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## Board of Directors

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### **Agenda**

Clubhouse Four

Tuesday, September 27, 2016

10:00 a.m.

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

*Note: Foundation Shareholder/Members are permitted to make comments before the meeting business of the Board begins. Requests to speak must be registered in advance of the meeting and comments are limited to four (4) minutes.*

8. Consent Calendar – Approval of Board Committee Meeting Minutes (pp. 1-2)
9. Approval of Minutes
  - a. August 23, 2016 (pp. 3-14)
10. Old Business
  - a. Rescind Previous GRF BOD Action – Publication of GRF Board Minutes (Mrs. Damoci, pp. 15-16)
11. New Business
  - a. General
    - i. Appointment of GRF Representative for Mutual Sixteen (Mrs. Damoci, pp. 17- 18)
  - b. Executive Committee
    - i. Rescind 5101-30, Limitation of Term-Standing Committee Chairman (Mrs. Damoci, pp. 19-20)
  - c. Finance Committee
    - i. Accept August 2016 Financial Statements for Audit (Mr. Hood, pp. 21-28)

- ii. Approve Reserve Study Dated September 6, 2016 (Mr. Stone, pp. 29-30)
  - iii. Approve 2017 Operating Budget (Ms. Stone, pp. 31-36)
  - iv. Accept CheckFreePay Application and Appointment Agreement (Ms. Hopewell, pp. 37-52)
  - v. **FINAL APPROVAL:** Permit Fees – Physical Property Department (Mr. Lukoff, pp. 53-54)
  - vi. Amendment of Policy 5115-31, Finance Committee (Ms. Snowden, pp. 55-58)
- d. Mutual Administration Committee
  - i. Approve the Board of Directors' Reference Guide for distribution (Ms. Hopewell, pp. 59-60)
  - ii. Approve the Bereavement Work Book for distribution (Ms. Reed, pp. 61-62)
  - iii. **TENTATIVE APPROVAL:** Amend Policy 1201-33, Photo ID Cards (Ms. Rapp, pp. 63-66)
  - iv. **TENTATIVE APPROVAL:** Amend Policy 5061-31, Fees (Mr. Lukoff, pp. 67-74)
  - v. **TENTATIVE APPROVAL:** Amend Policy 5536.1-33, Guest Passes (Ms. Snowden, pp. 75-80)
- e. Physical Property Committee
  - i. SCE Easement Request (Mrs. Greer, pp. 81-84)
  - ii. Amphitheater Restroom Refurbishment –Non-budgeted (Mr. Lukoff, pp. 85-86)
- f. Publications Committee
  - i. Approve Newspaper Advertising Rates (Ms. Greer, pp. 87-88)
- g. Recreation Committee
  - i. Replace Amphitheater Stage Risers (Mr. Moore, pp. 89-96)
  - ii. Holiday Decorations (Mrs. Perrotti, pp. 97-102)
- h. Security, Bus & Traffic Committee
  - i. Adopt Policy 3050-37, Security Functions (Mr. McGuigan, pp. 103-106)
  - ii. **TENTATIVE APPROVAL:** Adopt Policy 1927.1-37, Fines for Parking Rules Violations on Trust Property (Mrs. Perrotti, pp. 107-110)

- iii. Adopt Policy 1927.2-37, PRV Panel (Ms. Snowden, pp. 111-112)
- iv. Rescind Policies 1909-37, Restricted Speed Zone of 10 miles per hour; Policy 1909.1-37, Restricted Speed Zone of 15 miles per hour; Policy 1909.2-37, Restricted Speed Zone of 20 miles per hour (Ms. Perrotti, pp. 113-118)

12. Staff Reports

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

13. Board Member Comments

14. Next Meeting/Adjournment

- a. **October 25, 2016, 6:00 p.m.**

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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 twelve August 2016 Committee meetings:

- Minutes of the ITS Committee Board Meeting of August 1, 2016
- Minutes of the Strategic Planning Ad Hoc Committee Board Meeting of August 2, 2016
- Minutes of the Security, Bus & Transportation Committee Board Meeting of August 3, 2016
- Minutes of the Physical Property Committee Board Meeting of August 8, 2016
- Minutes of the Architectural Design and Review Committee of August 9, 2016
- Minutes of the Mutual Administration Committee Board Meeting of August 9, 2016
- Minutes of the Recreation Committee Board Meeting of August 10, 2016
- Minutes of the Executive Committee Board Meeting of August 12, 2016
- Minutes of the Finance Committee Board Meeting of August 16, 2016
- Minutes of the ITS Committee Board Meeting of August 29, 2016
- Minutes of the Special Recreation Committee Board Meeting of August 30, 2016
- Minutes of the Special Finance Committee Board Meeting of August 30, 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  
GOLDEN RAIN FOUNDATION  
August 23, 2016**

**CALL TO ORDER**

President Damoci 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, August 23, 2016, in Clubhouse Four.

**PLEDGE OF ALLEGIANCE**

Diane Gebel, Administrator of the Health Care Center, led the Pledge of Allegiance.

**ROLL CALL**

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

**PRESIDENTS COMMENTS**

There appears to be some general misunderstanding on the activities of the GRF Board and its Committees. I would like to address a few of the concerns I'm hearing.

Lack of Transparency – The GRF Board operates under a strong committee system. Actions before the Board have been thoroughly reviewed at posted committee meetings. Shareholders have numerous opportunities to state their concerns. Correspondence is read at all meetings, verbal comments are made during the two posted comment periods, and in most cases the Committee accepts comments during agenda item deliberations. All committee actions are then forwarded to the Board, where again all actionable items are duly posted. Shareholders may provide comments to the Board before deliberation and action.

Regarding raising the guest pass fee from \$5.00 to \$10.00 for each pass over the 4 issued – GRF provides reasonable access control and over the past year numerous concerns have been reviewed by the MAC committee on Guest Passes and the possible abuse of the Guest Pass system. Here again, all actions in reference to this matter have been openly reviewed and

discussed at posted committee meetings.

"Re-branding" Leisure World? – Our community has been plagued over the years by derogatory terms, such as "Seizure World". Committees are involved in discussion on marketing actions to show the world outside of our walls an active adult community. There has been no discussion on a re-naming of the community.

Stop printing the GRF Board minutes in the paper? - The Board has passed this action, however strong community concern is being brought forth. I will ask that the action by the Board in this matter be brought again to the Board for possible reconsideration, based upon the voice of the community.

I'll close with my favorite rumor this month: that we had the Leisure World sign turned off because we were going replace it. The truth of the matter is that the sign turned itself off. So we replaced a transformer and it's working again.

### **ANNOUNCEMENTS/ SERVICE AWARD PRESENTATIONS**

The GRF Board of Directors met in Executive Session on August 1, 2016 to discuss legal and personnel matters.

Several Committee meeting dates have moved around the calendar schedule and some locations have changed to Conference Room B. 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**

Six employees were recognized with service awards.

James Kanagusuku	Security Department	5 years
Romulo De Guzman	Security Department	10 years
Wendi Noble	Administration Department	10 years
Jodi Hopkins	Mutual Administration Department	10 years
Jim Breen	Golden Rain News	15 years
Kenneth Brown	Transportation Department	20 years

### **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 and comments are limited to four minutes.

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 nine July 2016 Committee meetings:

- Minutes of the Strategic Planning Ad Hoc Committee Board Meeting of July 5, 2016
- Minutes of the Executive Committee Board Meeting of July 8, 2016
- Minutes of the Physical Property Committee Board Meeting of July 11, 2016
- Minutes of the Architectural Design and Review Committee of July 12, 2016
- Minutes of the Mutual Administration Committee Board Meeting of July 12, 2016
- Minutes of the Publications Committee Board Meeting of July 13, 2016
- Minutes of the Recreation Committee Board Meeting of July 13, 2016
- Minutes of the Security, Bus & Transportation Committee Board Meeting of July 18, 2016
- Minutes of the Finance Committee Board Meeting of July 19, 2016

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

The minutes of the July 26, 2016 Golden Rain Foundation Board meetings were approved, by general consent of the Board, as amended.

### **BUSINESS**

#### **General**

#### **Appointment of the Community Access Ad Hoc Committee**

In accordance with Article 7, Section 1, Article 8 of the Bylaws and Foundation Policy 5100-30, Committee Functions of the Golden Rain Foundation of Seal Beach, the President shall appoint all committees and their members subject to the approval of the GRF Board.

Mrs. Damoci MOVED, seconded by Ms. Stone -

TO approve and thereby establish the Community Access Ad Hoc Committee and grants to the Community Access Ad Hoc Committee limited authority specifically stated within the GRF governing



documents, and policies or other authority as granted by the BOD or as stated within this policy.

Four Board Members spoke on the motion.

The motion was carried with two no votes (McGuigan and R. Stone).

#### Community Access Ad Hoc Committee Appointments

Mrs. Damoci MOVED, seconded by Ms. Rapp, the motion was carried unanimously by the Board members present –

**TO** approve appointment Kathy Rapp – Chair, Member Barry Lukoff, Member Steve McGuigan, Member Leah Perrotti, Member Paul Pratt, Member Joy Reed, Member Linda Stone, Advisory Member Mutual One President Sandra Luther-Stark, Advisory Member Mutual Fourteen President Lee Melody, Staff Member Security Chief Jaime Guerrero (as needed), Staff Member Mutual Administration Manager Marisa McAuley (as needed), Ex- officio Member GRF President Carole Damoci.

#### **Executive Committee**

##### Rescind Policy 4121-20, Position Descriptions

It was the recommendation of the Executive Committee that Policy 4121-20, Position Descriptions be rescinded as it is part of Policy 5110-30, Executive Committee.

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

**TO** rescind Policy 4121-20, Position Descriptions.

##### Rescind Policy 4156-30, Hiring Practice

At the August 12, 2016 meeting, the Executive Committee recommended that Policy 4156-30, Hiring Practice be rescinded as it is part of Policy 5110-30, Executive Committee.

Ms. Tran MOVED, seconded by Ms. Hopewell and carried unanimously by the Board members

present-

**TO** rescind Policy 4156-30, Hiring Practice.

Rescind Policy 4190-20, Anti-Fraud Policy

At the August 12, 2016 meeting, the Executive Committee recommended that Policy 4190-20, Anti-Fraud Policy, be rescinded as it is contained in the Employee Handbook.

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

**TO** rescind Policy 4190-20, Anti-Fraud Policy.

Employee Benefits – Modification of 401(k) Contribution

In staff review of the employee benefit package, it was noted that GRF could obtain savings by decreasing the Maximum Employer Match for the 401(k) plan from the current level of 4% to a 3% Maximum Employer Match; estimated annual savings are \$16,140.00. At the regular scheduled meeting of the Executive Committee on August 13, 2016, the Committee approved forwarding a resolution to the GRF BOD to make this change effective January 1, 2017.

Mr. Stone MOVED, seconded by Mrs. Perrotti-

**TO** change the Maximum Employer Match from 4% to 3% on the  
Golden Rain Foundation 401(k) Plan to be effective January 1, 2017.

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

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

**TO** refer the change of the Maximum Employer Match back to the  
Executive Committee for review.

**Finance Committee**

Accept July 2016 Financials for Audit

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

**TO** accept the July 2016 Financial Statements for audit.

Rescind Policy 2291-31, Service Repair Order (SRO) Labor Rates

At the regular scheduled meeting of the Finance Committee on July 19, 2016, the Committee duly moved to recommend to the Board to rescind Policy 2291-31, Service Repair Order (SRO) Labor Rates. It was noted that the Policy, as drafted, does not accurately reflect the multitude of components necessitated to draft a reasonable fee. The Committee concurred that the SRO labor rate should be reviewed no less than annually by the Finance Committee. The Committee shall consider all aspects required in setting a reasonable SRO fee.

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

**TO** rescind Policy 2291-31, Service Repair Order (SRO) Labor Rates  
and direct the Finance Committee to review, for reasonableness, the  
SRO labor rate, no less than annually.

Permit Fees, Physical Property Department

At the regular scheduled meeting of the Finance Committee on August 16, 2016, the Committee reviewed the current fee charged for the processing of a permit by the Physical Property Department (\$25 or 1% fee charged only on permits requiring a City of Seal Beach permit).

Staff has recommended the permit fee be charged on all permit applications from the Physical Properties Department, as required by the Mutuels. This proposal would directly help offset wages incurred by the growing number of permits; the proposed fee has the potential to generate an estimated \$30,000 in revenue, based on 1,225 permits for a twelve month period during 2015/2016.

Both the Physical Property and the Finance Committees have reviewed this request at their most recent regularly scheduled Committee meetings in August and unanimously approved to forward this request to the Board of Directors for approval.

In accordance with section 4360 of the Civil Code, the text of the proposed fee will be posted for thirty (30) days for Shareholder/Members review and comment. Upon the Board's review of comments, final action will be taken at the September 27, 2016 meeting of the Board and if ratified by the Board, will go into effect on January 1, 2017.

Mr. Stone MOVED, seconded by Ms. Rapp -

**TO** tentatively approve Physical Properties permit fee of a minimum  
of \$25 or 1% of the project cost, whichever is greater, on all permits



required by the Mutuals to be effected January 1, 2017, pending the minimum thirty (30) day posting and comment period. Final actions on the proposed permit fee will be brought to the September 27, 2017 meeting of the Board for final review and action.

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

The motion was carried with three no votes (Greer, McGuigan and Scheuermann) and one abstention (Pratt).

Approve Non-renewal of Volunteer Participant Accident Insurance

At the regular scheduled meeting of the Finance Committee on August 16, 2016, the Committee reviewed AIG Insurance proposal dated August 12, 2016 for Blanket Special Risk Insurance (exhibit included in agenda packet), otherwise identified as Volunteer Participant Accident Insurance. The insurance is intended to provide coverage of the GRF Board members while participating in Policy Holder sponsored, scheduled and supervised volunteer activities (i.e. GRF Board business). The policy covers Accidental Death, Accidental Dismemberment, and Accidental Expenses and Dental. The total annual insurance premium cost to cover eighteen (18) members of the GRF Board of Directors is \$4,151.

The Committee noted that an occurrence happened wherein a Board member was injured during the 2015/16 Board term; the policy provided little to no coverage based on the incident and injuries. Therefore, the Committee duly moved and unanimously approved to recommend the Board not renew the policy.

Ms. Hopewell MOVED, seconded by Ms. Snowden –

**TO** approve the non-renewal of the Blanket Special Risk Insurance,  
otherwise identified as Volunteer Participant Accident Insurance.

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

The motion was carried unanimously by the Board members present.

Amend Policy 5536.1-31, Guest Passes

At its meeting on August 9, 20106, the Mutual Administration Committee unanimously recommended the amendment of Policy 5536.1-33, Guest Passes, to the Golden Rain Foundation Board of Directors, increasing the cost of guest passes from \$5 to \$10, per pass. Four (4) passes are made available per unit annually at no cost; up to four (4) additional passes are available for

sale in the Stock Transfer Office.

In accordance with Section §4360 of the Davis-Stirling Common Interest Development Act, the text of the proposed fee change will be posted for consideration by Foundation members, after which the Board will make a final decision on September 27, 2016. If Policy 5536.1-33, Guest Passes, is amended, the implementation of the fee increase will go into effect on the first of the month following the Board's action to ensure sufficient time to notify the community and update internal forms.

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

**TO** recommend the Board tentatively approve the amendment of policy 5536.1-33, Guest Passes, pending a minimum 30-day notification to the membership and a final decision on September 27, 2016, to increase, from \$5 to \$10, the cost of additional and/or replacement guest passes, exceeding the four annual guests passes available per unit at no cost.

Adopt Policy 3325-31, Purchase Requisitions of Non-standard Items

At the regularly scheduled meeting of the Finance Committee (FC) on August 16, 2016, the FC recommended amendment to Policy 3352-31, Purchase Requisitions of Non-Standard Items. The Purchasing Department does not research or purchase non-standard items for individual shareholder/members nor for organizations.

Ms. Tran MOVED, seconded by Ms. Rapp and was carried unanimously by the Board members present -

**TO** adopt Policy 3325-31, Purchase Requisitions of Non-Standard Items.

**Mutual Administration Committee**

Rescind Policy 2132-33, Homestead Declarations

At the regularly scheduled meeting of the Mutual Administration Committee on August 9, 2016, the Committee recommended rescission of Policy 2132-33, Homestead Declarations as it not relevant to the Golden Rain Foundation (the Foundation does not own property).

Ms. Rapp MOVED, seconded by Ms. Hopewell and was carried unanimously by the Board members present-

**TO** rescind Policy 2132-33, Homestead Declarations.

### **Physical Property Committee**

#### Approve Flooring Replacement in Clubhouse Four

The flooring at Clubhouse Four, in the lobby and Main Meeting area, has outlived its useful life. At the regularly scheduled meeting of the Physical Property Committee (PPC) on August 8, 2016 bids were opened for the replacement of flooring in the Lobby and Main Rooms Sections A, B, and C of Clubhouse Four. The design was approved by the ADRC; the bids are as follows:

Bixby Plaza Carpets	\$79,422	15 days to complete
Golden State Surfaces	\$129,000	90 days to complete
Old Town Flooring	no bid	
Karys Carpets	no bid	
G.L. Gunderson	no bid	
Bob Flaherty Flooring	no bid	

After review and discussion of the bids, the PPC unanimously recommended the GRF Board award a contract to Bixby Plaza Carpets for the replacement of flooring in Clubhouse Four, excluding the 3 workshops, bathrooms, storage area and kitchen, at a cost of \$79,422, per their bid dated August 4, 2016 (provided in the agenda packet). It is also staff's recommendation to add a 10% contingency to this project, for any potential modifications, of \$7,942 or a total \$87,364. Funding for this project will be from Reserves, Asset ID # 0702.

Ms. Stone MOVED, seconded by Ms. Rapp –

**TO** award a contract to Bixby Plaza Carpets to replace the flooring in Clubhouse Four, per bid specifications dated June 27, 2016, not to exceed \$87,364, including a 10% contingency, with funding from Reserves and authorize the President to sign the contract.

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

The motion was carried unanimously by the Board members present.

## **Recreation Committee**

### Adopt Policy 1409-50, Amphitheater Dancing

At the regularly scheduled meeting of the Recreation Committee on August 10, 2016, the Committee reviewed new policy 1409-50, Amphitheater Dancing. The motion was unanimously carried by the Committee to recommend the Board of Directors adopt the new Policy 1409-50.

Ms. Rapp MOVED, seconded by Ms. Hopewell –

**TO** adopt Policy 1409-50 Amphitheater Dancing.

Two Board members spoke on the motion.

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

## **Security, Bus & Traffic Committee**

At the regularly scheduled meeting of the Security, Bus & Traffic Committee on August 3, 2016, the Committee reviewed concerns pertaining to the Visitors' Admission System (VAS). Significant advances have been made since the installation of the current VAS software. The Committee requested to review current VAS companies, seeking proposals for the upgrading and enhancement of VAS.

The Committee sought to obtain the Board's conceptual approval of the proposal, which could result in a cost up to \$100,000. Should the Board grant conceptual approval, the Security, Bus and Traffic Committee will seek a replacement of the current VAS.

Ms. Perrotti MOVED, seconded by Mr. McGuigan and carried unanimously by the Board members present –

**TO** conceptually approve the replacement of the Visitors' Admission System, at a cost not to exceed \$100,000, and direct the Security, Bus and Traffic Committee to draft all applicable documents to secure qualified proposals for Committee review and recommendation to the Board.

Ten Board Members and the Executive Director spoke on the motion.

The motion carried with two no votes (L. Stone, Tran).

**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 had no further report than comments offered during the meeting.

**BOARD MEMBER COMMENTS**

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

**ADJOURNMENT**

The meeting was adjourned was at 12:06 p.m.

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Joy Reed, Corporate Secretary  
GRF Board of Directors  
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## BOARD ACTION REQUEST

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**TO:** BOARD OF DIRECTORS  
**FROM:** RANDY ANKENY, EXECUTIVE DIRECTOR  
**SUBJECT:** BOARD ACTION OF JULY 26, 2016, PUBLICATION GRF BOARD MINUTES  
**DATE:** SEPTEMBER 20, 2016  
**CC:** FILE

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At the July 26, 2016, meeting of the Board, the Board duly moved and approved:

*Effective January 1, 2017, upon due notification to Shareholders/members in accordance with Civil Code 4950 and 5310, GRF draft and approved minutes will be available upon the GRF website and available upon request at the GRF Administration reception Desk, Library and News reception desk.*

The posting of the Board's action in the above matter generated numerous Shareholder/members comments, including but not limited to:

- Convenience of the minutes in the News (Publications of the minutes in the News is readily available to all)
- Proposed cost savings are insignificant to the need of communications
- Many Shareholders/members may not have computers and/or access to computers
- Requesting Shareholders/members pick up copies of the minutes is an unnecessary inconvenience

Review and deliberation of the Board is requested to reconsider the action of July 26, 2016.

I move to rescind the action of the Board on July 26, 2016 to discontinue the publication of the GRF Board Minutes in the News.

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## BOARD OF DIRECTORS

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**TO:** BOARD OF DIRECTORS  
**FROM:** CAROLE DAMOCI, PRESIDENT  
**SUBJECT:** APPOINTMENT OF GRF BOARD MEMBER – REPRESENTING M16  
**DATE:** SEPTEMBER 21, 2016  
**CC:** FILE

The Golden Rain Foundation (GRF) Board of Directors (BOD) were informed of the passing of Mutual Sixteen GRF Director Tim Bolton on July 12, 2016, resulting in a vacancy on the GRF Board of Directors.

Due notice in accordance with the Bylaws was given to the Shareholder/Members of Mutual Sixteen, the polls closed for the Mutual 16 candidacy period at 4:30 p.m., August 31, 2016. At that time, no candidates had come forward to submit an application for candidacy.

Representative from the GRF Board addressed this serious matter with representatives of the Mutual Sixteen Board noting stipulations in the Bylaws whereupon no candidates come forward from Mutual Sixteen, it would be within the full authority of the GRF Board to appoint the Board member and that such appointment can be made from outside of the Mutual.

The Mutual Sixteen Board of Directors was unable to recommend a candidate within Mutual Sixteen.

The GRF BOD sent due notice, requested any interested and qualified Shareholder/Members from any Mutual to submit a nomination form; four candidates came forward for consideration. After due consideration by the candidates, one candidate removed their application on September 17, 2016, leaving three (3) candidates.

On September 26, 2016, at a duly posted meeting of the Board, the Board invited the three (3) candidates to meet with the Board and answer relevant questions. All Shareholder/Members from Mutual Sixteen were invited to attend this meeting.

Upon review and evaluation of the candidates, the GRF BOD is prepared to appoint a representative at its September 27, 2016 BOD meeting. Each Board member will now cast a ballot for the appointment of the Mutual Sixteen representatives to fulfill the remaining term until June 2018.

I move to approve appointment of the candidate to fulfill the position of a GRF Board member, representing Mutual Sixteen in accordance with the Bylaws, for the term ending June 2018, based upon the results of a secret ballot of the sitting Board members as follows:

Ballots will be handed out by Accurate Voting and tallied. Should one of the three (3) candidates receive a majority of the quorum vote, Accurate Voting will announce the duly appointed GRF Board member.

