize the Executive Director and Human Resources Director to take all required actions and the President to sign all applicable documents, required for the health care benefit package renewals.

## Appendix A

Example 1:

### Estimated Flexible Spending Plan Costs

Program Costs:

Annual Admin Fee (Fixed)	\$ 720.00
Annual Maintenance Fee up to 11 participants	\$ 720.00
Additional Annual Maintenance Fee per participant over 11	\$ 66.00

Assumptions:

Estimated Payroll Taxes & Workers' Comp Exp	12.54%	A
Estimated Forfeiture Rate*	3.0%	B
Number of Participants**	17	C
Average Contribution per Participant***	\$ 1,300	D

	Total Annual	Per EE
Administration Fee	\$ 720.00	\$ 42.35
Maintenance Fee	1,116.00	\$ 65.65
<b>Total Annual Program Cost</b>	<b>1,836.00</b>	
Less Tax & Workers' Comp expense savings (C * D * A)	(2,771.00)	
Less estimated forfeitures (C * D * B)	(663.00)	
<b>Total Estimated program offsets</b>	<b>(3,434.00)</b>	
<b>Net Cost of Program</b>	<b>(1,598.00)</b>	

\*Average Forfeiture from Mercer - 3%

\*\* Estimated % of Participants from Mercer - 17%

\*\*\* Average Contribution per Employee per Mercer - \$1,342



## Appendix A

Example 2:

### Estimated Flexible Spending Plan Costs

Program Costs:

Annual Admin Fee (Fixed)	\$ 720.00
Annual Maintenance Fee up to 11 participants	\$ 720.00
Additional Annual Maintenance Fee per participant over 11	\$ 66.00

Assumptions:

Estimated Payroll Taxes & Workers' Comp Exp	12.54%	A
Estimated Forfeiture Rate*	1.5%	B
Number of Participants**	10	C
Average Contribution per Participant***	\$ 1,000	D

	Total Annual	Per EE
Administration Fee	\$ 720.00	\$ 72.00
Maintenance Fee	720.00	\$ 72.00
<b>Total Annual Program Cost</b>	<b>1,440.00</b>	
Less Tax & Workers' Comp expense savings (C * D * A)	(1,254.00)	
Less estimated forfeitures (C * D * B)	(150.00)	
<b>Total Estimated program offsets</b>	<b>(1,404.00)</b>	
<b>Net Cost of Program</b>	<b>36.00</b>	

\*Average Forfeiture from Mercer - 3%

\*\* Estimated % of Participants from Mercer - 17%

\*\*\* Average Contribution per Employee per Mercer - \$1,342



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

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## BOARD ACTION REQUEST

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** EXECUTIVE COMMITTEE  
**SUBJECT:** HEALTH CARE, EMPLOYEE FLEXIBLE SPENDING PLAN  
**DATE:** JANUARY 17, 2017  
**CC:** FILE

---

At the regularly scheduled meeting of the Executive Committee (EC) on January 13, 2017, the Committee reviewed a presentation by the Executive Director and Human Resources Director on a proposed addition to the Employee Benefit package: Flexible Spending Plan.

A **Flexible Spending Plan (FSP)**, also known as a **flexible spending arrangement**, is one of a number of tax-advantaged financial accounts that can be set up through a cafeteria plan of an employer in the United States. An FSP allows an employee to voluntarily set aside a portion of earnings to pay for qualified expenses as established in the FSP, most commonly for medical expenses but often for dependent care or other expenses. Money deducted from an employee's pay into an FSP is not subject to payroll taxes, resulting in payroll tax savings for the employee as well as the employer (see Appendix A, less tax and Workers' Compensation savings). It is important to note, one significant disadvantage to the employee using the proposed FSP is funds not used by the end of the plan year are forfeited to the employer, known as the "use it or lose it" rule.

During the Committee's deliberations, it was noted the expense to GRF was estimated (subject to change based on number of users) at \$1,440.00. Staff presented that savings would be incurred to GRF through employer tax and Workers' Compensation savings estimated at \$1,254 annually for an estimated annual expense of \$36.00.

### MOTION:

I move to approve the institution of an employee Flexible Spending Plan, allowing qualified GRF staff members to voluntarily set aside a portion of earnings to pay for qualified expenses, as established in the FSP, at an estimated annual expense not to exceed \$1,440.00 and authorize



the Executive Director and Human Resources Director to take the required action and authorize the President to sign all applicable documents. Note: Actual FSP expenses will vary and are dependant on the number of users and forfeited funds at the end of the plan year for a possible total expense to GRF of less than \$500.00 to a saving of greater than \$500.00.

## Appendix A

Example 1:

### Estimated Flexible Spending Plan Costs

Program Costs:

Annual Admin Fee (Fixed)	\$ 720.00
Annual Maintenance Fee up to 11 participants	\$ 720.00
Additional Annual Maintenance Fee per participant over 11	\$ 66.00

Assumptions:

Estimated Payroll Taxes & Workers' Comp Exp	12.54%	A
Estimated Forfeiture Rate*	1.5%	B
Number of Participants**	10	C
Average Contribution per Participant***	\$ 1,000	D

	Total Annual	Per EE
Administration Fee	\$ 720.00	\$ 72.00
Maintenance Fee	720.00	\$ 72.00
<b>Total Annual Program Cost</b>	<b>1,440.00</b>	
Less Tax & Workers' Comp expense savings (C * D * A)	(1,254.00)	
Less estimated forfeitures (C * D * B)	(150.00)	
<b>Total Estimated program offsets</b>	<b>(1,404.00)</b>	
<b>Net Cost of Program</b>	<b>36.00</b>	

\*Average Forfeiture from Mercer - 3%

\*\* Estimated % of Participants from Mercer - 17%

\*\*\* Average Contribution per Employee per Mercer - \$1,342

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## BOARD ACTION REQUEST

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** EXECUTIVE COMMITTEE  
**SUBJECT:** TRUST PROPERTY, MUTUAL EIGHT LEASE  
**DATE:** NOVEMBER 15, 2016  
**CC:** FILE

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At the regular meeting of the Executive Committee held on January 13, 2017, the Committee recommended the Golden Rain Foundation Board of Directors approve the use and lease agreement, commencing January 2017 and to expire on December 31, 2019, with the option to review this agreement annually and renew for additional five (5) year periods; either party retains the right to revoke and terminate this agreement at any time (Exhibit A).

**MOTION:**

I move to approve the use and lease agreement between Seal Beach Mutual Eight and the Golden Rain Foundation, for Trust Property, Lot E, for three years, commencing January 2017 and to expire on December 31, 2019, with the option to review this agreement annually and renew for additional five (5) year periods; either party retains the right to revoke and terminate this agreement at any time (Exhibit A).

**EXHIBIT A**  
**USE AND LEASE AGREEMENT**  
**SEAL BEACH MUTUAL EIGHT**  
**JANUARY \_\_, 2017**

This agreement is made on January \_\_, 2017, between GOLDEN RAIN FOUNDATION, 13531 St. Andrews Drive, Seal Beach, California 90740, a California Corporation (hereinafter referred to as "GRF"), and SEAL BEACH No. MUTUAL Eight, Seal Beach, California 90740, and a California Corporation (hereinafter referred to as "MUTUAL EIGHT", who agrees as follows:

**I. OPENING CLAUSES**

This Agreement is made with reference to the following facts:

1. The Golden Rain Foundation of Seal Beach is designated in accordance with the Declaration of Trust recorded on July 10, 1962, as the Trustee of all Trust property within the property commonly known as Leisure World of Seal Beach.
2. Section IV of the Declaration of Trust; states "... Trustee is hereby expressly granted and reserves the right to deal, for the use and benefit of the Cooperatives and their members..."
3. Section VII of the Declaration of Trust; grants the Board of the Golden Rain Foundation of Seal Beach the "...the further powers to grant, bargain, sell for cash or credit, convey, exchange, convert, lease for terms, either within or beyond the end of the Trust, for any purpose; assign, partition, divide, subdivide, improve, insure, loan, re-loan, invest and reinvest the Trust Estate or any part thereof in such manner and on such terms and conditions as Trustee deems advisable..."
4. GRF is the owner of the property described as that portion of Tract Map No. 4401 in the City of Seal Beach, County of Orange, and State of California as shown on the highlighted section of Exhibit A and further identified as Lot E on Exhibit B (hereinafter referred to as Trust, property, Lot E).
5. Under the Bylaws of the Golden Rain Foundation of Seal Beach, the Board shall have the powers to "... To sell, assign, convey, exchange, lease, mortgage, encumber, and transfer upon trust or otherwise dispose of all property, real or personal..."
6. Under the Bylaws of MUTUAL EIGHT, Section 2, Powers, Duties and Standard of Care, the Mutual Eight Board "...Each Director shall exercise such powers and otherwise perform such duties in good faith, in the manner such Director believes to be in the best interest of the corporation..."
7. The Board of MUTUAL EIGHT, by resolution at a duly posted meeting, is willing to lease the Trust property, Lot E, from GRF, pursuant to the provisions stated in this Agreement.

**USE AND LEASE AGREEMENT  
SEAL BEACH MUTUAL EIGHT  
JANUARY \_\_, 2017**

8. MUTUAL EIGHT has examined the Trust property, Lot E and fully accepts its present condition.

**II. TERM**

The term of this lease shall be **THREE (3) years commencing January \_\_, 2017, and shall expire on December 31, 2019.** GRF shall have the option to review this Agreement annually and renew for additional five (5) year periods. Either party retains the right to Revoke and Terminate this Agreement at any time.

**III. ANNUAL RENTAL AND TAXES**

GRF grants the use of Trust property, Lot E as noted in Exhibits A and B and no annual fee, provided all terms and conditions of this agreement are upheld and complied with , commencing on the date the term commences, and continuing during the term. GRF shall pay all real property taxes for the property.

**IV. USAGE**

MUTUAL EIGHT shall use the Trust property, Lot E and may install certain improvements on the land upon prior written approval of the GRF.

MUTUAL EIGHT's use of the Trust property, Lot E, as provided in this Agreement, shall be in accordance with the following:

MUTUAL EIGHT shall not do, bring, or keep anything in or about the Trust property, Lot E, that will cause the cancellation of any GRF insurance covering the Trust Property.

MUTUAL EIGHT shall comply with GRF policy and procedures and with all of the requirements concerning the use of the Trust Property, Lot E, including, without limitation, the obligation at MUTUAL EIGHT's cost to maintain the alterations or restore the Trust Property, Lot E, in compliance and conformity with all governing documents and laws relating to the condition, use, or occupancy of the Trust Property, Lot E, during the term without GRF's written consent.

**V. MAINTENANCE**

MUTUAL EIGHT shall provide and pay for all maintenance and repairs of Trust property, Lot E including but not limited to; gardening, landscaping, sprinkler repair, and tree trimming services and maintain Trust property, Lot E, in a condition acceptable to the GRF Board.



**USE AND LEASE AGREEMENT  
SEAL BEACH MUTUAL EIGHT  
JANUARY \_\_, 2017**

GRF will perform routine inspections, no less than four (4) times per year. Any deficiency in the obligation of Mutual Eight to maintain Trust property, Lot E, will be reported in writing to the Mutual Eight Board, with a thirty (30) day notice to cure.

MUTUAL EIGHT shall be liable for any damage to the Trust property, Lot E resulting from the acts or omissions of MUTUAL EIGHT or its authorized representatives.

MUTUAL EIGHT shall not make any material alterations to the Trust property, Lot E without GRF's written consent. Any alterations made shall remain on and be surrendered with the Trust property, Lot E on expiration of termination of the term, except that GRF can elect within six (6) months before expiration of the term, to require MUTUAL EIGHT to remove any alteration that MUTUAL EIGHT has made to the Trust Property.

**VI. INDEMNITY AND EXCULPATION**

GRF shall not be liable to MUTUAL EIGHT for any damages to MUTUAL EIGHT or MUTUAL EIGHT's property from any cause. MUTUAL EIGHT waives all claims and indemnifies GRF. MUTUAL EIGHT shall indemnify, defend at its sole cost (with counsel selected by GRF) and hold GRF and its employees, agents, representatives, officers, directors, and shareholders harmless from and against any and all claims, demands, actions, liabilities, losses, damages, injuries, costs and expenses (including without limitation, actual attorney's fees and defense costs) arising directly or indirectly out of, or in connection with or related to, this Agreement or in connection with the use and/or maintenance, operation, or condition of Trust property, Lot E, including any and all claims and of Trust property, Lot E, except to the extent any such liability is due to the sole willful misconduct or gross negligence of GRF and/or its employees. This provision to indemnify GRF and its employees, agents, representatives, officers, directors, and shareholders also relates to any and all acts, errors, or omissions, statements or representations made by GRF in the performance and/or non-performance of this Agreement. The obligation of MUTUAL EIGHT to indemnify, defend and hold harmless includes but is not limited to the obligation to pay for, on a current bases, all costs of defense of GRF in any action, which costs include but are not limited to the payment of all fees and expenses for legal, expert, accounting or other professional services needed to defend any action brought by any person or entity for which indemnification and defense of GRF is called hereunder. Notwithstanding any other provision of this Agreement to the contrary, MUTUAL EIGHT's obligations under this Section shall survive the expiration and/or termination of this Agreement for any reason whatsoever. Further, this provision shall not be



**USE AND LEASE AGREEMENT  
SEAL BEACH MUTUAL EIGHT  
JANUARY \_\_, 2017**

limited by any applicable insurance coverage available to MUTUAL EIGHT or GRF hereunder.

MUTUAL EIGHT will be responsible only for any willful misconduct and gross negligence where such liability is due to the sole conduct of MUTUAL EIGHT and/or its Board in the performance of its duties under this Agreement.

**VII. NOTICE**

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by electronic transmission.

**VIII. WAIVER**

Any waiver by GRF of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Agreement.

**IX. ATTORNEY'S FEES**

If either party becomes a party to any litigation concerning this Agreement by reason of any act or omission of the other party or its authorized representatives, the party that causes the other party to become involved in the litigation shall be liable for that party for reasonable attorney fees and court costs incurred by it in the litigation. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover the losing party reasonable attorney fees costs of suit.

**X. SIGNATURE AUTHORITY**

Signatures below constitutes the majority action of GRF and MUTUAL EIGHT Board of Directors at a duly posted meeting.

