



AGENDA
SPECIAL GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS MEETING
Clubhouse Four
Tuesday, May 30, 2017 – 1:00 p.m.

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Announcements
5. Shareholder/Member Comments

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

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

6. Old Business
 - a. **Final Vote:** Ratify Individual GRF Member Lease Agreement, for use of the Vehicles Used for Recreation Lot (pp. 1-10)
7. New Business
 - a. Trust Property Lease, Limited Use of Trust Property within the Vehicles Used for Recreation Lot (pp. 11-20)
 - b. CDAR Purchase (p. 21)
8. Adjournment



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

BOARD ACTION REQUEST

TO: GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS
FROM: GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS
SUBJECT: TRUST PROPERTY USE LEASE, **FINAL VOTE**
DATE: MAY 30, 2017
CC: FILE

Golden Rain Foundation (GRF) is the owner (In Trust) of the premises which consists generally of a 5.5.1-acre parcel of real property located at 13599 El Dorado Drive, Seal Beach, California, 90740; Tract No. 4401, MM/154/9-17, as recorded with the County of Orange, State of California (5.5 acres).

The primary use of the property identified has been for the storage of vehicles used for recreation, under Article VII, Section A, of the Trust, which states:

"...TRUSTEE shall have, in addition to all powers, rights and privileged provided by law for trustees, and all powers necessary to carry out the duties herein imposed on TRUSTEE, the further powers to grant, bargain, sell for cash or credit, convey exchange, lease for terms, either within or beyond the end of the trust, for any purpose...the Trust Estate or any part thereof in such a manner and such terms and conditions as the TRUSTEE deems advisable. In all such cases TRUSTEE shall have the sole discretion respecting such transactions..."

Per Article VII, Section A of the Trust, the GRF Board of Directors has the sole authority, over the use of Trust Property. Further, the GRF BOD must act in a manner which represents the mutual benefit of all members of GRF. As such, the BOD, in its authority, has deemed the best mutual use of the area identified as the 5.5 acres shall be for the general use of all GRF members, based upon available space, per the terms and conditions in the use of Trust Property, per the terms and conditions of the Lease Agreement attached (Exhibit A).

As the proposed lease agreement is considered an operational under Civ. Code §4340 and as provided for in Civil Code §4355(a), action by the BOD has been requested to adopt the proposed lease agreement and provide due notice per Civ. Code §4360(a).

At its meeting of April 25, 2017, the Board of Directors voted to tentatively amend this policy, pending a 30-day notice period to Foundation members. The policy draft was published in the April 27th edition on 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.

Seven written items of correspondence regarding amendment of Trust Property Use Lease have been received during the 30-day notification to the membership period.

I move to approve the proposed lease agreement between the GRF and individual members of the GRF for the use of the property commonly identified as the 5.5 acres.

This Lease Agreement is made June 1, 2017, between Golden Rain Foundation, a California Corporation (hereinafter referred to as "GRF"), 13531 St. Andrews Drive, Seal Beach, California 90740, and:

NAME: _____

ADDRESS: _____
Seal Beach, Ca. 90740 (hereinafter referred to as "LESSEE")

I. OPENING CLAUSES

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

- a) GRF is the owner (In Trust) of the premises which consists generally of a 5.5.1-acre parcel of real property located at 13599 El Dorado Drive, Seal Beach, California, 90740; Tract No. 4401, MM/154/9-17 as recorded with the County of Orange, State of California. LESSEE is willing to lease space _____ on these premises from GRF pursuant to the provisions stated in this Lease.
- b) The LESSEE wishes to lease the above portion of the premises for purposes of storing recreational vehicles, trailers and other vehicles.
- c) GRF and the LESSEE have examined the premises and are fully informed of its condition. LESSEE represents that, at the time of this Lease, the premises are in good order, repair, and in a safe and clean condition.

II. PREMISES

GRF leases to LESSEE and LESSEE leases from GRF (Space _____) located at 13599 El Dorado Drive, Seal Beach, California, 90740; Tract No. 4401, MM/154/9-17 as recorded with the County of Orange, State of California.

III. TERM

The term of this Lease shall be five (5) years commencing June 1, 2017 and ending May 31, 2021.

IV. ANNUAL LEASE AMOUNT, TAXES, EXPENSES

- a) LESSEE shall pay to GRF a minimum annual payment, without deductions, set off, prior notice or demand, the sum of: [check one]
 - 20 foot or less space: \$120.00 a year
 - 21 foot to 30 foot space: \$180.00 a year
 - 31 foot and above: \$240.00 a year

The first year's payment is payable ten (10) days after the contract is signed by both parties and the LESSEE is invoiced. Payment shall thereafter be made within ten (10) days of invoice on the first day of each yearly term, commencing on the date the term commences and continuing during the term.

