



AGENDA
53rd ANNUAL MEETING
GOLDEN RAIN FOUNDATION
CLUBHOUSE FOUR -Tuesday, June 14, 2016 - 2:00 P.M.

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Membership Participation by Pre-arrangement
4. Minutes of the Annual Meeting of June 9, 2015
5. Introduction of Present Directors
6. Introduction of Newly Elected Directors
7. A Year in Review
 - a. Architectural Design and Review Committee
 - b. Executive Committee
 - c. Finance Committee
 - d. Information Technology Services Committee
 - e. Mutual Administration Committee
 - f. Physical Property Committee
 - g. Publications Committee
 - h. Recreation Committee
 - i. Security, Bus & Traffic Committee
8. President's Report
9. Executive Director's Report
10. Announcements
11. Adjournment

ANNUAL MEETING MINUTES - GOLDEN RAIN FOUNDATION
June 9, 2015

CALL TO ORDER

The 52st Annual Meeting of Members of the Golden Rain Foundation was held in Clubhouse Four on June 9, 2015, called to order by President Ronde Winkler.

President Winkler stated that today's meeting had been convened in compliance with Article III, Sections 2 and 3, of the Foundation's By-Laws and, following Corporate Secretary Wood's statement that all members were sent notice of such meeting, she declared it to be in session at 2:00 p.m.

PLEDGE OF ALLEGIANCE

As a remembrance to those who support the troops who have fought or are fighting for our country, American Legion volunteers were asked to lead the Pledge of Allegiance. Mr. Bud Sudbeck and Mr. Larry Norlander, Post 327's Commander and a veteran of the Korean War and Adjutant and an Army veteran of the Vietnam War respectively, led the Pledge of Allegiance.

ROLL CALL

The Corporate Secretary reported that Board members, Blake, Snowden, Stone, Reed, Hood, Wood, Rapp, McGuigan, Krieger, Winkler, Craig, Damoci, Lukoff, Bolton and Moore were present. Absent: Messrs. Kravitz, McGuigan, and Michaelides. Executive Director Ankeny and Controller Miller were also present.

MEMBERSHIP PARTICIPATION

President Winkler stated that by prearrangement, through a notice published for three consecutive weeks in the *Golden Rain NEWS*, members wishing to do so were invited to participate in the Annual Meeting. Three written requests to speak were received.

Three Foundation Members spoke on the cellphone signal, the restoration of the Globe and close-captioning for Seal Beach Channel 3.

COMMENT CARDS

Three shareholders spoke on the blue chairs (Flo Dartt), thanked the Recreation Committee for their work (John Harper), congratulations to the current Board for their work (Sandra Massa-Lavitt), thanked the Board for their progressive work and expressed appreciation of the staff (Patricia Davenport).

APPROVAL OF 2014 ANNUAL MEETING MINUTES

By REQUEST of Mutual Ten shareholder and former GRF Board member Esther Cummings, the reading of the minutes of the Annual Meeting held on June 10, 2014, was dispensed with, and the

minutes were approved and ordered to be filed in the corporate records as heretofore published.

INTRODUCTION OF PRESENT DIRECTORS

The present Board members were introduced by President Winkler:

Mutual One, Larry Blake; Mutual One, Mario Michaelides; Mutual Two, Paula Snowden; Mutual Three, Linda Stone; Mutual Four, Joy Reed; Mutual Five, Phil Hood; Mutual Six, Mary Wood; Mutual Seven, Kathy Rapp; Mutual Eight, Steve McGuigan; Mutual Nine, Lou Krieger; Mutual Ten, Ronde Winkler; Mutual Eleven, Denis Craig; Mutual Twelve, Carole Damoci; Mutual Fourteen, Barry Lukoff; Mutual Fifteen, Ron Kravitz; Mutual Sixteen, Tim Bolton; and Mutual Seventeen, Perry Moore.

President Winkler recognized retiring directors Mario Michaelides, Lou Krieger, Denis Craig and Ron Kravitz for their service on the Board. On behalf of the community, President Winkler thanked these Board members for their hard work and dedication, and shared a brief history of their GRF activities.

Mario Michaelides was elected to represent Mutual 1 in 2011 and from 2011 to 2013, he served as a member of the Physical Property, Publications, Security Bus and Transportation, Recreation, and Finance Committees and as Chair of Physical Property Committee which also included of Executive Committee. He then served as the President of the Golden Rain Foundation in 2013-2014. As President, he was an ex-officio member of all the standing and sub-committees and participated in the Los Alamitos Advisory Board. This past year, he continued his attendance at LAMC and was a member of the Library Committee. Under Mr. Michaelides leadership, the Golden Rain Foundation shareholders overwhelmingly passed the "Trust" amendment to continue the Trust until 2044. A big undertaking!