If a one candidate does not receive a majority of a quorum vote, the candidate with the least number of votes will be removed from consideration. The Board will now vote on the two (2) remaining candidates.

Upon tallying of the ballots, Accurate Voting will announce the duly appointed GRF Board member.



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## BOARD ACTION REQUEST

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**TO:** GRF BOARD OF DIRECTORS  
**FROM:** EXECUTIVE COMMITTEE  
**SUBJECT:** RESCIND POLICY 5101-30, LIMITATION OF TERM – STANDING  
COMMITTEE CHAIRMAN  
**DATE:** SEPTEMBER 16, 2016  
**CC:** FILE

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It was the recommendation of the Executive Committee, at its September 15, 2016 meeting, that Policy 5101-30, Limitation of Term – Standing Committee Chairman, be rescinded.

I move that the Board rescind Policy 5101-30, Limitation of Term – Standing Committee Chairman .

**GOLDEN RAIN OPERATIONS**

**COMMITTEE FUNCTIONS**

**RESCIND**

**Limitation of Term – Standing Committee Chairmen**

Chairmen of the Golden Rain Board standing committees shall not be permitted to succeed themselves in office for more than two terms.

The intent of this policy is to limit any chairman of a Golden Rain Board standing committee to not more than three successive terms.

**Policy**

Adopted: 08 Jul 80  
Amended:

**GOLDEN RAIN FOUNDATION  
Seal Beach, California**

(Jul 80)



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## BOARD ACTION REQUEST

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**TO:** BOARD OF DIRECTORS  
**FROM:** FINANCE COMMITTEE  
**SUBJECT:** APPROVE AUGUST FINANCIAL STATEMENTS  
**DATE:** SEPTEMBER 20, 2016  
**CC:** FILE

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

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

Board Action:

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

## Financial Recap – August 2016

As of the eight-month period ended August 2016, the financial reports indicate that GRF is in a favorable financial position with a surplus of \$634,546.

Major variances are:

Salaries & Wages	120,592	Vacancies of key positions in ITS, News & Service Maintenance during the year.
Employment Taxes & Benefits	212,739	Workers' Comp \$153K (incl 2015 refund of \$37K ; Group Ins \$54K
Temporary Agency Fees	(37,417)	Temps used to fill key vacant positions
Miscellaneous Write-offs	(53,598)	\$7.5K – Project 746-15; \$33K – Project 770-16
Federal & State Income Tax	146,077	Amendments reduced tax liability totaling \$135,049 in refunds.
Rental Income	89,825	Unit sales exceeded planned
SRO Labor Cost Recovery	95,729	Actual labor exceeded budget

	<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	\$8,337,444	\$1,248,884	\$7,088,560	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	\$816,059	\$222,471	\$593,588	11



P.O. Box 2069  
Seal Beach CA 90740

Description			
	<b>Current Assets:</b>		
1122000	Cash & cash equivalents	415,948	
	Non-Restricted Funds	456,771	
	Receivables	641,910	
	Prepaid expenses	164,642	
	Inventory of maintenance supplies	<u>425,544</u>	
	<b>Total Current Assets</b>		<b>2,104,814</b>
	<b>Designated deposits</b>		
1211000	Contingency Operating Fund	500,000	
	Reserve Fund	8,337,444	
1212500	Capital Improvement Fund-GRF	816,059	
1213000	Liability Deductible & Hazard Fund	<u>202,571</u>	
	<b>Total designated deposits</b>		<b>9,856,074</b>
	<b>Notes Receivable</b>		
1411000	Notes Receivable	<u>23,752</u>	
	<b>Total Notes Receivable</b>		<b>23,752</b>
	<b>Fixed Assets</b>		
	Land, Building, Furniture & Equipment	30,610,027	
	Less: Accumulated Dep'n	<u>(21,303,714)</u>	
	<b>Net Fixed Assets</b>		<b>9,306,314</b>
	<b>Other Assets</b>		
	Premium on Municipal Bonds		<u>10,542</u>
	<b>Total Assets</b>		<b><u><u>21,301,495</u></u></b>

P.O. Box 2069  
Seal Beach CA 90740

Description			
<b>Liabilities &amp; Equity</b>			
<b>Current Liabilities:</b>			
	Accounts payable	581,252	
	Project Commitments	1,283,838	
	Accrued payroll & payroll taxes	667,763	
	Accrued expenses	302,665	
	Accrued property taxes	130,304	
	<b>Total Current Liabilities</b>	<b>2,965,823</b>	
	<b>Total Liabilities</b>		<b>2,965,823</b>
<b>Equity</b>			
<b>Mutuals' Beneficial Interest</b>			
3211000	Contingency Operating Reserve Equity	500,000	
3212000	Reserve Equity	7,057,731	
3394000	Capital Fund Equity	811,934	
3310000	Beneficial Interest in Trust	4,602,614	
	<b>Total Mutuals' Beneficial Interest</b>		<b>12,972,279</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	4,865,923	
	<b>Total Paid-in-Capital</b>		<b>6,475,723</b>
<b>Excess Income</b>			
	Current Year	(247,373)	
	<b>Total Excess Income</b>		<b>(247,373)</b>
3920000	<b>Dep'n &amp; Amortization</b>		<b>(864,956)</b>
	<b>Net Stockholders' Equity</b>		<b>18,335,673</b>
	<b>Total Liabilities &amp; Stockholders' Equity</b>		<b>21,301,495</b>



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

	Contingency Operating Fund	Reserve Fund	Capital Improvement Fund	Liability Insurance Fund	Nonrestricted Funds	Total
<b>Balance 7/31/2016</b>	<b>500,000</b>	<b>8,389,045</b>	<b>703,860</b>	<b>202,571</b>	<b>179,973</b>	<b>9,975,449</b>
Funded: Assessments		75,000				75,000
Funded: Membership Fees collected (90)		116,775	116,775			233,550
Funded: M17 Lease Fees collected (1)		173	173			346
Funded: Interest on Funds		2,681				2,681
Progress Payments on CIP						-
Expenditures		(246,230)	(4,749)			(250,979)
Commitments						-
Replenish funds for Donated Assets						-
Net Monthly Claims						-
Disbursement to Mutuals						-
Transfers between funds						-
Interest Income Allocation						-
Net Monthly Activity					276,798	276,798
<b>Balance 8/31/2016</b>	<b>500,000</b>	<b>8,337,444</b>	<b>816,059</b>	<b>202,571</b>	<b>456,771</b>	<b>10,312,845</b>
Net Activity	-	(51,601)	112,199	-	276,798	337,396

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

**SELECTED BALANCE SHEET ITEMS**

	Current Balance	Prior Month	Increase (Decrease)
Cash In Bank	415,948	408,416	7,532
Current Assets	11,960,888	11,874,503	86,385
Current Liabilities	2,965,823	2,992,874	(27,051)
Current Ratio	4.03	3.97	
Designated Deposits:	10,312,845	9,975,449	337,396
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	1,307,029	1,236,774	70,255	5.68
Expense	1,387,026	1,375,789	(11,237)	(0.82)
Net Materials Recovery(Pass Thru)	0	0	0	
<b>Excess Income or (Expense)</b>	<b>(79,997)</b>	<b>(139,015)</b>	<b>59,018</b>	
Year To Date	Actual	Budget	Variance	%
Income	10,373,363	10,210,365	162,998	1.60
Expense	9,993,051	10,464,599	471,548	4.51
Net Materials Recovery(Pass Thru)	0	0	0	
<b>Excess Income or (Expense)</b>	<b>380,312</b>	<b>(254,234)</b>	<b>634,546</b>	

Full Time Equivalents		
For the Month	Average YTD	Planned - 2016
155.51	154.68	158.47

2016 Reserve Expenditures

Cost Center	Description	2016	Prior	Current	Other	Total	Prior	YTD EXPENDITURES			TTD	2016
		Reserve Study	Approved	Approved	Adjustments	Projects	Expenditures	Jan-July	Aug	Total	Expenditures	Allocated Funds
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)	-	8,800	-	(8,800)	-	-	-	-	-	-	-
34	SANS Audio Equipment Network and Systems- Replacement	-	17,501	-	(6,006)	11,405	-	11,405	-	11,405	11,405	-
35	Replace Interior Light Fixtures	3,584	-	-	3,584	3,584	-	-	-	-	-	3,584
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	-	-	-	-	-	-	-	-	-	-
37	Security Restroom Remodel (736-15)	-	-	45,000	-	45,000	-	40,500	-	40,500	40,500	4,500
37	Replace Emergency Generator at Main Gate	-	-	6,000	-	6,000	-	5,447	-	5,447	5,447	553
48	Paint Exterior Flatwork	4,505	-	-	-	-	-	-	-	-	-	-
48	Replace Water Storage Tanks	12,287	-	-	-	-	-	-	-	-	-	-
48	Replace Solar Panels	28,086	-	-	-	-	-	-	-	-	-	-
48	Install New Pool Heater (755-15)	-	19,800	-	-	19,800	-	17,620	-	17,620	17,620	1,980
52	Replace Air Conditioning Units #1 and #6 (756-15) (Completed)	-	-	10,800	-	10,800	-	10,800	-	10,800	10,800	-
52	Replace stove top and oven in kitchen	-	-	8,000	-	8,000	-	-	-	-	-	8,000
52	Sewer Pump Replacement (776-16)	-	-	125,582	-	125,582	-	-	31,000	31,000	31,000	93,803
53	Paint Wood Siding & Trim	14,130	-	-	-	-	-	-	-	-	-	-
53	Paint Interior Flatwork	25,393	-	-	-	-	-	-	-	-	-	-
54	Paint Door Surfaces	2,785	-	-	2,785	2,785	-	-	-	-	-	2,785
54	Replace Automatic Pedestrian Door	3,276	-	-	3,276	3,276	-	-	-	-	-	3,276
54	Replace New Water Heater	4,352	-	-	4,352	4,352	-	-	-	-	-	4,352
54	Replace Lobby and Hallway Furniture	5,120	-	-	5,120	5,120	-	-	-	-	-	5,120
54	Replace Wall Divider Covering	10,444	6,000	-	-	6,000	-	-	-	-	-	6,000
54	Paint Interior Flatwork	-	-	-	24,196	24,196	-	-	-	-	-	24,196
54	Paint T-Bar Ceiling Panels	12,901	-	-	12,901	12,901	-	-	-	-	-	12,901
54	Replace Conference Room Furniture	97,373	-	-	97,373	97,373	-	-	-	-	-	97,373
54	Floor Remodel (750-15)	148,773	-	800	-	800	-	800	-	800	800	-
55	Replace PP Conference & Break Room Flooring (763-16) (Completed)	-	-	8,100	(774)	7,326	-	7,326	-	7,326	7,326	-
56	Paint Exterior Ironwork	3,640	-	-	-	-	-	-	-	-	-	-
56	Paint Exterior Flatwork	10,236	-	-	-	-	-	-	-	-	-	-
56	Replace 2 heat pumps (767-15) (Completed)	-	-	10,650	-	10,650	-	10,650	-	10,650	10,650	-
56	Upstairs Floor remodel (768-16) (Completed)	-	-	30,900	(1,500)	35,400	-	35,400	-	35,400	35,400	-
56	Replace 6 ping pong tables	-	-	10,500	25	10,525	-	-	10,525	10,525	10,525	-
74	Paint Exterior Flatwork	11,724	-	-	-	-	-	-	10,525	10,525	10,525	-
79	Repair Concrete and Wood Shoreline at Pond	2,560	-	-	-	-	-	-	-	-	-	-
79	Relurbish Golf Course Greens	10,239	-	-	10,239	10,239	-	-	-	-	-	10,239
79	Community Landscape Remodel	10,239	-	-	-	-	-	-	-	-	-	-
79	Community Concrete Flatwork	25,568	-	-	-	-	-	-	-	-	-	-
79	Community Asphalt Seal Coat-Parking Lots	36,036	-	-	-	-	-	-	-	-	-	-
79	Community Asphalt Seal Coat-Street Phase 4	51,195	-	-	-	-	-	-	-	-	-	-
79	Replacement of Light Pole and Fixture (766-16) (Completed)	-	-	6,568	-	6,568	-	6,568	-	6,568	6,568	-
79	Street resurfacing, St. Andrews Drive	-	700,000	-	(700,000)	-	-	-	-	-	-	-
79	56 Trees Replaces in street medians	-	125,000	-	(125,000)	-	-	-	-	-	-	-
79	Main Gate Beautification - Globe (730-15B)	-	163,270	-	-	163,270	104,940	50,020	-	50,020	154,960	8,310
79	Globe - Replacement of Continents (730-15B)	-	180,000	-	-	180,000	-	61,005	-	61,005	61,005	118,995
79	Perimeter wall sections B (501-01B-B)	-	350,000	-	-	350,000	31,732	113,848	-	113,848	145,578	204,422
79	CHS/Library concrete replacement (747-15-0716) (Completed)	-	50,000	-	867	50,867	41,114	6,753	-	6,753	50,867	-
79	Perimeter wall sections A (601-01B-A)	-	404,000	-	-	404,000	440,914	37,316	-	37,316	478,230	15,770
79	Perimeter wall sections J & K (501-01B-J,K)	-	702,900	-	(683,276)	19,624	72,176	(52,552)	-	(52,552)	19,624	(0)
79	St. Andrews Gate Improvements (723-14)	-	60,000	-	-	60,000	9,190	788	-	788	6,978	40,023
79	Perimeter wall sections L & M (501-01B-L,M)	1,650,000	23,475	-	676,525	900,000	9,025	108,137	204,036	312,173	321,198	578,802
Total Planned Reserve Expenditures		2,207,108	2,985,461	275,980	(551,016)	2,706,526	719,511	494,900	246,230	741,130	1,460,641	1,248,864

2016 Capital Plan

Center	Description	Prior Approved	2016 Budget	Additional Approved	Other Adjustments	Total Projects	Prior Expenditures	YTD EXPENDITURES			TTD Expenditures	Allocated Funds
								Jan-July	Aug	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	Jenark System	225,017	-	25,000	-	250,017	220,149	15,600	1,800	17,400	237,549	12,468
34	Main Server Room Modifications (734-15 - Server Room Mods)	6,600	-	-	-	6,600	5,938	523	-	523	6,460	140
34	Second Server/Rm Mods (744-15 - Second Server Rm System)	60,000	-	-	-	60,000	50,508	-	-	-	50,508	9,492
34	Surveillance Cameras (2016 Approved Capital)	-	13,000	-	-	13,000	-	-	-	-	-	13,000
34	Visual Display Solutions	22,000	-	-	-	22,000	-	-	-	-	-	22,000
34	SAHS 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	-	-	5,200	-	4,705	-	4,705	4,705	-
37	Repeater, hardware, license & programming (2016 Approved Capital)	-	5,000	-	(495)	4,505	-	4,698	-	4,698	4,698	302
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)	-	-	30,000	-	30,000	-	13,458	-	13,458	13,458	16,542
40	Special Events Trailer & Equipment (2016 Approved Capital)	-	6,900	-	-	6,900	-	-	-	-	-	6,900
45	18 4X8 Portable Stage Risers with Carts (2016 Approved Capital)	-	13,635	-	-	13,635	-	-	-	-	-	13,635
45	Movie Projector & DVD Player (2016 Approved Capital)	-	26,000	-	-	26,000	-	10,174	(2,105)	8,069	8,069	17,931
48	Engineering and architectural (2016 Approved Capital)	-	25,000	-	-	25,000	-	-	-	-	-	25,000
55	Building 5 first floor remodel (765-16)	-	-	1,600	-	1,600	-	650	-	650	650	950
55	Conference Room B Remodel (772-16)	-	-	37,000	289	37,289	-	35,232	2,057	37,289	37,289	-
70	Inspector Vehicles (1) electric (2016 Approved Capital)	-	10,000	-	-	10,000	-	7,948	900	8,847	8,847	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	-	15,896	1,998	17,894	17,894	2,106
79	ADA Improvement Main Parking Lot (710-14)	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) (736-15)	-	-	7,040	-	7,040	-	7,040	-	7,040	7,040	-
79	Resales Office Remodel (725-14)	70,000	-	-	-	70,000	40,107	9,356	-	9,356	49,463	20,537
79	Patio Furniture at Sales Office	-	-	2,500	-	2,500	-	-	-	-	-	2,500
79	Outdoor Furniture	35,000	-	-	(4,712)	30,288	35,248	(4,960)	-	(4,960)	30,288	-
Total Planned Capital Acquisitions		814,560	142,735	103,140	(11,592)	848,843	490,513	131,110	4,749	135,859	626,372	222,471



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**BOARD ACTION REQUEST**

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**TO:** BOARD OF DIRECTORS  
**FROM:** FINANCE COMMITTEE  
**SUBJECT:** APPROVAL OF THE RESERVE STUDY DATED SEPT 6, 2016  
**DATE:** SEPTEMBER 20, 2016  
**CC:** FILE

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Pursuant to the California Civil Code Section 5550(a), at least once every three years, the Golden Rain Foundation (GRF) shall cause to be conducted a reasonable competent and diligent visual inspection of the accessible areas of the major components that GRF is obligated to repair, replace, restore or maintain.

GRF completed a full reserve study with site visit in 2015 using the services of Reserve Studies, Inc. (RSI). In preparing for an updated reserve study report for the 2017 budget year, the Finance Committee met on March 7<sup>th</sup> and March 15<sup>th</sup> to discuss the desired funding rate goal to achieve over the next 5 to 7 years (70%) and agreed on the appropriate inflation factor (4%) to be incorporated in the reserve study assumptions. The Board ratified these assumptions at its March 22<sup>nd</sup> meeting. A special study session was held on April 4<sup>th</sup>, to discuss replacement years for upcoming projects over the next five years.

GRF supplied RSI with information such as project replacement costs and dates of those replacement projects completed since the last reserve study, as well as projects that will be completed prior to the end of 2016. Additionally, GRF provided the other assumptions and estimates as mentioned above.

The reserve study prepared by RSI, dated September 6, 2016 contains all the assumptions summarized above that were provided to RSI and incorporates Funding Plan #3 that provides the current assessment to be increased as necessary to cover all future expenditures. Exhibit A is a summary of the major assumptions used in the report.

At the regular meeting held on September 20, 2016, the Finance Committee accepted the reserve study prepared by RSI dated September 6, 2016.

**MOTION:**

I move to approve the reserve study prepared by RSI, dated September 6, 2016 that includes the assumptions provided by the Finance Committee and utilizes Funding Plan #3 as indicated in the summary report in Exhibit A.

<b>SUMMARY:</b>	<b>GOLDEN RAIN FOUNDATION - 6,608 UNITS</b>
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The following is a summary of the results of the Financial Analysis portion of the Reserve Study for the period indicated below. The recommended monthly reserve contribution is based on **Funding Plan #3** (also see "Comparison of Funding Plans" schedule). However, this funding plan, while being the most equitable, reflects minimum funding and may only marginally cover the total annual expenditures in some years. The "Per Unit" amounts reflect the "Total" amounts divided by the number of units - no adjustments have been made for any variable rate assessments.

**ASSUMPTIONS:**

(A) FISCAL (12 MONTH) PERIOD RESERVE STUDY IS TO COVER:	1/1/2017	through	12/31/2017
(B) INFLATION FACTOR (per request from Association, based on Construction Cost Index - calculated annually):			4.00%
(C) INTEREST % ON RESERVE FUNDS (unless provided by the association, assumed to be 2%):			0.42%
(D) BEGINNING RESERVE BALANCE (per association, estimated as of	1/1/2017	)	\$6,953,940
(E) NUMBER OF UNITS:			6608

**ANALYSIS OF RESERVE CONTRIBUTION**

		<b>TOTAL</b>	<b>PER UNIT</b>
(F) AMOUNT BUDGETED MONTHLY (PER ASSOCIATION) AS OF	12/31/2016 :	\$75,000.00	\$11.35
(G) <b>RECOMMENDED MONTHLY FOR PERIOD</b>	1/1/2017 through 12/31/2017 :	<b>\$87,382.50</b>	<b>\$13.22</b>
(see Funding Plan #3 for specific details)			
(H) <u>DOLLAR</u> INCREASE / (DECREASE) (item "G" less item "F"):		\$12,382.50	\$1.87
(I) <u>PERCENTAGE</u> INCREASE / (DECREASE) (item "H" divided by item "F"):		16.51%	16.51%
(J) SPECIAL ASSESSMENT FOR PERIOD	1/1/2017 through 12/31/2017 :	\$0.00	\$0.00
(in addition to "AMOUNT RECOMMENDED" from above [ item "G" ] )			
(K) FUTURE <u>ANNUAL</u> PERCENTAGE INCREASES / (DECREASES)	2018-2019	16.51%	16.51%
	2020-2046	3.00%	3.00%

**ANALYSIS OF TOTAL BUDGETED ASSESSMENT FROM ALL OWNERS:**

		<b>TOTAL</b>	<b>PER UNIT</b>
(L) AMOUNT BUDGETED MONTHLY (PER ASSOCIATION) AS OF	12/31/2016 :	952,543.00	144.15
(M) RESERVE CONTRIBUTION % OF TOTAL ASSESSMENT (item "F" divided by "L")		7.87%	7.87%
(N) % INCREASE/(DECREASE) IN TOTAL MONTHLY ASSESSMENT ("h" divided by "L")		1.30%	1.30%
(if recommended monthly reserve allocation implemented)			

<b>OVERAGE / (DEFICIT)</b> (between "actual" and "required" reserve balance):	(1,819,915)	(275)
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**FUNDS TO COVER THE COST OF COMPONENTS THAT NEED TO BE REPLACED  
WITHIN 5 YEARS**
**\$6,316,556.40**

<b>PERCENT FUNDED AS OF: 1/1/2017</b>	(excluding "unknown" amounts from Component Inventory)	<b>79.26%</b>
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actual reserve balance (item "D" above): 6,953,940  
divided by  
required reserve balance (see Component Inventory): 8,773,855

<b>PERCENT FUNDED AS OF: 12/31/2017</b>	(if Funding Plan #3 recommended above is followed)	<b>76.65%</b>
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## BOARD ACTION REQUEST

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**TO:** BOARD OF DIRECTORS  
**FROM:** FINANCE COMMITTEE  
**SUBJECT:** 2017 OPERATING BUDGET  
**DATE:** SEPTEMBER 27, 2016  
**CC:** FILE

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May 2016 commenced the 2017 budget planning process with staff compiling staffing and operational needs for next year. Staff was diligent in drafting their cost center draft budgets, some cost centers showing significant decreases resulting in a minimal increase to the entire annual budget.

In July, staff presented the first run draft budgets to their respective board committees. In August, Board committees performed a second and final review of their respective cost center budgets and made revisions as necessary. The final committee evaluation included a review of salaries, wages and benefits. Although full-time equivalents increased by 3.45, total salaries, wages and benefits decreased by \$114,800. At the regular Finance Committee meeting held on August 16<sup>th</sup>, the committee increased reserve funding to \$1,150,000, an increase over the 2016 budget by \$250,000. Although reserve funding is proposed to increase significantly, the significant decrease in net operating expenses result in a minimal monthly per apartment increase of \$0.54 for 2017.