**GOLDEN RAIN FOUNDATION**

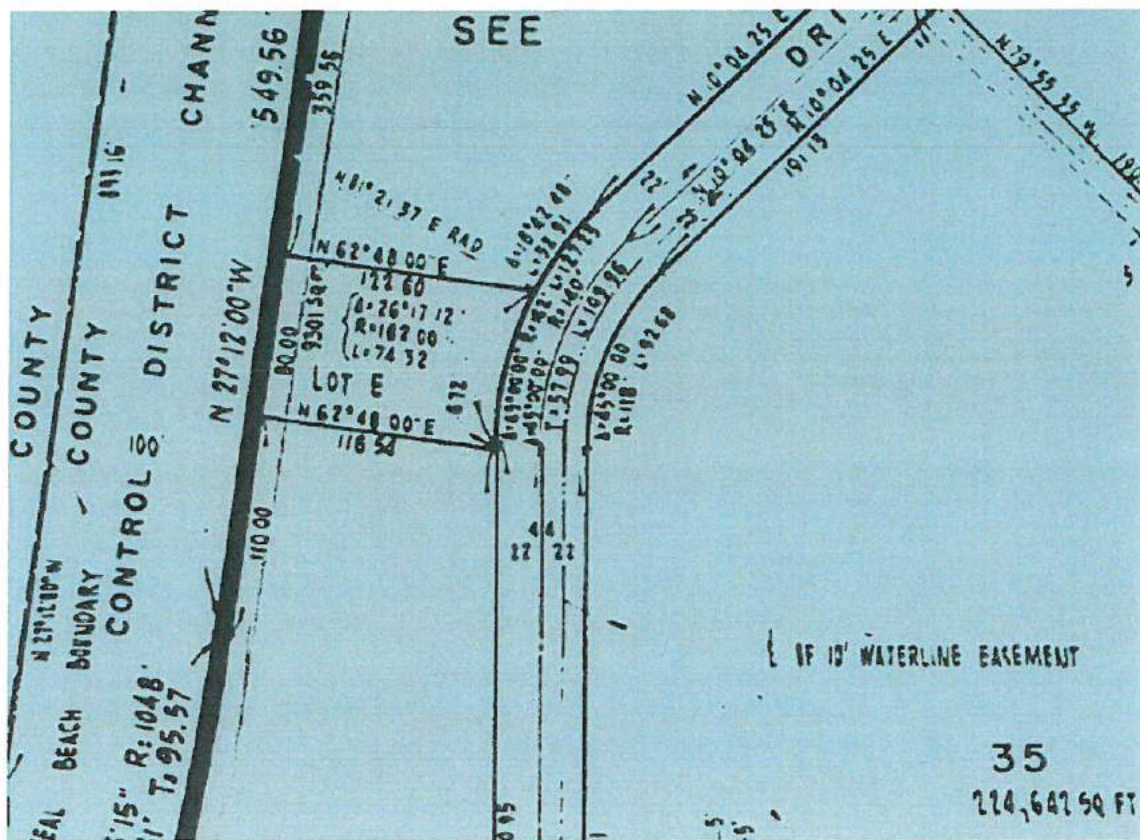
**SEAL BEACH MUTUAL EIGHT**

By: \_\_\_\_\_  
Carole Damoci, President

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



Lot E, Trust Property (Between M8, 9300 sq. ft.)





Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

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## BOARD ACTION REQUEST

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** EXECUTIVE COMMITTEE  
**SUBJECT:** ADOPT POLICIES 5092-30, BOARD OF DIRECTORS' CODE OF ETHICS AND CONDUCT, 5092.01-30, BOARD OF DIRECTORS' CENSURE PROCEDURE AND POLICY 5092.02-30, MOTION TO CENSURE  
**DATE:** JANUARY 13, 2017  
**CC:** FILE

At the regularly scheduled meeting of the Executive Committee (EC), on January 13, 2017, the EC recommended to the Golden Rain Foundation Board of Directors adoption of Policies 5092-30, Board of Directors' Code of Ethics and Conduct, 5092.01-30, Board of Directors' Censure Procedure and Policy 5092.02-30, Motion to Censure.

### MOTION:

I move to recommend the Board adopt Policies 5092-30, Board of Directors' Code of Ethics and Conduct, 5092.01-30, Board of Directors' Censure Procedure, and Policy 5092.02-30, Motion to Censure.

**GOLDEN RAIN OPERATIONS****ADOPT****Board of Directors Code of Ethics and Conduct**

As members of the Golden Rain Foundation (GRF) Board of Directors (BOD), we recognize the importance of ethical principles that guide our actions. This Code is expressed in broad statements to guide ethical decision making. These statements provide a framework; they cannot and do not dictate conduct to cover particular situations.

1. We provide the highest level of service through accurate, unbiased, and courteous actions.
2. We acknowledge our duty of loyalty to the GRF by adhering to the rules of confidentiality relating to director, staff or shareholder/member discipline or any litigation. **This duty survives a Director's term in office.**
3. We treat co-workers and other colleagues with respect, fairness, and good faith, and advocate conditions of employment that safeguard the rights and welfare of all employees.
4. We shall disclose to the BOD, financial or personal conflicts of interest relating to the business of the GRF. They will recuse themselves and abstain from voting on any issue where there may be a reasonable expectation of a conflict of interest. (Civil Code 5350)
5. We distinguish between our personal convictions and professional duties and do not allow our personal beliefs to interfere with fair representation of our shareholder/members.
6. We shall perform their fiduciary duties by acting in good faith to promote the best interests of the GRF through reasonable inquiry and investigation. (Civil Code 7231-Business Judgement Rule).
7. All Directors acknowledge their obligation to support decisions made by a majority of the BOD. (Davis-Stirling 7231(A)).

**Policy**  
Adopted:

**GOLDEN RAIN FOUNDATION**  
**Seal Beach, California**

(Jan 2017)



**GOLDEN RAIN OPERATIONS****ADOPT****Board of Directors Censure Procedure****PREFACE**

When the actions of one or more Golden Rain Foundation (GRF) Board of Directors (BOD) fail to follow the precepts of the Code of Ethics and Conduct (Policy 5092-30) other members of the BOD may act to censure that person or persons.

**1. DIRECTOR CENSURE**

- 1.1. A censure is the process by which the GRF BOD, acting by a two-thirds majority vote, can reprimand or condemn the actions of a fellow member in the event that the member:
  - 1.1.1. Acts unilaterally;
  - 1.1.2. Discloses confidential information;
  - 1.1.3. Fails to attend three consecutive months of regularly scheduled BOD meetings without prior notice, and based on a reasonably unavoidable situation, as determined in the Board's sole discretion, such as a medical condition, personal emergency, etc.;
  - 1.1.4. Fails to act in a way that respects others;
  - 1.1.5. Creates a hostile environment including acting disruptively;
  - 1.1.6. Fails to support decisions made by a majority of the BOD;
  - 1.1.7. Fails to comply with the law, governing documents, policies or procedures of the GRF; or
  - 1.1.8. In the event of an act or omission that creates a threat to any individual, the GRF or the community.
- 1.2. The following steps will be used to censure a director. All proceedings related to a censure shall be conducted in a closed, executive session meeting.
- 1.3. The Director(s) subject to the censure may not elect to have the proceedings conducted in an open, public session.

**2. MOTION TO CENSURE**

- 2.1 A "Motion to Censure" form must be filed using the form in Policy 5092.2. It must include a second signature from a director clearly in agreement and be turned in to the President for presentation at a special executive session, closed meeting of the full BOD. If the

**GOLDEN RAIN OPERATIONS****ADOPT****Board of Directors Censure Procedure**

censure involves the President, it will be turned in to the Vice President for presentation at a special executive session, closed meeting of the full BOD.

- 2.2 If the Presiding Officer elects not to place the motion on the agenda of a special executive session meeting of the BOD, two members may request a special executive session meeting of the BOD.
- 2.3 A director subject to censure shall be provided with at least ten (10) business days prior notice of the censure including the reason for the censure and the date, time and location of the meeting where censure will be considered. A copy of the "Motion to Censure" form will also be included. Notification shall be sent by Certified U.S. Mail through the Executive Director's office. The President or Presiding Officer will also contact the Director directly.
- 2.4 The BOD shall be provided at least five (5) days advance written notice of the special executive session of the full BOD regarding the "Motion to Censure", which shall include a copy of the submitted form. Notification shall be sent by the U.S. Mail through the Executive Director's office to all BOD members with the addition of an email notification containing the date, time and location of the meeting.
- 2.5 A director subject to censure may provide a written response to all BOD members no later than two (2) business days prior to the meeting. The director shall also be provided an opportunity to respond to the reason for censure at the meeting.
- 2.6 The censure motion may be debated and following the debate the BOD may take one of the following actions:
  - 2.1.1. Postpone the motion by a simple majority for any reason, including, but not limited to, the desire of the majority to gather additional information and/or permit the director to respond further. (Policy 5601.1)
  - 2.1.2. Approve the motion by a two-thirds (2/3) majority of a quorum of the non-offending directors; or
  - 2.1.3. Defeat the motion
- 2.7 Written notice of the BOD's decision shall be sent by Certified U.S. Mail to the named member(s) no more than 15 business days following the meeting.

**GOLDEN RAIN OPERATIONS****ADOPT****Board of Directors Censure Procedure****3. ENFORCEMENT PROCEDURES**

- 3.1. If the "Motion to Censure" is passed, the non-offending BOD members may choose one or more of the following actions:
  - 3.1.1 WARNING/EDUCATION
  - 3.1.2 REMOVAL FROM OFFICE OR CHAIR
  - 3.1.3 REMOVAL FROM COMMITTEE
  - 3.1.4 REQUEST FOR RESIGNATION
- 3.2. For offenses relating to the disclosure of confidential or sensitive information, upon a vote of two-thirds (2/3) of the majority of the quorum of the non-offending BOD members, the offender may be prevented access to confidential information.
- 3.3. If at any time a Director commits a crime or subjects the Foundation to financial risk, that Director shall be subjected to legal action by the Foundation. This may include removal from GRF Liability coverage.
- 3.4. Censure remains in effect until the next annual meeting.

**Policy**

Adopted: date month year

(JAN 2017)

**GOLDEN RAIN FOUNDATION  
Seal Beach, California**



**GOLDEN RAIN OPERATIONS****ADOPT****Board of Directors Code of Ethics and Conduct****MOTION TO CENSURE**

Date of request \_\_\_\_\_

I, \_\_\_\_\_ wish to file  
Print Name Director signature Mutuala formal motion Censure of \_\_\_\_\_  
Director nameFor the following reason(s):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_**THE MOTION IS SECONDED BY:**\_\_\_\_\_  
Print Name Mutual\_\_\_\_\_  
Signature**DATE OF SUBMISSION TO:**\_\_\_\_\_  
Officer Name and Title\_\_\_\_\_  
SignatureNext Special Executive Session of full BOD: \_\_\_\_\_  
Date, Time and Location

This form will be given to the Director subject to possible censure. Directors requesting censure receives copies of this form.

Date Certified Mail Sent \_\_\_\_\_ By \_\_\_\_\_ Date Given \_\_\_\_\_ By \_\_\_\_\_

**Policy**

Adopted: date month year

**GOLDEN RAIN FOUNDATION**  
Seal Beach, California



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

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## BOARD ACTION REQUEST

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** FINANCE COMMITTEE  
**SUBJECT:** APPROVE DECEMBER FINANCIAL STATEMENTS  
**DATE:** JANUARY 17, 2017  
**CC:** FILE

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At the regular meeting of the Finance Committee on January 17, 2017, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the December 2016 Financial Statements for audit.

Our Director of Finance, Carolyn Miller will give a recap of the December 2016 Financial Statements. At the end of the report, a motion will be made to accept the December 2016 Financial Statements for audit.

### MOTION:

I move that the GRF Board of Directors accept the December 2016 Financial Statements for audit.



## Financial Recap – December 2016

As of the twelve-month period ended December 2016, the draft financial reports indicate that GRF is in a favorable financial position with a surplus of \$395,158.

Major variances are:

Salaries & Wages	156,257	Vacancies of key positions in ITS, News & Service Maintenance during the year.
Employment Taxes & Benefits	262,064	Workers' Comp \$170K (incl 2015 refund of \$37K ; Group Ins \$73K
Temporary Agency Fees	(93,488)	Temps used to fill key vacant positions
Miscellaneous Write-offs	(57,171)	\$42K – Building damage restoration
Professional Fees	(65,742)	\$48K – Litigation; \$83K – IT outsourcing services
Rental Income	157,846	Unit sales exceeded planned
Other Income	133,928	\$128K – Income tax refunds from prior years; \$3,800 – excess cable taxes & fees

	<b>Fund Balance</b>	<b>Allocated For 2016 Projects</b>	<b>Allocated For Future Projects</b>	<b>For details, see page</b>
<b>Reserve Funds</b>				
Repairs & Replacements	\$8,427,893	\$1,475,650	\$6,952,243	9

	<b>Fund Balance</b>	<b>Allocated Funds</b>	<b>Unallocated Funds</b>	<b>For details, see page</b>
<b>Capital Funds</b>				
Capital Improvements	\$1,010,389	\$237,764	\$772,625	11

P.O. Box 2069  
Seal Beach CA 90740

Description			
	<b>Current Assets:</b>		
1122000	Cash & cash equivalents	308,091	
	Non-Restricted Funds	279,851	
	Receivables	608,947	
	Prepaid expenses	421,326	
	Inventory of maintenance supplies	<u>339,319</u>	
	<b>Total Current Assets</b>		<b>1,957,535</b>
	<b>Designated deposits</b>		
1211000	Contingency Operating Fund	500,000	
	Reserve Fund	8,427,893	
1212500	Capital Improvement Fund-GRF	1,010,389	
1213000	Liability Deductible & Hazard Fund	<u>204,003</u>	
	<b>Total designated deposits</b>		<b>10,142,285</b>
	<b>Notes Receivable</b>		
1411000	Notes Receivable	<u>32,296</u>	
	<b>Total Notes Receivable</b>		<b>32,296</b>
	<b>Fixed Assets</b>		
	Land, Building, Furniture & Equipment	30,610,027	
	Less: Accumulated Dep'n	<u>(21,593,452)</u>	
	<b>Net Fixed Assets</b>		<b>9,016,575</b>
	<b>Other Assets</b>		
	Premium on Municipal Bonds		<u>10,110</u>
	<b>Total Assets</b>		<b><u><u>21,158,802</u></u></b>