Lou Krieger, the GRF Representative from Mutual 9, was elected to office in 2013. During 2013 to 2014, he served on the Communications and Library Committees and was a member of the LAMC Advisory Board. In 2014-2015, Lou was a member of the Communications, Library and Security Bus and Transportation Committees and continued as a member of the Los Alamitos Advisory Board. Lou was our quiet one; however, when he had something to say, it was with pearls of wisdom and his remarks were appreciated.

Denis Craig, was elected to represent Mutual 11 in 2011. He began his term of office as Recreation Chair, which put him on the Executive and Physical Property Committees and he also was a member of the Finance Committee. In 2012 and 2013, he was elected Corporate Treasurer and chaired the Finance Committee as well as being a member of the Recreation and ITS Committees and as Treasurer, he was a member of the Executive Committee. In 2013-2014, Denis chaired ITS and was a member of the Finance and Recreation Committees. 2014-2015 was also a busy year for Director Craig, as he was Vice Chair of the ITS and Recreation Committees and a member of the Recreation Committee. He also was served on the Policy Re-write Sub-Committee. Denis was a very busy person and participated actively whenever and where ever he was asked to participate.

Ron Kravitz represented Mutual 15 after his election in 2013. He chaired the Security Bus and

Traffic Committee and was a driving force developing policy 1921.1 which later was passed as policy 1925, regarding traffic rules and regulations in Leisure World. He was also a member of the Communications and Recreation Committees. In 2014-2015, he was a member of the ITS and the Library Committees. During this time, he also represented the Orange County Council on Aging at the Leisure World Health Care Center, Health Insurance Counseling and Advocacy Program.

INTRODUCTION OF NEWLY-ELECTED DIRECTORS

President Winkler then introduced the newly-elected directors of the Board: Richard Stone, Mutual One, Marjorie Doderer, Mutual Nine, Mary Ruth Greer, Mutual Eleven and Philip Friedman, Mutual Fifteen.

REPORTS

In accordance with Article V, Section 2, of the GRF By-Laws, the Annual Meeting of members is the time and place for receiving reports from chairpersons. President Winkler called on the committee chairs who reported on the activities of the past year:

THE 2015 ANNUAL REPORT OF THE COMMUNICATIONS COMMITTEE Respectfully Submitted by Tim Bolton, Chair

President Winkler, Board Members, Staff and Shareholders:

The Communications Committee has essentially been responsible for the Golden Rain News and other communication methods. We took some time this year to establish the basis for the web site; that was not something we were afraid to acknowledge. The website will be transferred over to the ITS committee and it is under their guidance that feel that we will be the closest to those who are accomplished to do the work.

We spent this year wrangling over content of letters to the editor. We tried to appropriately gear everything that everyone had to say but when it was presented to us, we were unable to and yet we went so far as to stop publication of letters to the editor for a six month period so that we could we flow back, re-route and decide what in the world are we going to do. The one thing we're trying to avoid is back and forth arguments and pretty soon names back and forth and pretty soon you don't have to identify a name because you know who it is chopping the argument this week or this month.

We want to get away from that as much as we possibly can, so in all its wisdom and the wisdom of the Policy Re-write Committee, chaired by Carole Damoci, new policies have been put into place that many I think you will find are repeats of policies that we've had in the past except this time we have put it into empirical writing, I hope, in a way that can be adhered to. In a few months we when we have the comment time and the real time, because we don't follow our policy, we'll have to see how that date brings accomplishments to us, or not. I am certainly trying to avoid having the newspaper used for the agenda of one, two, three or more people. That has been going on; it is taking advantage of people who aren't familiar with our past, it has provided an opportunity for people who would like to turn the populous head in one direction and ignoring those who really don't care to have it sent in another direction. I expect that in the next five or six months it's going

to be some unpleasant times because the people on the Communication Committee, along with the President and the Executive Director, are going to have to take a position and stand up – a two letter word for it: no. I hope that we stand on our higher and better ground and do the right kind of job in this situation. There has been an enormous lot of work done this past year in the Golden Rain News; you have seen it, you have commented on it, Doug Cox has been complimented for much of it and when there is the slightest reason for not complimenting or commenting, you may have seen him in the village stocks in the flag circle; sometimes he has to spend the whole day, sometimes its only half a day.

I have learned an awful lot this year. I hope one of the things that I and all of us have learned is that there are issues that come up that couldn't be satisfied for every person but we discovered we do the best that we can.