At the special Finance Committee meeting held on August 30<sup>th</sup>, the committee reviewed the 2017 budget for every cost center that makes up the Golden Rain Foundation budget and made further adjustments. In summary, extensive care was taken in developing the operating budget for 2017. Please see Exhibit A for committee review status. The Finance Committee recommends Board approval of the final draft budget. See Exhibit B for the 2017 operating budget.

**Resolution:**

I move to recommend the GRF Board approve 2017 Golden Rain Foundation Operating Budget of \$11,473,518 or \$144.69 per apartment per month, an increase of \$0.54 per apartment per month over the 2016 operating budget.

**2017 GRF Budget Status**  
by Committee

Committee	C/C	2017	2016	Variance	%	Notes
ADRC	ADR	6,720	7,340	(620)	-8.4%	8/09 - Accepted; send to FC
Committee	C/C	2017	2016	Variance	%	Notes
Executive	20	288,480	296,650	(8,170)	-2.8%	8/12 - Accepted; send to FC
	22	24,694	25,316	(622)	-2.5%	8/12 - Accepted; send to FC
	29	35,731	33,191	2,540	7.7%	8/12 - Accepted; send to FC
	30	942,783	838,281	104,502	12.5%	8/12 - Accepted; send to FC
	55	29,417	19,470	9,947	51.1%	8/12 - Accepted; send to FC
	Total	1,321,105	1,212,908	108,197	8.9%	
Committee	C/C	2017	2016	Variance	%	Notes
Finance	31	984,934	915,615	69,319	7.6%	8/16 - FC acceptance
	32	265,267	249,841	15,426	6.2%	8/16 - FC acceptance
	39	(425,277)	(384,030)	41,247	-10.7%	8/16 - FC acceptance
	60	(564,000)	(564,000)	0	0.0%	8/16 - FC acceptance
	65	1,150,000	900,000	250,000	27.8%	8/16 - FC acceptance with add'l funding of \$150,000
		1,410,924	1,117,426	293,498	26.3%	
Committee	C/C	2017	2016	Variance	%	Notes
ITS	34	346,098	423,584	(77,486)	-18.3%	8/01 - Accepted; send to FC
Committee	C/C	2017	2016	Variance	%	Notes
MAC	MAC	473,617	563,395	(89,778)	-15.9%	8/09 - Accepted; send to FC
	33	170,963	236,628	(65,665)	-27.8%	8/09 - Accepted with add'l revenue \$77,650*; send to FC
		644,580	800,023	(155,443)	-19.4%	
Committee	C/C	2017	2016	Variance	%	Notes
Physical Properties	70	1,020,689	1,088,126	(67,437)	-6.2%	8/08 - Accepted with permit clerk* & add'l permit revenue*; send to FC
	74	965,064	1,307,921	(342,857)	-26.2%	8/08 - Accepted; send to FC
	75	236,203	0	236,203	-	8/08 - Accepted; send to FC
	79	480,976	460,949	20,027	4.3%	8/08 - Accepted; send to FC
		2,702,932	2,856,996	(154,064)	-5.4%	
Committee	C/C	2017	2016	Variance	%	Notes
Publications	36	(10,863)	35,356	(46,219)	-130.7%	08/10 - Accepted; send to FC
Committee	C/C	2017	2016	Variance	%	Notes
Recreation	35	329,061	307,958	21,103	6.9%	8/30 - Accepted*; send to FC
	40	418,016	351,738	66,278	18.8%	8/10 - Accepted; send to FC; 8/30 added \$7,000*
	45	218,373	218,366	7	0.0%	8/10 - Accepted; send to FC
	46	217,658	212,828	4,830	2.3%	8/10 - Accepted; send to FC



**2017 GRF Budget Status**  
by Committee

Committee	C/C	2017	2016	Variance	%	Notes
	48	142,276	151,756	(9,480)	-6.2%	8/10 - Accepted; send to FC
	49	1,124,668	1,108,210	16,458	1.5%	8/10 - Accepted; send to FC; 8/30 added \$21,854*
	51	41,835	41,874	(39)	-0.1%	8/10 - Accepted; send to FC
	52	46,931	47,701	(770)	-1.6%	8/10 - Accepted; send to FC
	53	47,785	47,241	544	1.2%	8/10 - Accepted; send to FC
	54	48,242	47,921	321	0.7%	8/10 - Accepted; send to FC
	56	140,379	140,359	20	0.0%	8/10 - Accepted; send to FC
		2,775,224	2,675,952	99,272	3.7%	
Committee	C/C	2017	2016	Variance	%	Notes
Security, Bus, Traffic	37	1,580,145	1,607,590	(27,445)	-1.7%	8/03 - Accepted; send to FC
	38	696,653	693,262	3,391	0.5%	8/03 - Accepted; send to FC
		2,276,798	2,300,852	(24,054)	-1.0%	
Totals		\$11,473,518	\$11,430,436	\$43,082	0.4%	
Month		956,126	952,536	3,590		
Unit		\$144.69	\$144.15	\$0.54		

\* Pending final Board approval

Golden Rain Foundation							
2017 Operating Budget							
By Line Item							
Account	Title	2017	2016	PAPM 2017	PAPM 2016	Change	
						Annual	PAPM
<b>Salaries, Wages and Benefits:</b>							
6100000	Salaries and wages	\$ 7,575,890	\$7,540,639	95.54	95.09	\$ 35,251	0.45
6101000	Commissions	42,000	37,998	0.53	0.48	\$ 4,002	0.05
6140000	Payroll Taxes	643,901	623,452	8.12	7.86	20,449	0.26
6142000	Workers' Compensation	406,681	572,778	5.13	7.22	(166,097)	(2.09)
6143000	Group Insurance - Medical	794,352	786,036	10.02	9.91	8,316	0.11
6143300	Group Insurance - Dental	16,236	16,524	0.20	0.21	(288)	(0.01)
6143500	Group Insurance - Vision	11,592	10,164	0.15	0.13	1,428	0.02
6144000	Retirement Contributions	140,608	156,359	1.77	1.97	(15,751)	(0.20)
6145000	Group Insurance - Life, AD & D	27,696	28,680	0.35	0.35	(984)	0.00
6146000	Long Term Disability	32,304	33,456	0.41	0.42	(1,152)	(0.01)
<b>Total Salaries, Wages and Benefits</b>		<b>\$ 9,691,260</b>	<b>\$ 9,806,086</b>	<b>122.22</b>	<b>123.66</b>	<b>\$ (114,826)</b>	<b>\$ (1.44)</b>
<b>Operating and Fixed Expenses:</b>							
621XXX	Employee Related Expenses	\$ 65,978	\$62,861	0.83	0.79	3,117	0.04
6211000	Continuing Education	14,876	16,350	0.19	0.21	(1,474)	(0.02)
6214000	Meals & Special Events	18,605	18,150	0.23	0.23	455	0.00
6215000	Mileage	8,199	9,132	0.10	0.12	(933)	(0.02)
6217000	Uniforms & Laundry	33,119	30,047	0.42	0.38	3,072	0.04
6410000	Materials & Supplies	378,509	386,738	4.77	4.88	(8,229)	(0.11)
6420100	Electricity	355,411	368,375	4.48	4.65	(12,964)	(0.17)
6422000	Telephone	81,327	82,636	1.03	1.04	(1,309)	(0.01)
6424100	Trash	82,692	74,246	1.04	0.94	8,446	0.10
6425100	Natural Gas	22,450	22,396	0.28	0.28	54	0.00
6432100	Audit Fees	138,500	134,500	1.75	1.70	4,000	0.05
6434100	Legal Fees	122,525	179,600	1.55	2.25	(57,075)	(0.70)
6435100	Bank Service Fees	12,896	11,366	0.16	0.14	1,530	0.02
6438000	Other Professional Fees	162,924	24,500	2.05	0.31	138,424	1.74
6444000	Equipment Rental	30,344	28,879	0.38	0.36	1,465	0.02
6471000	Building Repairs & Maintenance	21,002	10,264	0.26	0.13	10,738	0.13
6472XXX	Equipment Repairs & Maintenance	111,760	90,559	1.41	1.14	21,201	0.27
6473000	Hazardous Material Disposal	2,796	2,792	0.04	0.04	4	0.00
6474100	Janitorial	1,097,668	1,130,100	13.84	14.25	(32,432)	(0.41)
6475100	Landscape Maintenance	327,936	295,956	4.14	3.73	31,980	0.41
6476000	Sewer Maintenance	31,452	31,454	0.40	0.40	(2)	0.00
6476500	Street Repair and Maintenance	26,760	26,760	0.34	0.34	0	0.00
6477210	Pest Control	11,762	10,764	0.15	0.14	998	0.01
6478000	Service Contracts	87,819	123,204	1.11	1.55	(35,385)	(0.44)
6481000	Computer Maintenance & Software	56,072	83,284	0.71	1.05	(27,212)	(0.34)
6481500	Community Entertainment	279,520	270,519	3.53	3.41	9,001	0.12
6482000	Dues & Membership Fees	15,297	13,513	0.19	0.17	1,784	0.02
6482500	Election Expense	63,070	59,537	0.80	0.75	3,533	0.05
6483XXX	Vehicle Fuel	91,935	102,020	1.16	1.29	(10,085)	(0.13)
6483201	Annual Mailouts	19,687	19,912	0.25	0.25	(225)	0.00
6483500	Newspaper Distribution	117,200	117,200	1.48	1.48	0	0.00
64835XX	Printing	265,710	240,380	3.35	3.03	25,330	0.32
6484000	Permits & Licenses	30,452	28,675	0.38	0.36	1,777	0.02
6484500	Postage	36,000	36,000	0.45	0.45	0	0.00
6485500	Record Retention	1,800	1,800	0.02	0.02	0	0.00

Golden Rain Foundation							
2017 Operating Budget							
By Line Item							
Account	Title	2017	2016	PAPM 2017	PAPM 2016	Change	
						Annual	PAPM
<b>Operating and Fixed Expenses: (continued)</b>							
6721000	Federal & State Income tax	5,040	26,400	0.06	0.33	(21,360)	(0.27)
6731000	Property & Liability Insurance	540,904	516,716	6.82	6.52	24,188	0.30
6910000	Uncollectible & Misc Writeoffs	6,000	6,800	0.08	0.09	(800)	(0.01)
8160000	Committee Non-Budgeted Expense	9,000	8,996	0.11	0.11	4	0.00
8161000	Replacement Reserve Funding	1,150,000	900,000	14.50	11.35	250,000	3.15
<b>Total Operating and Fixed Expense</b>		<b>\$ 5,934,997</b>	<b>\$5,603,380</b>	<b>74.85</b>	<b>\$ 70.66</b>	<b>\$ 331,617</b>	<b>\$ 4.18</b>
<b>Total Cost of Trust Administration</b>							
	<b>Before Other Sources of Income</b>	<b>\$ 15,626,257</b>	<b>\$ 15,409,466</b>	<b>\$ 197.06</b>	<b>194.33</b>	<b>\$ 216,791</b>	<b>\$ 2.74</b>
<b>Other Income Sources:</b>							
5330000	Mutual Management Fee	44,400	44,400	0.56	0.56	0	0.00
5345000	Certificate Prep Fees	238,100	188,750	3.00	2.38	49,350	0.62
5380332	Trust processing fee	42,375	60,000	0.53	0.76	(17,625)	(0.23)
5385000	Permit Fees & Misc. Income	241,545	245,653	3.05	3.10	(4,108)	(0.05)
5891000	SRO Labor Costs Recovery	1,475,812	1,448,420	18.61	18.27	27,392	0.34
5395000	Rental Charges & Other Fees	32,778	32,778	0.41	0.41	0	0.00
5395000	Resales Office Rent	430,716	389,100	5.43	4.91	41,616	0.52
5395000	Health Care Center Rent	564,000	564,000	7.11	7.11	0	0.00
5396000	Taxable Other Income	1,800	-	0.02	0.00	1,800	0.02
5396100	Taxable Other Income - STI	85,560	80,100	1.08	1.01	5,460	0.07
5731500	Advertising	994,729	924,701	12.54	11.66	70,028	0.88
5397100	Interest	31,826	39,721	0.40	0.50	(7,895)	(0.10)
5398000	Interest Income Allocation	(31,192)	(39,551)	(0.39)	(0.50)	8,379	0.11
5540000	Discounts	270	958	0.00	0.01	(688)	(0.01)
<b>Total Income From Other Sources</b>		<b>\$ 4,152,739</b>	<b>\$ 3,979,030</b>	<b>\$ 52.37</b>	<b>\$ 50.18</b>	<b>\$ 173,709</b>	<b>\$ 2.17</b>
	<b>Net Cost of Trust Administration</b>	<b>\$ 11,473,518</b>	<b>\$ 11,430,436</b>	<b>\$ 144.69</b>	<b>144.15</b>	<b>\$ 43,082</b>	<b>\$ 0.54</b>

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**BOARD ACTION REQUEST**

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**TO:** BOARD OF DIRECTORS  
**FROM:** FINANCE COMMITTEE  
**SUBJECT:** CHECKFREEPAY CORPORATION – UPDATED APPLICATION & AGREEMENT  
**DATE:** SEPTEMBER 20, 2016  
**CC:** FILE

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Golden Rain Foundation (GRF) has been providing payment processing services to shareholders remitting payment to Southern California Edison (SCE) since 1981. CheckFreePay Corporation is the third-party provider GRF uses to process SCE payment information electronically to SCE. In return for providing payment processing services on behalf of SCE, GRF receives \$0.25 per payment processed. Although annually, GRF receives approximately \$2,900 in revenue for this service, the value of this convenient service to its members has proven to be much greater than the token revenues GRF receives.

In order to continue providing SCE payment processing services for its members, CheckFreePay is requesting that GRF sign an updated application and Appointment Agreement for Payment Services. The new agreement contains updated banking regulations relating to payment processing, as they have changed significantly over that past few decades. The current CheckFreePay documents on file were signed in 1995.

At the regular meeting held on September 20, 2016, the Finance Committee passed a motion to accept the CheckFreePay Application and Appointment Agreement for Payment Services.

**MOTION:**

I move to accept the CheckFreePay Application and Appointment Agreement for Payment Services and to recommend to the Board to authorize to the President to sign the two documents.



# CheckFreePay Commission Schedule

MASTER TERM ID: CA3955

\*\*UPDATED CONTRACT- NO CHANGE\*\*

Required for existing agents.

CHECK ALL THAT APPLY (INTERNAL USE ONLY)	TERM ID(S) OF LOCATIONS AFFECTED BY CHANGE
<input type="checkbox"/> Add New Billers	
<input type="checkbox"/> Add Additional Terminals Quantity to Add: _____	
<input type="checkbox"/> Add Additional Agent Locations (Attach Exhibit A)	CA3955
<input type="checkbox"/> Change Commission Rate	NO CHANGE
<input type="checkbox"/> Change Allowable Fee Charged to Customer or Share Split	

## AUTHORIZED BILLERS:

Billers for which agent may charge a fee for processing transactions (not allowed by some states or billers).

BILLER(S)	CHARGE TO CUSTOMER	AGENT FEE RETAINED	REMIT TO CHECKFREEPAY	EXCLUSIVE (X = YES)
Waste Management (328)	\$1.00	\$0.50	\$0.50	<input type="checkbox"/>
Bridgecrest (309)				
Fingerhut (314)				
GO Financial (333)				
Gettington (319)	\$1.50	\$0.75	\$0.75	<input type="checkbox"/>
Westlake Financial Services (244)				
Fingerhut Fresh Start (320)				
America Voice (302)				
Sprint (179)				
Geico (282)				
Toyota Financial Services (357)				
AT&T Telco (321)				
AT&T LD (348)				
AT&T U-Verse (323)	\$2.00	\$1.00	\$1.00	<input type="checkbox"/>
Resident eMoney Order (339)				
TD Auto Finance (376)				
Santander (390)				
United Auto Credit (403)				
Car-Mart (391)				
AT&T DIRECTV (404)				
Dish Network (257)	\$2.50	\$1.10	\$1.40	<input type="checkbox"/>
AT&T Mobility (347)	\$2.50	\$1.00	\$1.50	<input type="checkbox"/>
Yardi Systems 'WIPS Rent Payments' (371)	\$3.00	\$1.00	\$2.00	<input type="checkbox"/>
Verizon Wireless Postpaid (364.2)	\$3.00	\$1.25	\$1.75	<input type="checkbox"/>
Credit Acceptance Corp. (381)	\$3.50	\$1.75	\$1.75	<input type="checkbox"/>
PayLease (366)	\$4.00	\$1.00	\$3.00	<input type="checkbox"/>
T-Mobile/Walmart Family Mobile (192)	\$5.00	\$1.75	\$3.25	<input type="checkbox"/>
ARS, LLC (9779)	\$5.00	\$2.50	\$2.50	<input type="checkbox"/>
				<input type="checkbox"/>
NO CHANGE				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

## AUTHORIZED TAXABLE BILLERS

BILLER(S) FOR WHICH AGENT WILL EARN A COMMISSION FOR PROCESSING TRANSACTIONS:

Agent must set up taxes: ☐ Yes ☐ No

BILLER(S)	COMMISSION	EXCLUSIVE (X = YES)
Verizon Wireless Prepaid (364.1)	4%	<input type="checkbox"/>
MiGuarte (222)	\$0.50	<input type="checkbox"/>
SCE (029)	\$0.25	<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

NO CHANGE

## NON-CONTRACTED BILLERS

BILLER(S)	CHARGE TO CUSTOMER	AGENT FEE RETAINED	REMIT TO CHECKFREEPAY	EXCLUSIVE (X = YES)
Standard Billers	\$1.75	\$0.88	\$0.87	<input type="checkbox"/>
Visa & MasterCard (Next Day Biller)	\$3.50	\$1.75	\$1.75	<input type="checkbox"/>
Next Day Billers	\$2.50	\$1.25	\$1.25	<input type="checkbox"/>
Same Day (AG)	\$4.00	\$2.00	\$2.00	<input type="checkbox"/>

Upon written notice to Agent, via methods including but not limited to terminal bulletins, fax, email, and/or newsletter notices, CheckFreePay has the right to amend the Charge to Customer and the Agent Fee Retained portion of the above pricing schedule for increases granted by Billers from time to time. All prices are per 1 bill payment stub.

Corporate Name: Golden Rain Foundation

Majority Owner Signature: \_\_\_\_\_

Print Name: Carole Damoci

Title: President, BOD

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

N/A

Exclusivity Contract Signed for All Billers



## APPOINTMENT AGREEMENT FOR PAYMENT SERVICES

This Appointment Agreement for Payment Services ("Appointment Agreement"), dated as of \_\_\_\_\_, 2016 ("Effective Date") is made by and among CheckFreePay Corporation, a Connecticut corporation ("CFP"), CheckFreePay Corporation of New York, a New York corporation, ("CFPNY"), CheckFreePay Corporation of California, a California corporation ("CFPCA") and Golden Rain Foundation [CORPORATE/BUSINESS NAME] ("Agent"). Each of CFP, CFPNY, CFPCA and Agent is referred to herein as a "Party" and collectively as the "Parties."

**WHEREAS**, each of the Licensees is engaged in the business of money transmission, and is licensed or otherwise authorized to provide the Payment Services (defined below) in various jurisdictions;

**WHEREAS**, Agent, is engaged in the business of (i) marketing and distributing financial products and services on behalf of certain third parties, including, without limitation, state-licensed money transmitters, (ii) processing financial transactions, and/or (iii) performing other services for companies offering financial products and services, including stored value products and services;

**WHEREAS**, Licensees desire to appoint Agent, as their representative and designated agent, solely to the extent required by Applicable Law, with the authority to provide the Payment Services, as defined herein, as appropriate, from time to time.

**NOW, THEREFORE**, in consideration of the agreements, conditions and covenants set forth below, the Parties agree as follows:

1. Appointment.

A. Each of CFP, CFPNY, and CFPCA (each, a "Licensee," and, collectively, the "Licensees") hereby appoint Agent as its representative and designated agent, with the authority to provide the Payment Services, pursuant to the terms and conditions set forth herein, and on any applicable schedules and exhibits hereto, and to engage in money transmission on its behalf, as applicable, through the internet, telephone, retail locations or as otherwise designated by the Licensees, in each case as approved by the Licensees, from time to time, for the sole purpose of performing Agent's obligations under the Services Agreement. "Payment Services" *may* include (i) the sale or reload of prepaid access devices, (ii) walk-in bill payment services, whereby bill payment customers can enter participating Agent retail locations ("Agent Locations") and make payments on certain consumer accounts held by billers providing goods and services to such bill payment customer, which payments are then processed and remitted to the biller on behalf of the bill payment customer, and (iii) general money transmission, whereby the Licensees are engaged generally in receiving money for transmission or transmitting money within the United States or to locations outside the United States. Neither Licensees nor Agent may authorize sub-delegates without the prior written consent of each Licensee and any regulatory authority whose consent is required by Applicable Law.

B. Agent hereby expressly acknowledges and agrees that it is under an express duty to act only as authorized by Licensees pursuant to this Agreement. Any unauthorized provision of Payment Services by Agent shall constitute a material breach of this Appointment Agreement, and in such event, (i) each Licensee shall be completely released from any liability or obligation to Agent relating to the unauthorized Payment Services, and (ii) each Licensee shall have the right to terminate the Agent's rights under this Appointment Agreement at any time and Agent may be subject to disciplinary action.

2. Payment Services.

A. Generally. Agent acknowledges that, as between the Licensees and Agent, and subject to the fulfillment of any notice or approval obligations owed to consumers, each Licensee shall have the right, in its sole discretion, from time to time, to establish, change, alter, or amend the terms and conditions, warranties, methods of payment and any other matters relating to the provision of the Payment Services, including discontinuance of the Payment Services at any time upon notice to Agent and/or the relevant consumers, as applicable. Upon receipt of notice of cancellation of the Payment Services, Agent shall immediately (x) cease, and cause each of its retail locations to cease, offering such cancelled service, (y) remove, and cause each of its retail locations to remove, from any physical location, telephone system or internet site of Agent, as applicable, any signage or other promotional material related to such cancelled service. Agent agrees to be solely responsible for the correctness and legitimacy of all Payment Services conducted by it and for all data entered by Agent's employees, agents or representatives in connection therewith. Agent shall not intentionally or negligently falsify sales records or engage in deceptive, unethical, misleading or fraudulent conduct that is, or could reasonably be expected to be, detrimental to any Licensee or their products or services. All Payment Services conducted by Agent shall be in accordance with the Licensees' instructions and written procedures as provided to Agent from time-to-time. Without limiting the foregoing, upon reasonable advance written notice to Agent that any Licensee has determined, in its reasonable discretion, that Applicable Law requires a modification to the manner in which Agent provides the Payment Services, Agent shall utilize commercially reasonable efforts to modify its provision of the Payment Services to so comply with Applicable Law. In the event that any Licensee determines, in its sole reasonable discretion, that the modification implemented by Agent with respect to such Applicable Law is insufficient to comply, then such Licensee may immediately terminate this Appointment Agreement upon notice to Agent.