P.O. Box 2069  
Seal Beach CA 90740

Description			
<b>Liabilities &amp; Equity</b>			
<b>Current Liabilities:</b>			
	Accounts payable	446,696	
	Project Commitments	1,088,450	
	Accrued payroll & payroll taxes	598,980	
	Accrued expenses	344,988	
	Accrued property taxes	105,392	
	<b>Total Current Liabilities</b>	<b>2,584,506</b>	
	<b>Total Liabilities</b>		<b>2,584,506</b>
<b>Equity</b>			
<b>Mutuals' Beneficial Interest</b>			
3211000	Contingency Operating Reserve Equity	500,000	
3212000	Reserve Equity	7,394,944	
3394000	Capital Fund Equity	954,888	
3310000	Beneficial Interest in Trust	4,602,614	
	<b>Total Mutuals' Beneficial Interest</b>		<b>13,452,446</b>
<b>Membership interest</b>			
	Membership certificates of 844 shares @ \$200 par value, and 5,764 shares @ \$250 par value, authorized, issued and outstanding	1,609,800	
	Additional paid-in-capital	4,867,355	
	<b>Total Paid-in-Capital</b>		<b>6,477,155</b>
<b>Excess Income</b>			
	Current Year	(490,350)	
	<b>Total Excess Income</b>		<b>(490,350)</b>
	<b>Dep'n &amp; Amortization</b>		<b>(864,956)</b>
3920000	<b>Net Stockholders' Equity</b>		<b>18,574,295</b>
	<b>Total Liabilities &amp; Stockholders' Equity</b>		<b>21,158,802</b>

**Golden Rain Foundation  
Cash Flow Activity - All Reserves  
For the Month of December 2016**

	Contingency Operating Fund	Reserve Fund	Capital Improvement Fund	Liability Insurance Fund	Nonrestricted Funds	Total
<b>Balance 11/30/2016</b>	<b>500,000</b>	<b>8,299,528</b>	<b>932,246</b>	<b>202,571</b>	<b>72,659</b>	<b>10,007,004</b>
Funded: Assessments		75,000				75,000
Funded: Membership Fees collected (55)		141,428	141,428			282,855
Funded: M17 Lease Fees collected (1)		203	203			406
Funded: Interest on Funds		2,785	5,456	1,432		9,673
Progress Payments on CIP						-
Expenditures		(133,051)	(26,943)			(159,993)
Commitments						-
Replenish funds for Donated Assets						-
Net Monthly Claims						-
Disbursement to Mutuals						-
Transfers between funds		42,000	(42,000)			-
Interest Income Allocation						-
Net Monthly Activity					207,192	207,192
<b>Balance 12/31/2016</b>	<b>500,000</b>	<b>8,427,893</b>	<b>1,010,389</b>	<b>204,003</b>	<b>279,851</b>	<b>10,422,136</b>
 Net Activity	 -	 128,365	 78,144	 1,432	 207,192	 415,133

**Golden Rain Foundation**  
**Quick Balance Sheet Analysis**  
**For the Period Ended December 31, 2016**

**SELECTED BALANCE SHEET ITEMS**

	Current Balance	Prior Month	Increase (Decrease)
Cash In Bank	308,091	113,076	195,015
Current Assets	12,099,820	11,991,625	108,195
Current Liabilities	2,584,506	2,577,316	7,190
Current Ratio	4.68	4.65	
Designated Deposits:	10,422,136	10,007,004	415,132
Reservet Fund			
Liability & Disaster Insurance Fund			
Capital Improvement Fund			
Contingency Operating Fund			
General Operating Fund			
Other Restricted Fund			

**RESULT OF OPERATIONS**

Current Month	Actual	Budget	Variance	%
Income	1,436,996	1,327,617	109,379	8.24
Expense	1,557,024	1,295,238	(261,786)	(20.21)
Net Materials Recovery(Pass Thru)	0	0	0	
<b>Excess Income or (Expense)</b>	<b>(120,028)</b>	<b>32,379</b>	<b>(152,407)</b>	
Year To Date	Actual	Budget	Variance	%
Income	15,690,279	15,409,467	280,812	1.82
Expense	15,295,121	15,409,467	114,346	0.74
Net Materials Recovery(Pass Thru)	0	0	0	
<b>Excess Income or (Expense)</b>	<b>395,158</b>	<b>0</b>	<b>395,158</b>	

Full Time Equivalents		
For the Month	Average YTD	Planned - 2016
155.01	155.09	158.47



2016 Reserve Expenditures

Cost Center	Description	2016 Reserve Study	Prior Approved	Current Approved	Other Adjustments	Total Projects	Prior Expenditures	YTD EXPENDITURES			TTD Expenditures	2016 Allocated Funds
								Jan-Nov	Dec	Total		
30	Replacement of two automatic doors- Admin. Building (751-15) (Completed)	-	15,000	-	(1,623)	13,377	-	13,377	-	13,377	13,377	-
30	Replacement of AC Unit - Admin. Building (774-16)	-	-	6,200	-	6,200	-	5,580	-	5,580	5,580	620
34	St. Andrews & North Gate Server Replacements (Incl. 10% contingency)	-	3,300	-	-	3,300	-	-	-	-	-	3,300
34	Server Rack Cabinet UPS Backup Power Unit (Incl. 10% contingency)	-	3,300	-	(3,300)	-	-	-	-	-	-	-
34	Replace Wireless Access Points at Clubhouses (Incl. 10% contingency)	-	8,600	-	(8,600)	-	-	-	-	-	-	-
34	SANS Audit Equipment: Network and Systems- Replacement	3,584	17,501	-	(6,096)	11,405	-	11,405	-	11,405	-	3,584
35	Replace Interior Light Fixtures	-	-	-	-	-	-	-	-	-	-	-
36	Replacement of Carpeting (first Floor & Stairs) (745-15-0701) (Completed)	-	13,115	-	(1,870)	11,245	10,421	825	-	825	11,245	-
37	Replace Lighting Signage	20,478	-	45,000	-	45,000	-	45,000	-	45,000	45,000	-
37	Security Restroom Remodel (736-15) (Completed)	-	-	6,000	(553)	5,447	-	5,447	-	5,447	5,447	-
37	Replace Emergency Generator at Main Gate	4,505	-	-	-	-	-	-	-	-	-	-
48	Paint Exterior Flatwork	12,287	-	-	-	-	-	-	-	-	-	-
48	Replace Water Storage Tanks	28,055	-	-	-	-	-	-	-	-	-	-
48	Replace Solar Panels	-	19,800	-	-	19,800	-	19,800	-	19,800	19,800	-
48	Install New Pool Heater (755-15) (Completed)	-	-	10,800	-	10,800	-	10,800	-	10,800	10,800	-
52	Replace Air Conditioning Units #1 and #9 (756-15) (Completed)	-	-	8,000	(820)	7,180	-	7,180	-	7,180	7,180	-
52	Replace stove top and oven in kitchen	-	-	125,562	-	125,562	-	31,669	-	31,669	31,669	93,893
52	Sewer Pump Replacement (776-16)	-	-	5,985	(27)	5,959	-	5,919	39	5,959	5,959	-
52	Purchase new Vulcan commercial griddle	14,130	-	-	-	-	-	-	-	-	-	-
53	Paint Wood Siding & Trim	25,393	-	-	-	-	-	-	-	-	-	-
53	Paint Interior Flatwork	-	-	4,800	-	4,800	-	-	4,800	4,800	4,800	-
53	Replace heat pump in Video Producers Room (788-16) (Completed)	-	-	-	-	-	-	-	-	-	-	-
54	Paint Door Surfaces (Reference Proj. 773-16)	-	-	-	-	-	-	-	-	-	-	-
54	Replace Automatic Pedestrian Door (Reference Proj. 773-16)	4,352	-	-	4,352	4,352	-	-	-	-	-	4,352
54	Replace New Water Heater	-	-	-	-	-	-	-	-	-	-	-
54	Replace Lobby and Hallway Furniture (Reference Proj. 773-16)	-	-	-	-	-	-	-	-	-	-	-
54	Replace Wall Divider Covering (Reference Proj. 773-16)	-	-	-	-	-	-	-	-	-	-	-
54	Paint Interior Flatwork (Reference Proj. 773-16)	-	-	-	-	-	-	-	-	-	-	-
54	Paint T-Bar Ceiling Panels (Reference Proj. 773-16)	-	-	-	-	-	-	-	-	-	-	-
54	Replace Conference Room Furniture (Reference Proj. 773-16)	-	-	800	(800)	-	-	-	-	-	-	-
54	Floor Remodel (750-15) (Reference Proj. 773-16)	280,652	6,000	192,703	-	198,703	41,938	4,610	-	46,548	46,548	152,155
54	Clubhouse Upgrades (773-16)	-	-	8,100	(774)	7,326	-	7,326	-	7,326	7,326	-
55	Replace PP Conference & Break Room Flooring (763-16) (Completed)	3,840	-	-	-	-	-	-	-	-	-	-
56	Paint Exterior Ironwork	10,239	-	-	-	-	-	-	-	-	-	-
56	Paint Exterior Flatwork	-	-	10,650	-	10,650	-	10,650	-	10,650	10,650	-
56	Replace 2 heat pumps (757-15) (Completed)	-	-	6,375	-	6,375	-	6,088	-	6,088	6,088	288
56	Replace heat pump #1 (779-16)	-	-	36,900	(1,500)	35,400	-	35,400	-	35,400	35,400	-
56	Upstairs Floor remodel (768-16) (Completed)	-	-	10,500	25	10,525	-	10,525	-	10,525	10,525	-
56	Replace 9 ping pong tables	11,724	-	-	-	-	-	-	-	-	-	-
74	Paint Exterior Flatwork	-	-	42,000	-	42,000	-	-	12,639	12,639	12,639	29,361
74	Replacement of Wood Shop equipment & Electrical panel (799-16)	2,560	-	-	-	-	-	-	-	-	-	-
79	Repair Concrete and Wood Shoreline at Pond	10,239	-	-	10,239	10,239	-	-	-	-	-	10,239
79	Refurbish Golf Course Greens	10,239	-	-	-	-	-	-	-	-	-	-
79	Community Landscape Remodel	25,598	-	-	-	-	-	-	-	-	-	-
79	Community Concrete Flatwork	38,038	-	-	-	-	-	-	-	-	-	-
79	Community Asphalt Seal Coat- Parking Lots	51,195	-	-	-	-	-	-	-	-	-	-
79	Community Asphalt Seal Coat-Street Phase 4	-	-	6,568	-	6,568	-	6,568	-	6,568	6,568	-
79	Replacement of Light Pole and Fixture (765-16) (Completed)	-	760,000	-	(760,000)	-	-	-	-	-	-	-
79	Street resurfacing, St. Andrews Drive	-	125,000	-	(125,000)	-	-	-	-	-	-	-
79	56 Trees Replaces in street medians	-	163,270	-	-	163,270	104,940	50,020	8,310	58,330	163,270	45,613
79	Main Gate Beautification - Globe (730-15B)	-	180,000	-	21,000	201,000	-	111,098	44,290	155,387	155,387	194,247
79	Globe - Replacement of Continents (730-15B)	-	350,000	-	-	350,000	31,732	124,021	-	124,021	155,753	-
79	Perimeter wall sections B (591-01B-B)	-	50,000	-	857	50,857	41,114	9,753	-	9,753	50,867	-
79	CH3/Library- concrete replacement (747-15-0718) (Completed)	-	494,000	-	-	494,000	440,914	37,316	-	37,316	478,230	15,770
79	Perimeter wall sections A (591-01B-A)	-	702,900	-	(624,577)	78,323	72,176	(47,472)	53,619	5,147	78,323	0
79	Perimeter wall sections J & K (591-01B-JK)	-	50,000	-	-	50,000	9,190	788	-	788	9,978	40,023
79	St. Andrews Gate Improvements (723-14)	-	-	-	-	-	-	-	-	-	-	-
79	Perimeter wall sections L & M (591-01B-LM)	1,650,000	23,475	-	875,525	900,000	9,025	617,807	1,210	619,017	628,042	271,958
79	Main Gate Flagpole	-	-	7,167	(450)	6,717	-	3,184	3,534	6,717	6,717	-
79	Landscape Replacement- Admin/HCC Palm Island, J Island, Pump Island (794-16)	-	-	10,249	-	10,249	-	-	-	-	-	600,000
79	Paving Project- Phase one (Cedar Crest, Knollwood, Fairfield/Prestwick, Shawnee ...)	-	-	600,000	-	600,000	-	-	-	-	-	-
Total Planned Reserve Expenditures		2,207,108	2,985,461	1,144,360	(619,598)	3,510,222	719,511	1,182,011	133,051	1,315,061	2,034,572	1,475,650