- b) Lot Access Devices (Clickers) and Trust property gate key
 - i. Each LESSEE shall receive one (1), lot access clicker and one (1) gate key for a \$50 deposit.
 - ii. Upon end of term of lease and/or cancelation of the lease by the LESSEE, upon returning the clicker and key to GRF, LESSEE shall receive a refund within ten (10) days of the Deposit.
 - iii. Additional clicker and key (one allowed) will be provided for an additional \$50 deposit.
 - iv. Lost or damaged clickers or keys will be replaced for \$25, original deposit shall stand.
- c) All payments shall be paid to GRF at the address to which notices to GRF are given.
- d) GRF shall be responsible for all real property taxes and general and special assessments levied and assessed on the portion of the premises documented in Section I, Item 2 above.
 - i. In the event the County of Orange or the State of California increases the real property tax amount, or levies a general or special assessment on the portion of the premises documented in Section II, that amount will be paid by GRF and the annual lease payment due under this Lease for the subsequent year will increase by the amount equal to Lessee's pro rata share of the increase or assessment.

V. LIMITATIONS ON USE

- a) LESSEE shall use the premises for the storage and service of recreational vehicles, trailers and other vehicles registered and in operable condition. All vehicles must be owned by a GRF Member in good standing per the terms and conditions of the Trust Agreement, GRF Bylaws, Policies and Mutual Occupancy Agreement and may not be delinquent on any assessments or fines verified by the Stock Transfer office. LESSEE must be the principle user of the vehicle. All stored equipment will be legally licensed, insured and have a current, registered GRF decal. No vehicles shall have a PNO (planned non-operation) status. No other uses may be made of these premises without the consent of GRF.
- b) Membership in the RV Club is not a requirement for being able to lease a space in the lot.
- c) LESSEE's use of the premises as provided in this Lease shall be in accordance with the following:
 - i. LESSEE shall not do, bring or keep anything in or about the premises that will cause the cancellation of any insurance covering the premises, including storage

- of hazardous materials.
- ii. If the rate of any insurance carried by GRF is increased as a result of the LESSEE's use, LESSEE shall pay to GRF at least ten (10) days before the date GRF is obligated to pay a premium on the insurance within ten (10) days after GRF delivers to LESSEE a certified statement from GRF's insurance carrier stating that the rate increase was caused solely by an activity of LESSEE on the premises as permitted in this Lease, whichever date is later, the sum equal to the difference between the original premium and the increase in the premium.
- iii. LESSEE shall comply with all of the laws concerning the premises and LESSEE's use of the premises, including with limitation, the obligation at LESSEE's cost to alter, maintain or restore the premises in compliance and conformity with all laws relating to the condition, use, or occupancy of the premises during the term.
- iv. In case GRF receives a mandate from the Environmental Protection Agency, or any city, state, or federal agency regarding soil contamination and/or handling or processing of hazardous materials/waste, the parties hereby agree to amend any and all terms of this Lease Agreement without any cancellation notice required.
- v. LESSEE shall not use the premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to owners or occupants of adjacent property.
- vi. Security will provide stickers, which must be clearly posted on both ends of all vehicles parked on the premises. All vehicles owners must show proof of a valid GRF ID card, valid driver's license, liability insurance and vehicle registration (in GRF Member's name) to be eligible to lease a space in the lot.
- vii. LESSEE is required to keep the area surrounding the premises clean and free of clutter and debris at all times. All materials must be stored within the space or in an approved storage shed. All trash is to be placed in trash containers. No debris shall be tossed on the ground.
- viii. No hazardous materials are to be disposed of in the RV Storage Lot or anywhere on the premises.
- ix. LESSEE is not permitted to conduct any commercial enterprise on the premises.
- x. Maximum of 2 spaces can be assigned to any LWSB address.
- xi. LESSEE shall not allow any vehicles to be washed on the premises, except in the GRF wash facility.
- xii. RV's and all stored vehicles must be driven or towed out of the storage lot at least once a year.
- xiii. No living or cooking in the premises is permitted at any time.
- xiv. Vehicles will be kept in good running order with no flat tires. Lessee shall have 30 days to repair, fix or remove vehicle in need of repair from portions of the leased premises.
- xv. The premises is to be used for storage.
- xvi. Change of ownership on any vehicle does not guarantee a space in the premises. The new owner must request permission to enter into a new lease with GRF and he/she will move to the end of any waiting list.

VI. MAINTENANCE

LESSEE, at its cost, shall maintain in good condition, all portions of the leased premises, including without limitation, any personal property, and improvements of GRF currently located on the premises.

