



Board of Directors

Agenda

Clubhouse Four

Tuesday, December 18, 2018

10:00 a.m.

- 1) Call to Order/Pledge of Allegiance
- 2) Roll Call
- 3) President's Comments
- 4) Announcements/Service Awards/Staff Commendation
- 5) Seal Beach City Council Member's Update
- 6) Shareholder/Member Comments

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

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

- 7) Consent Calendar (pp. 1-2)
 - a) Minutes of the Mutual Administration Committee Board Meeting of October 8, 2018
 - b) Minutes of the Recreation Committee Board Meeting of November 5, 2018
 - c) Minutes of the Physical Property Committee Board Meeting of November 7, 2018
 - d) Minutes of the Executive Committee Board Meeting of November 9, 2018
 - e) Minutes of the Security, Bus & Traffic Committee Board Meeting of November 14, 2018
- 8) Approval of Minutes
 - a) November 27, 2018 (pp. 3-16)
- 9) Reports
 - a) Facilities and Amenities Review (FAR) Ad hoc Committee
 - b) Management Services Review Ad hoc Committee

10) New Business

a) General

- i) Committee Appointment (Ms. Stone, pp. 17-18)

b) Architectural Design and Review Committee

- i) Capital Funding Request – Landscape Replacement, Medical Building (Ms. Heinrichs, pp. 19-24)

c) Executive Committee

- i) Approve Workers' Compensation Policy Renewal (Mr. Lukoff, pp. 25-26)
- ii) Approve Uniform Contract (Mrs. Perrotti, pp. 27-28)

d) Finance Committee

- i) Accept November Financial Statements (Ms. Winkler, pp. 29-34)
- ii) Approve Liquid Reserve Funds Transfer Request (Mr. Lukoff, pp. 35-36)
- iii) Approve CD Purchase (Mr. Lukoff, pp. 37-38)
- iv) Approve Exclusive Use of Trust Property Lease Amendment (Ms. Hopewell, pp. 39-40):

- 1. Friends of the Library
- 2. Genealogy Club
- 3. Golden Age Foundation
- 4. Historical Society
- 5. Radio Club
- 6. Theater Club
- 7. Video Producers Club

- v) **FINAL VOTE:** Amend Policy 5061-31, Fees (Ms. Rapp, pp. 41-46)

e) Mutual Administration Committee

- i) **FINAL VOTE:** Amend Policy 1201-33, GRF Identification Cards (Ms. Hopewell, pp. 47-50)

f) Physical Property Committee

- i) Capital Funding Request – Building Improvements (Medical Building) and Concrete Replacement (Medical Building and Building Five) (Ms. Gerber, pp. 51-56)

11) Staff Reports

Director of Finance's Report – Ms. Miller

Executive Director's Report – Mr. Ankeny

12) Board Member Comments

13) Next Meeting/Adjournment

GRF Board of Directors meeting, Tuesday, January 29, **6 p.m.**, Clubhouse Four

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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 November 2018 Committee meetings:

- Minutes of the Mutual Administration Committee Meeting of October 8, 2018
- Minutes of the Recreation Committee Board Meeting of November 5, 2018
- Minutes of the Physical Property Committee Board Meeting of November 7, 2018
- Minutes of the Executive Committee Board Meeting of November 9, 2018
- Minutes of the Security, Bus & Traffic Committee Board Meeting of November 14, 2018

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

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

Thank you.

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**BOARD OF DIRECTORS MEETING MINUTES
GOLDEN RAIN FOUNDATION
November 27, 2018**

CALL TO ORDER

President Linda Stone called the regular monthly meeting of the Board of Directors (BOD) of the Golden Rain Foundation (GRF) to order at 10:00 a.m., on Tuesday, November 27, 2018, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Ms. White, of the Theater Club, led the Pledge of Allegiance.

ROLL CALL

Following the roll call, Corporate Secretary reported that Directors Perrotti, R. Stone, Snowden, Pratt, L. Stone, Gerber, Gould, Hopewell, Rapp, Fekjar, Doder, Winkler, Heinrichs, Findlay, Lukoff, Friedman, and Moore were present. The Executive Director and the Director of Finance were also present.

Seventeen Directors were present, with a quorum of the voting majority.