**2016 Capital Plan**

Center	Description	Prior Approved	2016 Budget	Additional Approved	Other Adjustments	Total Projects	Prior Expenditures	YTD EXPENDITURES			TTD Expenditures	Allocated Funds
								Jan-Nov	Dec	Total		
32	Barcode label printer	1,000				1,000	-	-	-	-	-	1,000
32	Pallet Racking System (2016 Approved Capital- Purchased in 2015)		3,000		(169)	2,831	2,831	-	-	-	2,831	-
34	CH4 Technology Enhancements	44,000				44,000	-	-	-	-	-	44,000
34	Axxerion/Jenark System (5000-14J-A)	225,017		25,000		250,017	220,149	19,050	1,463	20,513	240,661	9,356
34	Main Server Room Modifications (734-15 - Server Room Mods) (Completed)	6,600			(132)	6,468	5,938	531		531	6,468	-
34	Second Server/Rm Mods (744-15 - Second Server Rm System) (Completed)	60,000			(9,492)	50,508	50,508	-		-	50,508	-
34	Surveillance Cameras (2016 Approved Capital)		13,000			13,000	-	63		63	63	12,937
34	Visual Display Solutions	22,000				22,000	-	-		-	-	22,000
34	SANS Audit- Equipment	15,943	-	-	500	16,443	15,943	500		500	16,443	-
36	6 Work Stations and 1 Reception (745-15-0701) (Completed)	20,000			(3,139)	16,861	16,455	406		406	16,861	-
37	Paychex Time Clocks (2) (2016 Approved Capital)		5,200		(495)	4,705	-	4,705		4,705	4,705	-
37	Repeater, hardware, license & programming (2016 Approved Capital)		5,000		(302)	4,698	-	4,698		4,698	4,698	-
37	Sound Proofing Panels @ Main Gate Lobby (2016 Approved Capital)		2,000			2,000	-	-		-	-	2,000
38	Minibuses- Air Conditioning and Window Tint (771-16) (Completed)		-	30,000	(7,570)	22,430	-	22,430		22,430	22,430	-
40	Special Events Trailer & Equipment (2016 Approved Capital)		6,900		(1,176)	5,724	-	-	5,724	5,724	5,724	-
45	18 4X8 Portable Stage Risers with Carts (2016 Approved Capital)		13,635			13,635	-	10,172		10,172	10,172	3,463
45	Movie Projector & DVD Player (2016 Approved Capital)		26,000			26,000	-	8,069		8,069	8,069	17,931
48	Engineering and architectural (2016 Approved Capital)		25,000	(25,000)	-	-	-	-		-	-	-
52	Develop redesign CH2 Outdoor Multi-Use Area (785-16)	-	-	13,750		13,750	-	-		-	-	13,750
54	Clubhouse Upgrades (773-16)	-	-	22,150	-	22,150	-	4,121	68	4,189	4,189	17,961
55	Building 5 first floor remodel (765-16)	-	-	1,600		1,600	-	650		650	650	950
55	Conference Room B Remodel (772-16) (Completed)	-	-	37,000	2,058	39,058	-	39,058		39,058	39,058	-
70	Inspector Vehicles (1) electric (2016 Approved Capital)		10,000			10,000	-	8,947		8,947	8,947	1,053
70	PP 4 Workstations (758-15) (Completed) (2016 Approved Capital- Purchased in 2015)		13,000		(3,865)	9,135	9,135	-		-	9,135	-
74	Maintenance Vehicles (2) electric (2016 Approved Capital)		20,000			20,000	-	17,894		17,894	17,894	2,106
79	ADA Improvement Main Parking Lot (710-14) (Complete)	109,000				109,000	94,201	9,884		9,884	104,085	4,916
79	Landscape CH3 Library Patio	6,000				6,000	-	-		-	-	6,000
79	CAMUTCD (California Manual on Uniform Traffic Control Devices) (738-15) (Completed)	-	-	7,040		7,040	-	7,040		7,040	7,040	-
79	Resales Office Remodel (725-14)	70,000				70,000	40,107	9,356	5,189	14,545	54,652	15,348
79	Patio Furniture at Sales Office	-	-	2,500	6	2,506	-	2,506		2,506	2,506	-
79	Outdoor Furniture	35,000			(4,712)	30,288	35,248	(4,960)		(4,960)	30,288	-
79	Pedestrian Gate at Northwood Road			30,000	(1,857)	28,143	-	-		-	-	28,143
79	Main Gate Landscape Architect (790-16)			8,000	-	8,000	-	-		-	-	8,000
79	Install sidewalk at Medical Center Building to Conference RM B (764-16)	-	-	30,000	-	30,000	-	24,525		24,525	24,525	5,475
79	Red Curb Review Study (796-16)	-	-	9,720	-	9,720	-	-		-	-	9,720
79	Nassau Drive Landscaping (797-16)	-	-	6,450	-	6,450	-	-		-	-	6,450
79	Landscape Replacement- South Side Hill at Amphitheater/ HCC (795-16)	-	-	3,206	-	3,206	-	-		-	-	3,206
79	Concrete Replacement and Lanscaping at South end of Building 5 (793-16)	-	-	16,500	-	16,500	-	-	14,500	14,500	14,500	2,000
Total Planned Capital Acquisitions		614,560	142,735	217,916	(30,346)	944,865	490,513	189,645	26,943	216,588	707,100	237,764



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**BOARD ACTION REQUEST**

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** FINANCE COMMITTEE  
**SUBJECT:** PROPOSED CHANGES TO THE PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS  
**DATE:** JANUARY 17, 2017  
**CC:** FILE

---

At its regular meeting held on January 17, 2017, the Finance Committee discussed and consented to certain changes in the presentation of the audited financial statements format as proposed by NSBN, LLP and shown in Exhibit A. The purpose of these proposed changes is to bring the statement presentation more in line with those of generally accepted accounting principles (GAAP) and to combine certain lines within the financial statements to simplify the presentation. The line items proposed to be combined will continue to be detailed within the notes or other supporting schedules that accompany the annual financial statements.

**MOTION:**

I move to accept the proposed changes in the presentation of the audited financial statements format as proposed by NSBN, LLP and shown in Exhibit A.

**Golden Rain Foundation *and The Trust***  
*Consolidated* Financial Statements *and*  
*Supplementary Information*  
December 31, 2015 and 2014  
(With Independent Auditors' Report Thereon)

As we briefly discussed, the statements present the "cumulative" fs of GRF and Trust, Trust assets are controlled and managed by GRF, which probably means we are consolidating the FS, let's discuss





February 23, 2016

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Golden Rain Foundation  
Seal Beach, California

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Golden Rain Foundation (the "Foundation") and The Trust, which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of revenue and expenses by segment, changes in membership interest and trust equity, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the as the risks assessment of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we such express opinino on. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Golden Rain Foundation and The Trust as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Future Major Repairs and Replacements on page 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**~~*Disclaimer of Opinion on Supplementary Information*~~**

~~Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary budget information presented in the Statement of Operations, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.~~

*NSBN LLP*

NSBN LLP  
Los Angeles, California

**Golden Rain Foundation**  
Balance Sheets  
December 31, 2015 and 2014

Exhibit A

	2015	2014
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 496,961	\$ 117,241
Investments (Note 3)	81,004	104,384
Receivables	682,656	1,162,531
Inventory of maintenance supplies	381,442	349,260
Prepaid expenses (Note #)	463,399	487,775
Total Current Assets	<u>2,105,462</u>	<u>2,221,191</u>
<b>Designated Deposits (Note 3)</b>		
Since the detail is provided in footnote 3, suggest presenting designated deposits in total as a single line item		
Total Designated Deposits	<u>8,488,653</u>	<u>8,390,078</u>
<b>Notes Receivable</b>		
Notes Receivable - Membership Fee	<u>14,428</u>	<u>701</u>
<b>Community Facilities Held in Trust (Note 4 and 5)</b>	<u>30,666,928</u>	<u>30,728,854</u>
Less: Accumulated Depreciation	<u>(20,732,698)</u>	<u>(19,890,115)</u>
Net Community Facilities	<u>9,934,230</u>	<u>10,838,739</u>
<b>Premium on Municipal Bonds</b>		
(net of accumulated amortization of \$40,646 and \$104,883 at December 31, 2015 and 2014, respectively)	<u>13,204</u>	<u>25,997</u>
Total Assets	<u>\$ 20,555,977</u>	<u>\$ 21,476,706</u>

See accompanying independent auditors' report.  
The notes are an integral part of these financial statements

Suggest presenting as Other, balance is immaterial enough. Could probably be grouped with prepaids above

**Golden Rain Foundation**  
**Balance Sheets**  
December 31, 2015 and 2014

**Exhibit A**

	2015	2014
Liabilities and Equity		
Current Liabilities:		
Accounts payable	\$ 636,574	\$ 894,553
Accrued expense <span style="border: 1px solid red; padding: 0 2px;">S</span>	945,286	964,362
Accrued property tax	110,647	116,770
Project commitments	795,037	-
Payable to Mutuals - excess income refund	-	700,223
Total Current Liabilities	<u>2,487,544</u>	<u>2,675,908</u>
Equity		
Equity in Contingency Operating Fund	706,643	697,674
Equity in Replacement Reserves	5,972,635	-
Equity in Capital Improvement Fund	811,767	-
Beneficial interest in Trust Assets	4,602,614	10,800,848
Total beneficial interest in trust	<u>12,093,659</u>	<u>11,498,522</u>
Membership interest		
Membership certificates of 844 shares at \$200 par value, and 5,764 shares at \$250 par value, authorized, issued and outstanding.	<u>1,609,800</u>	<u>1,609,800</u>
Additional paid in capital	<u>20,310,455</u>	<u>21,137,008</u>
Assets contributed to the Golden Rain Foundation Trust	<u>(15,444,532)</u>	<u>(15,444,532)</u>
Income before depreciation and amortization	<u>364,007</u>	<u>-</u>
Depreciation and amortization	<u>(864,956)</u>	<u>-</u>
Total Equity	<u>18,068,433</u>	<u>18,800,798</u>
Total Liabilities and Equity	<u>\$ 20,555,977</u>	<u>\$ 21,476,706</u>

suggest a footnote describing the nature of this liability

Suggest presenting net as page 6 presents the same information with more detail, one alternative might be  
>Member Cert  
>APIC  
>Net income/(Loss)

See accompanying independent auditors' report.  
The notes are an integral part of these financial statements



Golden Rain Foundation  
Statements of Revenues and Expenses By Segment  
For the Years Ended December 31, 2015 and 2014

	Trust Operations		Maintenance Services		Management Services		Golden Rain News		All Segments	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income:										
Net Billings from Mutuals	\$ 9,836,253	\$ 9,394,524	\$ 1,393,409	\$ 1,240,920	\$ 44,400	\$ 44,400	\$ (142,268)	\$ (98,400)	\$ 11,131,794	\$ 10,581,444
Advertising Income							919,290	953,136	919,290	953,136
Rental - Onsite Sales Office	509,572	415,613	-	-	-	-	-	-	509,572	415,613
Rental - Health Care Center	564,000	564,000	-	-	-	-	-	-	564,000	564,000
Income From Superwire	104,355	74,721	-	-	-	-	-	-	104,355	74,721
Other Rental Income	34,587	39,482	-	-	-	-	-	2,625	34,587	39,482
Interest Income	55,473	65,680	-	-	-	-	-	-	55,473	68,305
Interest Income Allocation	(52,889)	(9,072)	-	-	-	-	-	-	(52,889)	(9,072)
SRO Labor Cost Recovery			1,409,021	1,295,911	-	-	-	-	1,409,021	1,295,911
Other Income	487,561	265,232	-	-	-	-	1,049	(572)	488,610	264,660
Sub-Total	11,538,912	10,810,180	2,802,430	2,536,831	44,400	44,400	778,071	856,789	15,163,813	14,248,200
Replacement Reserve Funding	(1,000,000)	-	-	-	-	-	-	33,386	(1,000,000)	-
Excess Income Transfers	-	234,169	-	(267,555)	-	-	-	-	-	(771,819)
Trust Assets Depreciation	-	(771,819)	-	-	-	-	-	-	-	-
Total Income	10,538,912	10,272,530	2,802,430	2,269,276	44,400	44,400	778,071	890,175	14,163,813	13,476,381
Operating Expenses:										
Salaries and Benefits	6,141,110	6,393,291	2,341,950	2,135,200	-	-	514,455	525,830	8,997,515	9,054,321
Retirement Plan (Note 5)	76,999	77,591	54,755	52,656	-	-	12,244	13,544	143,998	143,791
Materials and Supplies	432,726	480,134	69,204	16,202	-	-	249,616	218,614	751,546	714,950
Utilities and Trash Hauling	518,182	500,642	16,621	17,228	-	-	7,006	6,422	541,809	524,292
Insurance Premiums	445,949	383,196	-	-	-	-	17,892	18,702	463,841	401,898
Professional Services	317,504	253,786	-	-	-	-	7,660	3,426	325,164	257,212
Contract Services	169,779	166,361	1,374	1,319	-	-	99,577	94,448	270,730	262,128
Equipment Maintenance	184,543	179,468	30,768	22,901	-	-	1,589	1,520	216,900	203,889
Facility Maintenance	1,414,342	1,309,623	1,944	55	44,400	44,400	5,327	1,905	1,466,013	1,355,983
Recreation - Entertainment	265,588	213,920	-	-	-	-	-	-	265,588	213,920
Property Taxes and Licenses	28,718	33,154	737	115	-	-	-	-	29,455	33,269
Miscellaneous	229,277	281,364	90,081	12,786	-	-	7,889	2,281	327,247	296,431
Total Expenses	10,224,717	10,272,530	2,607,434	2,258,462	44,400	44,400	923,255	886,692	13,799,806	13,462,084
Excess Income (Loss) before Trust Assets Depreciation	314,195	-	194,996	10,814	-	-	(145,184)	3,483	364,007	14,297
Trust Assets Depreciation	(850,816)	-	(11,239)	(10,814)	-	-	(2,901)	(3,483)	(864,956)	(14,297)
Net Income (Loss)	\$ (536,621)	\$ -	\$ 183,757	\$ -	\$ -	\$ -	\$ (148,085)	\$ -	\$ (500,949)	\$ -

See accompanying independent auditors' report.  
The notes are an integral part of these financial statements



**Golden Rain Foundation**  
Changes in Membership Interest and Trust Equity  
For the Years Ended December 31, 2015 and 2014

	Membership Interest	Additional Net Paid-In Capital	Transfers to Trust	Mutuals' Beneficial Interest In Trust Assets	Excess Income Before Depreciation and Amortization	Accumulated Depreciation and Amortization	Total
Balance at January 1, 2014	\$ 1,609,800	\$ 20,377,326	\$ (14,547,195)	10,590,987	\$ -	\$ -	\$ 18,030,918
Membership Fees	-	746,244	-	-	-	-	746,244
Fund Earnings (net of taxes)	-	9,072	-	145	-	-	9,218
Funding From Excess Income	-	-	-	12,627	-	-	12,627
Transfers	-	-	(897,338)	897,338	-	-	-
Excess income and transfers over direct operating expenses	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Claims Paid	-	1,792	-	-	-	-	1,792
Municipal Bonds Premium Allocation	-	2,575	-	(2,575)	-	-	-
Balance at December 31, 2014	1,609,800	21,137,008	(15,444,532)	11,498,522	-	-	18,800,798
Membership Fees	-	-	-	1,201,016	-	-	1,201,016
Fund Earnings (net of taxes)	-	2,570	-	50,318	-	-	52,888
Funding From Assessments	-	-	-	1,000,000	-	-	1,000,000
Expenditures from equity reserves	-	-	-	(2,485,322)	-	-	(2,485,322)
Transfers	-	(829,125)	-	829,125	-	-	-
Excess income and transfers over direct operating expenses	-	-	-	-	364,007	-	364,007
Depreciation and amortization	-	-	-	-	-	(864,956)	(864,956)
Balance at December 31, 2015	\$ 1,609,800	\$ 20,310,455	\$ (15,444,532)	12,093,659	\$ 364,007	\$ (864,956)	\$ 18,068,433

suggest seperating  
from APIC only if  
there's activity in 16

Suggest presenting  
as part of Net  
Income or Loss

See accompanying independent auditors' report.  
The notes are an integral part of these financial statements

**Golden Rain Foundation**  
**Statements of Cash Flows**  
For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
(Decrease) increase in members' equity	\$ (732,365)	\$ 769,880
Adjustments to reconcile (decrease) increase in members' equity to net cash provided by operating activities		
Depreciation	864,956	786,116
Decrease in other receivables and accrued interest	479,875	143,100
(Increase) decrease in inventory of maintenance supplies	(32,182)	35,919
Decrease (increase) in prepaid expenses	24,376	(95,315)
Decrease in other assets	12,793	22,164
(Increase) decrease in notes receivable	(13,727)	2,338
(Decrease) in accounts payable	(257,979)	(458,522)
Increase in project commitments	795,037	-
(Decrease) in due to contingency operating fund	-	(122,060)
(Decrease) in accrued expenses	13,080	153,896
(Decrease) increase in payable to mutuals	(700,223)	399,099
(Decrease) increase in deposits held in trust	-	(6,516)
(Decrease) in mutuals' self insurance reserve	-	(192,832)
Net cash provided by operating activities	<u>453,641</u>	<u>1,437,267</u>
Cash flows from investing activities:		
Proceeds for the sale of investments	705,000	455,000
(Costs) of the investments sold	(705,000)	(455,000)
(Increase) Decrease of investments and designated deposits	(75,195)	207,600
Proceeds for the sale of fixed assets	1,274	-
Acquisition of fixed assets (excluding construction in progress)	(843,104)	(2,561,596)
Dispositions in construction in progress for community facilities	<u>843,104</u>	<u>937,983</u>
Net cash (used in) investing activities	<u>(73,921)</u>	<u>(1,416,013)</u>
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Increase in cash and cash equivalents	379,720	21,254
Cash and equivalents at beginning of year	117,241	95,987
Cash and equivalents at end of year	<u>\$ 496,961</u>	<u>\$ 117,241</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for income taxes	\$ <u>62,960</u>	\$ <u>-</u>
Cash paid for interest	\$ <u>-</u>	\$ <u>-</u>

See accompanying independent auditors' report.  
The notes are an integral part of these financial statements

**GOLDEN RAIN FOUNDATION**  
Notes to Financial Statements  
December 31, 2015

suggest adding a description of the nature of consolidation, ie GRF and Trust

**(1) Nature of Operations**

The Golden Rain Foundation (the "Foundation"), a Non Profit Mutual Benefit Corporation, operates and maintains the community facilities within a cooperative housing project consisting of 6,482 cooperative units and 126 condominium units known as Seal Beach Leisure World. The housing project is owned by sixteen corporations (the "Mutuals") whose stockholders are also members of the Foundation. The sole purpose for the existence of the Foundation is to provide management, accounting and maintenance services to the sixteen mutual corporations and to care for the community facilities.