**THE 2015 ANNUAL REPORT
OF THE EXECUTIVE COMMITTEE
Respectfully Submitted by Carole Damoci, Chair**

President Winkler, Board Members, Staff and Shareholders:

I would like to start by thanking the members of the Executive Committee: Ronde Winkler, Mary Wood, Linda Stone, Perry Moore, Kathy Rapp and Barry Lukoff, Staff members Randy Ankeny, Carol Weller, Jody Hopkins, Courtney Knapp, Ruth Smith and Recording Secretary Deanna Bennett. This group put in a lot of hours making it a Committee that not only worked well together but also accomplished much.

We amended policy 5020, Organization of the Board, changed the structure of the EC, policy 5511, redefined who can contact the Corporate Attorney, rewrote the election material and approved a new Employee Handbook. The Committee wrote two much needed new policies on Calling a Special Board Meeting and Committee Structure and too much else to mention. See Randy's report.

We spawned two new standing committees, Mutual Administration and Architecture Design & Review and helped restructure the Security and Service Maintenance departments. We opened up the meetings for more participation from Shareholders and Directors alike, making this the most transparent Executive Committee ever.

We had four Sub-Committees this year with many asking questions of why so many? The success of each of them more than answers those questions.

The Policy Re-write Sub-Committee started off with just three members: Denis Craig, Paula Snowden, Linda Stone and myself. Soon Joy Reed, Barry Lukoff, John DeMarco, Kathy Rapp, Phil Hood and any other Director who wished to help were added. No policies were rewritten without at least eight directors participating. We amended over 40 policies that way and it worked very well. I hope this Sub-Committee starts back up in the new year because there's more work to do.

The Mutual Administration Committee will form a closer bond between the GRF and Mutual Boards. This Sub-Committee was aptly chaired by Kathy Rapp. The other members were Ronde Winkler,

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Linda Stone, Mary Wood, Joy Reed, Phil Hood, and Perry Moore. This group had all served on Mutual Boards with five of them being past Mutual Presidents. All of this group understood what was needed for this Committee to succeed. I'd also like to thank Staff members Carol Weller, Jody Hopkins, Courtney Knapp and Recording Secretary Tai Fulton. The new Standing Committee will have to work hard to match this group.

The Architecture Design & Review Sub-Committee will also become a Standing committee next year. Two months into this Sub-Committee, Joy Reed took over from Linda Stone as Chair. One very good Chair replaced by another. This group never held less than two meetings a month. It was a joy for me to serve as part of this group even if I don't care what color you paint the walls. Barry Lukoff, Kathy Rapp, Paula Snowden, Linda Stone, and Mary Wood rounded out the group, with staff member Mark Weaver and Recording Secretary Liz Lubin giving of their time.

The Emergency Preparedness Sub-Committee was also chaired by Kathy Rapp, a very busy lady. She was helped in this endeavor by Directors Barry Lukoff and Steve McGuigan and Resident Specialists Ann Pepper, Tim O'Neil, Geneva Popepan and Mike Clairmont and staff members Mark Weaver, Eloy Gomez, Jamie Guerrero and Grant Winford.

This year's group of GRF Directors were allowed to be much more involved than Directors of the past and they stepped up to the plate.

We had a good turnout of both Shareholders and Directors at every meeting this year. I want to thank them for attending and always having something to contribute.

I'd like to end the way I started, by thanking the members of the Executive Committee. I've taken a lot of praise this year for a very well run hard working Committee. The praise should be for the people listed above. They've made me look really good this year and for that I'm very thankful.

THE 2015 ANNUAL REPORT OF THE FINANCE COMMITTEE Respectfully Submitted by Linda Stone, Chair

President Winkler, Board Members, Staff and Shareholders:

The Finance Committee has purview over the functions of the Finance and Purchasing departments. The Finance department is comprised of the Controller Carolyn Miller, the Supervisor Barbara Schuler and eight support staff. The Purchasing department is led by Manager Julie Rodgers and three support staff. The Finance Committee had a very busy year with a long list of accomplishments achieved in over 35 meetings.

1. **Annual Budget:** Approved the 2015 Budget of \$11,087,698 resulting in virtually no increase to the shareholders. Included in the 2015 budget is a funding plan for both reserve and capital projects.
2. **Reserve Study:** A formal Reserve Study was conducted and approved this year and will be used as the basis for major repairs and replacements throughout the community. This 213 page document sets forth the estimated value of each Trust asset and its estimated useful life. It will be our road map going forward...the beginnings of a Master Plan.