PRESIDENTS COMMENTS

I hope everyone had a wonderful Thanksgiving - a special time to share with family and friends. And, next month, December, will bring us more great holidays beginning with Hanukkah on the 3rd, Christmas on the 25th and Kwanza on the 26th. On December 8th, there will be a Holiday Reception for the GRF and Mutual Directors as a thank you and recognition for all of the time and effort that they volunteer on behalf of the residents. Their energies save thousands of dollars for each shareholder in yearly fees. Truly something to be thankful for.

Today we are short one director: the Mutual 16 representative, Steve McGuigan, tendered his resignation on November 20th. He most recently was appointed to the Board in July of 2018 as there were no candidates for Mutual 16. Previously, Steve served on the GRF BOD for Mutual 8 from his election in June 2014 to June 2018 and chaired Security, Bus & Traffic committee three times, as well as chairing the RV Lot Ad hoc committee during his service. Steve never shied away from exploring all options, testing all assumptions, and establishing a rigorous decision-making process. Thank you, Steve, for your service.

Because of the merger of Mutuals 15 and 16, we will become a Board of Directors of seventeen in the future. This is a record making event and possibly the first of many. Kudos to Mutuals 15 and 16 for leading the way.

You've probably noticed the beautiful murals on the east wall. They are not quite complete as they will have signs that will identify them as to the date when the photo was taken and the addition of picture molding. I had hoped that the mural behind the dais would be complete but unfortunately it was delivered incorrectly. But, it is on order, and I am assured that it will be up by the first of the year.

I have heard many complaints about the Christmas Tree placement at Veteran's Plaza and not in front of the Medical Center. The placement was a Recreation Committee decision based on the growing attendance and the safety of the residents. The area in front of the Medical Center is on a slope and the Courtyard has very limited space. There will be a tree in the old location just not the main tree. Give it a fair chance and if you still feel like you would like to see it returned to its old place then let the Recreation Committee know of your thoughts and possible solutions. But do remember that you will be limiting the number of residents that can safely be accommodated.

The boulders and plants are in Median number 2. Please drive by and see how nice it looks and visualize all of the medians so planted. Now we are just waiting for the final approval from ADRC and then we will send out a RFP (Request for Proposal) to finish the rest of St. Andrews. Please be advised that we have had quite a few sightings of coyotes in our community. Be sure to keep your pet on a 6' leash at all times...do not let them run freely or on an extended leash. Carry noise makers and be sure to make yourself appear bigger if confronted. Use the approved hazing methods.

So, my wish to you is to enjoy the coming holidays safely and with good cheer and health. The year 2019 is fast approaching. Now on to the business at hand.

ANNOUNCEMENTS

The GRF Board of Directors met for Executive Session meeting on November 2 to discuss legal and contractual matters.

SERVICE ANNIVERSARIES

Four employees were recognized with a service award.

Vivian Samuel	Finance Department	5 years
Dora Otrambo	Transportation Department	5 years
Lynn Valenziano	Recreation Department	10 years
Eila Van Sauter	Transportation Department	30 years

SEAL BEACH COUNCIL MEMBER'S REPORT

Seal Beach Council Member Sandra Massa Lavitt provided a recap of the Seal Beach Council meeting.

SHAREHOLDER/MEMBER COMMENTS

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

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

Five 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 Committee meetings:

- Minutes of the Recreation Committee Board Meeting of October 1, 2018
- Minutes of the Security, Bus & Traffic Committee Board Meeting of October 10, 2018
- Minutes of the Executive Committee Board Meeting of October 12, 2018
- Minutes of the Facilities and Amenities Review Ad Hoc Committee Board Meeting of October 26, 2018

APPROVAL OF BOARD MEETING MINUTES

The minutes of the October 23, 2018 meeting were approved, as presented.

REPORTS

The Health Care Center Advisory Board will meet on Wednesday, January 16, 2019 and a report will be given at the following GRF Board meeting.

The Strategic Planning Ad hoc Committee will meet on Tuesday, January 8, 2019; a report will be provided at the following GRF Board meeting.

The Chair of the Management Services Review Ad hoc Committee presented a report on the progress of the Ad hoc Committee and informed attendees that the December meeting will be cancelled.

The Chair of the Facilities and Amenities Review Ad Hoc Committee presented a report on the progress of the Ad hoc Committee.

NEW BUSINESS

General

Emergency Sewer Line Repairs, Clubhouse Three

On October 30, 2018, Clubhouse Three incurred a significant failure of the sewer line requiring the temporary closure of the building. Subsequent actions identified a failure of the main sewer line in at least two sections.