B. Emergency Suspension. Upon fax or other notice to Agent by Licensees, Agent agrees to immediately halt the provision of all Payment Services ("Emergency Suspension"). An event giving rise to an Emergency Suspension may include an immediate regulatory change, governmental action, a breach of security, the need to protect or preserve Consumer Funds (defined below), the financial insolvency of any Party, a suspension, stay, or hold on any of Agent's deposit or bank accounts that contain Consumer Funds, the appointment of a receiver, trustee or fiduciary over any Party, or any other similar reason determined by any Licensee using its commercially reasonable judgment in order to prevent fraud, abuse, or a violation of Applicable Law and immediately upon Agent being subject to a bankruptcy filing until the Bankruptcy Authorization (defined below) is obtained or waived in writing by each Licensee.

C. Loss Recovery. Agent will be liable for all losses and hereby assumes all risk of loss for all Consumer Funds (defined below) received by Agent until such Consumer Funds are received by Licensees including, without limitation: (A) losses incurred as a result of theft, robbery, or other misappropriation of Consumer Funds, (B) ACH failures and losses (C) losses caused by the fraud, negligence, or theft by Agent's employees, agents or representatives in connection with the provision of the Payment Services; or (B) losses caused by Agent's acceptance of a form of payment in connection with the provision of the Payment Services which results in (1) insufficient funds or (2) funds obtained in a fraudulent manner being used by a consumer in connection with the Payment Services, including, without limitation, checks drawn against accounts with insufficient funds, invalid credit cards, stolen checks, stolen credit or prepaid cards, or counterfeit currency. Each Licensee will cooperate in a commercially reasonable way with Agent's personnel in an effort to locate and prosecute the perpetrator of such fraud.

3. Compliance.

A. Agent shall comply with Applicable Law in its provision of the Payment Services including, without limitation, those provisions set forth in Exhibit A attached hereto and incorporated herein. "Applicable Law" means (i) all applicable rules and regulations of any card association utilized in connection with the Payment Services, (ii) any applicable rule or requirement of the National Automated Clearinghouse Association, (iii) Payment Card Industry Data Security Standards, (iv) the Gramm-Leach-Bliley Act, P.L. 106-102, the Privacy Regulations and implementing regulations promulgated thereunder, and the standards for safeguarding customer information set forth in 12 CFR Part 364 and 16 CFR Part 314, all as they may be amended, supplemented and/or interpreted in writing from time to time by any federal Regulatory Authority, and (v) any and all foreign, federal, state and local laws, treaties, rules, regulations, regulatory guidance, determinations of (or agreements with) an arbitrator or governmental agency or authority and mandatory written direction from (or agreements with) any arbitrator or governmental agency or authority, including, without limitation, the Bank Secrecy Act and its implementing regulations including, without limitation, 31 C.F.R. 1022.210, 31 C.F.R. 1022.320, 31 C.F.R. 1022.420, and any successor provisions, any and all sanctions or regulations enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, and statutes or regulations of any state relating to the Payment Services, money transmission, unclaimed property, the marketing, issuance, sale, authorization or usage of a prepaid access device (including, but not limited to, Title IV of the Credit Card Accountability Responsibility and Disclosure Act of 2009, Section 920 of the Electronic Fund Transfer Act, as amended, and the Prepaid Access Rule), or otherwise applicable to any of the Parties by law or made applicable to any Party as specifically provided for in this Agreement, as the same may be amended and in effect from time to time.

B. Each Licensee and Agent acknowledge and agree that its activities hereunder, and the activities of any authorized delegates or hereunder, are subject to the supervision, examination, and regulation of various state regulatory authorities having jurisdiction over the Licensees as licensed money transmitters including, without limitation, the Hawaii Commissioner of Financial Institutions (*HRS § 489D-21(3)*), the Director of the Nebraska Department of Financial Institutions (*R.R.S. Neb. §8-2739*), and the Commissioner of the North Dakota Department of Financial Institutions (*N.D. Cent. Code, § 13-09-15(3)*).

C. Agent shall be responsible for collecting and paying all applicable taxes, including but not limited to sales or service taxes, income tax arising from Agent's Commission income, or any other taxes which may be imposed by any state or governmental authority with jurisdiction over Agent. Agent will keep any required records of such tax obligations and promptly transmit payments to the applicable taxing authority on a timely basis.

D. Agent shall cooperate in a background verification and credit check process pursuant to the Licensees' requirements and various state and federal regulations, including, without limitation, the Bank Secrecy Act, as amended. Agent shall provide Licensees with the required Credit Verification Application ("CVA") completed by every person who holds a ten percent (10%) or greater ownership interest in Agent. Agent must provide an updated CVA as necessary from time to time to ensure that all information contained in the CVA remains current and accurate at all times. Agent acknowledges and agrees that all information contained in the CVA provided by Agent may be verified on at least an annual basis. The appointment of Agent outlined herein is subject to the results of the verification process and may be revoked by Licensees at any time for any reason or no reason.

E. Agent shall not charge any fee to consumers for Payment Services except as expressly authorized by Licensees. Agent understands and agrees that charging any amount to consumers other than as expressly authorized by Licensees shall constitute a material breach of this Appointment Agreement and may result in immediate termination.

F. Agent agrees to designate a qualified employee as the BSA/AML Compliance Officer for Agent. Agent understands and agrees such designee must complete and pass Licensees' BSA/AML Agent Training Program prior to offering the Payment Services, and annually thereafter. Additionally, on an as needed basis, but in no case more than one time per year, Licensees may conduct a compliance assessment which assessment may include, without limitation, a review of Agent's state and federal compliance policies, procedures, internal controls, and transaction testing, conducting interviews with Agent's personnel, and evaluating Agent's BSA/AML compliance program, state licenses, employee compliance training, most recent AML/OFAC independent review, description of products and services including volume in dollars and transactions, number of CTRs and SARs filed and analyzed by report subject (agents and consumers), transaction review processes and report review, OFAC system demonstration, and forward looking business plans.

G. Licensees shall comply with Applicable Law in its provision of the Payment Services and will maintain any and all applicable licenses and registrations necessary to carry out the Payment Services pursuant to the terms of this Agreement.

H. Licensees shall provide to Agent, and Agent shall display at all times in a site clearly visible to the public, all regulatory postings which may include fee schedules, consumer information signs or licenses as required by the states in which Agent operates. Other signs, posters, window decals and other promotional materials ("Signage") may be posted at Agent discretion.

4. Warranties, Limitations of Liability.

A. IN NO EVENT SHALL LICENSEES NOR THEIR RESPECTIVE SUBSIDIARIES, PARENTS OR AFFILIATES BE LIABLE FOR LOSS OF GOODWILL, OR FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS (EVEN IF SUCH DAMAGES ARE FORESEEABLE, AND WHETHER OR NOT ANY PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF WHETHER SUCH CLAIM ARISES IN CONTRACT, TORT, EQUITY OR OTHERWISE. EXCEPT FOR CLAIMS RELATED TO PROPRIETARY RIGHTS OR PAYMENT OBLIGATIONS, NEITHER PARTY MAY ASSERT ANY CLAIM AGAINST THE OTHER RELATED TO THIS AGREEMENT MORE THAN 2 YEARS AFTER SUCH CLAIM ACCRUED. LICENSEES' AGGREGATE LIABILITY TO AGENT AND ANY THIRD PARTY FOR ANY AND ALL CLAIMS OR OBLIGATIONS RELATING TO THIS AGREEMENT SHALL BE LIMITED TO THE TOTAL NET REVENUE (HEREINAFTER DEFINED) RECEIVED BY AGENT UNDER THE SCHEDULE RESULTING IN SUCH LIABILITY IN THE 2 MONTH PERIOD PRECEDING THE DATE THE FIRST CLAIM ACCRUED; "NET REVENUE" SHALL BE DEFINED AS THE TOTAL AGENT COMMISSION FEES RETAINED BY AGENT AND/OR PAID BY CHECKFREEPAY TO AGENT, AS FURTHER DESCRIBED ON THE SCHEDULES SET FORTH IN THIS AGREEMENT.

B. NEITHER LICENSEES NOR THEIR RESPECTIVE SUBSIDIARIES, PARENTS OR AFFILIATES MAKE ANY REPRESENTATIONS OR WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, RELATING TO OR ARISING OUT OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE.

C. Each Party shall have the duty to mitigate damages for which any other Party may become responsible.

5. Indemnification.

A. Each Licensee covenants and agrees to indemnify and hold Agent, its parent or affiliates, and their respective officers, directors, employees, agents and permitted assigns harmless against any and all liability, damages, costs, expenses, including reasonable legal fees and expenses, for any third-party claim or demand, including, without limitation, any fees or penalties assessed by any regulatory authority ("Claim") arising out of or related to: (1) such Licensee's breach of a representation or warranty under this Appointment Agreement; or (2) any gross negligence, fraud or willful misconduct by such Licensee. This provision shall not apply with respect to Agent to the extent Agent is obligated to provide indemnity under sub paragraph (B) below.

B. Agent covenants and agrees to indemnify and hold each Licensee, its respective parent or affiliates, and respective officers, directors, employees, agents and permitted assigns harmless against any and all Claims arising out of or related to: (1) Agent's breach of a representation, warranty or obligation under this Agreement; (2) any negligence, fraud or willful misconduct by Agent or any of its employees, agents or representatives, including, without limitation, fraudulently or incorrectly entering or omitting data regarding the Payment Services or failing to collect or deposit the appropriate amount of funds to be remitted as part of any Payment Services conducted by Agent. This provision shall not apply with respect to any Licensee to the extent such Licensee is obligated to provide indemnity under sub paragraph (A) above.

C. If any Claim is asserted against any Party or Parties (individually or collectively, the "Indemnified Party") by any person who is not a Party to this Agreement in respect of which the Indemnified Party may be entitled to indemnification under the provisions of subsections (A) or (B) above, written notice of such Claim shall promptly be given to any Party or Parties (individually or collectively, the "Indemnifying Party") from whom indemnification may be sought. The Indemnifying Party shall have the right, by notifying the Indemnified Party within ten (10) business days of its receipt of the notice of the Claim, to assume the entire control (subject to the right of the Indemnified Party to participate at the Indemnified Party's expense and with counsel of the Indemnified Party's choice) of the defense, compromise or settlement of the matter, including, at the Indemnifying Party's expense, employment of counsel of the Indemnifying Party's choice. The Indemnifying Party shall not compromise or settle a Claim against the Indemnified Party without the Indemnified Party's consent, which shall not be unreasonably withheld or delayed, where such compromise or settlement involves the payment of money or an admission of liability by the Indemnified Party.

6. Consumer Funds; Obligations During Bankruptcy. Agent shall hold in trust and remit all money and monetary value received in connection with the provision of the Payment Services in accordance with the terms of this Appointment Agreement, the Services Agreement and Applicable Law. The consumer funds received by Agent and any authorized delegates hereunder, in connection with the provision of the Payment Services ("Consumer Funds") shall be and remain the sole property of the applicable consumers and/or their designated beneficiary during and after the time the Consumer Funds are presented to Agent by the consumer and will not be deemed the property or an asset of Agent, nor will such Consumer Funds be included on any balance sheet or asset statement of Agent. Furthermore, Agent represents and warrants that the Consumer Funds are not be subject to, and covenants that during the term of this Appointment Agreement will not be subject to, creditors (whether secured or unsecured) of Agent or its affiliates, whether in connection with any bankruptcy or secured creditor proceeding filed by or against Agent, its affiliates or otherwise. Agent shall take all action necessary or appropriate: (A) to ensure that the Consumer Funds do not become subject to any pledge, assignment, transfer or security interest made or granted, voluntarily or involuntarily, by Agent to any third party; and (B) to accomplish the immediate release to the Licensees of all Consumer Funds, current or future, and remove such Consumer Funds from inclusion in any bankruptcy proceeding involving Agent or proceeding brought against Agent by any creditor of Agent. Agent agrees that (X) in any cash management or other related motion filed in its bankruptcy proceeding, that Agent will include a request to obtain bankruptcy court authorization to continue the remittance of Consumer Funds to the Licensees in the manner provided under this Appointment Agreement and the Services Agreement, and (Y) Agent will obtain entry of an order approving such arrangements on an interim and/or final basis in form and substance acceptable to each Licensee ("Bankruptcy Authorization"). Notwithstanding anything to the contrary contained herein, Agent agrees that it shall be liable to the Licensees for all Consumer Funds associated with the Payment Services provided by Agent pursuant to this Appointment Agreement. Moreover, in the event that Agent is not a corporation, every person who holds a ten percent (10%) or greater ownership interest in Agent shall be personally liable to Licensees



for all Consumer Funds associated with the Payment Services provided by Agent pursuant to this Appointment Agreement. Agent hereby authorizes each Licensee to initiate electronic funds transfers of Consumer Funds from the account in which such funds are maintained by Agent into an account designated by such Licensee at such frequency as the Licensees may determine appropriate, or as may otherwise be required by Applicable Law.

7. Non-Solicitation of CheckFreePay Employees. Agent shall not, without Licensees' prior written consent, directly or indirectly, solicit for employment or hire any Restricted Employee (as defined herein) while such person is employed by either Licensee and for the 12-month period starting on the earlier of: (i) termination of such Restricted Employee's employment with Licensee, or (ii) termination or expiration of this Agreement; provided, however, that the foregoing shall not apply to the hiring of Licensees' or its Affiliate's employees who respond to Internet or other advertisements of general circulation not specifically targeted at such employees. "**Restricted Employee**" means any former or current employee of Licensee or its Affiliates that Agent became aware of or came into contact with during Licensees' performance of its obligations under this Agreement."

8. Publicity. Agent and Licensee shall have the right to make general references about each other and the type of Payment Services being provided hereunder to third parties, such as auditors, regulators, financial analysts, and prospective customers and clients, provided that in so doing Agent or Licensee does not breach Section 3 of this Agreement. Agent agrees to participate as a reference for Licensees' prospective clients up to four times per year during the Term of this Agreement. Licensees may issue a press release regarding this Appointment Agreement, including its renewal and the addition of Payment Services, subject to Agent's review and approval, which shall not be unreasonably withheld or unduly delayed. Except as authorized herein, Agent will not use the name, trademark, logo or other identifying marks of Licensees or any of their respective Affiliates in any sales, marketing, or publicity activities, materials, or website display without the prior written consent of Licensees. Any such authorized or approved use shall at all times comply with Licensees' Trademark Usage Guidelines set forth on Licensees corporate website and other requirements issued by Licensee from time-to-time.

9. ACH Authorization. I (we) hereby authorize Licensees to initiate entries to my (our) bank account(s) at the financial institution listed below, and, if necessary, initiate adjustments for any transactions credited/debited in error. This authority will remain in effect until Licensees are notified by me (us) in writing to cancel it in such time as to afford Licensees and the financial institution a reasonable opportunity to act on it.

Wells Fargo - CFP Banking - no change

(Name of Financial Institution)

(Address of Financial Institution - Branch, City, State, & Zip)

Financial Institution Routing Number:

Bank Account Number:

(Name of Financial Institution)

(Address of Financial Institution - Branch, City, State, & Zip)

Financial Institution Routing Number:

Bank Account Number:

(Name of Financial Institution)

(Address of Financial Institution - Branch, City, State, & Zip)

Financial Institution Routing Number:

Bank Account Number:

(Name of Financial Institution)

(Address of Financial Institution - Branch, City, State, & Zip)

Financial Institution Routing Number:

Bank Account Number:

Agent shall provide Licensees with a check marked "VOID" or a letter provided by the depository institution where the checking/savings account is maintained, which includes the account title, bank routing number and account number.

10. Compliance Audits. Agent acknowledges and agrees that its activities hereunder are subject to the supervision, examination, and regulation of various state regulatory authorities having jurisdiction over Licensees, and each Licensee may periodically, and upon ten (10) business days prior written notice, conduct audits of Agent during Agent's normal business hours, including a review of its facilities, as well as examination, audit, inspection, copying of all data, records, files and books and records related to this Appointment Agreement or the Payment Services, to confirm Agent's compliance with Applicable Law and this Appointment Agreement. Agent shall use commercially reasonable efforts to deliver any document or instrument necessary for Licensees to obtain such information from any person maintaining records for Agent.

11. Confidentiality; Ownership.

A. The Payment Services, software and any other Licensee deliverables hereunder, including any modifications, enhancements, additions, or upgrades to any of the foregoing, and all patents, copyrights, and other proprietary rights related to each of the foregoing are and shall remain the sole and exclusive property of Licensees or their Affiliates or suppliers.

B. Agent shall not disclose or make available to any third party, without the prior written consent of Licensees, any terms of this Agreement including commissions and other fees paid to Agent, consumer information, consumer account numbers, consumer bill entries, data, software or any part of such software, specifications, drawings, models, technical and business data and plans, documents, other works of authorship and other creative works, ideas, computer programming including but not limited to object code and source code, trade secrets, knowledge and know-how, whether in written or oral form ("Confidential Information"). Agent and its respective affiliates shall only use, maintain and disclose data (i) in accordance with Applicable Law and, (ii) only for purposes of performing its obligations related to the Payment Services or (iii) as maybe related to transactions that also affect other services provided by Agent. Agent shall not in any way remove, duplicate, extract or copy the data (or any portion thereof) once captured by the terminal. In addition, Agent shall not retain, in any form, Confidential Information obtained from the consumer for the purposes of providing Payment Services once captured by the terminal unless and only for the limited time designated by Licensees pursuant to any applicable schedules and exhibits hereto or as required by Applicable Law. Agent must take reasonable measures to ensure the secure disposal of Confidential Information so that the information cannot be read or reconstructed. Each party shall treat all such Confidential Information as confidential and store in a secure manner. Agent will not disclose the Confidential Information to any third party other than to an agent, contractor or employee of a party as required to perform a party's obligations hereunder (and except as may be required by Applicable Law, and then, only after prior written notice to the other party) and will not make use of any of such Confidential Information other than as contemplated in this Agreement in connection with the Payment Services. This provision shall survive for a period of three (3) years after termination or expiration of this Agreement; provided, however, that any Confidential Information that comprises "Trade Secrets" under applicable law shall be afforded such confidential treatment for so long as such Confidential Information continues to meet such definition of a Trade Secret (but in no event less than three (3) years), and any data shall be afforded such confidential treatment in perpetuity. Agent agrees that all documents containing any Confidential Information shall be shredded, or otherwise destroyed, and disposed of in compliance with Applicable Law in a manner consistent with retaining the confidentiality of the information in accordance with the terms herein.

12. Trademark and Service Mark Use. Agent shall use Licensees' name, logo, trademark and/or service mark, or that of any third party, ("Marks") only in the forms and format expressly approved by Licensees in writing, and Agent shall not alter, manipulate, or otherwise use said Marks in any display, in store, web site, and/or yellow page advertising except as otherwise expressly authorized by Licensees.

13. Insurance. Agent shall, at their own cost and expense, obtain and maintain in full force and effect, with financially sound and reputable insurers having A.M. Best ratings of at least A- (VII) or better, insurance to cover their obligations under this Appointment Agreement to protect itself and Licensees on a direct primary and non-contributory basis for loss or damage in connection with Agent's performance of the Payment Services. Agent shall maintain property insurance in an amount sufficient to cover the full replacement cost of any terminal(s), owned by Licensees, including improvements and betterments made to Agents premises to accommodate the terminals. Agent shall maintain sufficient commercial crime coverage including fidelity coverage and loss in and loss out in amounts sufficient to cover all Consumer Funds handled by Agent hereunder. Such coverage shall provide for the handling of funds belonging to third parties and coverage shall not be restricted by the definition of employee in relationship to any person handling funds under this Appointment Agreement including sole proprietors, partners, stockholders and any other person performing duties in connection with this Appointment Agreement. All such policies (except Worker's Compensation) shall name Licensees as an additional insured and as loss payee. Agent shall immediately notify Licensees if it receives notice of cancellation or non-renewal of any insurance required to be maintained hereunder. Upon execution of this Appointment Agreement, Agent shall provide Licensees with a certificate or certificates of insurance evidencing the following coverages and amounts with such insurers. Licensees shall have the right, but not the duty, to arrange any insurance required hereunder and to deduct any cost from fees otherwise owed Agent under this Agreement if Agent fails to furnish evidence of insurance.

14. Term and Termination. The term of this Appointment Agreement ("Term") shall commence upon the Effective Date and continue in full force and effect for five (5) years ("Initial Term"), and for successive one (1) year terms thereafter (each a "Renewal Term") until the earlier of: (i) Licensee's notice to Agent in the event of Agent's Emergency Suspension lasting more than ten (10) business days or Agent's breach of this Appointment Agreement; (ii) the exercise of any other termination right hereunder by any Licensee; or (iii) the exercise Agent's termination right hereunder upon expiration of the Initial Term or any subsequent Renewal Term and upon not less than thirty (30) days' prior written notice to Licensees. Upon Agent's receipt of any notice of termination, Agent shall conspicuously post a sign informing consumers of the termination of the Payment Services and providing them with Licensees' toll-free consumer service phone number. Upon termination of the Payment Services, Agent shall immediately (a) cease, and cause each of its retail locations to cease, offering such cancelled service, (b) remove, and cause each of its retail locations to remove, from any physical location, telephone system or internet site of Agent, as applicable, any signage or other promotional material related to such cancelled service.

15. Successors in Interest. In the event any Licensee is acquired by or merged into an affiliated entity, such affiliated entity shall assume the obligations of such Licensee hereunder and shall have the authority to maintain Agent's agency appointment according to the terms and conditions hereunder. The term "Licensee" as used hereunder shall apply to such affiliated entity in the same capacities and to the same extent as applied to any Licensee so acquired by such affiliated entity.

16. Relationship of the Parties. Each Party agrees that, except as otherwise provided herein, they are independent contractors to each other in performing their respective obligations hereunder. Nothing in this Appointment Agreement or in the working relationship being established and developed hereunder shall be deemed or is intended to be deemed, nor shall it cause, any of the Parties to be treated as partners, joint ventures, or otherwise as joint associates for profit. No Party shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other, without the prior written consent of the other Parties.

17. Amendments. Agent acknowledges and agrees that any Licensee may, from time to time, amend this Appointment Agreement, including, without limitation, Exhibit A attached hereto, as such Licensee shall deem necessary in its reasonable discretion to comply with Applicable Law, at which time such Licensee shall communicate to Agent the content of any such amendment. No later than five (5) business days following Agent's receipt of any such notification from any Licensee, Agent shall acknowledge its receipt of such notice and provide such Licensee with evidence of its consent to such amendment in the manner specified in the notice, following which this Appointment Agreement shall be amended in the manner specified in such amendment. Agent expressly acknowledges and agrees that failure by Agent to acknowledge receipt of such notice and provide evidence of its consent thereto shall be deemed consent by Agent with the same force and effect as if Agent had provided same in writing.