**(2) Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with the standards promulgated by the Financial Accounting Standards Board. Beginning with 2006, the financial statements have been expanded to reflect the various functions of the Golden Rain Foundation. The assets, liabilities and members' equity of the Foundation as a corporation had been separated from the trust assets which the Foundation controls, and is responsible for, as trustee for the Golden Rain Foundation Trust. The accountability for these trust assets had been re-characterized as the Mutuals' Beneficial Interest in the Trust through 2014. In addition to the changes in the Balance Sheet, the Statement of Revenues and Expenses has been segmented to separate trust from non-trust activities.

**B. Transfer of Foundation Assets**

Beginning with 2015, the Foundation's assets were transferred into the Trust and have been combined for financial reporting. The intention of this change is to provide reporting that accurately represents the Foundation's operations.

**C. Operating Costs**

The Foundation is a non profit corporation and it is intended that all of its operating costs be recovered from the Mutuals. All operating costs are charged to the Mutuals by the Foundation in the year incurred. Budgeted costs are apportioned and billed monthly to the Mutual Corporations on the basis of the number of units available for occupancy in each Mutual. Should the actual operating expenses exceed the actual operating income, the net excess expenses will be billed to the Mutuals based on the number of units per Mutual. Net excess income shall be eliminated in accordance with Policy 5528-31. Total operating income exceeded total operating costs by \$364,007 in 2015 and \$712,850 in 2014. Excess Income from Trust Operations for 2015 was \$314,195 and from the Golden Rain Foundation operations was \$49,812.

In 2015, \$364,007 was transferred to the Foundation's Replacement Reserve Fund.

**D. Inventory of Maintenance Supplies**

Inventory consists primarily of maintenance supplies to repair or replace property held by the Mutuals and the community facilities that the Foundation holds in trust for the Sixteen Mutuals. Inventory is stated at cost, determined on a first-in, first-out basis, which approximates market value.



**GOLDEN RAIN FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2015**

**(2) Summary of Significant Accounting Policies (Continued)**

***E. Investments***

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC Number 320-10) "Accounting for Certain Investments in Debt and Equity Securities" requires that investments be classified as "held to maturity," "available for sale" or "trading securities." The standard defines investments in securities as held to maturity based upon a positive intent and ability to hold those securities to maturity. Investments held to maturity are reported at amortized cost. Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses included in operations. Debt and equity securities not classified as held to maturity or trading securities are classified as available for sale and are recorded at fair value, with unrealized gains and losses excluded from operations and reported as a separate component of members' equity. The Foundation has classified its entire investment portfolio as held to maturity and thus has recorded its investment securities at amortized cost.

***F. Fixed Assets and Community Facilities***

Fixed assets and community facilities held in trust by the Foundation are recorded at cost and are being depreciated on a straight-line basis over their estimated useful lives, which range from 3 to 30 years.

***G. Other Assets***

Other assets consist of premiums paid for municipal bonds. Amounts are being amortized using the effective yield method over the life of the assets, which range from one to nine years.

***H. Future Major Repairs and Replacements***

The Foundation's governing documents require that funds be set aside for the addition, replacement and repair of Trust property. The Foundation also maintains and funds reserves for disasters and for the cost of liability insurance deductibles. These reserves are reported on the accompanying balance sheets as Designated Deposits. Funds held on behalf of the Mutuals are offset by a liability to the Mutuals.

***I. Statement of Cash Flows***

For purposes of reporting cash flows, cash and cash equivalents include cash, demand and savings deposits in banks, and securities and certificates of deposit maturing within 90 days of the original purchase date. Amounts reported as deposits and investments designated for a specific purpose do not meet the definition of cash and cash equivalents.

***J. Concentration of Credit Risk***

The Foundation's cash is maintained in three commercial banks. Cash maintained in US Bank consists of demand deposits and money market accounts. US Bank has a "Secured Deposit" program that provides insurance in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The Foundation's US Bank accounts are fully covered by this program. Cash maintained in First Foundation Bank consists of money market and CDAR accounts. Cash in the money market account totals \$489,189 which exceeds the FDIC insured amount by \$239,189. Cash in CDAR accounts total \$5,450,000. CDAR funds are insured by the FDIC up to \$50 million. Cash maintained in BNY Mellon consist of a money market account. Cash in the money market totals \$149,207 which is fully covered by FDIC Insurance.

The Foundation has \$375,000 invested in municipal bonds, which it closely monitors with its investment advisor.



**GOLDEN RAIN FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2015**

**(2) Summary of Significant Accounting Policies (Continued)**

**K. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These assumptions and estimates can affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of changes in members' equity during the reporting period. Actual results could differ from those estimates.

**L. Advertising**

Advertising costs are charged to operations when incurred and are included in operating expenses. The Foundation did not incur any advertising expense for the years ended December 31, 2015 and 2014.

**M. Income Taxes**

For reporting purposes, the Foundation may file under the general corporation rules, which uses a graduated rate or under Internal Revenue Code Section 528 that provide for a single tax rate. The option that produces the most favorable return is the one ultimately selected for filing. Under both methodologies, the taxable income is based on nonmember income and interest from invested funds. Provision has been made for the 2015 tax liability.

The Foundation adopted the provisions of FASB ASC Number 740-10, Accounting for Uncertainty in Income Taxes. FASB ASC Number 740-10 changes the accounting for uncertainty in income taxes by creating a new framework for how organizations should recognize, measure, present and disclose uncertain tax positions in their financial statements. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax positions will more likely than not (>50%) be sustained upon the technical merits of the position. In accordance with FASB ASC Number 740-10, the Foundation adopted a policy to recognize penalties and interest resulting from these uncertainties in the period in which they are incurred as operating expenses.

The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service and the California Franchise Tax Board. The Foundation believes that income tax filing positions will be sustained upon examination, and does not anticipate any adjustments that would result in a material adverse affect on the Foundation's financial condition, results of operation, or cash flows. Accordingly, the Foundation has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2015.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to Federal income tax examinations for the years prior to 2012, and to California tax examinations for the years prior to 2011.

**N. Reclassifications**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to confirm with the presentation in the current-year financial statements.

**GOLDEN RAIN FOUNDATION**  
Notes to Financial Statements  
December 31, 2015

**(2) Summary of Significant Accounting Policies (Continued)**

**O. Subsequent Events**

Date of Management's Review - Subsequent events have been evaluated through February 23, 2016, the date that these financial statements were available to be issued.

**(3) Designated Deposits and Investments**

if all investments are held to maturity, ASC 320 is applicable as mentioned note 1, lets discuss

The Foundation adopted the provisions of FASB ASC 820 to measure fair value in the financial statements on a recurring basis. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value measurements. This standard provides a consistent definition of fair value which focuses on an exit price between market participants in an orderly transaction, prioritizes the use of market based information over entity specific information and establishes a three level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date. Fair values determined by Level 1 inputs utilize quoted prices in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset and include situations where there is little, if any, market activity for the asset. Cash, cash equivalents and money market accounts are Level 1 inputs. Municipal bonds and Government National Mortgage Association securities are Level 2 inputs. There are no Level 3 inputs.

The Foundation further adopted the provisions of ASC 820-10 for disclosure requirements related to transfers in and out of Levels 1 and 2 inputs. For the year ended December 31, 2015, there were no significant transfers from Level 1 to 2; there were \$705,000 transfers from Level 2 to 1 inputs.

The \$705,000 represents the Proceeds from the Sale of Investments as disclosed on the Statement of Cash Flows.

Investments and deposits are recorded on the balance sheets at December 31, 2015 and 2014 as follows:

	2015	2014
Investments	\$ 81,004	\$ 104,384
Designated deposits and investments	8,488,653	8,390,078
	<u>\$ 8,569,657</u>	<u>\$ 8,494,462</u>

**GOLDEN RAIN FOUNDATION**  
Notes to Financial Statements  
December 31, 2015

**(3) Designated Deposits and Investments (Continued)**

The Board, at its discretion, has designated resources to be set aside to provide for the activities indicated below. The cost of these designated deposits and investments at December 31, 2015 and 2014 are as follows:

	2015	2014
<u>Contingency Operating Fund</u> – Designated for unbudgeted or unanticipated events or shortfalls in anticipated revenues. Deposits to the Trust Contingency Operating Fund are made from excess income in accordance with Policy 5528-31.	\$ 706,643	\$ 697,674
<u>Replacement Reserve Fund</u> - Designated for future maintenance and replacement of major components/assets that the Foundation is required to maintain in accordance with California Civil Code. Use and expenditures of reserve funds are governed by Policy 5520-31. The Reserve fund is funded by contributions collected through monthly assessments and from a percentage of the Membership Fee and Renter Fee (Mutual 17 only) in accordance with Policy 5061-31. Additional funding may result through surplus operational funds from the preceding fiscal year in accordance with Policy 5528-31 and in accordance with the Civil Code.	6,290,766	
<u>Trust Improvement Fund</u> - Designated for the replacement of the community facility properties. This fund was closed to the Replacement Reserve Fund in 2015.	-	920
<u>Capital Improvement Fund</u> - Designated for new purchases (not replacement) of equipment and/or assets upon Trust property or used in the maintenance of Trust property or in the performance of Foundation duties under the management agreement with the Mutual Corporations. The Capital Improvement fund is funded from a percentage of the Membership Fee and Renter Fee (Mutual 17 only) in accordance with Policy 5061-31.	1,288,673	6,197,314
<u>Liability Insurance Deductible Fund</u> - Designated for payment of the deductible portion of any liability claims and expenses that may occur as a result of a disaster not covered by insurance. Deposits to the liability insurance deductible and disaster fund are made from interest earned on that fund's investments less any applicable income taxes.	202,571	1,029,125
<u>Other Restricted Funds</u> - Designated for payment of repairs and taxes, payment of insurance proceeds for repairs resulting from a fire, and deposits being held in trust. In 2015, these funds were transferred to each respective Mutual Corporation's balance sheet.	-	465,045
	\$ <u>8,488,653</u>	\$ <u>8,390,078</u>



**GOLDEN RAIN FOUNDATION**  
Notes to Financial Statements  
December 31, 2015

**(3) Designated Deposits and Investments (Continued)**

A comparison of amortized cost and approximate fair value of deposits and investments held to maturity at December 31, 2015 follows:

	2015		2014	
	Cost	Fair value	Cost	Fair value
Cash, cash equivalents and money markets	\$ 2,737,518	\$ 2,737,518	\$ 3,452,807	\$ 3,452,807
Certificates of deposits	5,450,000	5,450,000	3,950,000	3,950,000
Municipal bonds	377,124	386,607	1,093,907	1,127,094
Government National Mortgage Association securities	7,139	7,851	11,655	12,990
<b>Total</b>	<b>\$ 8,571,781</b>	<b>\$ 8,581,976</b>	<b>\$ 8,508,369</b>	<b>\$ 8,542,891</b>

The amortized cost and estimated fair value of designated deposits and investments at December 31, 2015 and 2014 by contractual maturity, are shown below:

	2015		2014	
	Cost	Fair value	Cost	Fair value
Due one year or less	\$ 8,514,333	\$ 8,521,581	\$ 8,116,271	\$ 8,126,271
Due after one year through five years	50,309	52,544	380,443	403,630
Due after five years through ten years	5,581	6,312	7,371	8,314
Due after ten years	1,558	1,539	4,284	4,676
	<b>\$ 8,571,781</b>	<b>\$ 8,581,976</b>	<b>\$ 8,508,369</b>	<b>\$ 8,542,891</b>

**(4) Fixed Assets**

At December 31, 2015 and 2014, fixed assets, at cost after transfers, consisted of the following:

	2015	2014
Furniture and equipment	\$ -	\$ 874,276
Less: accumulated depreciation	-	(835,465)
<b>Net fixed assets</b>	<b>\$ -</b>	<b>\$ 38,811</b>

In January 2015, the Foundation's assets were transferred into the Trust and have been combined for financial reporting. The intention of this change is to provide financial reporting that accurately represents the Foundation's operations Note 2(B).



**GOLDEN RAIN FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2015**

**(5) Community Facilities Held in Trust**

Fixed assets, which are made up of property and equipment required to manage the Foundation's operations, also include the community facilities, including land parcels, utilities, streets, medical and recreational buildings which are held in trust by the Foundation for the benefit of the Mutuals.

A summary of the community facilities held in trust at December 31, 2015 and 2014 are as follows:

	2015	2014
Land	\$ 999,091	\$ 999,091
Infrastructure	8,648,040	8,648,040
Building and improvements	11,328,030	11,320,722
Fixtures and equipment	9,691,767	8,043,621
Sub-total	30,666,928	29,011,474
Less accumulated depreciation	(20,732,698)	(19,054,650)
Construction in progress	-	843,104
Net community facilities	<u>\$ 9,934,230</u>	<u>\$ 10,799,928</u>

Total community facilities represent amounts invested in the community facilities by the Mutuals, which are equal, except for Mutuals Nos. Sixteen and Seventeen, to values attributed to the community facilities by the Federal Housing Administration historically. The original contribution of Mutual Sixteen to the trust was based on the cost of its off-site improvements and utilities, plus an allocated share of the cost of recreational and other community facilities. The original contribution of Mutual Seventeen to the Trust was based on its allocated share of the then current fair market value, as determined by the Foundation, attributed to the original community facilities purchased by the Mutual. The future interests of the Mutuals in the subsequent Trust additions have been allocated to each Mutual in proportion to the Mutual's number of units as compared to all units in the project.