- a) LESSEE shall be liable for any damage to the premises resulting from the acts of omissions of LESSEE or its authorized representatives.
- b) GRF shall not have any responsibility to maintain the premises.
- c) LESSEE shall not make any alterations to the premises without GRF's written consent. Any alterations made shall remain on and be surrendered with the premises on expiration of termination of the term, except that GRF can elect within six (6) months before expiration of the term, to require LESSEE to remove any alteration that LESSEE has made to the premises. If GRF so elects, LESSEE, at its cost, shall restore the premises to the condition designated by GRF in its election before the last day of the term.
- d) If LESSEE makes any alterations to the premises as provided in this Section, the alterations shall not be commenced until seven (7) days after GRF has received written notice from LESSEE stating the date that the installation of the alterations is to commence so that GRF can post and record an appropriate notice of non-responsibility.

VII. MECHANIC'S LIENS

LESSEE shall pay all costs for construction done by it or caused to be done by it on the premises as permitted by this Lease. LESSEE shall keep the premises, including improvements and land in which the premises are a part, free and clear of all mechanic's liens resulting from construction done by or for the LESSEE. LESSEE shall have the right to contest the correctness or the validity of any such lien, if immediately on demand by GRF, LESSEE procures and records a lien release bond issued by a corporation authorized to issue surety bonds in California in an amount equal to one and one-half (1-1/2) times the amount of the claim of lien.

The bond shall meet the requirements of Civil Code Section 3143 shall provide for the payment of any sum that the claimant may recover on the claim, together with costs of suit, if it recovers in the action.

VIII. UTILITIES AND SERVICES

- a) LESSEE shall make all arrangements for and pay for all utilities and services furnished to or used by LESSEE, including without limitation, sewer and telephone service, except for those utilities and services GRF is to furnish to the premises as set forth in the following paragraph.
- b) GRF shall furnish electricity, water and trash service for the premises.
- c) GRF shall not be liable for failure to furnish water to the premises when the failure results from causes beyond GRF's reasonable control, but in case of the failure, GRF will take all reasonable steps to restore the interrupted water services.

IX. INDEMNITY AND EXCULPATION, INSURANCE

- a) GRF shall not be liable to LESSEE for any damages to LESSEE or LESSEE'S property from any cause. LESSEE waives all claims against GRF for damage to person or property arising for any reason, except that GRF shall be liable to LESSEE for damage resulting from the negligent acts or omissions of GRF or its authorized representatives.
- b) LESSEE shall indemnify, defend and hold GRF and its agents, authorized representative, directors, officers and employees harmless from all claims, damages, lawsuits, debts and reasonable attorney fees and costs arising out of any such damage.
- c) LESSEE shall pay the premiums for maintaining any insurance required by this Lease.
- d) Any LESSEE activity which requires special insurance not specifically mentioned herein will be maintained by LESSEE. Proof of such insurance shall be provided annually to GRF.

X. ASSIGNMENT

- a) LESSEE shall not voluntarily assign or encumber its interest in this Lease or in the premises, or sublease all or part of the premises, or allow any person or entity to occupy or use all or any part of the premises, without first obtaining GRF's consent. Any assignment, encumbrance, or sublease with GRF's consent shall be voidable and, at GRF's election, shall constitute a default. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this paragraph.
- b) No interest of LESSEE in this Lease shall be assignable by operation of law. Each of the following acts shall be considered an involuntary assignment:
 - i. If LESSEE is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the bankruptcy act in which LESSEE is the bankrupt.
 - ii. If a writ of attachment or execution is levied on this Lease.
 - iii. If, in any proceeding or action in which LESSEE is a party, a Receiver is appointed with authority to take possession of the property.
- c) An involuntary assignment shall constitute a default by LESSEE and GRF shall have the right to elect to terminate this Lease, in which case the Lease shall not be treated as an asset of LESSEE.

XI. DEFAULT

- a) The occurrence of any of the following shall constitute a default by LESSEE:
 - i. Failure to pay monies when due;
 - ii. Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after notice has been given to LESSEE. If a default cannot reasonably be cured within thirty (30) days, LESSEE shall not be in default of this Lease if LESSEE commences to cure the default within the 30-day

period and diligently and in good faith continues to cure the default.