18. Notices. All notices, requests, or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by air courier, facsimile transmission, email, terminal notices, or by certified or registered mail, postage prepaid, to the address for either Party as set forth on this Agreement or the Agent's credit application associated with this Agreement, or to such other address as the addressee may have specified in notice duly given to the sender as provided herein.

19. Assignment. No Party may assign or otherwise transfer any of its rights or obligations under this Appointment Agreement without the prior written consent of each of the other Parties; provided, however, that any Licensee may assign its rights and obligations under this Appointment Agreement to any third party who: (a) is licensed as a money transmitter in each of the jurisdictions in which any Licensee is required to be licensed hereunder, (b) is registered as a money services business with the U.S. Department of Treasury's Financial Crimes Enforcement Network, if applicable, and (c) otherwise acknowledges receipt of such assignment and agrees to assume the rights and obligations herein.

20. Governing Law. This Appointment Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the conflict of law principles thereof.

21. Severability; Waiver. If any provision of this Appointment Agreement (or any portion thereof) is determined to be invalid or unenforceable, the remaining provisions of this Appointment Agreement shall not be affected thereby and shall be binding upon the Parties and shall be enforceable, as though said invalid or unenforceable provision (or portion thereof) were not contained in this Appointment Agreement. The failure by any Party to insist upon strict performance of any of the provisions contained in this Appointment Agreement shall in no way constitute a waiver of its rights as set forth in this Appointment Agreement, at law or in equity, or a waiver of any other provisions or subsequent default by any other Party in the performance of or compliance with any of the terms and conditions set forth in this Appointment Agreement.

22. Survival. All provisions of this Appointment Agreement which by their nature extend beyond the expiration or termination of this Appointment Agreement, including, without limitation, Sections 4, 5, 12 and 13, shall survive the termination or expiration of this Appointment Agreement.

23. Entire Agreement. This Appointment Agreement and all schedules, exhibits, and attachments hereto shall state the entire agreement reached between the Parties with respect to the subject matter hereof and may not be amended or modified except by written instrument duly executed by the Parties hereto in accordance with Section 15 above. Any and all previous agreements and understandings between the Parties regarding the subject matter hereof, whether written or oral, are superseded by this Agreement. This Agreement shall bind and inure to the benefit of the Parties, their respective heirs, successors, representatives and proper assigns.

24. Counterparts. This Appointment Agreement may be executed and then delivered via facsimile transmission, via the sending of PDF or other copies thereof via email and in one or more counterparts, each of which shall be an original but all of which taken together shall constitute one and the same Appointment Agreement.

IN WITNESS HEREOF, the Parties have executed this Appointment Agreement as of the Effective Date.

CHECKFREEPAY CORPORATION for itself and its subsidiaries  
CHECKFREEPAY CORPORATION OF NEW YORK and  
CHECKFREEPAY CORPORATION OF CALIFORNIA

AGENT Golden Rain Foundation  
(CORPORATE/BUSINESS NAME)

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

By: Golden Rain Foundation

Printed Name:

Owner Signature: \_\_\_\_\_

Title: Authorized Signatory

Owner Name: Carole Damoci

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

Owner Title: President, BOD

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



Agent hereby designates the below employee as the BSA/AML Compliance Officer for Agent. Agent represents and warrants that the designated employee is qualified to hold the position by virtue of his/her knowledge of the Bank Secrecy Act and the regulations promulgated thereunder, including, without limitation, 31 C.F.R. 1022.210, 31 C.F.R. 1022.320, 31 C.F.R. 1022.420 and/or his/her experience with money services businesses operations and transactions. Agent understands and agrees such designee must complete and pass CheckFreePay's BSA/AML Agent Training Program prior to acceptance of CheckFreePay transactions hereunder, and again each year that Agent remains a CheckFreePay Agent thereafter. Upon any change to the designee or their contact information outlined below, Agent shall promptly contact CheckFreePay's Compliance Hotline at (800) 308-7668 ext. 4652 and provide the updated contact information for forwarding to the BSA/AML Compliance Manager.

Designation of BSA/AML Compliance Officer for Agent:

Designee Name: Barbara Shuler

Official Position with Agent: Office Manager

Email Address: BarbaraS@LWSB.com

Office Phone: 562-472-1327

Alternate Phone: 562-431-6586

**Exhibit B to Master Agent Appointment Agreement  
Terms and Conditions for Gen 8 Walk-In Bill Payment**

**I. Definitions.**

1. **"Authorized Billers"** means those Billers for whom Licensees are directly authorized to accept Transactions.
2. **"Billers"** means those entities for whom Licensees perform certain electronic fund transfer services, including, but not limited to: Authorized Billers, National Billers, Non-Contracted Billers, and other intended recipients.
3. **"Close Out"** means the transfer (performed at least once daily) of all Data obtained during performance of the Payment Services.
4. **"Commission"** means that portion of the Fees retained by Agent per Transaction and/or the compensation that will be paid to Agent for non-Fee based Transactions as set forth on the Commission Schedule, which is included herein by reference, as the sole compensation for Agent's performance of the Payment Services.
5. **"Data"** means the identification of the intended recipient, the dollar amount of the Transaction, the consumer's account number with the end recipient (if applicable), the consumer's name, telephone number and other non-public personal information as applicable, the method of tender, the type of payment Transaction (if applicable), any information required by Applicable Law to be collected from the consumer by Licensees, and any information obtained solely in the performance of the Payment Services.
6. **"Fees"** means those amounts, which when permitted by Applicable Law, the consumer is assessed in the form of a service charge for each Transaction. A portion of the service charge is to be remitted by Agent to Licensees and the remaining portion is retained by the Agent as Commission.
5. **"Field Account"** means the checking account wherein all Consumer Funds collected by Agent are held for the benefit of Licensees, the consumers, and the end recipient.
6. **"National Billers"** means those Billers whose service territories are nationwide and Licensees are directly authorized to accept Transactions on their behalf.
7. **"Non-Contracted Billers"** means those Billers with whom Licensees do not have a direct contractual relationship.
8. **"Software"** means the proprietary software of Licensees which is used to perform the Payment Services.
9. **"Terminal"** means any equipment used to perform the Payment Services, including but not limited to: a kiosk, terminal or computer, monitor, keyboard, printer, scanners, cords and cables.
10. **"Transactions"** means a request, or multiple requests, by consumers for Payment Services conducted and processed through a Terminal.

**II. Obligations of Licensees.**

A. **Agent Assistance.** Licensees shall be available to provide training and technical assistance to Agent between the hours of 8:00 AM and 10:00 PM (Monday-Friday) and 9:00 AM to 5:00 PM (Saturday and Sunday) Eastern Time, excluding major holidays (hours are subject to change from time-to-time, in Licensees' sole discretion). In the event that Agent experiences any malfunction, breakage, disrepair or other technical problems with a Terminal, which prevents Agent from entering or transmitting Data, Agent shall notify Licensees immediately. **During the period of time that the**

**Terminal is not properly functioning, Agent agrees that it shall not process any Transactions on the malfunctioning Terminal.** Training, repairs and/or any preventative maintenance on Terminals owned by Licensees shall be performed during times mutually acceptable to Agent and Licensees.

B. Commissions. When applicable, Licensees shall mail Agent a check for Commissions earned by Agent during the prior calendar month, less any amount(s) Agent owes to Licensees. In the event that Agent has a question regarding a Commission check, Agent should contact Licensees immediately. Licensees will research the Transactions conducted during the period of time in question and Agent shall cooperate with Licensees in connection with any such investigation, which may include Agent providing supporting documentation as may be requested by Licensees. If Agent prefers the Commission check be sent to an address different than the address where the Terminal is located, Agent shall provide written instructions to Licensees advising where Commissions should be mailed.

C. Billers. Licensees reserve the right to add and/or remove Billers and make changes regarding the manner in which a Biller's payments are accepted and processed, as may be required by a Biller, Applicable Law, and/or the functionality of the Payment Services.

### III. Agent Obligations.

1. Banking. Agent shall open a commercial checking account in Agent's name to serve as the Field Account, which account shall include a designation of "For the Benefit of CheckFreePay Corporation" and shall be used exclusively for the purposes of depositing the Consumer Funds and Fees, if applicable, collected hereunder. Agent shall be liable for any and all fees and charges associated with opening and maintaining the Field Account. Agent must provide Licensees with a check marked "VOID" (a deposit slip is not acceptable) or a letter provided by the depository institution where the Field Account is maintained which includes the account title, bank routing number and account number. Agent shall give Licensees at least three (3) business days prior written notice prior to changing banks and/or bank accounts. Any such changes are subject to Licensees' prior written approval, which shall not be unreasonably withheld or delayed. Agent hereby grants Licensees the right to generate an ACH debit to the Field Account, in any amount equal to the total of Consumer Funds collected and processes at each Terminal as based on Close Out transmissions, and the corresponding transmission totals. Agent acknowledges and agrees that the ACH debit will be performed daily and shall be effective two (2) business days following Close Out. Licensees shall not be responsible for any charges which may be imposed upon Agent as a result of Agent's failure to make deposits. Failure of Agent to Close Out daily and make timely deposits may cause parties to incur charges including but not limited to: ACH failure charges, late charges or disconnection of services. Agent further agrees to cooperate and execute any and all documentation required by either Agent's bank or Licensees' bank or Licensees to authorize withdrawals from Agent's Field Account (s). Agent may terminate Licensees' authority to debit Consumer Funds from the Field Account upon not less than three (3) business days' prior written notice to Licensees, at which time Agent will authorize withdrawals from another Field Account or Agent's Terminals will be immediately disengaged. Failure by Agent to authorize withdrawals from another Field Account will not relieve Agent from its duty to remit Consumer Funds due and owing. Agent acknowledges that ACH transactions to the Field Account must comply with the provisions of Applicable Law. At all times hereunder, Agent shall ensure good funds prior to transmitting Transactions to Licensees. Agent must make daily deposits in the form that Consumer Funds are received. Agent may not write personal or business checks in replacement of cash received; provided, however, Agent may deposit a money order in replacement of the cash portion of the deposit. In the event insufficient funds are present in the Field Account, Agent will be liable for the insufficient funds, ACH failure charges

issued by Agent's bank or Licensees' bank and will be subject to a fee equal to the current prime rate, published by the Wall Street Journal in the daily money rates section, on the balance of funds owed for each additional day the funds are unavailable. Agent and all of its officers, directors, and/or owners shall be jointly and severally liable to Licensees for all reasonable legal costs, including but not limited to attorney fees, collection fees, and court costs, as well as any Consumer Funds owed Licensees (including applicable interest), in the event of a breach of this Section or if Licensees pursue criminal and civil remedies to ensure Agent's compliance with its fiduciary responsibilities under this Appointment Agreement. Agent's liability hereunder shall survive the termination or expiration of this Appointment Agreement.

2. Adjustments. Agent shall cooperate and provide reasonable assistance to Licensees in researching any issues associated with Transactions within two (2) business days of a request by Licensees. Agent shall be liable for any deposit adjustments made by the proof department of its bank, such as "check(s) not listed," "not enclosed," "error in addition" or "missing cash." Agent must balance cash to Transactions on the daily report printed by the Terminal and immediately cancel any Transaction that has been entered in error prior to Close Out transmission of the Terminal to Licensees. Agent is strictly liable for the legitimacy and correctness of all Transactions including, without limitation, any Close Out Transaction that is incorrect. Upon receipt of proper documentation (including, but not limited to, the bill stub relevant to the adjustment request and/or a signed Hold Harmless Agreement executed by Agent) and when received by Licensees within 60 days of the date of the Transaction, Licensees shall make adjustments for Agent errors such as duplicate payments or incorrect account numbers. Agent guarantees to immediately reimburse and hold harmless Licensees for any claims by the Biller or consumer related to the adjustment.

3. Check Processing. When applicable, Licensees shall provide a second endorsement to be printed on each Transaction check. This endorsement directs the bank of first deposit to forward a Transaction check that has been returned from the bank ("Returned Item") to a central location designated by Licensees for handling ("Centralized Return".) Agent shall, in association with Licensees, make a reasonable effort to encourage Agent's bank to accept the Centralized Return endorsement. Agent shall forward to Licensees any Returned Item received due to failure of Agent's bank to comply with the Centralized Return endorsement. Licensees shall process Returned Items within one (1) banking business day of receiving such items, so long as they are received by Licensees within 25 days of the date of the Transaction. Licensees shall reimburse Agent for any pass-through bank service fees charged against Returned Items upon Licensees' receipt of proof of such fees. Agent assumes all shipping costs associated with tendering such Returned Items to Licensees for processing. When applicable, Agent shall convert each eligible Transaction check received from consumer into an electronic debit ("POP") transaction when authorized by consumer and in accordance with National Automated Clearinghouse Association rules.

4. Instructions and Written Procedures. Agent shall not (i) conduct a single Transaction in multiple parts to avoid obtaining personally identifying Data or to earn more Commissions; or (ii) intentionally or negligently falsify sales records or engage in deceptive, unethical, misleading or fraudulent conduct that is, or could reasonably be expected to be, detrimental to Licensees or the Payment Services. Licensees will assume no risk for Transactions which are incorrectly entered (or omitted) into the Terminals. Agent shall accept only the tender types which the Terminal is programmed to allow for each respective Payment Service. Agent shall issue the receipt generated by the Terminal to the consumer conducting the Transactions.



5. Software and Terminals. Licensees shall equip, at their sole discretion, the Agent Location(s) with Terminals and/or Software to accept and process Data at a level reasonably necessary for Agent to fulfill its responsibilities under this Agreement. Licensees grant, and Agent accepts a revocable, non-exclusive, non-transferable limited license (without right to sub-license) to use the Software solely by Agent in fulfilling its obligations hereunder. The Software and Terminals shall not be used by Agent except in connection with the Payment Services provided hereunder. Agent agrees that the Software is confidential and proprietary property of Licensees and will not allow any party to review or duplicate Software in part or in full. Agent certifies that it will not install the Software on any equipment not owned by Licensees or Agent. Agent will not install or download any software, programs or materials on any Licensees' owned Terminal unless specifically directed by Licensees. Agent shall provide commercially reasonable security measures to prevent unauthorized access to the Terminal and any Transaction files and records that may be stored on the Terminal at any given time. All Terminals are the sole property of Licensees and shall be installed in a mutually agreeable location on Agent's premises to process Transactions. Agent shall (i) not relocate any Licensees owned Terminal(s) beyond the boundaries of the Agent Location without the prior written consent of Licensees; (ii) not set up a drop box for the purpose of conducting Payment Services without prior written consent of Licensees; (iii) allow only its employees who have been properly trained on the Payment Services to process Transactions at the Agent Location; (iv) take reasonable steps to keep any Licensees owned Terminal in good condition and accept full responsibility for any misuse of or damage to any Terminal owned by Licensees, by any person while it is located at the Agent Location. Licensees will replace or repair misused, stolen, damaged or destroyed Terminals owned by Licensees at Agent's sole expense. Licensees reserve the right to upgrade the Software and add additional capabilities to Licensees owned Terminals at any time. Upon termination of the Agreement, Licensees shall remove the Licensees owned Terminals and Software in a professional, workmanlike manner and return Agent's premises to the condition it was in before the installation of the Terminal(s), normal wear and tear excepted. Licensees reserve the right to charge Agent for any Licensees property not returned to Licensees within thirty (30) days of the date of termination. Agent shall not be allowed to charge to Licensees any storage, safekeeping or similar charges for any Licensees property while it is in the possession of Agent.

6. Data Transmission. Agent shall furnish and maintain a readily available, working phone, cable or DSL line (the "Communication Lines") for the purpose of transmitting Data to Licensees. Licensees reserve the right to require a specific type of Communication Line dependent upon the requirements of the Billers. At least once each business day at the time required by Licensees, and/or its Billers, Agent shall Close Out each Terminal by transmitting Data to Licensees via the Communication Lines. Close Out transmissions performed after the required time will not be processed until the next business day. Agent shall be responsible for maintaining security for its own systems in connection with the Payment Services contemplated in this Agreement and for connectivity between its systems and the other party's systems and shall ensure that its systems are free from viruses and other defects. Agent will be responsible for any impact to the Payment Services caused by the Agent's internal systems and/or the Communication Lines.

7. Bill Stubs and Other Documents. Agent shall retain bill stubs and/or counter slips presented for each Transaction, except for MasterCard and Visa slips which shall be stapled to the receipt and returned to the consumer. Agent shall make a reasonable effort not to collect Transactions from a consumer for Non-Contracted Billers that may be at risk of disconnection of service or incurring any type of late charges as indicated on the bill stub.

<b>Document Retention</b>	<b>Keep for Minimum of</b>
Bill stubs, counter slips, daily reports (except for MasterCard and Visa)	120 days
Journal tape and bank deposit slips and miscellaneous other transaction records	1 year
POP Check conversion authorization forms	2 years
Currency Transaction and Suspicious Activity reports	5 years

8. Non-Contracted and National Biller Processing Fee. In the event that Agent processes fewer than one hundred (100) Non-Contracted and/or National Biller Transactions per Agent Location, after ninety (90) days of service, CheckFreePay reserves the right to assess Agent a twenty dollar (\$20.00) processing fee per month for failure to process one hundred (100) transactions per month thereafter.

9. Good Will. Agent hereby agrees to use its best efforts to promote and increase the use of the Payment Services in order to promote and enhance the goodwill associated therewith and with Licensees' trade names, trademarks and service marks. Agent hereby consents to allowing Licensees to use its trade name, logo, trademark or service mark in advertising the Payment Services, which may be via Licensees' partnerships with third parties. Neither Agent nor Licensees may use any logo, trade name, trademark or service mark of the other Party without prior written consent, which may be via email, that the logo, trade name, trademark or service mark meets said parties branding guidelines. During the term of this Appointment Agreement, and for a period of one year thereafter, the Agent (including its officers, directors, parents, subsidiaries, and affiliates) shall not, directly or indirectly, engage in, or act as an employee, agent or payment center for, any other business or services which offers an in-person bill payment service or any business which offers or engages in business similar to any of the Payment Services provided by Licensees. Without limiting the foregoing, the Parties agree that in the event that Licensees do not have an Authorized Biller relationship with a particular Biller(s), Agent may request an exception to the exclusivity obligation, which Licensees may approve in their sole reasonable discretion on a case-by-case basis. Licensees may enter into similar agreements with another party within Agent's market area to offer the Payment Services.



Agent hereby represents and warrants that it has the authority to enter into this Agreement, and by executing and delivering this Agreement, it will not be in violation of any other agreement, arrangement or understanding that it may be a party to. The Parties represent and warrant that the person signing this Agreement (majority owner or Board of Director designee) is authorized to execute this Agreement and bind the Parties.

By CheckFreePay Corporation: for itself and  
Its subsidiaries  
CheckFreePay Corporation of New York  
CheckFreePay Corporation of California

Signature: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Title: Authorized Signatory

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

By Agent: Golden Rain Foundation  
**(CORPORATE/BUSINESS NAME)**

Owner Signature: \_\_\_\_\_

Owner Name: Carole Damoci

Owner Title: President, BOD

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

25. Upon notice that Licensee's license has been suspended or revoked or that the Commissioner has issued an order taking possession of the property and business of Licensee, not receive any transmission money on behalf of Licensee. *Cal. Fin. Code § 1828(a)*.
26. Not engage in fraud, intentional misrepresentation, or gross negligence or any unsafe or unsound practice. *Cal. Fin. Code § 1862(a)(3) and (a)(6)*.
27. Comply with California and federal anti-money laundering statutes. *Cal. Fin. Code § 1862(a)(4)*.
28. Not make or cause to be made in any application or report filed with California Department of Business Oversight or in any proceeding before California Commissioner of Financial Institutions, any statement that was at the time and in the light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any of those applications, reports, or proceedings any material fact which is required to be stated therein. *Cal. Fin. Code § 1862(a)(7)*.

## **CALIFORNIA**

1. Hold all funds received by Agent on behalf of Licensee from the sale of checks, drafts, money orders, or other commercial paper serving the same purpose, and for the purpose of paying bills, invoices or accounts of an obligor, equal in amount to the face value of such instruments or equal to the amount to be paid in trust owned by and belonging to the person from whom they were received or Licensee. If Agent commingles such funds with Agent's own funds, all assets of Agent shall be impressed with a trust in favor of said purchaser or Licensee in an amount equal to the aggregate funds received or which should have been received by Agent from such sale. Such trust shall continue until an amount equal to said funds is separated from those of Agent and transmitted to Licensee or deposited in the trust account of Licensee. All funds received by Agent on behalf of Licensee, or, in the event of the commingling of such funds by Agent with those of Agent, an amount of funds of Agent equal thereto, shall constitute trust funds as herein provided and shall not be subject to attachment, levy of execution or sequestration by order of court except by a payee, or bona fide assignee, or bona fide holder in due course of a check, draft, or money order sold by Licensee, or except by an obligor for whom Licensee is acting as an agent in paying bills. *Cal Fin Code § 12300.3*.
2. Prior to transmitting to Licensee or depositing in a trust account of Licensee, use funds received on behalf of Licensee for the sole purpose of making change or cashing checks in the normal course of business. Agent shall hold separate such funds from other funds of Agent and transmit such funds to, or deposit in the trust account of, Licensee not less than every third business day, or in such other time frame as requested by Licensee and upon reasonable notice from Licensee. If Agent owns or operates, either directly or indirectly, more than two locations for the sale of checks, drafts, money orders, or other commercial paper serving the same purpose and/or for the receipt of money for the purpose of paying bills, invoices or accounts of an obligor, and handles trust funds in any three-day period equal to or in excess of the securities deposited pursuant to Section 12223, Agent shall transmit to, or deposit in the trust account of, Licensee directly from each such location of Agent such funds not later than the end of the next business day following receipt. Such funds must be in the form of cash or checks cashed in the normal course of business only. *Cal Fin Code § 12300.4*.
3. Post in a prominent place in each of Agent's locations a sign stating that Agent is an agent of Licensee. *Cal Fin Code § 12301*.
4. Submit to examination by the Department of Business Oversight of Agent's books, accounts, records and files. *Cal Fin Code § 12301.4 and 12305*.
5. Not issue or cause to be issued any check, draft or money order, or other commercial paper serving the same purpose, which is drawn upon the trust account of Licensee without concurrently receiving in full, in cash, or by check, draft or money order from a third party believed to be valid, the principal amount thereof. *Cal. Fin. Code § 12301.5*.
6. Conspicuously post a schedule of fees charged by Licensee or Agent and not charge fees in excess of the posted fees. *Cal Fin Code § 12309(a)*.
7. Prominently post on the premises of each office of the Agent, a clear and legible notice in letters not less than one-half inch in height stating that checks or money orders issued by Licensee or Agent are not insured by the federal government, the state government, or any other public or private entity. The notice shall be printed in English and in the same language principally used by the Licensee or Agent to advertise, solicit, or negotiate, either orally or in writing, with respect to the purchase of money orders. The notice shall be in the unobstructed view of the public within the premises. *Cal Fin Code § 12309(b)*.