**(6) Employees' Retirement Plan**

Effective January 1, 2000, the Employees' Retirement Plan was amended from a defined contribution money purchase plan to a 401(k) plan. Employees with 1,000 hours of service with the Foundation continue to be eligible. Participants are able to contribute from 1% to 100% of their compensation. Employer matching is 50% of the employees' contribution up to 8% of their compensation. The vesting period for the employer's match is set by statute at 100% after three years of service. Contributions made to the Plan by the Foundation amounted to \$143,998 and \$143,791 in 2015 and 2014, respectively.

**GOLDEN RAIN FOUNDATION**  
Notes to Financial Statements  
December 31, 2015

**(7) Commitments**

- A.** The Foundation has an operating lease agreement for equipment expiring October 2018. Future minimum payments under these non-cancelable leases are as follows:

Year ending December 31:

2016	\$	24,564
2017		24,564
2018		18,423
	\$	<u>67,551</u>

Rent expense under the operating lease was \$28,861 for the year ended December 31, 2015.

- B.** The Foundation, as Trustee, rents the on-site sales office to outside services. The tenant calculates income received from the lease of the on-site sales office at a fixed percentage of the total monthly sales income generated by the tenant. The minimum guaranteed payment is \$10,000 per month. The lease agreement expires on December 31, 2017. Either party can terminate the lease upon 180 days notice without penalty.

The Foundation, as Trustee, rents the health care center to Tenet. Income received from the health care center is based on \$47,000 a month. The lease agreement expires in November 30, 2018. Either party can terminate the lease upon 180 days notice without penalty.

The Foundation, as Trustee, rents land for an RV storage center, and to NuVision Credit Union and Superwire Telecom Inc. The income received on land for the RV storage center is based on \$14,778 for the year ending December 31, 2015, and \$14,778 per year for the succeeding three years ending December 31. The income received from NuVision Credit Union is \$1,500 per month. The lease agreement expires in November 2017.

The Foundation, as Trustee, receives income from Superwire Telecom Inc. based on \$1,500 per month plus 5% of the gross revenues collected by Superwire Telecom Inc. from members of Leisure World, Seal Beach. This agreement expires February 18, 2019. The rental income of \$1,500 per month is included in the future minimum rental income schedule below.

Future minimum rental income based on the existing leases is estimated as follows:

Year ending December 31:

2016	\$	734,778
2017		718,500
2018		535,000
2019		3,000
	\$	<u>1,991,278</u>

Income received from the rental of community facilities was \$1,226,305 and \$1,089,126 in 2015 and 2014, respectively. The net book values of the resale's office and health care center are \$2,195 and \$1,311,012, respectively.

**GOLDEN RAIN FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2015**

**(8) Contingencies**

The Foundation was a named defendant in a lawsuit brought by their former Executive Director for termination of an employment contract. This lawsuit alleged violation of the California Fair employment and Housing Act. The Foundation has asserted a defense that the termination was based on performance. The lawsuit was settled during the year ended December 31, 2014.

During the year ended December 31, 2015, the Foundation was involved in contingencies through the normal course of its business operations.

**(9) Foundation's Operations Correction**

The Foundation provides administrative and facilities services for the related Mutuals for which the Mutuals reimburse the Foundation monthly. As of December 31, 2014, the Foundation determined that \$216,250 related to these services rendered had been provided during previous periods but had not been reimbursed through the monthly collection process. Accordingly, the Foundation's management ("Management") had determined to write off this receivable balance and charge it as a current year's operating expense in 2014.

Management had determined that certain liabilities totaling \$175,369, specifically, repair and tax deposits held in trust, collections for cable services and purchases of repair and maintenance supplies were overstated and no longer represents valid Foundation liabilities. GRF management had determined to write off this balance and reduce the 2014 year's operating expense.

The net effect of adjustments made to receivables and payables to net income for 2014 was:

	Effect on Excess Inc.
Mutual receivable write-off	\$ (216,250)
Repair & tax deposit liability write-off	49,155
Cable services liability write-off	53,416
Inventory supplies payable write-off	72,788
	<hr/>
Adjustment to net income	\$ <u><u>(40,891)</u></u>

As of and for the year ended December 31, 2015, management determined no such corrections are needed.

**Golden Rain Foundation**  
**Supplemental Information Regarding Funds for Future Repairs**

(Unaudited)

December 31, 2015

While preparing the annual operating budget, the Board reviews the conditions and assumptions regarding the common interest of the Foundation. This review consists of updating the replacement cost and remaining useful life of the Foundation's common interest property. This data is used to develop reserve requirements using the formula set forth in Civil Code 5570 (b) (4). Except as noted below the Board expects to finance all replacements through regular assessments to the shareholders. Accordingly, the Board does not plan any special assessments.

Fund	Estimated Remaining Life	Current Replacement Cost	Reserve Balance Required	Est Beg Bal	Annual Contribution	Per Unit Per Month
Replacement Reserves	1 - 40	\$ 15,444,719	\$ 5,442,330	\$ 5,644,915	\$ 1,000,000	\$ 12.61

Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated required amount to be in the reserve fund, the projected fund balance of those years, taking into account only assessments approved and the other known revenues, and the percentage funded at the end of each of the next five years is:

Year	Required Funding	Projected Fund Bal.	% Funded
2015	\$ 8,162,173	\$ 4,967,109	\$ 1
2016	\$ 9,054,879	\$ 4,650,043	\$ 1
2017	\$ 8,310,706	\$ 5,344,472	\$ 1
2018	\$ 8,485,873	\$ 6,502,937	\$ 1
2019	\$ 9,160,071	\$ 7,684,589	\$ 1

This financial representation set forth in this summary is based on the best estimates of the Board at this time and is further predicated on the Board maintaining the current Reserve Funding Plan.



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Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

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## BOARD ACTION REQUEST

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**TO:** BOARD OF DIRECTORS  
**FROM:** FINANCE COMMITTEE  
**SUBJECT:** CONSIDERATION OF ANNUAL LEASE, LEISURE WORLD MEALS  
**DATE:** JANUARY 17, 2017  
**CC:** FILE

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At the January 17, 2017 meeting of the Finance Committee, the Committee reviewed a proposed annual lease agreement for the use of Trust Property for Leisure World Meals.

The Committee approved to recommend to the GRF Board the agreement, as noted, to stipulate clear terms and conditions in the use of Trust property.

### MOTION:

I move to approve an annual lease agreement with Leisure World Meals (Meals), for a one year term, commencing January 1, 2017 and expiring December 31, 2017, at the annual rent of \$1.00 per year, as stipulated under the governing lease agreement, upon securing the signature of the authorized officer of the service, and authorize the GRF President sign the agreements.



## **LEASE AGREEMENT – LEISURE WORLD MEALS**

This lease agreement is made on January 1<sup>st</sup>, 2017, between Golden Rain Foundation, 13531 St. Andrews Drive, Seal Beach, California 90740, a California Corporation (hereinafter referred to as "GRF"), and Leisure World Meals, A food delivery service, (hereinafter referred to as "MEALS") who agrees as follows:

### **1. OPENING CLAUSES:**

This agreement is made with reference to the following facts and objectives:

- a. GRF is the owner of the premises which consist of room B in Clubhouse Two (2) building of 214 square feet located at 13681 El Dorado Dr.
- b. MEALS is willing to lease the space from GRF pursuant to the provisions stated in this agreement.
- c. MEALS has examined the premises and fully accepts its present condition.

### **2. TERM:**

The term of this lease shall be one (1) year commencing January 1st, 1, 2017, and shall expire December 31st, 2017. GRF shall have the option to review this Agreement annually and renew for additional one (1) year periods.

### **3. ANNUAL RENTAL AND TAXES:**

MEALS shall pay to GRF an annual rent of \$1.00 per year in advance on the first day of each yearly term, commencing on the date the term commences. GRF shall pay all real property taxes, general and special assessments levied and assessed for the building.

### **4. USAGE:**

MEALS wishes to lease this space for the purposes to provide volunteers to: staff MEALS delivery; (as stated in Policy 1406-50, Limitations on Use) the meetings and programs of MEALS; engage in activities which further the purposes of MEALS; and to further the benefits to the shareholder/members.



## **LEASE AGREEMENT – LEISURE WORLD MEALS**

MEALS' use of the premises as provided in this Agreement shall be in accordance with the following:

- a. MEALS and each of its volunteers, guests and invitees shall comply with GRF policies and procedures at all times\_\_\_\_\_.
- b. MEALS shall not do, bring or keep anything in or about the premises that will cause the increase of premiums and/or cancellation of any GRF insurance covering the premises.
- c. MEALS and each of its volunteers and guests shall comply at all times with MEALS' Bylaws attached to this Agreement and shall include a resolution from the MEALS Board of Directors authorizing the President to sign this agreement.
- d. MEALS and each of its volunteers and guests shall comply at all times with all of the GRF regulations and rules of MEALS' use of the premises including, without limitation, the obligation at MEALS' cost to alter, maintain the alterations or restore the premises in compliance and conformity with all GRF regulations and rules relating to the condition, use, or occupancy of the premises during the term.
- e. MEALS shall not use the premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to occupants of adjacent premises or property, or in any manner that violates the law.

### **5. DISCLAIMER:**

MEALS agrees, all acts by MEALS, are as a fully independent corporation and has no ties, affiliations, obligations and/or working relationship with GRF, Seal Beach. Neither GRF nor any of its directors, employees or agents assumes any legal liability or responsibility for any actions of or omissions by MEALS.

### **6. MAINTENANCE:**

GRF shall provide janitorial services and maintain, in good condition, all portions of the premises as needed.





## **LEASE AGREEMENT – LEISURE WORLD MEALS**

- a. MEALS shall be liable for any damage to the premises resulting from the acts or omissions of MEALS, its members, guests or any of its authorized representatives\_\_\_\_\_.
- b. MEALS shall not make any alterations to the premises without GRF's written consent. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of the lease. GRF can elect within six (6) months before expiration of the term, to require MEALS to remove any alteration that MEALS has made to the premises. If GRF so elects, MEALS at its cost, shall restore the premises to the original condition.
- c. If MEALS makes any alterations to the premises as provided in this paragraph, the alterations shall not be commenced until seven (7) business days after the GRF Representative (Recreation Manager) has received notice from MEALS stating the date that the installation of the alterations is to commence so that GRF can post and record an appropriate notice of non-responsibility.

### **7. UTILITIES AND SERVICES:**

GRF will pay for all heat, light, power and water. GRF states that 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.

### **8. INDEMNITY & INSURANCE:**

MEALS and its members, on behalf of their heirs, executors, successors, and assigns, agree to release, acquit, and forever discharge and hold harmless, indemnify and defend GRF and its past, present and future Board members, contractors, agents, managers and employees of and from any and all claims, actions, causes of action, lawsuits, class action lawsuits, demands, rights, damages, costs, loss of service, expenses, liabilities, debts, judgments, including reasonable attorneys' fees and costs, and compensation whatsoever, which the undersigned now has or which may hereafter accrue on account of or in any way growing out of any and all known and unknown, foreseen and unforeseen claims, damages, and any other matters pertaining to the MEALS' use or misuse (or the



## LEASE AGREEMENT – LEISURE WORLD MEALS

Boards' approval of the use) of room B in Clubhouse Two (2) building of 214 square feet located at 13681 El Dorado Dr.

Any MEALS activity which may require special insurance not mentioned herein will be maintained by MEALS at all times while this Agreement is in effect. Proof of such insurance shall be provided annually to GRF.

### 9. **ASSIGNMENT:**

MEALS shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or part of the premises, or allow any other person or entity to occupy or use all or any part of the premises, without first obtaining GRF's written consent. Any assignment, encumbrance, or sublease without GRF's consent shall be voidable and, at GRF's election, shall constitute a default. No consent to any assignment, encumbrance or sublease shall constitute a further waiver of the provisions of this paragraph.

Any dissolution, merger or consolidation of MEALS shall be deemed an involuntary assignment and shall constitute a default of MEALS. GRF shall have the right to terminate this Agreement, in which case the lease shall not be treated as an asset of MEALS.

No interest of MEALS in this Agreement shall be assignable by operation of law.

### 10. **DEFAULT:**

The occurrence of any of the following shall constitute a default by MEALS.

- a. Failure to pay rent when due.
- b. Abandonment and vacating of the premises for thirty (30) consecutive days.
- c. Failure to perform any other provision of the Agreement if the failure to perform is not cured within thirty (30) days after written notice has been given to MEALS. If a default cannot reasonably be cured within thirty (30) days, MEALS shall not be in default of this Agreement if MEALS commences to cure the default within the 30-day period and diligently and in good faith continues to cure the default.





## LEASE AGREEMENT – LEISURE WORLD MEALS

Notice given under this paragraph shall specify the alleged default in the applicable agreement provisions, and shall demand that MEALS perform the provisions of this Agreement, or surrender the premises. No such notice shall be deemed a forfeiture or a termination of this lease unless GRF so elects in the Notice.

GRF shall have the following remedies if MEALS commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by Law.

- a. GRF may terminate this lease and MEALS' right to possession of the premises at any time upon the giving of thirty (30) days' notice to quit.
- b. No act by GRF other than giving notice to MEALS shall terminate this Agreement.
- c. GRF, at any time after MEALS commits a default, can cure the default at MEALS' cost. If GRF at any time, by reason of MEALS' default, pays any sum or does any act that requires the payment of any sum, the sum paid by MEALS shall be due immediately from MEALS to GRF at the time the sum is paid, and if paid at a later date shall bear interest at the rate of 10 percent (10%) per annum from the date the sum is paid.

### 11. RIGHT OF ENTRY:

In addition to normal usage of the facilities, GRF and its authorized representatives shall have the right to enter the premises at all reasonable times to determine whether the premises are in good condition and whether MEALS is complying with its obligations under the Agreement\_\_\_\_\_.

### 12. NOTICE:

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first class mail.

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth on page 6 of this Agreement.



## **LEASE AGREEMENT – LEISURE WORLD MEALS**

Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing as provided in this section.