- b) Notice, as given under this paragraph, shall specify the alleged default in the applicable Lease provisions, and shall demand that LESSEE perform the provisions of this Lease or pay the monies that is in arrears, as the case may be, within the applicable period of time, or quit the premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless GRF so elects in the Notice.
- c) GRF shall have the following remedies if LESSEE commits a default These remedies are not exclusive; they are cumulative in. addition to any remedies now or later allowed by law:
 - i. GRF can terminate LESSEE's rightful possession of the premises at any time with thirty (30) days' notice. No act by GRF, other than giving notice to LESSEE, shall terminate this Lease. Acts of maintenance, efforts to re-let the premises, or the appointment of a Receiver on GRF's initiative to protect GRF's interest under this Lease shall not constitute termination of LESSEE's right to possession. On termination. GRF has the right to recover from LESSEE:
 - 1. The worth, at the time of the award of the unpaid monies that had been earned at the time of termination of this Lease;
 - 2. The worth, at the time of the award of the amount by which the unpaid monies that would have been earned after the date of termination of this Lease, until the time of award exceeds the amount of the loss of monies that LESSEE proves could have been reasonably avoided;
 - 3. The worth, at the time of the award of the amount by which the unpaid monies for the balance of the term after the time of award exceeds the amount of the loss of monies that LESSEE provides could have been reasonably avoided; and
 - 4. Any other amount and court costs necessary to compensate GRF for all detriment proximately caused by LESSEE's default.
- d) GRF, at any time after LESSEE commits a default, can cure the default at LESSEE's cost. If GRF, at any time by reason of LESSEE's default, pays any sum or does any act that requires the payment of any sum, the sum paid by GRF shall be due immediately from LESSEE to GRF at the time the sum is paid and, if paid at a later date, shall bear interest at the rate of 5 percent (5%) per annum from the date the sum is paid.

XII. RIGHT OF ENTRY

GRF and its authorized representatives shall have the right to enter the premises at all reasonable times for any of the following purposes:

- a) GRF staff may perform a monthly check of the premises and vehicle conditions to determine whether the premises are in a good and safe condition and whether LESSEE is complying with its obligations under the Lease;
- b) To build, construct, and perform any necessary maintenance on a wall or fence which may be erected by GRF around the outside perimeter of the premises;
- c) To serve, post, or keep posted, any notices required or allowed under the provisions of this Lease; and

- d) To perform any necessary repairs, maintenance or to maintain water service as agreed by GRF hereinabove.

XIII. NOTICE

Any notice, demand, request, consent, approval, or communication that either party desires, or is required to give to the other party or any other person, shall be in writing and either served personally or sent by first class mail. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party, shall be addressed to the other party at the address set forth in the introductory paragraph of this Lease. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing as provided in this paragraph.

XIV. WAIVER

- a) No delay or omission in the exercise of any right or remedy of GRF on any default by LESSEE shall impair such a right or remedy or be construed as a waiver.
- b) GRF's consent to, or approval of any act by LESSEE requiring GRF's consent or approval, shall not be deemed to waive or render unnecessary GRF's consent to or approval of any subsequent act by LESSEE.
- c) Any waiver by GRF or any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

XV. ATTORNEYS' FEES

If either Party commences an action against the other party arising out of, or in connection with this Lease, the prevailing party shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

XVI. MISCELLANEOUS

- a) Entire Agreement. This Lease Agreement sets forth the entire agreement of the parties with respect to the subject matter of this Lease Agreement and supersedes all prior agreements or understandings with respect to the subject matter of this Lease Agreement, whether written or oral. There are no representations, warranties, or agreements by or between the parties that are not fully set forth in this Lease Agreement, and no representative of GRF or its agents is authorized to make any representations, warranties, or agreements other than as expressly set forth in this Lease Agreement. This Lease Agreement may only be amended by a writing signed by the parties.
- b) Construction. This Lease Agreement shall be governed and construed in accordance with the laws of the State of California. Whenever possible, each provision of this Lease Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Lease Agreement shall be invalid or prohibited under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the

remaining provisions of this Lease Agreement.

- c) **Modifications and Counterparts.** This Lease Agreement may not be amended or modified except by way of a writing signed by all parties to this Lease Agreement. This Lease Agreement may be signed in one or more counterparts, each of which shall be deemed an original and shall be effective when all parties have executed a counterpart. Signatures on this Lease Agreement transmitted electronically shall have the same force and effect as original signatures.
- d) **Authority To Enter Agreement.** This Lease Agreement is the result of arms-length negotiations. Each signatory to this Lease Agreement represents and warrants to the others that he or she has full authority and is duly and fully authorized to execute this Lease Agreement.