Ms. Rapp MOVED, seconded by Ms. Snowden-

TO acknowledge and ratify the emergency actions taken by the Executive Director requiring Non-budgeted expenses charged to Cost Center 53, Building Repair and Maintenance and approve Non-budgeted Operating funding, in an amount of \$6,900.

Three Directors spoke on the motion.

The motion was carried unanimously by the Board members present.

Facilities and Amenities Review Ad Hoc Committee

Adopt Policy 5175-Far, Facilities and Amenities Review (FAR) Ad Hoc Committee

At its regularly scheduled meeting on October 26, 2018, the Facilities and Amenities Review Ad hoc (FAR) Committee recommended the GRF Board adopt Policy 5175-FAR, Facilities and Amenities Review (FAR) Ad hoc Charter, which sets forth the purpose, duties, and limitations of the committee.

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

TO adopt Policy 5175-FAR, Facilities and Amenities Review (FAR)

Ad hoc Charter, as presented.

Finance Committee

Accept October Financial Statements

At the regularly scheduled meeting of the Finance Committee on November 19, 2018, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the October 2018 financial statements for audit.

Ms. Winkler MOVED, seconded by Ms. Rapp-

TO accept the October 2018 financial statements for audit.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Funds Transfer Request - Liquid Reserve Funds

At the regularly scheduled meeting of the Finance Committee on November 19, 2018, 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 limit and therefore are not in compliance with Policy 5520-31 – Reserves.

The Committee passed a motion to recommend the GRF Board authorize the transfer of \$500,000 of reserve funds from First Foundation Bank to US Bank for the purposes of maximizing insured funds and to invest in higher yielding CDs with US Bancorp.

Mr. Lukoff MOVED, seconded by Mr. Friedman-

TO approve a transfer of \$500,000 in Reserve funds from the First Foundation Bank Business Maximizer account to the Money Market Reserve account at US Bank the purposes of maximizing insured funds and to invest in higher yielding CDs with US Bancorp.

Three Directors spoke on the motion.

Director K. Rapp left the meeting at 10:56 a.m.

The motion was carried with one abstention (Rapp).

CD Purchase Request – Investment Ladder

At the regularly scheduled meeting of the Finance Committee on November 19, 2018, the members discussed terms and interest rates on CDs offered through US Bancorp. Additionally the Committee discussed the current investment ladder and reserve funds available for investing to fill in the gaps in the investment ladder.

Following this discussion, the Committee passed a motion to recommend the GRF Board authorize the purchase of four (4) CDs, at approximately \$245,000 each, with maturity dates in December 2019, June and November 2020 and May 2021, at rates in line with those indicated on the discussed Laddered Portfolio Sheet, ranging from 2.65% to 3.1%, for a total of approximately \$980,000 of reserve funds.

Mr. Friedman MOVED, seconded by Ms. Gerber-

TO approve purchase of four (4) CDs, at approximately \$245,000 each, with maturity dates in December 2019, June and November 2020 and May 2021, at rates in line with those indicated on the discussed Laddered Portfolio Sheet, ranging from 2.65% to 3.1%, for a total of approximately \$980,000 of reserve funds.

Two Directors spoke on the motion.

Director K. Rapp returned to the meeting at 10:58 a.m.

The motion was carried unanimously by the Board members present.

Approve Lease Agreement, On-Site Sales Office, Second Amendment

At its regularly scheduled meeting on November 19, 2018, the Finance Committee recommended to the Board the approval of the Second Amendment to the agreement, between Charles Briskey Real Estate Inc. and GRF. This amendment extends the termination date of the existing agreement entered into in 2015, until December 31, 2019, under the existing terms and conditions.

Ms. Hopewell MOVED, seconded by Mr. Gould-

TO approve the Second Amendment to the Resales Lease Agreement between the Golden Rain Foundation, Seal Beach and Charles Briskey Real Estate, Inc, for one (1) year, new expiration date of December 31, 2019, and authorize the President to sign the agreement.

Three Directors and the Executive Director spoke on the motion.

The motion was carried with two recusals (Fekjar, Gerber).

2018/2019 Master Insurance Policy Renewal

DLD Insurance Brokers, Inc. has partnered with the Golden Rain Foundation (GRF) for over 27 years to secure broad and competitive insurance options, in terms of both pricing and coverage conditions. The master insurance package includes coverage for Directors & Officers (D&O),

Errors & Omissions (E&O), Forefront Portfolio (Crime/Fiduciary/KRE/Workplace Violence) and Property/Causality.