3. **Jenark;** We are ending the year with a major software conversion to Jenark that was completed on January 1, 2015. The conversion process began early in 2014 and involved many departments throughout GRF. Staff worked diligently to convert membership and financial data from the existing system to the new system while maintaining the daily operations of the business. Since January 2015, correspondence and billings to GRF members has been generated more timely and has a new look containing more helpful information, as they are generated from our new system.
4. **Audit;** The Finance Committee also received and recommended to the GRF Board of Directors for approval the certified 2014 Financial unmodified statements prepared by the Finance Department and audited by the independent CPA firm NSBN LLP.
The Foundation is anticipating a surplus of operational funds upon the audit of the 2015 financials and in accordance with the Trust (Declaration of Trust, Exhibit B, Sec. 8.), the Golden Rain Foundation (GRF) may within in the "discretion" of the GRF Board of Directors, refund or credit the surplus operational funds (IRS Revenue Ruling 70-604.) Further, the Trust gives the GRF broad power to "accept additional funds or property" (Declaration of Trust, Art. VII, Sec. E.)
5. **Investment Sub-Committee;** The committee established an Investment Sub-Committee chaired by Mary Wood that developed a "ladder" series of CDAR investments to ensure adequate cash flow to the Foundation to earn the best yield on funds while remaining compliant with the California Civil Code.
6. **Audit Sub-Committee;** In the interests of due diligence, an Audit Sub-Committee chaired by Steve McGuigan sent request for proposal (RFP) letters to 14 audit firms on 3/30/15. The results will be analyzed and addressed at the meeting of the new Finance Committee in July.
7. **Contracts/Leases:**
 - a. The Resales Contract was reviewed and renewed through 2017 with additional service fees added to the contract.
 - b. The Mutual 17 Renters Lease was reviewed and reformatted which resulted in a new collection directive with the result of fees now being collected, up front, on a yearly basis and with new Lessee Membership Cards.
 - c. Superwire Contract was reviewed with past due revenue of \$4,519 collected from 2013 & 2014. A payment plan was established to address past due revenue of \$19,036 from 2009-2012. A new commitment was made to provide a quarterly report on current sales revenues to pay the contracted percentage to GRF.
8. **Policies;** As many policies were written over 30 years ago, the committee identified 12 policies having no current value. Accordingly, these policies were rescinded. The committee amended seven existing policies and adopted four new policies.
9. **Purchasing;** Additional controls were established to further safeguard shareholders' assets. Access to the Purchasing warehouse is now restricted to specific authorized personnel to better track outgoing inventory. The Purchasing staff has incorporated into their procedures more stringent research and cost negotiations which have netted savings of over \$10,000 in the last 6 months. Obsolete inventory was identified and sold back to the originating vendors for credit where applicable. Some interesting facts from the Purchasing department for 2014 include 2,500 purchase orders written and processed; 1,908 direct sales made at the Purchasing warehouse cash register, the largest single purchase amount being \$884.94 and the average ticket amount being

\$22.64. In the last year 16,224 rolls of toilet paper were purchased to accommodate all the public restrooms within the community.

10. **Insurance;** Approved the multiple insurance policies for property damage, liability and workers compensation coverage for over two million dollars;
11. **Mutual Self Insurance Fund (MSIF);** This fund cut off Mutual claims in March 2014 and final distribution was made in December of 2014.
12. **Fun Facts;** For the Finance department, 12,100 Edison payments were processed in-house. Annual property tax bills paid out for 2014 totaled \$8,744,743 of which \$1,719,655 were for supplemental tax bills. All property tax bills were paid from funds collected from shareholders' monthly assessments. In 2014, among the GRF and the 16 Mutual Corporations, the Finance department issued approximately 6,500 checks from 20 different checking accounts. The Finance department manages, on behalf of GRF and the Mutual Corporations, 81 separate money market accounts, certificates of deposit, and other types of investment accounts involving relationships with 15 different financial institutions. Activity of all 20 checking accounts is reviewed daily and all checking and investment accounts are reconciled monthly. Lastly, the Finance department processes month-end closing functions 17 times each month. And as of June 1st there are an additional 15 separate Mutual checking accounts to handle the Repair Deposits for each of the Mutuals that formerly were deposited in trust with the Foundation and signed by myself and Carole Damoci! Now each Mutual will sign their respective Repair Deposits.

I wish to express my genuine gratitude to the Finance Department, led by Controller Carolyn Miller, Marisa McAuley, our recording secretary and to the hard work of the Finance Committee - members were Vice Chair Denis Craig (past Finance Committee Chair), Carole Damoci, Mary Wood, Paula Snowden, Steve McGuigan and the late John DeMarco. Without all of them, none of this could have been accomplished.