GOLDEN RAIN FOUNDATION

LESSEE

By: _____
GRF President

By: _____

Date: _____

Date: _____



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

MEMO

TO: BOARD OF DIRECTORS
FROM: RANDY ANKENY, EXECUTIVE DIRECTOR
SUBJECT: TRUST PROPERTY USE LEASE, LIMITED USE OF A PORTION OF THE VEHICLES USED FOR RECREATION, STORAGE LOT WITH THE LEISURE WORLD TRAILER CLUB
DATE: MAY 22, 2017
CC: FILE

GRF is the owner (In Trust) of the premises which consists generally of a 5.5.1-acre parcel of real property located at 13599 El Dorado Drive, Seal Beach, California, 90740; Tract No. 4401, MM/154/9-17 as recorded with the County of Orange, State of California (5.5 acres).

The primary use of the property identified has been for the storage of vehicles used for recreation, under Article VII, Section A, of the Trust, which states:

"...TRUSTEE shall have in addition to all powers, rights and privileges provided by law for trustees, and all powers necessary to carry out the duties herein imposed on TRUSTEE, the further powers to grant, bargain, sell for cash or credit, convey exchange, lease for terms, either within or beyond the end of the trust, for any purpose...the Trust Estate or any part thereof in such a manner and such terms and conditions as the TRUSTEE deems advisable. In all such cases TRUSTEE shall have the sole discretion respecting such transactions..."

Per Article VII, Section A of the Trust, the GRF Board has the sole authority, over the use Trust Property. Further the GRF Board must act in a manner which represents the mutual benefit of all members of GRF. As such the Board in its authority has deemed the best mutual use of the area identified as the 5.5 acres.

In as much as the 5.5 acres is used for the storage of vehicles used for recreation, the GRF Board duly moved and approved the following motion at its April 25, 2017 meeting:

Mr. McGuigan MOVED, seconded by Ms. Snowden –

TO conceptually approve a lease agreement between the Golden Rain Foundation and the RV Trailer Club, for the limited use of Trust Property to be identified within a section of the 5.5 acres of Trust Property, per terms and conditions to be determined in the amount of \$1.00 per year.

Nine Directors spoke on the motion.

The motion was carried with one abstention (Winkler) and one recusal (R. Stone).

The proposed lease agreement between GRF and the Leisure World Trailer Club (LWTC) grants a nominal amount of space with the 5.5 acres, approximately ----- square feet which includes, storage building, general use area, and 2 assigned stalls.

I move to approve a lease agreement between the Golden Rain Foundation and the Leisure World Trailer Club, a California Corporation, for the limited use of Trust Property under terms and conditions of the attached lease agreement (Exhibit A) and authorize the President to sign the agreement.

LEASE AGREEMENT GOLDEN RAIN FOUNDATION AND LEISURE WORLD TRAILER CLUB

This Lease Agreement (also referred to herein as "Lease" "Agreement" or "Lease Agreement") is made June 1, 2017, between Golden Rain Foundation, a California Corporation (hereinafter referred to as "GRF"), 13531 St. Andrews Drive, Seal Beach, California 90740, and Leisure World Trailer Club, a California Corporation (hereinafter referred to as "CLUB"), 13599 El Dorado Drive, Seal Beach, California, 90740, who agree as follows:

I. OPENING CLAUSES

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

- a) The original Lease Agreement between GRF and CLUB was entered into July 1, 1981, and last renewed January 1, 2012, which agreement is hereby terminated and superseded by this Lease Agreement.
- b) GRF is the owner (In Trust) of the premises which consists generally of a 5.5.1-acre parcel of real property located at 13599 El Dorado Drive, Seal Beach, California, 90740; Tract No. 4401, MM/154/9-17 as recorded with the County of Orange, State of California. CLUB is willing to lease a portion of these premises consisting of the northerly 4.67 acres from GRF pursuant to the provisions stated in this Lease (referred to herein as the "premises" unless the context indicates otherwise).
- c) CLUB wishes to lease a nominal portion as identified within and per terms and conditions of this agreement for the sole purpose of conducting approved Club functions.
- d) GRF and CLUB have examined the portion of Trust property assigned to this agreement and are fully informed of its condition.

II. PREMISES

GRF leases to CLUB and CLUB leases from GRF a portion of Trust property located at 13599 El Dorado Drive, Seal Beach, California, 90740; Tract No. 4401, MM/154/9-17 as recorded with the County of Orange, State of California, identified as: ~~need descriptive~~

Note: during the term of the agreement the assigned area WILL be revised as necessitated by the replacement of the wall adjacent to the assigned area

III. TERM

The term of this Lease shall be one (1) year commencing June 1, 2017 and ending May 31, 2018, or sooner as provided in this Lease Agreement.

IV. ANNUAL LEASE AMOUNT, TAXES, EXPENSES

- a) CLUB shall pay to GRF a minimum annual payment, without deductions, set off, prior notice or demand, the sum of one dollar (\$1.00) payable ten (10) days after this lease

is signed and the CLUB is invoiced.