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## PHYSICAL PROPERTY COMMITTEE REQUEST

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** FINANCE COMMITTEE  
**SUBJECT:** PERMIT FEES PHYSICAL PROPERTY DEPARTMENT (FINAL VOTE)  
**DATE:** SEPTEMBER 27, 2016  
**CC:** FILE

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At its meeting on August 8, 2016, the Physical Property Committee recommended the Finance Committee approve the request to modify the current permit structure adding a \$25.00 fee to all permits.

Currently, there is a \$25.00 or 1% fee charged only on permits requiring a City of Seal Beach Permit. The proposed fee structure would include a \$25.00 permit fee on all permits with a 1% fee on all projects requiring the Seal Beach City Permit.

The proposed fee would directly help to offset wages in the process of permits and related duties. The proposed fee has the potential to generate \$30,000 in revenue, based on 1,225 permits for a 12 month period during 2015/2016.

At its meeting of August 23, 2016, the Golden Rain Foundation (GRF) Board of Directors (BOD) voted to tentatively amend this policy, pending a 30-day notice period to Foundation members. The policy draft was published in the August 25<sup>th</sup> 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 three (3) pieces of correspondence, which were shared with the GRF BOD.

The policy will become effective January 1, 2017.

I move to approve Physical Properties permit fee of a minimum of \$25 or 1% of the project cost, whichever is greater, on all permits issued required by the Mutuals, to be effective January 1, 2017, following a thirty (30) day posting and comment period.

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## BOARD ACTION REQUEST

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**TO:** BOARD OF DIRECTORS  
**FROM:** FINANCE COMMITTEE  
**SUBJECT:** AMENDMENT OF POLICY 5115-31, FINANCE COMMITTEE  
**DATE:** SEPTEMBER 20, 2016  
**CC:** FILE

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At the regular meeting of the Finance Committee (FC) on August 30, 2016, the Committee proposed amendments to Policy 5115-31, Finance Committee.

Under the "Purpose" section, wherein the matters the FC has oversight are itemized, the FC recommends to the Golden Rain Foundation Board of Directors the addition of "Excluding Workers' Compensation" after "insurance" and the addition of "Fees".

I move to amend Policy 5115-31, Finance Committee.



**GOLDEN RAIN OPERATIONS****COMMITTEE FUNCTIONS****AMEND****Finance Committee**

Pursuant to state statute (**Corp. Code §7210; Corp. Code §7212(c)**) and Article VII of the Bylaws of the Golden Rain Foundation (GRF), the Board of Directors (BOD) hereby establishes the Finance Committee (FC) and grants to the Committee authority specifically stated within the GRF governing documents, and policies as granted by the BOD or as stated within this policy.

In accordance with Article VIII of the Bylaws, committee chair and members shall be appointed by the GRF President and approved by action of the BOD in accordance with policy 5100-30.

**1. PURPOSE:**

Oversee all matters pertaining to: Finance; Purchasing; Insurance (**Excluding Workers Compensation**); Investments; Reserve Study; Capital; Income Producing Leases; **Fees** and Management Agreements.

**2. COMPOSITION:**

If the Chair of Physical Properties isn't appointed by the GRF President to this Committee, the Chair can be seated as an advisory Director to the Finance Committee if they so choose.

**3. DUTIES:**

- a. Publish an agenda four (4) days in advance of Committee meeting;
- b. Elect a Vice-Chair at the first meeting;
- c. Meet with the Finance Department (FD) staff at least monthly or whenever such meetings are deemed necessary, unless cancelled by the chair;
- d. Ensure that the financial reporting, procedures and practices of the FD are acceptable from an ethical and professional view point and that they conform to all existing standards of generally accepted accounting principles (GAAP);
- e. Develop and control all cost centers and general ledger account numbers as necessitated in the accounting operations of GRF;
- f. Originate, research, evaluate and develop plans, ideas and programs pertinent to FD;



**GOLDEN RAIN OPERATIONS****COMMITTEE FUNCTIONS****AMEND****Finance Committee**

- g. Receive and analyze requests from the BOD, Standing Committees, Mutual Boards and Administrative Staff;
- h. Keep the Board regularly informed of existing or prospective needs or procedures affecting finance;
- i. Cooperate with the Director of Finance and Executive Director (ED) in the ongoing accounting matters in conjunction with the Mutual Corporations;
- j. Review the draft consolidated budget and make recommendations to the BOD;
- k. Make recommendations to the BOD concerning the insurance coverage needed by the GRF and Mutual Corporations and the awarding of contracts for same;
- l. Review and make recommendations to the BOD concerning all income producing leases and management agreements;
- m. Recommend an auditing firm to the BOD for approval;
- n. Assist the BOD in understanding the compliance with any contracts relating to Finance.
- o. Initial approval of the annual budget for cost centers 31, 32, 39, 60, and 65, including Capital requests and upcoming Reserve replacements;
- p. Review monthly budget comparisons for cost centers 31, 32, 39, 60, and 65;
- q. Review the annual audit and draft financial statement and make recommendations to the BOD;
- r. Review policies for cost centers 31, 32, 39, 60, and 65 yearly and send recommended changes to the BOD for approval; and
- s. Furnish a report at the GRF Annual meeting.

**4. LIMITATIONS:**

It is to be recognized that the function of the Committee is to act in an advisory and consulting capacity.

Regulatory or supervisory activities affecting employed personnel are functions of Management and not to be encroached upon by any Committee Chairperson or member, either individually or collectively.

**GOLDEN RAIN OPERATIONS****COMMITTEE FUNCTIONS****AMEND****Finance Committee**

Committee does not have the authority to enter into written contracts or oral agreements with any third parties on behalf of the GRF BOD. Authority to authorize contracts and/or expenses rests solely with the BOD.

**Policy**

Adopted: 11 Jul 69  
Revised: 15 Dec 76  
Revised: 19 Nov 85  
Revised: 19 Mar 96  
Revised: 21 Jun 16  
Revised:

**GOLDEN RAIN FOUNDATION**  
Seal Beach, California



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## BOD ACTION REQUEST

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION COMMITTEE  
**SUBJECT:** BOARD OF DIRECTORS REFERENCE GUIDE  
**DATE:** SEPTEMBER 13, 2016  
**CC:** RANDY ANKENY, EXECUTIVE DIRECTOR

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At its September 13, 2016 meeting, the Mutual Administration Committee recommended that the Golden Rain Foundation (GRF) Board of Directors (BOD) approve the Board of Directors Reference Guide for distribution to the Mutual Boards of Directors.

This new Reference Guide was created based on work done by GRF BOD member Susan Hopewell as a Mutual BOD member. The document has been reviewed by members of the Mutual Administration Committee for the past two months.

I move to recommend the GRF BOD approve the Board of Directors Reference Guide for distribution to the Mutuels.

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## BOD ACTION REQUEST

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION COMMITTEE  
**SUBJECT:** BEREAVEMENT WORKBOOK  
**DATE:** SEPTEMBER 13, 2016  
**CC:** RANDY ANKENY, EXECUTIVE DIRECTOR

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It is the recommendation of the Mutual Administration Committee that the Golden Rain Foundation (GRF) Board of Directors (BOD) approve the Bereavement Workbook for distribution to the shareholder/members.

This new Reference Guide was created based on work done by GRF BOD member Joy Reed. The document has been reviewed by members of the Mutual Administration Committee for the past several months.

I move to recommend the GRF BOD approve the Bereavement Workbook.



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**MEMO**

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**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION COMMITTEE  
**SUBJECT:** AMEND POLICY 1201-33, PHOTO ID CARDS  
**DATE:** SEPTEMBER 13, 2016

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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:

Established Fees	Policy	Current Fee	Proposed Fee
Replace Lost ID Card (1 <sup>st</sup> loss)	1201-33, Photo ID Cards	\$10	\$20
Replace Lost ID Card (subsequent losses within 24 months of 1 <sup>st</sup> loss)	1201-33, Photo ID Cards	\$15	\$30

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

The Mutual Administration Committee recommends 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 November.

If amended, the policies and fee changes will go into effect January 1, 2017.

I move to recommend the Board approve the tentative amendment of 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 and an increase in the fee to replace a lost ID card (subsequent losses within 24 months of 1<sup>st</sup> loss) from \$15 to \$30, pending a minimum 30-day notification to the membership, and a final decision on November 22, 2016.

**RESIDENT PARTICIPATION****AMEND****Photo Identification Cards**

Photo identification cards will be issued by the Stock Transfer Office with authorization from the Mutual Administration Manager and/or the Executive Director. Photo identification cards are for the use of residents only. Use by anyone other than the shareholder to whom the identification card is issued is strictly prohibited. Photo identification cards will be issued to the following persons:

1. All members of the Golden Rain Foundation as shown in the stock records of the Stock Transfer Office.
2. Qualified Permanent Residents, as shown in the records of the Stock Transfer Office.
3. Co-Occupants as described in Policy 1801, who reside with resident stockholders as shown in the records of the Stock Transfer Office. When the status of a Co-Occupant ceases, the photo identification card must be surrendered to the Stock Transfer Office.
4. All approved lessees of Mutual No. Seventeen.

Upon the demise of a shareholder, the photo identification card shall be surrendered to the Stock Transfer Office. When the Security Department retrieves a photo identification card, for whatever reason, it shall be surrendered to the Stock Transfer Office immediately.

For lost or stolen photo identification cards, shareholders may obtain a replacement card by:

1. Personally completing a "Certificate of Lost ID" form in the Stock Transfer Office.
2. Paying a \$40 ~~20~~ fee for the first loss;
  - a. The fee will be \$45 ~~30~~ for any subsequent losses within 24 months of the first loss;
  - b. The Mutual Board of Directors will be notified when a card is lost a third or subsequent time within 24 months of the first loss;
  - c. The fee will be waived if shareholder produces a Police Report that can be verified by the Stock Transfer Office.

Waiving of fee for other extenuating circumstances will be handled on a case-by-case basis.

(Jul 14)

**COMMUNITY OPERATIONS****RESIDENT PARTICIPATION****AMEND****Photo Identification Cards****Policy**

Adopted: 19 Sep 72  
Amended: 19 Dec 72  
Amended: 16 Apr 85  
Amended: 19 Dec 89  
Amended: 31 Jan 95 (Effective 2-1-95)  
Amended: 20 Feb 01  
Amended: 19 Nov 02  
Amended: 22 Jul 14  
Amended:  
(Jul 14)

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

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## MEMO

**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION COMMITTEE  
**SUBJECT:** AMEND POLICY 5061-31, FEES  
**DATE:** SEPTEMBER 13, 2016

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.

The Mutual Administration Committee recommends the tentative amendment of Policy 5061-31, Fees, to the Golden Rain Foundation Board of Directors at its meeting in September, with final adoption scheduled for November.

If amended, the policies and fee changes will go into effect January 1, 2017.

I move to recommend the Board approve the tentative amendment of Policy 15061-31, 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, pending a minimum 30-day notification to the membership, and a final decision on November 22, 2016.

**GOLDEN RAIN OPERATIONS****FINANCE****Fees**

The following schedule of fees is established by the Golden Rain Foundation (GRF).

**1. Membership Fee**

- 1.1 Each owner and co-occupant non-owner will be required to pay a one-time membership fee.
- 1.2 The membership fee for a GRF member represents a buy-in for access to the community facilities and amenities.
- 1.3 The membership fee is calculated as eighteen (18) times the monthly GRF assessment and rounded up to the nearest dollar. The new membership fee is implemented on January 1 of each year.
- 1.4 Existing GRF member(s) may transfer from one mutual to another without having to pay the membership fee provided that the member(s) remain(s) the same. The member(s) will, however, be charged a membership certificate processing fee for this transaction. (See section 3)
- 1.5 Membership fees shall be allocated as follows:
  - 1.5.1 Fifty percent (50%) into the GRF Capital Improvement Fund.
  - 1.5.2 Fifty percent (50%) into the GRF Reserve Fund.

**2. Payment of Membership Fee**

- 2.1 New members are encouraged to pay the membership fee in full at the close of the purchase escrow. GRF has established a finance plan to pay the membership fee over a seven-year period for those members who wish to finance their membership fee.
- 2.2 Members who opt to finance the payment of their membership fee must complete a Promissory Installment Note and agree to the terms of the Note.
  - 2.2.1 If a member opts to finance their membership fee, each member shall pay a one-time upfront payment of twenty-five percent (25%) of the total membership fee at the close of Escrow, and make seven (7) equal annual installment payments. Each annual payment will be due and payable on the anniversary of the date of purchase until the principal amount, including the finance charge, is paid in full.

**GOLDEN RAIN OPERATIONS****FINANCE****Fees**

2.2.2 The annual finance charge on matured, unpaid amounts shall be one (1) percent per month (APR of 12%) paid annually on the outstanding balance.

2.3 In the event that a unit changes ownership before the membership fee is paid in full the balance due will be paid before transfer is complete.

3. **Membership Certificate and Processing Fee**

3.1 GRF shall issue one membership certificate per unit. The membership certificate may contain one or more names.

3.2 A certificate processing fee of ~~\$450~~ **\$250** will be charged to the unit's account each time the membership certificate is changed or altered to cover the cost of preparing, recording and/or replacing a membership certificate.

3.3 Membership Certificate and Processing fee shall be allocated to Cost Center 33 (Mutual Administration).

4. **Transfer Fee – In Escrow**

4.1 The seller of a Mutual share of stock shall pay a transfer fee of ~~\$350~~ **\$500** to GRF to cover the cost of transferring ownership(s).

4.2 Transfer Fee – In Escrow shall be allocated to Cost Center 33 (Mutual Administration).

5. **Non – Owner, Co-Occupant Processing Fee**

5.1 Non – Owner, Co-Occupant fee of ~~\$50~~ **\$100** shall be charged to cover the ~~actual~~ set up and processing costs.

5.2 Non – Owner, Co-Occupant Processing Fee shall be allocated to Cost Center 33 (Mutual Administration).

6. **Mutual Corporation Fees**

6.1 Each Mutual represents a fully independent corporation and as such may establish fees applicable to the Mutual. In accordance with the Management agreement, GRF operates as the management company for the Mutuals and processes the transfer of stock certificates. GRF, as part of its duties, will apply applicable Mutual Fees in accordance with



**GOLDEN RAIN OPERATIONS****FINANCE****Fees**

established Mutual policies (see 7000 policy series).

7. Stock Transfer Legal Review of Trust Fees

7.1 Whenever there is a requested transfer of stock ownership by a Trust, either by the sale of a unit or an in-house ownership transfer, Probate Code §18100.5 delegates to the Foundation the right to request the current acting trustee or successor trustee to provide either a certification of trust, or a copy of the trust. In order to determine the legal rights of the trustee/successor trustee to represent the sale or transfer of a unit's ownership via the trust they represent, the following procedure is implemented.

7.1.1 Any trustee or successor trustee seeking to transfer the ownership of a mutual unit, either by the sale of the unit through escrow or an in-house ownership transfer, will be required to provide the Stock Transfer Office a Certification of Trust, or, a copy of the Trust document for the Foundation attorney to review prior to any completed transfer of ownership.

7.1.2 The Stock Transfer Office shall not proceed with any sale or transfer of ownership via a trust document prior to the Foundation attorney reviewing the trust and providing in writing a letter of release allowing the Stock Transfer Office to proceed.

7.1.3 In an effort to offset the cost of the required Foundation attorney review, there shall be assessed to the trustee or successor trustee, a fee of \$125 representing the attorney's fee and GRF's pro-rated staff time, to be collected at the time of the trust review.

7.1.4 Legal Review of Trust Fees shall be allocated to Cost Center 33 (Mutual Administration).

8 Lessee Annual Fee – Mutual 17 Only

8.1 The GRF lessee fee is a required **use fee** for access to the community facilities, amenities, and participation in GRF activities. The lessee fee is calculated at twenty 20% of the GRF annual assessment rounded up to the nearest dollar for each occupant.

**GOLDEN RAIN OPERATIONS****FINANCE****Fees**

- 8.2 The required annual lessee fee payment is due and payable in full on the date of the lease agreement.
- 8.3 If delinquent, the lessee shall pay damages to reimburse GRF for its time, inconvenience, and overhead in collecting the payment as follows:
  - 8.3.1 A (twenty five dollar) \$25 late fee, and
  - 8.3.2 Interest at one percent (1) per month (APR of 12% from the original date due until the date the payment is received.
- 8.4 In addition to late fees, for each check from a lessee that a bank returns for any reason, the lessee must pay:
  - 8.4.1 Fifty dollars (\$50) late payment fee, and all bank charges assessed against the association.
- 8.5 If a lessee becomes more than ninety (90) days delinquent or has an unpaid balance of one hundred dollars (\$100) or greater, the lessee will receive a 30-day notice of GRF's intent to suspend the right to use GRF amenities and Trust facilities and property, including driving privileges upon GRF Trust streets. GRF may also refer the lessee account to an attorney or collection agency for appropriate action. All fees incurred by an attorney or collection agency to recover the delinquent amounts will be assessed to the lessee.
- 8.6 GRF reserves the right to collect the delinquent account from Lessor.
- 8.7 Lessee fees shall be allocated as follows:
  - 8.7.1 fifty percent (50%) into the GRF Capital Improvement Fund.
  - 8.7.2 fifty percent (50%) into the GRF Reserve Fund.

- 9. The fee for verifying Powers of Attorney and Court Orders will be \$75 per document, per review.
- 10. The fee for additional Leisure World maps will be \$5, per map.
- 11. All Fees are subject to periodic review and subject to change.

**Policy**

Adopted: 21 Apr 70  
 Amended: 31 Aug 73  
 Amended: 20 Nov 73  
 Amended: 19 Aug 75  
 Amended: 31 Aug 77

**GOLDEN RAIN FOUNDATION**  
**SEAL BEACH, CA**



**GOLDEN RAIN OPERATIONS****FINANCE****Fees**

Amended: 16 Jun 81  
Rescinded: 20 Oct 81 (Amendments passed 16 Jun 81)  
Amended: 16 Dec 86 (Effective 01 Jan 87)  
Amended: 21 Jul 87 (Effective 01 Aug 87)  
Amended: 20 Sep 88 (Effective 01 Jan 89)  
Amended: 21 Nov 89  
Amended: 16 Nov 93 (Effective 01 Dec 93)  
Amended: 18 Nov 03 (Effective 01 Jan 04)  
Amended: 15 May 07 (Effective 01 Jul 07)  
Amended: 17 July 12 (Effective 01 Sept 12)  
Amended: 22 Apr 14 (subheading correction only)  
Amended: 28 Oct 14 (Effective 01 Jan 2015)  
Amended: 27 Oct 15 (Effective 01 Jan 2016)  
**Amended:**

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## MEMO

**TO:** GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION COMMITTEE  
**SUBJECT:** AMEND POLICY 5536.1-33, GATE PASSES  
**DATE:** SEPTEMBER 20, 2016

At its meeting on August 16, 2016, the Finance Committee voted to recommend the GRF Board of Directors amend Policy 5536.1-33, Gate Passes, changing the cost from \$5 to \$10 per pass. The Committee also reviewed other additional revenue sources, including proposed fee changes concerning Policy 5536.1-33, Gate Passes.

For ease of amendment, it is recommended that the draft of Policy 5536.1-33, Gate Passes, include all suggested changes, including the addition of new fees.

In order to implement the fee changes, Policy 5536.1-33 must be amended. The proposed fee changes include:

Established Fees	Policy	Current Fee	Proposed Fee
Extra Guest Pass	5536.1-33, Gate Passes	\$5 each	\$10 each
Inheritor's Service Pass	5536.1-33, Gate Passes	\$5 each	\$10 each
New Fees	Applicable Policy	Current Fee	Proposed Fee
Replace Lost Caregiver Pass	5536.1-33, Gate Passes	-	\$20 each
Realtor's Service Pass	5536.1-33, Gate Passes	-	\$10 each

The proposed fees reflect a potential revenue increase from this policy change of more than \$21,000.

The Mutual Administration Committee recommends the tentative amendment of Policy 5536.1-33, Gate Passes, to the Golden Rain Foundation (GRF) Board of Directors (BOD) at its meeting in September, with final adoption scheduled for November. The BOD received nine (9) pieces of correspondence, which were shared with the GRF BOD.

If amended, the policies and fee changes will go into effect January 1, 2017.

I move to recommend the Board approve the tentative amendment of Policy 5536.1-33, Gate Passes, to reflect an increase in Extra Guest Passes from \$5 to \$10 each; an increase in Inheritor's Service Passes from \$5 to \$10 each; and the establishment of new fee Replacement of Lost

Caregiver Pass at \$20 each; and new fee Realtor's Service Pass at \$10 each, pending a minimum 30-day notification to the membership, and a final decision on November 22, 2016.



## GOLDEN RAIN OPERATIONS

### BOARD INTERNAL OPERATIONS

#### Gate Passes

The Executive Director or Mutual Administration Director is authorized to make annual guest passes, quarterly service passes and semiannual caregiver passes available.

#### Annual Guest Passes

The Executive Director or Mutual Administration Director is authorized to make four (4) annual guest passes available per unit. The annual guest passes are valid for one year and will be mailed with the yearly payment coupon package in December to addresses within Leisure World. Stockholders/condominium owners with outside addresses may obtain their four annual guest passes throughout the year from the Stock Transfer.

The Executive Director or Mutual Administration Director -is authorized to issue up to four (4) additional annual guest passes per unit, which may be obtained from the Stock Transfer Office if the following conditions are met:

1. The stockholder/condominium owner must appear *in person* and show valid identification.
2. A ~~\$5~~ \$240.00 fee will be charged for each additional pass, or when a replacement guest pass is requested.
3. The Mutual and apartment number shall be written on the front of the additional annual guest passes and a record of these annual guest passes will be maintained in the Stock Transfer Office.

The Executive Director and Mutual Administration Director are further authorized to issue additional annual guest passes, as needed, for immediate family members of stockholders/condominium owners. The request must be in writing and shall be reviewed on a case-by-case basis.

(Feb 10)

## GOLDEN RAIN OPERATIONS

### **BOARD INTERNAL OPERATIONS**

#### Gate Passes

#### Quarterly Service Passes

The Executive Director or Mutual Administration Director is authorized to make quarterly service passes available. The quarterly service passes shall be produced, each in a different color, and shall expire in March, June, September and December of the year in which they are issued.

The Physical Property and Recreation departments shall issue quarterly service passes to contractors and vendors only after they have provided the required licensing, insurance and valid driver's license, as well as a request in writing containing the names of the persons receiving the passes.

The Stock Transfer department shall issue quarterly service passes to legal representatives of shareholders for a fee of \$10.00, staff of the Leisure World Health Care Center on Golden Rain Road and Orange County Supportive Services departments, only after they have provided the legal documentation of their authority to act on behalf of a shareholder and a photo ID.

The Stock Transfer department shall issue quarterly service passes to realtors for a fee of \$10.00, and escrow companies only after they have provided a proper photo ID, as well as a request in writing containing the name of the person receiving the pass.

A record of these passes will be maintained in the offices from which they were issued.

#### Caregiver Passes

The Executive Director or Mutual Administration Director is authorized to make semiannual caregiver passes available to those caregivers who have applied for the caregiver pass in compliance with Mutual Policy 7557, Caregivers.