**THE 2015 ANNUAL REPORT
OF THE INFORMATION TECHNOLOGY SYSTEM COMMITTEE
Respectfully Submitted by Denis Craig, Vice Chair**

President Winkler, Board Members, Staff and Shareholders:

As indicated, I'm reading this as the Vice Chair. The Chairman's duties were John DeMarco's and for the majority of this year, he served in this capacity and my hat off to him. The Committee members were John DeMarco, I, Denis Craig, Ron Kravitz, Stephen McGuigan, Perry Moore, Paula Snowden, and Linda Stone.

Here are some of the accomplishments of ITS during this past Board year; it's important to note that some of the incubation period for what we accomplished preceded this year; this foundation kept building on things, so this is what we were able to accomplish this year, some of it done over a very long period of time.

- Jenark Migration & CMMS Solutions Search – the Foundation migrated its accounting and resident database systems this past year. The new system, Jenark, replaced a ten year old software with a solution built specifically for this community management. New features were introduced streaming process and operational efficiencies, new electronic integrations

with third party services and a significant expansion in the Foundation's ability to digitally maintain resident and vendor data. Following the migration to Jenark is the search for a robust computerized maintenance management system. This will replace software used by the Service Maintenance and Purchasing departments. A concerted effort is underway involving key members within these departments as well as IT Services and the Finance department.

- GRF Records Digital Scanning – utilizing the services of a third-party scanning service, over one million GRF document records were scanned for electronic archiving. This effort created staff efficiency by providing instant accessibility to historical records, it also ensured the secure retention of permanent records. Two large storage rooms were cleared to allow for better utilization of GRF office space. The real count was 1,094,000 documents were scanned. The GRF and Mutual permanent documents are secure and we've cleared a lot of space.
- Library Patron and Print Management Upgrade – converted to an entirely new system introducing a more robust method in the management of patron computer usage: automated print services, with a coin-operated system and wireless mobile device integration. This migration also replaced titanium role system.
- Video Security Camera Expansion – the IT Services department, with the assistance of the Service Maintenance department, expanded upon the video security cameras installed throughout the community gates, clubhouses and GRF departments. A total of twenty-two cameras and four new servers were installed, increasing its overall system to sixty cameras and ninety servers; we've now learned, cameras are our friend.
- License Plate Recognition System - ITS and Service Maintenance installed a license plate recognition system utilized by the Security Department, expanding their options to protect the residents of our community. A total of eight video cameras and three servers were installed at the vehicle entry gates of the community.
- Microsoft Office 2013 Upgrade – IT Services began upgrading the Foundation's installation of Microsoft Office desktop applications which include Outlook, Word, Excel, and Powerpoint. Since the Foundation's first implementation of Office in 2004, eleven years ago, use of its applications have expanded, which can be utilized to an increasing demand of business communication via email and utilization of word and spreadsheet processing and the implementation of new technologies that integrate with Office applications. Departments are now in the processing of being upgraded to Office 2013.
- Library Catalog System – IT Services played a technical role in migration of the Leisure World Library Catalog system, migrating their database to a hosted solution.
- Credit Card Purchase Point Solutions – the Foundation experienced a successful implementation and positive returns with the credit card payment solution as it began accepting credit card payments for services. The Foundation began deployment of this payment solution in the News Department and it is expanding to the Physical Properties, Purchasing and Stock Transfer departments.
- SANS Audit – IT Services began efforts to secure the services of an independent company to provide an enterprise risk assessment of the Foundation's technology. The elected company will perform a systems administration network and security audit (SANS) to determine any possible exposure the Foundation may have and how best to appropriately manage risks to an acceptable level.
- Second Server System – IT Services began efforts to implement a disaster recovery system for the Foundation data and business server system. A secondary system will be installed to

ensure business continuity in the event the primary system fails.

- Server Room Modifications – IT Services and Service Maintenance are in the process of preparing a room for the installation of the second server system. This room, located on the second level of the Amphitheater, is constructed of masonry walls, connected to a diesel backup power generator. It will provide a centralized, secure location with existing backup power. The room is being modified with materials and equipment to conform to standard server room requirements.
- Server upgrades/additional storage APC UPS – ITS performed server upgrades to increase its main business service total memory and storage capacity. Additionally, the aged, uninterrupted power supply, UPS, a system that provides backup power to the main business services, was replaced. The new installations accommodate the Foundation's anticipated data growth and assure business servers have a robust backup power resource in situations where extended power outages are experienced.