### **13. WAIVER:**

No delay or omission in the exercise of any right or remedy of GRF on any default by MEALS shall impair such a right or remedy or be construed as a waiver. GRF's consent to or approval of any act by MEALS requiring GRF's consent or approval shall not be deemed to waive or render unnecessary GRF's consent to or approval of any subsequent act by MEALS.

Any waiver by GRF of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Agreement.

### **14. ATTORNEY'S FEES:**

The prevailing party in any action or proceeding (including without limitation arbitration) to enforce this Agreement shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in the prosecution or defense of the action or proceeding.

### **15. MISCELLANEOUS:**

This Agreement and all exhibits thereto constitute the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements regarding the subject matter of this Agreement. This Agreement shall inure to the benefit of and shall be binding upon the parties, their successors and assigns. This Agreement does not create any rights in any third parties as third party beneficiaries. This Agreement may only be modified by a written instrument executed by both parties. If any provision of this Agreement is determined by an arbitrator or court of competent jurisdiction to be invalid or otherwise ineffective, the remaining provisions shall remain in full force. This Agreement shall be construed according to its fair meaning and as though no single party drafted this Agreement. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.





## LEASE AGREEMENT – LEISURE WORLD MEALS

### GOLDEN RAIN FOUNDATION

\_\_\_\_\_  
President (*signature*)

\_\_\_\_\_  
Print

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_

### LEISURE WORLD MEALS

\_\_\_\_\_  
President (*signature*)

\_\_\_\_\_  
Print

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_

#### Attachments:

1. CLUB Bylaws
2. CLUB Resolution



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

## BOARD ACTION REQUEST

**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** PHYSICAL PROPERTY COMMITTEE (MW)  
**SUBJECT:** CAPITAL REQUEST: AREA FOR ROLLING THUNDER, AT 1.8 ACRES  
**DATE:** JANUARY 16, 2017  
**CC:** FILE

The Physical Property Committee (PPC), at its regularly scheduled meeting on January 9, 2017, reviewed a request for improvements to Trust Property known as 1.8 Acres. It has been requested to add a 15' x 20' paved area with a 10' x 20' shade cover for the Rolling Thunder Golf Cart Club. Currently, no electricity is available in this area; however, a generator could be used until electrical service can be provided. The cost for a generator, air compressor and shed is \$2,400.00.

MJ Jurado has provided a proposal to upgrade this area (Exhibit A), for a cost not to exceed \$9,200.00. This includes a 15' x 20' paved area with a 10' x 20' shade cover.

The Committee discussed the scope of work and cost provided by MJ Jurado. After discussion on the use of asphalt in this area, a request was made to use concrete in place of asphalt. The Committee concurred and estimated an additional \$1,300.00 to the original quote.

The PPC unanimously agreed to have MJ Jurado install a 10' x 20' shade cover and pave 15' x 20' area with concrete, a storage shed and associated equipment (generator, air compressor, etc.) in a total amount not to exceed \$19,200.00, and forward this request to the Finance Committee for funding review, then to the Board, for final approval.

At its regularly scheduled meeting on January 17, 2017, the Finance Committee reviewed available funding for this project and unanimously resolved to approve the new Capital request expense for MJ Jurado to install a 10' x 20' shade cover and pave 15' x 20' area



with concrete, provide a storage shed and associated equipment, in a total amount not to exceed \$19,200.00, and forward the request to the Board for final approval.

**MOTION:**

I move to award a contract to MJ Jurado to upgrade the 1.8 Area, for the Rolling Thunder Golf Cart Club, by installing a 10' x 20' shade cover, pave 15' x 20' area with concrete, provide a storage shed and associated equipment, in a total amount not to exceed \$19,200.00, funding from Capital, and authorize the President to sign the contract.



Ph: (714) 397-0143  
Fax: (714) 827-2110

Lic.# 987670

## Proposal

Date	Estimate #
11/9/2016	1038

ATTN:

Golden Rain Foundation  
13533 Seal Beach Blvd.  
Seal Beach Ca 90740

Project			
1.8 Rolling Thunder Shade Cover/Asphalt			
Description	Qty	Rate	Total
Asphalt - Area 15x25 Construct 4" Asphalt On Compacted Subgrade, haul Off excess Spoils Offsite.	1	4,400.00	4,400.00
Option 1 : Shade /Awning Structure - Construct 10x20 with Wood & Roofing Includes Footings Brackets And Paint. Total Cost = \$ 7,200.00	1	0.00	0.00
Option 2 : Shade /Awning Structure - Construct Vinyl Lifetime Warranty No Painting Maintenance Free, Solid shade Structure Includes Footings. Total Cost \$ 4,800.00		0.00	0.00
<p>*Exclusions: Demo grading, water, permits, surveys, approved plans, soils tech, inspections, underground utilities that may be damaged during excavation, all work or items furnished by others.</p> <p>We can schedule this work to meet your production requirements. Thank you for your consideration. We trust we can be of service.</p> <p>Michael J. Jurado</p>			
<b>Total</b>			<b>\$4,400.00</b>

Approved By: \_\_\_\_\_

Date: \_\_\_\_\_



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Leisure World, Seal Beach

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## BOARD ACTION REQUEST

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** PHYSICAL PROPERTY COMMITTEE (MW)  
**SUBJECT:** RESERVES REQUEST: STORAGE RACKS FOR SERVICE MAINTENANCE  
**DATE:** JANUARY 10, 2017  
**CC:** FILE

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The Physical Property Committee (PPC), at its regularly scheduled meeting on January 9, 2017, reviewed a request for storage improvements in the Service Maintenance Department. Items of discussion included the replacement of work benches, storage racks and cabinets exceeding their useful life. The cost for materials and labor is \$14,902.60.

After the Committee discussed the scope of work and cost provided, the PPC unanimously agreed that there was a clear and present need to replace work benches, storage racks and cabinets in need of replacement, in an amount not to exceed \$15,000.00, from Reserves funding and forward the request to the Finance Committee for funding review, then to the GRF Board for final approval.

At its regularly scheduled meeting on January 17, 2017, the Finance Committee reviewed available funding for the project and unanimously resolved to approve the Reserves funding request expense for the replacement of work benches, storage racks and cabinets in the Service Maintenance Department, in an amount not to exceed \$15,000.00, from Reserves funding.

### MOTION:

I move to approve the purchase of work benches, storage racks and cabinets, for the Service Maintenance Department, in an amount not to exceed \$15,000.00, from Reserves funding.



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

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**MEMO**

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**TO:** MARK WEAVER, FACILITIES DIRECTOR  
**FROM:** RUBEN GONZALEZ, FACILITIES MANAGER  
**SUBJECT:** SERVICE MAINTENANCE SHOPS  
**DATE:** 1/04/17  
**CC:**

---

**PLUMBING / WELDING SHOPS**

- WORKBENCH WITH STEEL TOP
- WIDE SPAN STORAGE RACK
- ALL-WELDED HEAVY DUTY STORAGE CABINETS

**PAINT / REFRIGERATOR SHOPS**

- WELDED STEEL WORK BENCHES
- INDUSTRIAL GRADE FULL HEIGHT STORAGE CABINETS
- PALLET RACKS WITH WIRE DECKING

**ESTIMATED MATERIAL COSTS (TAX AND SHIPPING INCLUDED): \$12,702.60**  
**ESTIMATED LABOR COSTS: \$2,200.00**

**TOTAL ESTIMATED LABOR AND MATERIALS: \$14,902.60**



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Golden Rain Foundation

Leisure World, Seal Beach

## BOARD ACTION REQUEST

**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** PHYSICAL PROPERTY COMMITTEE  
**SUBJECT:** CAPITAL REQUEST: PURCHASING OFFICE IMPROVEMENTS  
**DATE:** JANUARY 16, 2017  
**CC:** FILE

The Physical Property Committee (PPC,) at its regularly scheduled meeting on January 9, 2017, reviewed a request for improvements in the Purchasing Department. Items of discussion included outdated work stations, lack of heat in the un-insulated building and quality of lighting. Quotes and estimates are attached (Exhibits A & B) and have been secured to make the needed repairs. They are as follows:

Description	Vendor/Department	Cost
Construct a new office area with insulation and LED lighting, Material and Labor	Service Maintenance	\$13,200.00
Replace three (3) work stations	Talimar Systems	\$3,791.38
Installation of Heat Pump	Greenwood	\$3,600.00
<b>Project Total:</b>		<b>\$20,591.38</b>

Upon discussion, the PPC unanimously agreed to have the Service Maintenance Department construct a new office area, with insulation and LED lighting, purchase new work stations for staff and install a heat pump, for a cost not to exceed \$20,591.38, and forward a request to the Finance Committee for funding review, then to the Board for approval.

At its regularly scheduled meeting on January 17, 2017, the Finance Committee reviewed available funding for this new Capital request for improvements in the Purchasing Department. Items of discussion included outdated work stations the lack of heat in the un-insulated building and quality of lighting. It was unanimously resolved to approve the Capital request expense to have Service Maintenance construct a new office area with insulation and LED lighting, material and labor; purchase and replace three (3) work stations from Talimar Systems, and have Greenwood install a Heat Pump, for total not to exceed \$20,600.00.



**MOTION:**

I move to approve the Service Maintenance Department construct a new office area within the Purchasing Department with insulation and LED lighting, material and labor; purchase and replace three (3) workstations from Talimar Systems; and have Greenwood install a Heat Pump, for total not to exceed \$20,600.00, funding from Capital, and authorize the President to sign the contracts.

# GRF Service Maintenance Department

## Approximate Labor & Materials Cost

Date: 1/04/17  
To: JULIE RODGERS, PURCHASING MANAGER  
From: RUBEN GONZALEZ, FACILITIES MANAGER  
Subject: PURCHASING DEPT. OFFICE REMODEL  
Location: SERVICE MAINTENANCE

Construct new office area including installation of insulation, new electrical as needed, new L.E.D. lighting, install plywood at back wall, create new or repair existing countertop.

See Itemized List for Labor and Material(s)

- Estimated Material Cost: \$3,400.00
- Estimated Labor Cost: \$9,800.00
- Total Labor and Material Estimate: \$13,200.00

**Disclaimer: Please note that this is an estimate only and any unforeseen items may increase the total cost of the job.**

This information applies only to the job described above, is valid for thirty (30) days and does not include additional materials or labor that may be required due to any unforeseen problems that arise once the job has begun.

*If you would like the above work to be performed by the Service Maintenance Department, please complete the information below and return this form to the Service Maintenance Department. Valid for thirty (30) days only*

**Please make arrangements to perform the above work.**

My anticipated completion date is: \_\_\_\_\_  
(You will be notified of the starting date)

Notes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Mutual Number: \_\_\_\_\_  
(If applicable)

cc: Supervisor  
Department Manager



3105 WEST ALPINE  
SANTA ANA, CA 92704  
(714) 557-4884

GOLDEN RAIN FOUNDATION  
1280 GOLDEN RAIN RD.  
SEAL BEACH, CA 90740

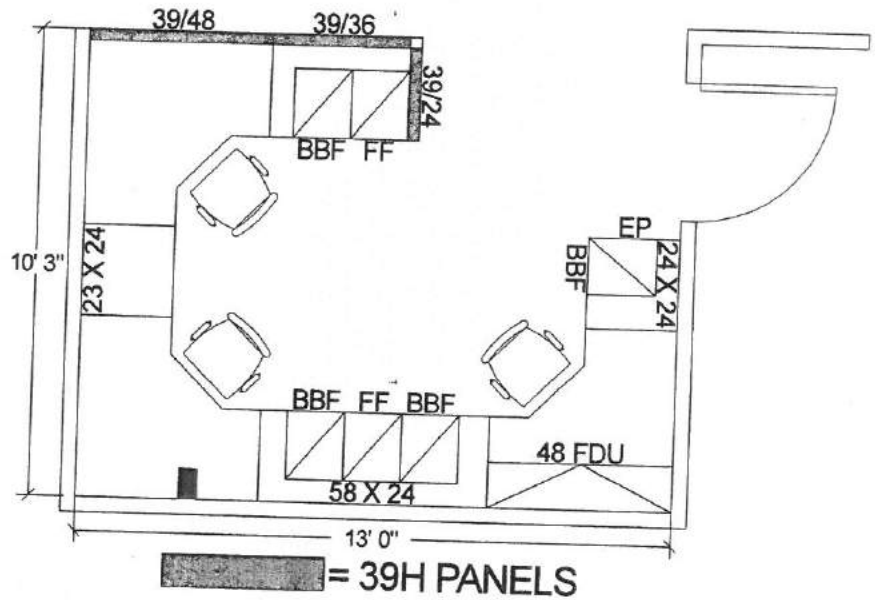
CONTACT: JULIE RODGERS  
PHONE: (562) 472-1307  
FAX:  
E-MAIL: [JULIER@LWSB.COM](mailto:JULIER@LWSB.COM)

**GOLDEN RAIN - PURCHASING DEPARTMENT WORKSTATIONS - 12/22/2016**

QUANTITY	PRODUCT DESCRIPTION	UNIT NET	EXTENDED NET
3	<b>SYSTEMS FURNITURE WORKSTATIONS PER PLAN</b> L-SHAPED WORKSTATION SETUPS PER PLAN WITH 39H SUPPORT PARTITIONS INCLUDING BOX/BOX/FILE & FILE/FILE PEDESTALS SINGLE LOCKING 48" WIDE OVERHEAD STORAGE, 48" TACKBOARD AND ALL REQUIRED SUPPORTS/HARDWARE ASSEMBLY & INSTALLATION INCLUDED IN PRICE FABRICS & FINISHES: TO MATCH PREVIOUS INSTALLATIONS	\$ 1,120.18	\$ 3,360.54
		<b>Total extended net price:</b>	\$ 3,360.54
		Complete Freight & Delivery:	\$ 375.00
		Additional Discounting Provided:	\$ (225.00)
		Tax: 8.00%	\$ 280.84
		<b>TOTAL:</b>	<b>\$ 3,791.38</b>

**50% deposit required on all orders. All orders final.**

Authorized by: \_\_\_\_\_ Date: \_\_\_\_\_  
signature  
\_\_\_\_\_  
print name



Furniture Plan For:

# GOLDEN RAIN PURCHASING

DATE: DECEMBER 22, 2016  
 DRAWN BY: BRANDON WEDELL  
 SCALE: 3/8" = 1'  
 JOB NO. : GOLDENRAIN\_PURCHASING\_122216.SKF

APPROVED BY:

DATE:



Talimar System

3105 W Alpine St.  
 Santa Ana, CA 92704  
 800.776.7650  
 714.557.4884  
 714.557.6107 Fax  
 Brandon@talimarsystems.c



# GREENWOOD

HEATING & AIR INC.