The semiannual caregiver passes shall be produced in two different colors, with a designation as to the caregiver being a part-time or full-time care provider. Caregiver passes will expire in June and December in the year in which they were issued. Some

(Feb 10)



**GOLDEN RAIN OPERATIONS****BOARD INTERNAL OPERATIONS****Gate Passes**

caregiver passes are issued on a yearly basis, in compliance with a specific mutual's policy.

The caregiver's name and the mutual and apartment number shall be written on the front of the pass. The Stock Transfer Department shall issue all caregiver passes and prepare a monthly report of passes issued.

Caregivers shall wear issued badges and passes at all times while in the community.

For loss of Caregiver passes, Shareholders may obtain a replacement pass by going to the Stock Transfer Office in person with a photo ID. A \$10.00 fee is charged for a replacement pass, per occurrence. The Mutual Board of Directors will be notified when a Caregiver pass is lost a second within 24 months of the first loss.

**Use of Passes**

The Executive Committee shall review fees for caregiver and guest passes on an annual basis during the fourth quarter of the year.

Stockholders/condominium owners can notify the Main Gate to admit a guest without an annual guest pass.

Administration is authorized to print annual guest passes and quarterly service passes in the same wallet size as the plastic key cards, with a different colors for each succeeding year so that current passes can be easily identified. Caregiver passes shall be printed and formatted to fit the accompanying badge holder.

After January 31 of each year, staff members are authorized to collect prior year guest passes when presented by guests at the gate.

Photocopying or duplicating annual guest passes, quarterly service passes or caregiver passes by members or guests is prohibited. Staff members are authorized to collect any counterfeit passes and direct the guest to the Main Gate office to be

(Feb 10)

**GOLDEN RAIN OPERATIONS****BOARD INTERNAL OPERATIONS****Gate Passes**

phoned in by the stockholder/condominium owner. Residents found in violation may lose their privilege to obtain additional passes at the discretion of the Executive Director or Mutual Administration Director.

**Policy**

Adopted: 18 Oct 77  
Effective: 01 Jan 78  
Amended: 15 Nov 77  
Amended: 21 Jul 81  
Amended: 20 Nov 84  
Amended: 15 Dec 87  
Amended: 20 Apr 93  
Amended: 16 May 00  
Amended: 20 Feb 01  
Amended: 16 Feb 10  
Amended: 28 Oct 14

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

To MAC SEPTEMBER 13, 2016 (IF IT SHALL PASS EFFECTIVE JANUARY 1 2017)

(Feb 10)



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**BOARD OF DIRECTORS**

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**TO:** BOARD OF DIRECTORS  
**FROM:** PHYSICAL PROPERTY COMMITTEE (MW)  
**SUBJECT:** SCE EASEMENT REQUEST  
**DATE:** SEPTEMBER 15, 2016  
**CC:** FILE

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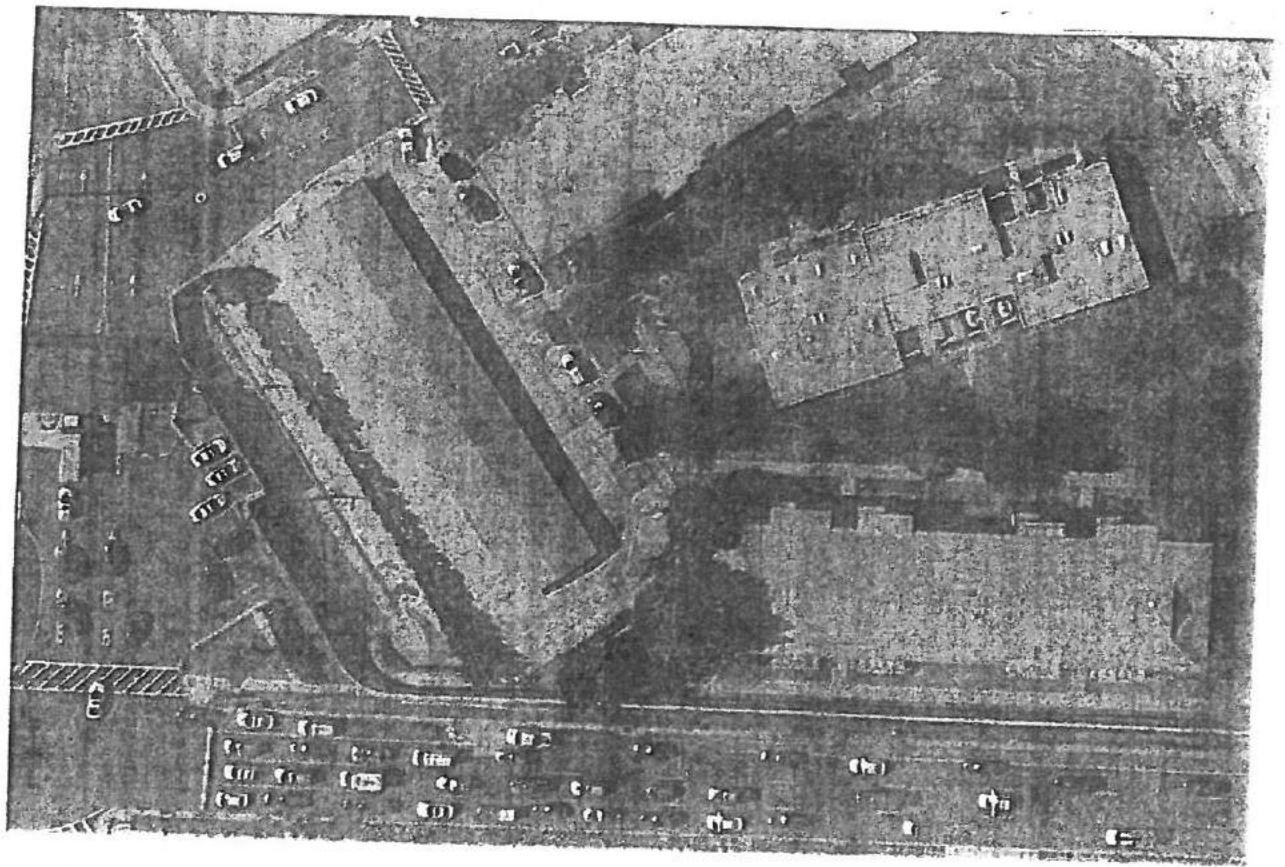
The City of Seal Beach has established an Underground Utility District requiring Southern California Edison (SCE) to underground its existing overhead lines on Seal Beach Blvd. In order for SCE to complete this task, an easement is required from GRF to relocate lines on Trust Property. At its meeting on September 12, 2016, the Physical Property Committee (PPC) reviewed the request and discussed the easement request area (see attached map and Google Air screen shot ); the area is east of the Main Gate entrance, adjacent to the Perimeter Wall to Seal Beach Blvd. and is six feet wide.

After review and discussion of the request, the PPC unanimously recommended the GRF Board award an easement to SCE for the purpose of relocating lines on Trust Property

I move to award an easement to SCE to relocate lines on Trust Property, per request dated August 3, 2016, Service Order #TD1015088 and authorize the President to sign the Grant of Easement.







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**BOARD OF DIRECTORS**

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**TO:** BOARD OF DIRECTORS  
**FROM:** PHYSICAL PROPERTIES COMMITTEE  
**SUBJECT:** REFURBISHMENT OF THE AMPHITHEATER RESTROOMS  
**DATE:** SEPTEMBER 21, 2016  
**CC:** FILE

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At the regular scheduled meeting of the Physical Property Committee (PPC) on August 12, 2016, the committee reviewed concerns relative to the general condition of the amphitheater restrooms. Representatives of the committee toured the restrooms and noted a clear need for a general refreshing and refurbishment all of the ten (10) restrooms at the Amphitheater.

Discussion was held and a general scope of work determined, noting all areas in need of repairs and/or replacement could be performed by Service Maintenance. Based upon the scope of work, a cost estimate was provided by the Service Maintenance Department in the amount of \$50,350. (See Exhibit A). The committee unanimously agreed to have the Service Maintenance Department conduct this non budgeted work and forward this project to the Finance Committee (FC) for funding.

At its regular scheduled meeting of the FC, the Committee reviewed possibilities of funding this project and unanimously agreed GRF is in a sound financial position and duly moved and approved the allocation of non-budgeted funding from CC45 (material needs) and CC74 (labor).

This project will require evaluation of the Architectural Design Review Committee for final color pallet and material selections to the scope of the proposed budget.

I move to approve the general refreshing of the ten (10) Amphitheater restrooms per the estimate dated September 9, 2016 (Exhibit A) at a cost not to exceed \$50,350. Funding from CC45 and CC64.

# GRF Service Maintenance Department Estimate - Labor & Materials Cost

Date: Sept. 9, 2016  
 To: Mark Weaver, Facilities Director  
 From: Ruben Gonzalez, Facilities Manager  
 Subject: Remodel, Amphitheater Restrooms  
 Location: Amphitheater

## Itemized List for Labor and Material(s)

MATERIAL / LABOR	TOTAL COST
( 4 ) Cast iron single hole sinks	\$1,000.00
(16) Cast iron wide spread hole sinks	\$4,000.00
( 2 ) 2.5 wall water heaters	\$500.00
(16) ADA wide spread faucets	\$3,200.00
(15) Sloan flushometers	\$2,600.00
(20) Stainless steel soap dishes - \$40.00 ea	\$800.00
(10) Stainless steel towel dispensers/trash cans - \$500.00 ea	\$5,000.00
( 4 ) 2x5 tan partitions	\$1,500.00
(10) 2x4 mirrors	\$1,500.00
( 4 ) Stainless steel auto hand dryers - \$500.00 ea	\$2,000.00
(34) L.E.D. light fixtures - \$75.00 ea	\$2,550.00
( 6 ) 5 gal buckets of paint - \$200.00 ea	\$1,200.00
(12) Countertops - includes 2 located behind the stage dressing rooms - installation + materials included in total cost	\$11,000.00
Plumbing Labor	\$2,000.00
Electrical Labor	\$3,500.00
Carpentry / Painting labor	\$8,000.00
<b>COLUMN TOTALS</b>	<b>\$50,350.00</b>

NOTE: IF SERVICE MAINTENANCE IS CONTRACTED TO PAINT AND INSTALL COUNTERTOPS ONLY, THE RELOCATION OF THE EXISTING PLUMBING AND THE INSTALLATION OF THE SINKS AND FAUCETS WILL STILL NEED TO BE COMPLETED.

DISCLAIMER: PLEASE NOTE THAT THIS IS AN ESTIMATE ONLY. ANY UNFORESEEN OR ADDED ITEMS MAY INCREASE THE TOTAL COST OF THE JOB.





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**BOARD ACTION REQUEST**

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**TO:** BOARD OF DIRECTORS  
**FROM:** PUBLICATIONS COMMITTEE  
**SUBJECT:** 2017 PROPOSED INCREASES IN NEWSPAPER ADVERTISING RATES  
**DATE:** SEPTEMBER 9, 2016  
**CC:** FILE

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In 2017, the cost to print the News will be increasing due to an increase in newsprint printing costs. In order to offset our printing expenses, the Publication Committee reviewed a proposed 7% increase in newspaper advertising rates, as current rates have not been increased for over 5 years.

It was of the considered opinion of staff, proposed rates (Exhibit A) are within market conditions, increase represents a minimal and manageable difference to existing advertisers and the proposed increase is vital to maintain the cost effectiveness in the operations of the News.

At its September 14, 2016 meeting, the Publications Committee moved to recommend to the Board of Directors approval of the proposed 2017 newspaper advertising rates.

I move to approve the Newspaper Advertising rates per Exhibit A effective Januray 1, 2017.

## Proposed Newspaper Advertising Rates for 2017

### Current Pricing

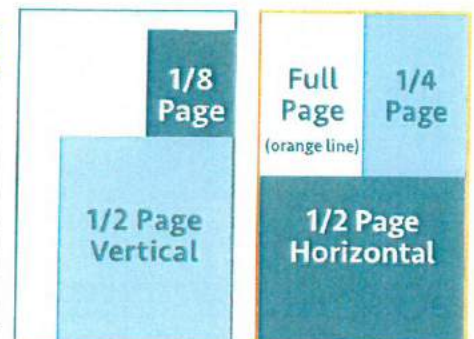
NEWSPAPER Retail Display Advertising Rates (Cost per inch per issue)					
Ad size in column inches:	Open Rate**	4-Times	12-Times	26-Times	52 Times
2"-19" (less than 1/4 page)	\$15.45	\$14.05	\$12.80	\$11.65	\$10.60
20"-39" (1/4 - 1/2 page)	14.05	12.80	11.65	10.60	9.45
40"-79" (1/2 - full page)	12.80	11.65	10.60	9.45	8.70
80" + (full page or more)	11.65	10.60	9.45	8.70	8.00
Standard Size Ad Costs (Cost per inch per issue)*					
Size (columns x inches)	Open Rate	4-Time	12-Time	26-Time	52-Time
1/8 Page (2x5 = 10")	\$154.50	\$140.50	\$128.00	\$116.50	\$106.00
1/4 Page* (3x8 = 24")	337.20	307.20	279.60	254.40	226.80
1/2 Page (4x10 or 5x8 = 40")	512.00	466.00	424.00	378.00	348.00
Full Page (5x16 = 80")	932.00	848.00	756.00	696.00	640.00
*Ads are not limited to these sizes.					

### 7% Increase (rounded up or down slightly)

NEWSPAPER Retail Display Advertising Rates (Cost per inch per issue)					
Ad size in column inches:	Open Rate**	4-Times	12-Times	26-Times	52 Times
2"-19" (less than 1/4 page)	\$16.55	\$15.00	\$13.70	\$12.45	\$11.35
20"-39" (1/4 - 1/2 page)	\$15.00	\$13.70	\$12.45	\$11.35	\$10.10
40"-79" (1/2 - full page)	\$13.70	\$12.45	\$11.35	\$10.10	\$9.30
80" + (full page or more)	\$12.45	\$11.35	\$10.10	\$9.30	\$8.50
Standard Size Ad Costs (Cost per inch per issue)					
Size (columns x inches)	Open Rate	4-Time	12-Time	26-Time	52-Time
1/8 Page (2x5 = 10")	\$165.50	\$150.00	\$137.00	\$124.50	\$113.50
1/4 Page* (3x8 = 24")	\$360.00	\$328.80	\$298.80	\$272.50	\$242.40
1/2 Page (4x10 or 5x8 = 40")	\$548.00	\$498.00	\$454.00	\$404.00	\$372.00
Full Page (5x16 = 80")	\$996.00	\$908.00	\$808.00	\$744.00	\$680.00

### With a 7% increase applied to current numbers as of 8/31/2016

	YTD	YTD Budget	Variance	Budget
Display Advertising, current	436,799	456,435	(19,636)	722,859
<b>Adding 7% increase</b>	<b>New YTD</b>	<b>YTD Budget</b>	<b>Variance</b>	<b>New Total</b>
	467,375	456,435	10,940	739,269





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**BOARD ACTION REQUEST**

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**TO:** BOARD OF DIRECTORS  
**FROM:** RECREATION COMMITTEE  
**SUBJECT:** AMPHITHEATER STAGE RISER REPLACEMENT  
**DATE:** SEPTEMBER 15, 2016  
**CC:** FILE

The Amphitheater stage risers are in need of repair and have outlasted their useful life and are in need of replacement.

Quotes had been solicited from two companies to replace the existing plywood risers with professional grade staging for the Amphitheater, with all required skirting and two storage carts.

- |                        |             |
|------------------------|-------------|
| • Mc Donnell & Company | \$10,287.00 |
| • Stage Right          | \$10,270.80 |

The above quotes include sales tax and shipping charges, with funds coming from the 2016 capital portion of the of the budget.

At its September 14, 2016 Recreation Committee meeting, the Committee approved the purchase of new Amphitheater stage risers, from Stage Right, in the amount of \$10,270.80 and recommends final approval by the Board of Directors.

I move to approve the purchase of new Amphitheater Stage Risers, from Stage Right, in the amount of \$10,270.80 from the approved capital portion of the 2016 budget.

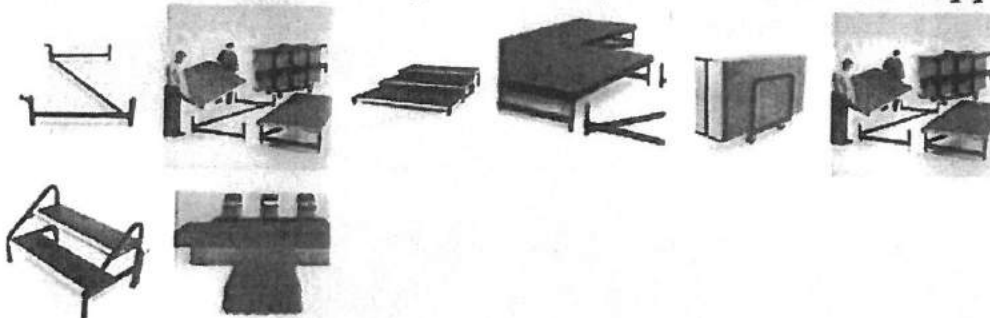
## **Portable Staging Proposal for Golden Rain Foundation**

**Mr. Terry DeLeon**

**From McDonnell and Co. Int'l. Inc. 7-31-2015**



*Z-800 Stage with Transport Cart (Holds 6 Decks & Support)*



## **Portable Stages**

Our Portable Stages will help you meet your portable Staging needs. These Portable Stages/Risers can be set up in a short time with as few as 2 people.... provide award winning staging... and they store compactly.

Sizes can range from 6' x 6'...4' x 8' .. to 40' x 40' (or larger) – at Fixed and Adjustable Heights of 8", 12", 16", 24" and 32"



These Portable Event Risers can meet nearly any need for a professional staging

- **Dual Sided Decks** (Black PolyTrac on one side and a choice of Commercial Grade Carpet on the reverse side)
- ...the Dual Sided Decks...**give double the life** and can be used for a variety of activities
- They can be set up in a short time with as few as 2 people and store compactly!
- Arrange Z-800 Multipurpose Staging in a configuration to suit nearly any event.
- One piece Z-Shaped Support System – makes set up fast and easy for Portable Event Risers
- Choral Risers – Choir Risers – Band Risers – and Show Choir Risers.... Theatrical and Professional Performances

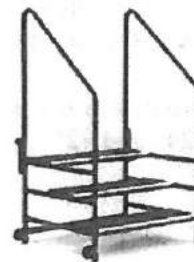
These Portable Event Risers are the answer for facilities where event requirements vary from Portable Stage to Seating. Compared to old-style risers that have four or six separate legs, the Z-800's one-piece support shortens setup time and its horizontal bracing reduces creak and sway.

- Accommodates portable decks measuring 4'x8', 4'x6', 4'x4', 3'x8', 3'x6' and 2'x8' in fixed heights of 8", 12", 16", 24" and 32" and in adjustable heights of 12-16", 16-24" and 24-32".
- **Z-800 Stage Supports**  
Reconfigure your stage for each event with the versatile Z-system.



### Tilt & Tote Stairs

Transport and install these stairs in an instant.







### Features & Benefits

Our portable Tilt and Tote stage and riser stair units allow one person to transport and setup these stairs in minutes. Casters make transportation easy, but won't engage the floor while the stairs are in use. The stairs quickly attach to the deck, without the use of tools. The stair tread is 12" deep and 36" wide, and is coated with a black, non-skid polymeric resin. An anodized grooved aluminum bullnose on the leading edge of each tread clearly defines the step edge, preventing trips and falls.

### Economy Stairs

Functional and affordable stairs in a variety of heights.



### Features & Benefits

Our Budget Stage and Riser Stairs are an economical and easy way to add stairs to your portable platforms. The treads are surfaced with black PolyTrac, and have white resilient tread nosings to increase visibility and help prevent slips. Two sizes are available: the single-tread model is for riser setups of 8" to 16" and the two-tread model is for 16" to 24" heights.

### Guardrails

Optional guardrails are available to enhance the safety of risers and stages.

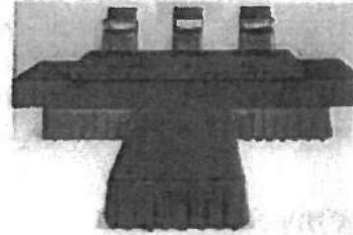


## Features & Benefits

Prevent accidental falls with our sturdy stage and riser Guardrails. Made of tubular steel, each section is 42" high and has a lower bar that serves as a chair stop. The Guardrail attaches quickly and easily to your riser or deck, without requiring any tools. Grippers firmly hold the Guardrail in place for a safe and secure performing area.

## Skirting

A variety of stage and riser skirting colors allow you to dress up decks and risers.



## Features & Benefits

Our non-combustible stage and riser skirting is made of easy-care 100% PolyTwill or Polyester Velvet, and is available in several colors. Just snap the clips into the edge of your decks to attach the skirting for a more finished look. Velcro strips on the reverse side of the adjustable-height skirting allow you to adjust the height to fit your stage.

# 2016 Capital Planning

Department	CC	Item	Cost	Total
Purchasing	32	Pallet Racking / Update Lighting	3,000	3,000
ITS	34	Surveillance Cameras	13,000	13,000
Security	37	Paychex Time Clocks (2) Repeater, hardware, license & programming Sound Proofing Panels @ Main Gate Lobby	5,200 5,000 2,000	12,200
Recreation	40	Special Events Trailer & Equipment	6,900	
	45	18 4 x 8 Portable Stage Risers with Carts	13,635	
	45	Movie Projector & DVD Player	26,000	
	48	Engineering and architectural design for pool area	25,000	71,535
Physical Properties	70	Workstations (3) Inspector Vehicle (1)	13,000 10,000	23,000
Service Maintenance	74	Maintenance Vehicles (2)	20,000	20,000
		<b>Total</b>	<b>142,735</b>	<b>142,735</b>

<b>Estimated Beg Bal 1/1/2016</b>		<b>164,404</b>
Monthly Membership fee x 18 months	2,595	
Allocation (50%) to Capital Fund (Policy 5061-31)	1,298	
Projected Memberships (680)		882,640
Annual M17 Lease Fee (144.15 x 12 x 20%)	346	
Allocation (50%) to Capital Fund (Policy 5061-31)	173	
M17 Lease Fees (24)		4,152
<b>Projected Available Funds</b>		<b><u>1,051,196</u></b>

McDonnell & Company Int'l

PO Box 721  
32W580 Army Trail Road  
Wayne, IL 60184  
PH: 630-377-8200 FAX: 630-377-8224

E-mail sales@mcdonnell-intl.com

## PROFORMA INVOICE

Quote Date	Quote Number
8/30/2016	7346

Quoted To:
Golden Rain Foundation Terry DeLeon Leisure World Seal Beach, CA 90740

P.O. No.	Payment Terms			Quote Good Thru
	Net 20			10-10-2016
Description		Qty	Unit Price ...	Total
Portable Staging for Golden Rain Foundation				
Deck, 4' x 8', Dual Surfaces with Black PolyTrac on one side and Gray Commercial Grade Carpet on the Reverse Side - 2 Surfaces - Doubles the Life of the Decks		10	525.00	5,250.00T
Z-800 Support 16" Fixed Height with adjustable Feet		3	190.00	570.00T
Z-800 Support 12" Fixed Height with adjustable Feet		3	180.00	540.00T
Z-800 Support 8" Fixed Height with adjustable Feet		3	175.00	525.00T
Transport, Deck 4' x 8' ( Each Cart holds up to 6 Decks and Z-Supports... and when fully loaded....the Transport can pass through a standard sized doorway...so storage is easy).		2	390.00	780.00T
Skirting - 8' x 8" High - Black with Clip Attach		3	65.00	195.00T
Skirting - 8' x 12" High - Black with Clip Attach		3	80.00	240.00T
Skirting - 8' x 16" High - Black with Clip Attach		3	105.00	315.00T
Freight Charge to Seal Beach, CA 90740		1	1,110.00	1,110.00
Product Availability 2 to 4 weeks from acceptance/payment of Proforma.				
Transit Time - 4 days				
W-9 Form is Attached				
* California Sales Tax (General Sales Tax) has been added Sales Tax/Calif Sales Tax			8.50% 7.50%	631.13
Total				<del>\$10,156.13</del> \$10,287

### Authorized Acceptance

These commodities licensed by U.S. for Ultimate Destination of USA, contrary to U.S. law prohibited. Proposal is subject to our final confirmation at time of acceptance. McDonnell & Co., Int'l Inc. extends only the warranty that is offered by the manufacturer. Not responsible for delay due to causes beyond our control, such as strikes, riots, special indirect or consequential.