The proposal for property coverage premium for this renewal period shows a slight increase of 3.575% while maintaining the same terms and conditions, including deductibles, as the expiring policy. An increase in assessed property values offset by the great strides made by GRF and the Mutuals to put loss control measures into place to mitigate future fire losses minimizes this increase. The management liability portion of the policy package shows a net 2.4% *decrease* over the expiring policy period, and the overall change for the 2018 / 2019 coverage period shows an increase of 2.33% over the expiring policy. Premiums for the renewing coverage period and comparisons to the expiring policies and to the 2019 budgets are shown in Exhibit A – 2018-2019 Insurance Premium Proposal Comparative.

The new master insurance policy proposal of \$1,938,352 plus one-third of the total pollution policy premium approved in 2017 of \$31,239, for a total premium expenditure of \$1,969,591 will be recognized in the combined GRF and Mutual 2019 budgets. Combined funds (Foundation and Mutuals), in the amount of \$2,096,500 were included in the respective 2019 operating budgets based upon estimates and assumptions made during the budget period.

At the regular meeting of the Finance Committee held on November 19, 2018, the Committee reviewed the proposal for the Foundation's and the Mutual's insurance for the policy period of December 1, 2018 to November 30, 2019, provided by DLD Insurance Brokers, Inc. and unanimously passed a motion to recommend the Board approve the contract for the placement of Property, Boiler and Machinery, Flood (excluding earthquake), General Liability and Automotive Liability Insurance with Philadelphia and the placement of Umbrella Liability, Forefront Portfolio (crime, fiduciary, kidnap, ransom, extortion and workplace violence), E&O, D&O/Employee Practices Liability and Cyber Liability Coverage with the recommended carriers through DLD Insurance Brokers, Inc. for the period of December 1, 2018 to November 30, 2019, for a total premium of \$1,938,352.

Ms. Winkler MOVED, seconded by Ms. Snowden -

TO approve the master insurance policy proposal dated November 2, 2018, as submitted, in the amount of \$1,938,352, for the policy period of December 1, 2018 to November 30, 2019 and authorize the President to sign the required renewal documents pursuant to the related proposal as prepared and submitted by DLD Insurance Brokers, Inc.

Two Directors spoke on the motion.

The motion was carried unanimously by the Board members present.

Approve Telecommunications Services Agreement, First Addendum

At the November 19, 2018 meeting of the Finance Committee, the Committee recommended to the Board approval of the First Addendum (attached), to the Telecommunications Services Agreement between the Golden Rain Foundation, Seal Beach and Superwire Telecom Inc., for continuation until the date of expiration on, June 30, 2022.

This action was based upon the unanimous agreement by all Mutual Boards to:

RESOLVED, the Board of Directors of Mutual ____ hereby authorizes the Board of Directors of GRF to renew the Agreement with Superwire Telecom Inc. to extend the term of the Agreement until June 30, 2022.

At the conclusion of the cycle of all Mutual Board meetings during October and November 2018, unanimous agreement was achieved by all Mutual Boards at duly posted meetings.

Mr. Friedman MOVED, seconded by Ms. Fekjar-

TO approve the First Addendum to the Telecommunications Services Agreement between the Golden Rain Foundation, Seal Beach and Superwire Telecom Inc., for continuation until the date of expiration on June 30, 2022, and authorize the President to sign the agreement.

Two Directors and the Executive Director spoke on the motion.

Mr. Stone MOVED, seconded by Mr. Pratt-

TO amend motion to include the terms and conditions of the existing lease.

Four Directors spoke on the motion.

The motion to amend failed with two yes votes (Pratt/ R. Stone).

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

TENTATIVE VOTE: Amend Policy 3324-31, Purchasing Fees

Policy 3324-31, Purchasing Fees, set forth a transaction fee for materials purchased through the Purchasing department and the Copy & Supply Center.

At the regular Finance Committee meeting on October 15, 2018, the Committee recommended Policy 3324-31, Purchasing Fees, be amended. Further amendment was recommended, by the Finance Committee, at the November 19, 2018 meeting. The proposed policy changes are noted in the attached document.