- b) All payments shall be paid to GRF at the address to which notices to GRF are given.
- c) GRF will pay all real property taxes and general and special assessments levied and assessed on the portion of the premises documented in Section I, Item (b) above.
 - i. In the event the County of Orange or the State of California increases the real property tax amount, or levies a general or special assessment on the portion of the premises documented in Section I, Item (b), that amount will be paid by GRF and the annual payment for the subsequent year will increase by the amount equal to the increase or assessment.

V. LIMITATIONS ON USE

- a) CLUB shall use the premises for -----need description here ----- No other uses may be made of these premises without the prior written consent of GRF.
- b) CLUB's use of the premises as provided in this Lease shall be in accordance with the following requirements:
 - i. CLUB shall not do, bring or keep anything in or about the premises that will result in the violation of any law and/or cause the cancellation of any insurance covering the premises, including storage of hazardous materials.
 - iii. CLUB shall comply with all of the laws concerning the premises or CLUB's use of the premises, including with limitation, the obligation of the Club to be complaint with all established GRF policies.
 - iv. In case GRF receives a mandate from the Environmental Protection Agency, or any city, state, or federal agency regarding soil contamination and/or handling or processing of hazardous materials/waste in the area assigned to the Club, the parties hereby agree to agree to cancel this Lease Agreement without any cancellation notice required. Further the Club will be solely responsible for the removal of all Clubs property and any and all fees related to clean up and/or remediation of hazardous materials.
 - v. CLUB shall not use the premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to owners or occupants of adjacent property. CLUB shall, at all times during the term of this Lease and at its own cost and expense, repair, replace, and maintain in a good, safe, and substantial condition the assigned portion of Trust property and amenities within the assigned area and any improvements thereon and shall use all reasonable precaution to prevent waste, damage, or injury to the assigned Trust property.
 - vi. Any Club vehicles and/or trailers sheds etc, must have GRF Security provided stickers to show proof of registration of the vehicles/trailers using the assigned proportion of Trust property. Club must show proof of a valid driver's license, liability insurance and vehicle registration
 - vii. Club shall keep the assigned area clean and free of clutter at all times. All materials must be stored within the assigned area. All trash must be placed in trash containers. No debris shall be tossed or left on the ground.
 - viii. No hazardous materials shall be maintained, stored, or disposed of in the assigned area.
 - ix. Club and its members shall not conduct commercial enterprise on the premises.

- x. CLUB may adopt rules for the assigned area, but such rules must be consistent with and must not contradict this agreement. All rules and any changes must be on file in the Recreation Department.
- xi. No sleeping, living, or cooking in the assigned area at any time.
- xii. Only members of GRF can be club members per Recreation policy.

VI. MAINTENANCE

CLUB, at its cost, shall maintain in good condition, all portions of the assigned area, including without limitation, any personal property, and improvements of GRF currently located on the premises.

- a) CLUB shall be liable for any damage to the premises resulting from the acts of omissions of CLUB or its authorized representatives.
- b) GRF shall not have any responsibility to maintain the assigned area.
- c) CLUB shall not make any alterations to the assigned area without GRF's written consent. Any alterations made shall remain on and be surrendered with the assigned area on expiration or termination of the term, except that GRF can elect within six (6) months before expiration of the term, to require CLUB to remove any alteration that CLUB has made to the assigned area. If GRF so elects, CLUB, at its cost, shall restore the assigned area to the condition designated by GRF in its election before the last day of the term.
- d) If CLUB makes any alterations to the assigned area as provided in this paragraph, the alterations shall not be commenced until thirty (30) days after GRF has received notice from CLUB stating the date that the installation of the alterations is to commence so that GRF can post and record an appropriate notice of non-responsibility.

VII. MECHANIC'S LIENS

CLUB shall pay all costs for construction done by it or caused to be done by it on the assigned area as permitted by this Lease. CLUB shall keep the assigned area, including improvements and land in which the assigned area are a part, free and clear of all mechanic's liens resulting from construction done by or for the CLUB. CLUB shall have the right to contest the correctness or the validity of any such lien, if immediately on demand by GRF, CLUB procures and records a lien release bond issued by a corporation authorized to issue surety bonds in California in an amount equal to one and one-half (1-1/2) times the amount of the claim of lien.

The bond shall meet the requirements of Civil Code Section 8424 shall provide for the payment of any sum that the claimant may recover on the claim, together with costs of suit, if it recovers in the action.

VIII. UTILITIES AND SERVICES

- a) CLUB shall make all arrangements for and pay for all utilities and services furnished to

or used by CLUB, including without limitation, gas, telephone service, except for those utilities and services GRF is to furnish to the assigned area as set forth in the following paragraph.