8940 Electric St. Cypress Ca 90630

714-821-7070 fax 714-821-0338

Estimate

Date	Estimate No.
12/23/16	1530

Customer		Job Address	
Golden Rain Foundation P.O. Box 3519 Seal Beach, CA 90740			
E-mail Address		Estimator	Phone
Dennell			562-431-6586 x352
Item	Description	Total	
Total	<p>INSTALLATION to replace/ install NEW Fujitsu 12,000 BTU heat pump model #12RLFW1 Energy Star series (ASU12RLF1 / AOU12RLFW1) with remote control, heat and cool, 22 SEER, R-410A earth friendly refrigerant (Out door unit dimensions: 31" L x 12" D x 21 1/4" H)(sound rating 49db)</p> <p>WARRANTY : 1 year labor by Greenwood; Parts and Compressor 12 yrs By Fujitsu</p> <p>BASE PRICE - \$3,200.00</p>	3,200.00	
OPTIONS	<p>ADD TO BASE PRICE:</p> <p>___ Leisure World Permits- 1% of contract \$ _____</p> <p>___ City of Seal Beach permits- (Aprox \$75.00)</p> <p>___ Smoke detector required by City of Seal Beach in each bedroom if supplied and installed by Greenwood - Add \$20.00 each</p> <p>___ Existing ___ Client to Provide/install ___ Client to provide Greenwood to install.</p>		
LW Permit	Installation of new Fujitsu heat pump system to include the following:		
SB Permit	- Fujitsu 12,000 BTU heat pump model #12RLFW1 Energy Star series (ASU12RLF1 / AOU12RLFW1) with remote control, heat and cool, 22 SEER, R-410A earth friendly refrigerant (Out door unit dimensions: 31" L x 12" D x 21 1/4" H)(sound rating 49db)		
Smoke Det.	- New copper line set (1/4" x 3/8" x 50')		
	- 2 piece galvanized line set cover to conceal line set and electrical run on exterior of home and painted to match wall.		
	- 115 volt electrical run/ communication wire to fan coil on wall from heat pump outside		
	- 208-230 volt electrical run to heat pump and disconnect outside from electrical panel		
	- PVC drain line run for drain of fan coil on wall to p-trap under kitchen sink		
	- Rodent proof drain line with wire mesh in attic		
	- Rodent proof line set opening with foam and wire mesh exterior of home		
	- Fiberglass composite heat pump pad for heat pump		
	- Labor and materials needed to install system to manufacturers specifications		
	- Architectual Plans, Drafting, sound Calculations and pulling of all permits.		
Thank you for your business.		Total	

# GREENWOOD

## HEATING & AIR INC.

8940 Electric St. Cypress Ca 90630  
714-821-7070 fax 714-821-0338

### Estimate

Date	Estimate No.
12/23/16	1530

Customer		Job Address	
Golden Rain Foundation P.O. Box 3519 Seal Beach, CA 90740			
E-mail Address	Estimator	Phone	
Dennell		562-431-6586 x352	
Item	Description	Total	
Option	Upgrade to 18,000BTU unit model # AOU18RLFW - ADD \$400.00 ✕		
Legal	<p>AUTHORIZATION TO PROCEED with installation or repair work: I hereby authorize you to perform the said work and to use such labor and materials, as you deem advisable. All work is to be performed as described above. I have read, agreed to and have received a copy of the above.</p> <p>SECURITY INTEREST: This contract is a security agreement covering the above named equipment and materials. The title to said property shall not pass to Purchaser until all sums payable, and other amounts due or to become due are fully paid.</p>		
Thank you for your business.		Total	<del>\$8,200.00</del>

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**BOARD ACTION REQUEST**

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** PHYSICAL PROPERTY COMMITTEE (MW)  
**SUBJECT:** FIRE PROTECTION SERVICES-TRUST PROPERTY  
**DATE:** JANUARY 16, 2017  
**CC:** FILE

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At its meeting on January 9, 2017, the Physical Property Committee (PPC) opened four (4) sealed bids out of a possible 14 requests that were sent out by the Physical Property Department for the annual testing of Trust Property fire alarm monitoring systems and maintaining service for monitoring the alarms for the Clubhouses. The bids are as follows:

Bidder	Total Bid 2017	Total Bid 2018	Total Bid 2019	Total 3 Years
Nationwide Fire	\$6,890	\$6,890	\$6,890	\$20,670
Western States Fire	\$9,464	\$10,264	\$9,464	\$29,192
Brethren Fire	\$33,200	\$28,950	\$28,950	\$91,000
Fire Safety First	\$37,760	\$33,510	\$33,510	\$104,780

After review and consideration of the four bids received, the PPC unanimously agreed to accept the 3-year service proposal from Nationwide Fire Protection (Exhibit A) in the total amount of \$20,670.00, which will cover years 2017-2019, and forward to the Finance Committee for funding review, then to the Board for final approval.

At its regularly scheduled meeting on January 17, 2017, the Finance Committee reviewed available funding from the Operational budget for this project and unanimously resolved to approve the availability of Operational funds within the 2017 budget for the 3-year service proposal from Nationwide Fire Protection (Exhibit A) in the total amount of \$20,670.00, which will cover years 2017-2019.



**MOTION:**

I approve to award a contract to Nationwide Fire Protection, for a 3-year service proposal from Nationwide Fire Protection (Exhibit A), in the total amount of \$20,670.00, which will cover years 2017-2019, and authorize the President to sign the contract.

CONTRACTOR LICENSE NO. 790161 TYPE OF LICENSE C-16 C-10 EXT.

FORM OF PROPOSAL  
COMMUNITY FACILITIES  
FIRE PROTECTION SERVICES 2017, 2018, 2019  
PROJECT # 781-16  
IN SEAL BEACH LEISURE WORLD

P. O. Box 2069  
Seal Beach, CA 90740

Gentlemen:

The undersigned proposes to furnish all labor, material, and equipment as required for Fire Protection Services for the Community Facilities at Leisure World - Seal Beach, as described in the Request for Proposal dated October 14, 2016.

TOTAL for 2017

SIX THOUSAND EIGHT HUNDRED NINETY DOLLARS THREE CENTS  
Written in words

\$ 6890<sup>03</sup>

Written in figures

TOTAL for 2018

SIX THOUSAND EIGHT HUNDRED NINETY DOLLARS THREE CENTS  
Written in words

\$ 6890<sup>03</sup>

Written in figures

TOTAL for 2019

SIX THOUSAND EIGHT HUNDRED NINETY DOLLARS THREE CENTS  
Written in words

\$ 6890<sup>03</sup>

Written in figures

TOTAL LUMP SUM BID for  
3 years (2017, 2018, 2019)

TWENTY THOUSAND SIX THOUSAND EIGHT HUNDRED SEVENTY DOLLARS NINE CENTS  
Written in words

\$ 20670<sup>09</sup>

Written in figures

October 14, 2016

Project # 781-16 Community Facilities Fire Protection Services

## TIME OF COMPLETION:

Contractor proposes and promises to complete all work within 2 days of issuance of an effective Notice to Proceed.

DATE: JAN 02-2017

Proposed By:

FIRM NAME: NATIONWIDE FIRE AND SAFETY

BY: DONALD MITCHELL

TITLE: General Manager

PHONE: 714-476-3169

## Attachments:

- a) Acknowledgment
- b) Certification Form

ITEMIZED COST SHEET OF BID SUBMISSION  
COMMUNITY FACILITIES  
FIRE PROTECTION SERVICES 2017, 2018, 2019  
PROJECT # 781-16  
IN SEAL BEACH LEISURE WORLD

	ITEM	COST
A.	ANSUL 300 Fire Suppression System	<del>\$1000.00</del>
B.	Fire Extinguishers, per Exhibit A	1968.00
C.	Fire Sprinkler System	200.00
D.	Fire Hose	1320.00
E.	Fire Alarm System	1100.00
3-Year Total for all Items A-E for Project #781-16		2067.00

	OPTIONAL ITEMS	COST
F.	Fire Extinguisher, 6-year maintained	0
G.	Fire Extinguisher, 12-year hydrostatic testing	520
H.	Additional Extinguisher Parts – gauges, valve stems, control heads, handles, etc.	0
I.	New 2.5 lb. fire extinguisher cost	2750
J.	New 5 to 10 lb. fire extinguisher cost	3750-4800
K.	Service Call	19700

SUBMITTED BY:

NATIONWIDE FIRE AND SAFETY  
(Company Name)

01-02-17

(Date)



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## BOARD ACTION REQUEST

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** RECREATION COMMITTEE  
**SUBJECT:** TRUST PROPERTY USE, GIRL SCOUT COOKIE SALES  
**DATE:** JANUARY 12, 2017  
**CC:** FILE

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At its regularly scheduled meeting on January 11, 2017, the Recreation Committee (RC) reviewed a request from a local Seal Beach Girl Scouts Troop on the possibility of allowing the troop to sell Girl Scout cookies within the Community. During Committee deliberation, it was noted GRF has policy restricting such practice; however, variance has been granted to policy to allow the food services provided upon Trust Property.

It was of the general consensus of the Committee the sales of cookies, by a local Seal Beach Girl Scout Troop would be commendable and duly moved and approved to recommend to the Board the grant of a policy variance to allow the local Seal Beach Girl Scout Troop to sell cookies upon Trust Property, with limitations and restrictions established by the Executive Director and Recreation Manager.

The Executive Director and Recreation Manager conferred on this proposed action and recommends to the Board the following Trust Property use restrictions:

- The Girl Scout Troop leader shall contact the Recreation Manager to reserve a date and time to sell the cookies
- Only the designated locations of Clubhouse 3 and 6 will be used (Exhibit A)
- Troop may sell the cookies, but may not solicit Shareholder/Members or their guest
- Troop shall be required to sign a use and indemnity agreement
- No less than two (2) adult chaperons must be present
- No Girl Scout may use a community restroom without an Adult Troop chaperon present
- Troop is responsible for all tables, setup and break down
- Troop must provide the Recreation Manager the names of all vehicle drivers for community access
- The Recreation Manager or the designated staff member shall have final authority over the amount of space being used, set up materials/signage and reserves the right to request the Troop to leave the community for failure to comply with reasonable requests in the use of Trust property.

**MOTION:**

I move to approve the use of Trust Property, as noted in Exhibit A, by the local Seal Beach Girl Scout Troop, per the terms and conditions as noted within this Board Action Request dated January 12, 2017.

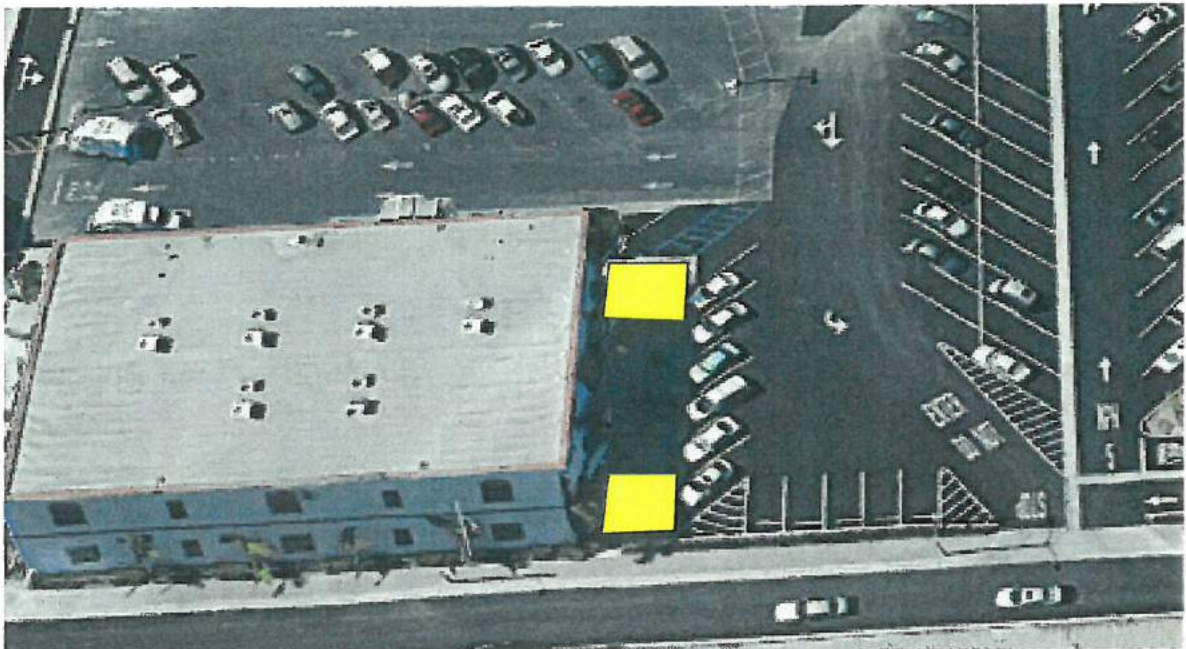


## Exhibit A

### Locations for the sale of Girl Scout Cookies Clubhouse 3



### Clubhouse 6





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Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

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## BOARD ACTION REQUEST

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** RECREATION COMMITTEE  
**SUBJECT:** TRUST PROPERTY USE, MONTHLY USED VEHICLE SALES  
**DATE:** JANUARY 12, 2017  
**CC:** FILE

At its regularly scheduled meeting of the Recreation Committee (RC) on January 11, 2017, the Committee reviewed the proposed event schedule for 2017. In review of the proposed schedule of events, it was of the general consensus of the Committee the proposed schedule did not offer adequate opportunities to allow Shareholder/Member to promote and sell their vehicles. It was noted that established policy is restrictive on the posting of "For Sale" signage and having a monthly used vehicle promotional area upon Trust property would be a general community benefit.

In review of possible locations and times, it is of the considered opinion of the Executive Director, Recreation Supervisor and interim Security Chie that the parking lot in front of the Administration building offers a central location, available space on weekends and is easily monitored.

Proposed day and time: 4<sup>th</sup> Saturday of each month, 8am to 4pm.

On the designated day and time, Shareholders/Members would be allowed to display their vehicles for sale, including the use of a single for sale sign, not to exceed 18" x 24", within the designated location.

### General Notes

- No staff will be present to monitor
- Security will provide random patrol of the location
- A courtesy notice will be run in the GRF news promoting the monthly event

**MOTION:**

I move to approve the use of the Administration parking lot, within the area noted on Exhibit A, on the 4<sup>th</sup> Saturday of each month, from 8am to 4pm, for the use of Shareholder/Members to display vehicles for sale and grant a variance to established policy to allow the display of a single for sale sign, not to exceed 18" x 24" on the vehicle, within the approved location, day and time.

## Exhibit A

Designated location on the 4th Saturday  
each month, for the display of Shareholder/Members  
Vehicles for sale, during the hours of 8am to 4pm



Administration/Medical Center Parking Lot