**THE 2015 ANNUAL REPORT
OF THE LIBRARY COMMITTEE
Respectfully Submitted by Perry Moore, Chair**

President Winkler, Board Members, Staff and Shareholders:

The Library Committee had a productive term from June 2014 – June 2015 and I would like to thank the members of the committee, Library Operations Manager Vanessa Morris, Friends of the Library, and Recording Secretary Marisa McAuley for a job well done.

During the 2014-2015 term the Library Committee accomplished the following:

- The Library saw 54,751 Patrons
- Checked out 142,041 items
- Purchased 8 new computers for our residents to access
- In addition to new computers we updated our management software to allow self-serve options, including a reservation system and printing capabilities.
- Updated our Library software to include more online options for patrons, including online account information such as renewals, holds and history
- Rescinded Policies 2503-Literature, 2505-Hours of Operation, 2510-Limitations on Borrowing Materials, 2515 Schedule of Fines, Fees and Business Services, and 2525-Artwork Displays in Library Buildings
- Adopted Policy 2501-50, Patron Use. This adoption consolidates all the previous rescinded policies into one comprehensive policy for patron use of the Library.
- Library awarded "The Best of Seal Beach"- Libraries for second year in a row
- The Library received two generous donations

It has been a pleasure to serve on this Committee.

**THE 2015 ANNUAL REPORT
OF THE PHYSICAL PROPERTY COMMITTEE
Respectfully Submitted by Barry Lukoff, Chair**

President Winkler, Board Members, Staff and Shareholders:

The Physical Properties Department has completed a most ambitious year. The department was responsible for the implementation of many major GRF projects as well as the day to day tasks of service maintenance for the Mutuals.

Doing its primary functions, the department reviewed and issued 1060 Building Permits; completed over 1900 escrow related inspections and conducted over 4600 Fire/Safety/Health and Sanitation inspections.

The major projects this past year were:

- The painting and carpet replacement of Clubhouse Five
- The replacement of Perimeter Wall Sections R and A
- The installation of automatic bathroom doors in Clubhouse Three
- Landscape improvements on El Dorado Drive and Canoe Brook Drive
- Completion of paving on Golden Rain Road, Knollwood Road and Del Monte Drive
- The realignment of St. Andrews Drive and Tam O'Shanter Road
- Installation of a 3 way intersection at St Andrews and Interlachen Road
- The Lighted Pedestrian Crosswalk across St. Andrews Drive at the swimming pool
- Clubhouse One Roof replacement
- Exterior Painting of both the Security and Resales buildings as well as
- Upgrades to the Resales Office.
- Installation of the Automatic Pedestrian Gate at the Main Gate
- Remodel and refurbish both the Administration and Service Maintenance offices.
- Replacement of flooring at both the Downtown cafe and Friends of the
- Library restrooms as well as the Clubhouse 4 kitchen.
- Repaint the interior and refinish the Amphitheater Stage flooring and mechanics.
- The Trust Street Painting Project.
- And lastly, the renovation and restoration of the Globe at the Main Gate

During 2014-2015 the Service Maintenance Department has continued to stay exceptionally busy servicing the Shareholders of our community.

During this time frame, the office staff has generated more than 28,000 service orders.

The field technicians have continued with their broad range of daily service requests as well as completing multiple preventative maintenance orders.

Service Maintenance has also continued to inspect mutual plumbing lines in the attics along with the completion of the necessary repairs before small plumbing problems create unexpected emergency issues.

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At this time I would like to offer my sincere thanks to the people who made this year possible. Mark Weaver, whose institutional memory astounded me from the first day. Ruben Gonzalez who trained me in the workings of his department.

David Rudge, who kept me apprised of all the current goings on and was a source of humorous perspective during tough periods. Our Recording secretary Liz Smith who had the hardest of all jobs — keeping me restrained. Our GRF Officers President Ronde Winkler and Executive Director Randy Ankeny who gave me advice and counsel throughout the year.

I would also like to thank all the members of the Physical Properties Committee for all of their hard work. Perry Moore whose calm demeanor was a constant reminder of how I should behave. Mary Woods whose sound judgement made all the meetings go so very well. Kathy Rapp whose smile and enthusiasm were contagious. Linda Stone whose Finance Committee received funding request proposals from this committee by the last-minute truckload. And of course, the soft and gentle voice of Carole Damoci. Carole is one of the most quick-witted people I have ever met and a true policy wonk who keeps us all on the straight and narrow.

And, lastly, I'd like to thank someone who is not here, the late Mutual 2 director John DeMarco. I had an instant affinity with John. From the first time I met him he humorously said "don't worry....2 Chicagoans can handle anything." John was a visionary, someone who looked at all the small projects and saw how they became incorporated into the whole. It is to him that I dedicate the safety improvements in progress at the Health Care Center.