- b) GRF shall pay for electricity, water and trash collection charges. DOES NOT INCLUDE DISPOSAL OF ANY MATERIALS LABELED AND OR IDENTIFIED AS HAZARDOUS WASTE.
- c) All applications and connections for necessary utility services (excepting trash and electricity) on the premises shall be made in the name of CLUB only. CLUB shall be solely liable for utility charges as they become due, including, but not limited to, those for sewer and telephone services.
- d) GRF shall not be liable for failure to furnish water to the premises when the failure results from causes beyond GRF's reasonable control, but in case of the failure, GRF will take all reasonable steps to restore the interrupted water services.

IX. INDEMNITY AND EXCULPATION, INSURANCE

- a) To the maximum extent permitted by law, GRF shall not be liable to Club for any damages to Club's or Club's property from any cause whatsoever, including without limitation, collision, fire, vandalism, or theft. Club waives, releases and forever discharges all claims against GRF for damage to person or property arising for any reason, except that GRF shall be liable to Club for damage resulting from the acts or omissions of GRF or its authorized representatives.
- b) To the maximum extent permitted by law, Club shall indemnify, defend and hold GRF and its agents, authorized representative, directors, officers and employees harmless from all claims, damages, lawsuits, debts and reasonable attorney fees and costs arising out of or relating to Club's use of the premises, including without limitation, any injury to persons or damage to property.
- c) Club shall pay the premiums for maintaining any insurance required by this Lease.
- d) Club shall maintain liability insurance covering Club property located on the assigned area (including any towing vehicle used for delivery or removal of a trailer), with limits of not less than [\$100,000] for bodily injury and property damage.
- e) Any Club activity which requires special insurance not specifically mentioned herein will be maintained by Club. Proof of such insurance shall be provided annually to GRF.

X. ASSIGNMENT

- a) CLUB shall not voluntarily assign or encumber its interest in this Lease or in the assigned area, or sublease all or part of the assigned area, or allow any person or entity to occupy or use all or any part of the assigned area, without first obtaining GRF's written consent. Any assignment, encumbrance, or sublease with GRF's consent shall be voidable and, at GRF's election, shall constitute a default. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this paragraph.
- b) Any dissolution, merger, consolidation or other reorganization of CLUB; or the sale or

any other transfer of the controlling percentage of the capital stock of CLUB, or the sale of fifty-one percent (51%) of the value of the assets of CLUB, shall be deemed an involuntary assignment and shall constitute a default by CLUB and GRF shall have the right to elect to terminate this Lease, in which case the Lease shall not be treated as an asset of CLUB.

- c) No interest of CLUB in this Lease shall be assignable by operation of law. Each of the following acts shall be considered an involuntary assignment:
 - i. If CLUB is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the bankruptcy act in which CLUB is the bankrupt.
 - ii. If a writ of attachment or execution is levied on this Lease.
 - iii. If, in any proceeding or action in which CLUB is a party, a Receiver is appointed with authority to take possession of the property.
- d) An involuntary assignment shall constitute a default by CLUB and GRF shall have the right to elect to terminate this Lease, in which case the Lease shall not be treated as an asset of CLUB.
- e) Club understands and agrees that this lease does not convey any interest in the assigned area itself, and the Club here waives any and all notices to quit, and agrees to surrender the space at the expiration or termination of this lease, without any notice whatsoever. To the maximum extent permitted by law, Club waives the benefit of all stay or execution laws, including those in connection with bankruptcy or insolvency.

XI. DEFAULT

- a) The occurrence of any of the following shall constitute a default by CLUB:
 - i. Failure to pay monies when due;
 - ii. Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after notice has been given to CLUB. If a default cannot reasonably be cured within thirty (30) days, CLUB shall not be in default of this Lease if CLUB commences to cure the default within the 30-day period and diligently and in good faith continues to cure the default.
 - iii. If CLUB assigns or attempts to assign or transfer its interests as prohibited under Article X of this Lease Agreement.
- b) In the event of default as set forth in subparagraph (a) of this Section, GRF shall have the right to cancel and terminate this Lease Agreement, as well as all of the right, title, and interest of CLUB under this Lease Agreement, by giving to CLUB not less than thirty (30) days' notice of the cancellation and termination of this Lease Agreement.
- c) GRF shall have the following remedies if CLUB commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law:
 - i. GRF can terminate CLUB's rightful possession of the assigned area at any time

with thirty (30) days' notice. No act by GRF, other than giving notice to CLUB, shall terminate this Lease. Acts of maintenance, efforts to re-let the premises, or the appointment of a Receiver on GRF's initiative to protect GRF's interest under this Lease shall not constitute termination of CLUB's right to possession. On termination, GRF has the right to recover from CLUB:

XII. RIGHT OF ENTRY

GRF and its authorized representatives shall have the right to enter the assigned area at all reasonable times for any of the following purposes:

- a) To inspect the premises. GRF staff will do a monthly check of premises and vehicle conditions to determine whether the premises are in a good and safe condition and whether CLUB is complying with its obligations under the Lease;
- b) To make repairs that CLUB may neglect or refuse to make in accordance with the provisions of this Lease Agreement;
- c) To build, construct, and perform any necessary maintenance on a wall or fence which may be erected by GRF around the outside perimeter of the premises NOTE: GRF will be replacing a section of perimeter wall adjacent to the assigned area, 30 days' notice will be supplied to the Club, including action required by the Club in the construction of the wall;
- d) To serve, post, or keep posted, any notices required or allowed under the provisions of this Lease;
- e) To do any necessary maintenance or maintain water service as agreed by GRF hereinabove;
- f) GRF Security shall have the right to enter the assigned area at all times.

XIII. NOTICE

Any notice, demand, request, consent, approval, or communication that either party desires, or is required to give to the other party or any other person, shall be in writing and either served personally or sent by first class mail. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party, shall be addressed to the other party at the address set forth in the introductory paragraph of this Lease. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing as provided in this paragraph.

XIV. WAIVER

- a) No breach of any provision hereof can be waived unless it is done in writing. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or other provisions hereof.

XV. ATTORNEYS' FEES

- a) The prevailing party in any action or proceeding (including without limitation arbitration)

to enforce this Lease Agreement shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in the prosecution or defense of the action or proceeding

XVI. MISCELLANEOUS PROVISIONS

A. Representations. At the commencement of the term, CLUB shall accept the assigned area and improvements and any equipment in their existing condition and state of repair, and CLUB agrees that no representations, statements, or warranties, express or implied, have been made by or on behalf of lessor in respect to the buildings, improvements, and equipment, except as contained in the provisions of this Lease Agreement. GRF shall in no event be liable for any latent defects.

B. Entire Agreement. This Lease Agreement sets forth the entire agreement of the parties with respect to the subject matter of this Lease Agreement and supersedes all prior agreements or understandings with respect to the subject matter of this Lease Agreement, whether written or oral. There are no representations, warranties, or agreements by or between the parties that are not fully set forth in this Lease Agreement, and no representative of GRF or its agents is authorized to make any representations, warranties, or agreements other than as expressly set forth in this Lease Agreement. This Lease Agreement may only be amended by a writing signed by the parties.

C. Construction. This Lease Agreement shall be governed and construed in accordance with the laws of the State of California. Whenever possible, each provision of this Lease Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Lease Agreement shall be invalid or prohibited under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Lease Agreement.

D. Modifications and Counterparts. This Lease Agreement may not be amended or modified except by way of a writing signed by all parties to this Lease Agreement. This Lease Agreement may be signed in one or more counterparts, each of which shall be deemed an original and shall be effective when all parties have executed a counterpart. Signatures on this Lease Agreement transmitted by facsimile shall have the same force and effect as original signatures.

E. Authority To Enter Agreement. This Lease Agreement is the result of arms-length negotiations. Each signatory to this Lease Agreement represents and warrants to the others that he or she has full authority and is duly and fully authorized to execute this Lease Agreement.

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Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

BOARD ACTION REQUEST

TO: GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS
FROM: FINANCE COMMITTEE
SUBJECT: CDAR PURCHASE
DATE: MAY 16, 2017
CC: FILE

At the regular scheduled meeting of the Finance Committee on May 16, 2017, the members discussed the liquid funds held in various financial institutions and noted the balances in some of the financial institutions exceed the FDIC insurance limits and therefore are not in compliance with Policy 5520-31 – Reserves. When reviewing liquid funds, the committee took into consideration the additional liquidity gained from investment maturities in June as well.

Based on the amount of liquid reserve funds versus total reserve commitments, the committee passed a motion to recommend to the board to invest for May, \$1,000,000 and for June \$500,000 from the First Foundation Bank Money Market Reserve account and from proceeds of maturing CDARs (Reserve funds) in 52-week CDARs which will be fully insured by the FDIC. Remaining liquid reserve funds will be sufficient to fulfill current and future commitments.

MOTION:

To continue the investment ladder by investing for May, \$1,000,000 and for June \$500,000 from the First Foundation Bank Money Market Reserve account and from proceeds of maturing CDARs (Reserve funds) in 52-week CDARs @ .45% which will be fully insured by the FDIC.