# STAGERIGHT

495 Pioneer Parkway ~ Clare, MI 48617  
Phone: 800-438-4499 Fax: 989-386-3500  
www.stageright.com

## QUOTE #: Q-104957

<b>For:</b> Tommy Fileto	<b>By:</b> Mitchell Waite
<b>Facility:</b> Leisure World-Seal Beach	Market Sales Representative
<b>Address:</b> P.O. Box 2069	StageRight
Seal Beach, California 90740	
<b>Fax:</b>	<b>Fax:</b> (989) 386-3500
<b>Phone #:</b> (562) 431-6586 ext. 371	<b>Phone #:</b> (800) 438-4499
<b>Email:</b> thomasf@lwsb.com	<b>Email:</b> mwaite@stageright.com
<b>Subject:</b> Leisure World-Seal Beach-Z-800 Risers-OTH2	<b>Date:</b> 09/02/2016

Part Number	Qty	Description	Unit Price	Amount
648AN1D	9.0	Deck, 4'x8', Reversible with Black PolyTrac/Gray Carpet Surfaces, Anodized Edge	505.00	4,545.00
311015	3.0	Z-HD, 4'x8', 16"	185.00	555.00
311010	3.0	Z-HD, 4'x8', 12"	163.00	489.00
310008	3.0	Z-800, 4'x8', 8" Support	120.00	360.00
320501	6.0	Guardrail, 4'x42" Stage Rail	133.00	798.00
320503	3.0	Guardrail, 8'x42" Stage Rail	163.00	489.00
321103	3.0	Skirt, 8'x16" Black Janus, Clip Attachment	63.00	189.00
321116	2.0	Skirt, 4'x16", Black Janus, Clip Attachment	42.00	84.00
321115	2.0	Skirt, 4'x12", Black Janus, Clip Attachment	38.00	76.00
321114	2.0	Skirt, 4'x8", Black Janus, Clip Attachment	37.00	74.00
322108	2.0	Transport, Z-800, 8' Vertical (6 Decks/6 Z-800s)	308.00	616.00
Tax:				
S & H:				1,235.00
Total:				9,510.00

### Terms and Conditions:

Within five business days from receipt of order, an order acknowledgement will be sent to confirm your order and provide a scheduled ship date. It will also contain important information regarding the processing and delivery of your order. Contact StageRight immediately if you do not receive your order confirmation.

Lead time is estimated and varies based on manufacturing capacity. Actual ship date will be determined at placement of order. Shipping rates are subject to change.

Quote Valid Until: 10/02/2016

Lead Time: Estimated 30-45 Days ARO (To be confirmed at time of order)

Credit Terms: Credit Approval Req. Prior to Acceptance of Order Unless PIA

Warranty: One (1) Year

Freight Terms: FOB Clare - MI

Quoted Price Does NOT Include any State and/or Local Taxes

StageRight collects taxes for the following: AL AZ CA DC FL GA HI IN LA MI MN NE NJ NM NY PA TX WI WA

Quoted Price Does NOT Include Off Loading OR Inside Delivery

A Tax Exemption Certificate must be provided or sales tax will be added to the order

All labor and costs associated with docking - unloading - transferring or set-up of equipment and removal of debris are NOT included.

Quoted Price Includes Shipping

Visa - Mastercard - American Express and Discover Accepted

Shipping rates are subject to third party increase/change and do not include Destination Handling Charges - Customs Clearance - Duty or Taxes.





## BOARD OF DIRECTORS

**TO:** BOARD OF DIRECTORS  
**FROM:** ARCHITECTURAL DESIGN REVIEW COMMITTEE  
**SUBJECT:** HOLIDAY DECORATIONS  
**DATE:** SEPTEMBER 21, 2016  
**CC:** FILE

The Holiday Decorations Sub-Committee was tasked with providing holiday decorations for Trust property with a budget not to exceed \$20,000.00 as previously approved by the Finance Committee (FC). The Holiday Decorations Sub-Committee met with Magical Holiday Designs to discuss a scope of work and to take a site tour for where work would be performed.

The Holiday Decorations Sub-Committee solicited a bid from Magical Holiday Designs for decorations for the following locations: Administration Building, Medical Center, Clubhouse 6 and Security front entrance.

At its meeting on September 13, 2016, the Architectural Design Review Committee approved to recommend to the Board the lease/purchase of holiday decorations from Magical Holiday Designs (Exhibit A) in the amount of \$33,400 for the two-year contract term.

Item	2016	2017	Total
Leased Decorations	\$12,800		
Purchased Decorations	\$5,200		
Storage Box	\$350		
Additional Palm Tree Lighting (3@\$300)	\$900		
Total 2016	\$19,250		
Leased Decorations		\$12,800	
Installation of Purchased Decorations		\$1,700	
Total 2017		\$14,500	
2 Year Contract Total			\$33,750

As no funds were budgeted for holiday decorations, the committee requested Finance Committee review and consideration.

At its September 20, 2016 meeting, the Finance Committee duly moved and approved the allocation of non-budgeted funds from CC40.

I move to approve the two (2) year contract with Magical Holiday Designs per Exhibit A, in the amount of \$33,750 and authorize the President to sign the contract.

Magical Holiday Designs

11109 Armour Ave.

Beaumont, Ca. 92223

800-608-1980 office

562-900-0307 my cell

August 27, 2016

Golden Rain Foundation

P.O. Box 2069

Seal Beach, Ca. 90740

Attention: Paul Pratt

562-431-2234

Scope of work

Holiday Décor 2016- 2017 (two year contract)

Pricing includes Install, design, and strike, plus leasing of ornaments. This contract also includes storage of all customer owned products. I also understand the greenery for the 20' tree does not have boxes and is in storage bags, In order for me to store the greenery, you must purchase large boxes double strength to pack it in for us to transport and store. For us to do that cost would be \$350.00 additional. This is a one time charge, It would be for double strength boxes. We will provide and install all

lights, you are responsible for connecting to the power source.

“leased materials will be refreshed or in a like new to good condition.”

#1- Install and decorate- (1) 20’ sequoia tree with a 24” topper- Using C-9 multi colored lights LED- Custom design, red, green, and gold, traditional Design.

Ornaments/topper are products used to design the tree are leased.\$8900.00

#2- (6)Leased- Install Lighted gift boxes for around tree base \$800.00

#3- Install perimeter C-9 lights at roof line- Leased \$3100.00

Admin Bldg- Just across front facing- roof access

Medical Center- front facing & across front side-ladder

Clubhouse 6- Front facing and across front side- roof access

Security front entrance- Front facing only- ladder

(1)- 5’ wreath at admin building – hung from roof  
Purchase \$850.00

(1) 5’ wreath at clubhouse 6- hung between arch-\$850.00  
Purchase

(6) palm tree's- permanent installation, warm white led lights Purchase \$1800.00

#4- Menorah- 60" tall in led lights- staked in front lawn  
Purchase \$800.00

#5- Season's greetings- 24" high x 19 feet long in led lights,  
staked in front lawn  
Purchase \$900.00

Total contract amount \$18,000.00

Alternate- Adding (9) palm Tree's with LED warm white  
lights, permanent installation \$2700.00

50% deposit to book your property, balance is due upon  
installation.

For Year 2017

#1- Install and decorate- (1) 20' customer owned sequoia  
tree with a 24" topper- Using C-9 multi colored lights  
LED- Custom design, red, green, and gold, traditional  
Design. Leased \$8900.00

#2- (6) Install Lighted gift boxes for around tree base  
\$800.00



#3- Install perimeter C-9 lights at roof line leased,  
\$3100.00

Admin Bldg- Just across front facing- roof access

Medical Center- front facing & across front side-ladder

Clubhouse 6- Front facing and across front side- roof  
access

Security front entrance- Front facing only- ladder

(1)- 5' wreath at admin building – customer owned, hung  
from roof \$450.00

Labor only

(1) 5' wreath at clubhouse 6- customer owned, hung  
between arch-\$450.00

Labor only

#4- Menorah- customer owned, 60" tall in led lights-  
staked in front lawn

\$400.00- labor only

#5- Season's greetings- customer owned, 24" high x 19 feet  
long in led lights, staked in front lawn

\$400.00- labor only

Total contract amount \$14,500.00

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**COMMITTEE ACTION REQUEST**

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**TO:** BOARD OF DIRECTORS  
**FROM:** SECURITY, BUS, AND TRAFFIC COMMITTEE (JG)  
**SUBJECT:** APPROVE AMENDMENT OF POLICY 3050-37, SECURITY FUNCTIONS  
**DATE:** SEPTEMBER 27, 2016  
**CC:** FILE

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A recent staff review of Golden Rain Foundation Policy 3050-37, Security Functions, found that it needs to be updated to reflect current department activities.

At its meeting on September 19, 2016, the Security, Bus, and Traffic Committee unanimously recommended the amendment of Policy 3050-37, Security Functions, to the Golden Rain Foundation Board of Directors.

I move to recommend to the Board approval of the amendment of Policy 3050-37, Security Functions.

**STAFF OPERATIONS****ADMINISTRATION****AMEND****Security Functions**

Functions: Provide security services for the Golden Rain Foundation.

1. Provide reasonable access control at each of the community's gates.
2. Patrol community on an intermittent basis; check community facilities, perimeter walls and pedestrian gates. Observe and report findings to public safety agencies, as needed.
3. Assist residents and others, upon request, with information and assistance related to security, or refer them to the proper office or authority.
4. Assist residents to gain access to their unit when locked out. Security Department will verify identification to ensure entry into the unit is appropriate
5. Assist governmental agencies (city, county, state, and federal) in their authorized duties within Leisure World, Seal Beach.
6. Register and issue resident decals for vehicles, golf carts, bicycles and mobility scooters in accordance with Foundation policy.
7. ~~Provide reasonable access control by checking visitor and service passes and pick-up expired passes.~~
8. Security shall enforce Foundation and Mutual policies through traffic enforcement, radar enforcement and community education. Security shall report to Mutual Boards in accordance with the policies.
9. Report monthly on activities to department head.
10. Pick up, count and deliver to the Director of Finance the laundry room coin receipts from laundry rooms on a monthly schedule.
11. Review security video camera footage for suspicious activity.
12. Process and input ~~quest~~ **guest** admission requests received from residents.
13. Provide after-hour dispatch and response for maintenance-related calls for service.

**STAFF OPERATIONS****ADMINISTRATION****AMEND****Security Functions**

14. Provide reservation and dispatch services for the Foundation's Access Mini-Bus and Sunday Church Mini-Bus.
15. Respond to animal-related calls for service and assist the animal control department, as needed.
16. Coordinate with the contract custodial services company to address the cleanup of biohazards, physical hazards and dead animals.
17. Receive requests from residents' family and friends to conduct welfare checks, respond with public safety agencies, and provide findings to family and friends.
18. Process requests for entry by bail bond agents and repossession companies.
19. Respond and assist residents in stalled elevator emergencies.
20. Provide legal document delivery service for the Foundation's departments.
21. Generate reports on incidents that occur on Trust or Mutual properties.
22. Respond to large scale disasters and emergencies in accordance with the Foundation's Emergency Preparedness Manual.
23. Assume any other related security service assigned by the Executive Director or adopted by the Board of Directors.

**Policy:**

Adopted: 19 Aug 1980

Amended: 29 May 2014

Amended:

**GOLDEN RAIN FOUNDATION  
Seal Beach, California**



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**COMMITTEE ACTION REQUEST**

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**TO:** BOARD OF DIRECTORS  
**FROM:** SECURITY, BUS, AND TRAFFIC COMMITTEE (JG)  
**SUBJECT:** ADOPT POLICY 1927.1-37, FINES FOR PARKING RULES VIOLATIONS ON TRUST PROPERTY (**TENTATIVE VOTE**)  
**DATE:** SEPTEMBER 27, 2016  
**CC:** FILE

---

At its meeting on September 19, 2016, the Security, Bus, and Traffic Committee unanimously recommended to the Golden Rain Foundation Board of Directors tentative adoption of Policy 1927.1-37, Fines for Parking Rules Violations on Trust Property, with final approval adoption scheduled for November, 2016.

If amended, the policies and fee changes will go into effect January 1, 2017.

I move to recommend the Board approve the tentative adoption of Policy 1927.1-37, Fines for Parking Rules Violations on Trust Property, pending a minimum 30-day notification to the membership, and a final decision on November 22, 2016.

**VEHICLE PARKING POLICY****ADOPT****FEES (FINES) FOR PARKING RULES VIOLATIONS  
ON TRUST PROPERTY**

The following Parking Rules Violations Fees (Fines) are strictly enforced and are applicable to all persons controlling or operating vehicles on any TRUST PROPERTY regulated by the Golden Rain Foundation (GRF) of Seal Beach. This generally refers to the streets, sidewalks, parking areas, clubhouses, grounds, and other amenities overseen by GRF.

Shareholder/Members are solely responsible for the actions of their guests and employees.

Shareholder/Members are solely responsible for the fines and penalties incurred by their guests or employees.

**1. FINES FOR PARKING VIOLATIONS**

Fee explanations for Fine table below:

- i. Any animal left unattended in a vehicle will immediately reported to Animal Control
- ii. Warning is written
- iii. Additional citations may be issued after each 24-hour period.
- iv. After the fourth violation all RV or VUFR parking privileges are suspended for twelve (12) months beginning with the date of the fourth infraction.

<b>GRF Parking Violations and Fines</b>			
<b>Violation</b>	<b>1st</b>	<b>2nd (iii.)</b>	<b>3rd &amp; Subsequent (ii.)</b>
1. Abandoned Vehicle	<b>Warning (ii.)</b>	<b>Vehicle Towed</b>	
2. Advertising on Vehicle Parked Overnight	<b>Warning (ii.)</b>	<b>20.00</b>	<b>30.00</b>
3. Animal left in vehicle (i.)	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
4. Blocking Crosswalk	<b>20.00</b>	<b>30.00</b>	<b>40.00</b>
5. Expired Vehicle Registration	<b>50.00</b>	<b>100.00</b>	<b>150.00</b>
6. Fire Hydrant	<b>Towed</b>	<b>Towed</b>	<b>Towed</b>
7. Flat Tires	<b>25.00</b>	<b>50.00</b>	<b>75.00</b>

**VEHICLE PARKING POLICY****ADOPT****FEES (FINES) FOR PARKING RULES VIOLATIONS  
ON TRUST PROPERTY**

<b>GRF Parking Violations and Fines</b>			
<b>Violation</b>	<b>1st</b>	<b>2nd (iii.)</b>	<b>3rd &amp; Subsequent (ii.)</b>
8. Handicapped Parking without Placard or Handicap I.D. Displayed	200.00	200.00	200.00
9. Limited Time Parking	Warning (ii.)	20.00	30.00
10. Maintenance or Repair	50.00	100.00	150.00
11. No Parking Zone	Warning (ii.)	50.00	75.00
12. No Valid GRF Vehicle Decal or Parking Permit Displayed	Warning (ii.)	30.00	40.00
13. Parked on Sidewalk or Grass	20.00	30.00	40.00
14. RV or VUFR - Generator Running Unattended	50.00	100.00	150.00
15. RV or VUFR - Hazardous Material	75.00	100.00	150.00
16. RV or VUFR - Jack Support )	40.00	60.00	80.00
17. RV or VUFR - Wheel Block	40.00	60.00	80.00
18. RV or VUFR Parked over 6 Hours	Warning (ii.)	50.00	75.00
19. Vehicle Used for Storage	Warning (ii.)	100.00	150.00

**Adopt:****Golden Rain Foundation  
Seal Beach, CA**

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**COMMITTEE ACTION REQUEST**

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**TO:** BOARD OF DIRECTORS  
**FROM:** SECURITY, BUS, AND TRAFFIC COMMITTEE (JG)  
**SUBJECT:** ADOPT POLICY 1927.2-37, PARKING RULES VIOLATION PANEL  
**DATE:** SEPTEMBER 27, 2016  
**CC:** FILE

---

At its meeting on September 19, 2016, the Security, Bus, and Traffic Committee unanimously recommended to to the Golden Rain Foundation Board of Directors adoption of Policy 1927.2-37, Parking Rules Violation Panel.

I move to recommend to the Board approve Policy 1927.2-37, Parking Rules Violation Panel.

**VEHICLE PARKING POLICY****ADOPT****PARKING RULES FOR TRUST PROPERTY****1. THE PARKING RULES VIOLATION PANEL(PRV)**

The PRV panel members will serve as follows:

The GRF President's Mutual is removed from this schedule, since the President will only serve on ALTERNATIVE DISPUTE RESOLUTION (ADR) panel.

Schedule of the Parking Rules Violation Panel (PRV) will begin when the new Board is seated.

**Appeal Panel**

	#1 Chair	#2	#3	ALT
JAN	1A	2A	3	4
FEB	1B	2B	5	6
MARCH	7	8	9	10
APRIL	11	14	15	16
MAY	17	1A	2A	3
JUNE	4	5	1B	2B
JULY	6	7	8	9
AUG	10	11	14	15
SEPT	16	17	1A	2A
OCT	3	4	1B	2B
NOV	5	6	7	8
DEC	9	10	11	14

**Adopt:****Golden Rain Foundation  
Seal Beach, CA**



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**COMMITTEE ACTION REQUEST**

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**TO:** BOARD OF DIRECTORS  
**FROM:** SECURITY, BUS, AND TRAFFIC COMMITTEE (JG)  
**SUBJECT:** RESCIND POLICIES 1909-37, 1909.1-37, 1909.2-37, RESTRICTED SPEED ZONES  
**DATE:** SEPTEMBER 27, 2016  
**CC:** FILE

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At its meeting on September 19, 2016, the Security, Bus, and Traffic Committee unanimously recommended to rescind Policies 1909-37, 1909.1-37, 1909.2-37, Restricted Speed Zones, to the Golden Rain Foundation Board of Directors.

I move to recommend to the Board rescission of Policies 1909-37, 1909.1-37, 1909.2-37, Restricted Speed Zones.

**COMMUNITY OPERATIONS****VEHICLE AND PEDESTRIAN CODE****RESCIND****Restricted Speed Zones of 10 Miles Per Hour**

The following portions of the Trust Streets shall be restricted to a speed limit of 10 miles per hour, and painted legends indicating this speed shall be installed on the following streets:

- 1) Canoe Brook Drive from its intersection with El Dorado Drive westerly to the point where the street turns in a southerly direction, and extending 20 feet south of the curve in the street.
- 2) Prestwick Road for its entire length.
- 3) Mayfield Road for its entire length.
- 4) Fresh Meadow Lane for its entire length.
- 5) Weeburn Road for its entire length.
- 6) Skokie Road for its entire length.
- 7) Tam O'Shanter Road for its entire length.
- 8) Glenview Road for its entire length from St. Andrews Drive.
- 9) Seaview Lane for its entire length.
- 10) Kenwood Road for its entire length.
- 11) Danbury Lane for its entire length.
- 12) Wentworth Lane for its entire length.
- 13) Medinac Lane for its entire length.
- 14) McKinney Way between Carports Four and Five.
- 15) Brookline Road for its entire length.
- 16) Scioto Road for its entire length.

**COMMUNITY OPERATIONS****VEHICLE AND PEDESTRIAN CODE****RESCIND****Restricted Speed Zones of 10 Miles Per Hour**

- 17) Cedar Crest Lane for its entire length.
- 18) Sunningdale Road east and west near Carports 150 through 154.

**Policy**

Adopted: 20 Aug 74  
Amended: 16 Aug 05  
Amended: 20 Mar 07

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

(September 2016)

Page 2 of 2



**COMMUNITY OPERATIONS****VEHICLE AND PEDESTRIAN CODE****RESCIND****Restricted Speed Zones of 15 Miles Per Hour**

The following portions of the Trust Streets shall be restricted to a speed limit of 15 miles per hour, and painted legends indicating this speed shall be installed on the following streets:

- 1) Alderwood Lane for its entire length beginning at Golden Rain Road and extending northerly.
- 2) Golden Rain Road Main Gate entrance lane from the guard station easterly for a distance of 75 feet.
- 3) St. Andrews Drive Gate entrance lane from the guard station easterly for a distance of 75 feet.
- 4) St. Andrews Drive from the northeast corner of the Administration Building to the intersection of Golden Rain Road in both directions.
- 5) Knollwood Road for its entire length.
- 6) Foxburg Road for its entire length.
- 7) Del Monte Dr. from Golden Rain Rd. through Mutual Seventeen to Burning Tree Ln.
- 8) North Fairfield Lane for its entire length.
- 9) South Fairfield Lane for its entire length.
- 10) Twin Hills Drive for its entire length.
- 11) Shawnee Lane for its entire length.
- 12) Pelham Road for its entire length.

**Policy**

Adopted: 18 Oct 77

Amended: 21 Feb 89

Amended: 21 Mar 89

Amended: 16 Aug 05

Amended: 20 Mar 07

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

**VEHICLE AND PEDESTRIAN CODE**

**RESCIND**

**Restricted Speed Zones of 15 Miles Per Hour**

Rescind:

**VEHICLE AND PEDESTRIAN CODE**

**RESCIND**

**Restricted Speed Zones of 20 Miles Per Hour**

The following portions of the Trust Streets shall be restricted to a speed limit of 20 miles per hours, and painted legends indicating this speed shall be installed on the following streets:

- 1) Sunningdale Road from Del Monte Drive to Carports 151 through 154.

**Policy**

Adopted: 20 Mar 07

**GOLDEN RAIN FOUNDATION  
Seal Beach, California**