And, personally, I would like to tell you what a wonderful year this has been for me. I have learned so much from so many and it has been an honor to serve you. It is also a joy to live among you.

THE 2015 ANNUAL REPORT OF THE RECREATION COMMITTEE Respectfully Submitted by Kathy Rapp, Chair

The Recreation Committee had a productive year and I would like to thank the members of the committee and Terry De Leon, Sandy Downen, who retired in April, Liz Lubin, Bill Coleman and Kathy Thayer for a job well done. I also thank Carole Damoci and Larry Blake for the Amphitheater schedule for 2015, Larry Blake, Ronde Winkler, Linda Stone, Paula Snowden and Ellen Brannigan for their work on the Centennial Sub-Committee, Paula Snowden, Carole Damoci, Cathy Jensen and Darlene Boyce for their work on the Dog Park Sub-Committee, and Barry Lukoff, Paula Snowden, John DeMarco and John Harper for their work on the Swimming Pool Sub-Committee.

Concepts for the Dog Park and the Swimming Pool renovation were both passed by the GRF Board of Directors this year.

Projects completed this year include:

Clubhouse 1 lobby redesign with new T.V. and Cable, new BBQ and wind screen, new white boards for the shuffleboard courts.

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Clubhouse 2 purchase of a new lathe, 2 new microphone systems, community shredding days.

Clubhouse 3 purchase of 2 new microphone systems, interior painting and blinds.

Clubhouse 4 purchase of new conference room microphone system, new kitchen flooring, serviced kiln for ceramics room, popcorn at the Sunday movies (Thank you, Larry Blake and Paula Snowden!)

Clubhouse 5 got a new floor for the bath room by the Cafe.

Clubhouse 6 purchase of a new ballet barre, 1 portable microphone system, new blinds in the exercise room.

Swimming Pool purchase of a new hot pool cover, annual cleaning and maintenance.

Amphitheater rigging was serviced and updated, stage was refinished, walls painted and lighting was serviced.

Community events included planning for the 2015 Amphitheater season which will include one extra show, 3 Saturday shows and one Holiday show, Taco Tuesdays, Pizza Thursdays, City of Seal Beach Expo, Cinco de Mayo celebration and the long awaited Farmer's Market. Plans have also been made for a 4th of July celebration to include a BBQ, Car and Art show and band.

It has been a pleasure to serve on this Committee.

THE 2015 ANNUAL REPORT OF THE SECURITY, BUS & TRAFFIC COMMITTEE Respectfully Submitted by Kathy Rapp, Vice Chair

It has been an honor being the Chair of the Security, Bus, and Traffic Committee this year. I want to thank GRF President Ronde Winkler for appointing me Chair. It took courage in more ways than one. I would also like to thank Ms. Kathy Rapp, Vice Chair, for her assistance in helping me figure it out. My thanks to all the SBT Committee members, Mary Wood, Barry Lukoff, Tim Bolton, Lou Krieger, and Phil Hood. Without their support of this Committee, nothing would have been done. Thanks to the full Board of Directors for their work on passing SBT items.

Of course, nothing would have been done without the support and hard work of the following management and staff: Executive Director Randy Ankeny, Security Chief Jamie Guerrero, Facility Director Mark Weaver, Transportation Manager Grant Winford, Tai Fulton, Fara Quirin.

- The following are the highlights of the SBT Committee for the 2014-2015 term:
- The elimination of the \$1.00 dollar fee charged to Shareholders for lock-out services.
- The acquisition of body worn cameras for security patrol staff and Board approval

for a corresponding procedure.

- Worked to implement a cost savings measure to eliminate the need for uniform pant rentals for staff from a uniform contractor. Security staff now purchase their own pants.
- Received Board approval on GRF Policy 1925-37 –Traffic Rules and Regulations- Enforcement on Trust Property. The policy created a process that addresses repeat offenders of the Foundation's Policy 1920 – Vehicle and Pedestrian Code / Traffic Rules and Regulations.
- Worked on the transfer of Leisure World approved contractors from using the Main Gate over to the North Gate with the goal of reducing large commercial traffic at the Main Gate.
- Worked with the Human Resources Department to implement a tiered position reorganization of the Security Department. The change provided a structured career ladder process for staff and improved current job descriptions. In addition, a staff reduction plan was sent into motion with the goal of attaining a total staff number of 60 officers to provide a cost savings to the Foundation.
- The St. Andrews Gate closing time was extended to 10:00 p.m. to provide greater access to Shareholders who visit the shopping center businesses.
- A Digital Photograph Procedure was drafted and passed by the Board, which will provide the Foundation with greater protection from liability.
- Received Board approval for the acquisition of a second radar trailer for use in the community as a traffic calming device. The radar trailer will enhance the Foundation's traffic safety efforts.
- Emphasized safety at crosswalks by instituting flags to be used when crossing the streets at crosswalks.
- The formation of a sub committee to study and recommend a plan for outside transportation. The sub committee recommended a three month trial of a once a week bus to Denny's, Trader Joes, and the Market place at Westminster Blvd and PCH. This was approved by the Board to start in July.

One more thing. Thanks to all the Leisure World Shareholders. Without them there would be no Leisure World.

**PRESIDENT'S REPORT TO THE 2015
ANNUAL MEETING OF THE GRF MEMBERSHIP
Respectfully Submitted by Ronde Winkler, President**

Members of the Board, members of the GRF and shareholders:

Annual Meeting Minutes of the Board of Directors, 6.9.15

The Committee Chairs have just reported on this year's various accomplishments. Although there were many, there is no need to repeat them. However, there is one item I'd like to highlight, along with thanking a few people.

We are fortunate to live in a community where the decision-makers are the residents and where the volunteers are welcome to participate. I invite you to step forward and find a place in this community where your services are needed.

Serving as President of the Board this year was a privilege. I congratulate and thank Randy Ankeny on his second year as Executive Director; your professionalism and consistent drive to get the job done and for excellence has made this community a better place to live. I thank Deanna Bennett and Marisa McAuley for their expertise and assistance. Their job is to keep things as smooth as possible behind the scenes. I thank the managerial and supervisory staff for its dedicated service. Under the direction of very active Board Directors, they have not only worked very hard this year, they needed to spend many hours in meetings.

EXECUTIVE DIRECTOR'S COMMENTS TO THE 2014 ANNUAL MEETING OF THE GRF MEMBERSHIP Respectfully Submitted by Randy Ankeny, Executive Director

Madam President, Board of Directors, Members and Guests:

This is the time of year where we take a moment to evaluate our success over the past year and identify areas where we can improve. I'm happy to report that the community is running well and we have been working diligently to insure smooth and fully transparent operations of the Golden Rain Foundation (GRF). This is due to prudent efforts of the GRF Board, Mutuals' Boards and GRF Staff.

This annual report comes at a time of key transition for the Golden Rain Foundation with annual elections as the GRF staff and I wish to thank all GRF and Mutual Board members for their dedication to the community and the countless hours that each spend helping and supporting your fellow Shareholders. You will see, as you review this annual report, that during the 2014/15 governance year we have accomplished a large number of key initiatives proposed by the Board or initiated because of input from our Shareholders/Members. Concurrently, we have been spending a great deal of time working on the future of our community through a detailed Reserve Study, to ensure our assets will be well maintained with the required financial resources to serve our Shareholders/Members well in the long term.

The Golden Rain Foundation is financially healthy. You know this from your review of the 2014 year end financial statements and current tracking from printed reports. The auditing firm of NSBN issued an "unmodified" opinion for the 2014 audit. This is the standard of our accounting operations for which we strive.

- The audited books noted a positive budget variance of \$700,223.
- The excess income was refunded directly to the Mutual Corporations, on a pro rata basis. A refund was provided to the mutual on a pro-rata basis of \$105.96 per unit.
- Significant savings in Workers Compensation Insurance allowed a historic assessment reduction of \$3.15 per month for 2015.

Annual Meeting Minutes of the Board of Directors, 6.9.15

I hope you are reminded of our recent successes and are energized. For all GRF and Mutual Board members who have tirelessly committed time and energy to the success of our community, I thank you. For the many new Shareholders/Members of Leisure World Seal Beach, we welcome you.

*For each new morning with its light,
For rest and shelter of the night,
For health and food, for love and friends,
For everything Thy goodness sends.
~Ralph Waldo Emerson*

Thank you for allowing my staff and I to be part of your community and your lives. A copy of the Executive Director's full report is available, upon request, at the GRF BOD office.

BOARD MEMBER COMMENTS

Eleven Board members spoke on topics within the purview of the GRF BOD.

INSTALLATION OF NEWLY-ELECTED DIRECTORS

President Winkler announced that Mr. Stone, Ms. Dodero, Ms. Greer and Mr. Friedman were officially installed as Directors of the Golden Rain Foundation.

ADJOURNMENT

The meeting was adjourned at 3:33 p.m.

Mary Wood, Corporate Secretary
Board of Directors
/dfb

These are tentative minutes only, subject to the approval of the members of the Golden Rain Foundation.