Mr. Dodero MOVED, seconded by Ms. Rapp-

TO tentatively amend Policy 3324-31, Purchasing Fees, to increase the transaction fee for all materials purchased through the Purchasing department and the Copy & Supply Center from 2% to 5% and to replace “shipping and handling” with “processing” fee, pending a 30-day notification to the membership and a final decision by the GRF BOD on January 29, 2019.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Adopt Policy 5340-31, Capital Improvement Fund

At its regular meeting on November 19, 2018, the Finance Committee recommended Policy 5340-31, Capital Improvement Fund, be adopted by the GRF Board of Directors.

Ms. Rapp MOVED, seconded by Mr. Dodero -

TO adopt Policy 5340-31, Capital Improvement Fund, to establish a framework for the approval and control of all capital expenditure.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Amend Policy 5520-31, Reserves

At its regular meeting on November 19, 2018, the Finance Committee recommended Policy 5520-31, Reserves, be amended by the GRF Board of Directors.

Mr. Lukoff MOVED, seconded by Mr. Stone -

TO amend Policy 5520-31, Reserves, refining the policy language,

clarifying the component/assets to be included in a reserve study as those GRF is required to maintain, replace or repair (“MRR”), notification procedures of the transfer of money from the reserve account to the operating account, exception criteria to the transferred funds being restored to the reserve account, and guidelines for the withdrawal/transfer from reserve funds.

Two Directors and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Information Technology Committee

Non-budgeted Operating Funding Request – Power DMS, Policy Management Software

At its regularly scheduled meeting on October 16, 2018, the Information Technology Committee (ITC) duly moved and approved to recommend to the GRF Board of Directors the purchase of Power DMS, a policy management software.

The software contains features requested by Mutual Administration Committee (MAC), to improve our policy workflow: track changes, review & approval process, check-in & out, audit trail, version history, standard format, searchability, and notification functions.

At its regularly scheduled meeting on November 19, 2018, the Finance Committee reviewed available Non-budgeted Operating funding for the purchase of Power DMS, and unanimously resolved funding is available.

Ms. Snowden MOVED, seconded by Ms. Hopewell-

TO approve the purchase for Power DMS, in an amount not to exceed \$6,300/year (includes \$200 in contingency funds if we need to add additional user licenses), Non-budgeted Operating funding to be charged to 6481000-34 (Computer Maintenance & Software) and authorize the GRF President to sign all applicable contracts.

One Director and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Capital Funding Request – Microsoft Dynamics GP, Enterprise Resource Planning Software

At its regularly scheduled meeting on November 20, 2018, the Information Technology Committee (ITC) duly moved and approved to recommend to the GRF Board of Directors the purchase of Microsoft Dynamics GP, an enterprise resource management software.

The software will be used to manage inventory, purchase orders, and service request orders (SROs). Consolidating these work processes into one software solution will increase GRF efficiency and productivity. Furthermore, our existing version of Dynamics is no longer supported and needs to be replaced.

Pricing for the first year is \$158,148 (\$72,548 software costs + \$65,600 implementation costs + \$20,000 in contingency funds); see attached spreadsheet and proposal in the agenda packet.

Annual *licensing costs:

2019 - \$12,523 (Funding was allocated in the approved 2019 operational budget)
2020 - \$11,242

**Annual licensing fee is based upon number of user licenses, as noted in the attached documents.*

At its regularly scheduled meeting on November 19, 2018, the Finance Committee reviewed available Capital funds for the purchase of Dynamics, and unanimously resolved Capital funding is available.

Note: Upon completion and institution of Dynamics (see attached timeline in the agenda packet), the Axserion contract will be terminated.

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

TO the software and implementation of Microsoft Dynamics, for a cost of \$158,148 (\$72,548 software costs + \$65,600 implementation costs + \$20,000 in contingency funds), Capital funding and authorize the GRF President to sign all applicable contracts.

Physical Property Committee

Capital Funding Request – Gates, Mission Park

The Physical Property Department was tasked to provide cost to install new gates at Mission Park (see locations in exhibit A, in the agenda packet). Cost was obtained from MJ Jurado, to install gates in the three areas as follows (see exhibit B, in the agenda packet):

Golden Rain Foundation Board Meeting Minutes, November 27, 2018

- Location A off El Dorado \$4,070
- Location B Main Parking Lot at ramp \$1,250
- Location C Parking Lot off Canoe Brook \$2,200

At its regularly scheduled meeting on November 5, 2018, the Recreation Committee recommended the GRF Board approve the installation of three new gates at Mission Park in location A, B and C, as per exhibit A, in the agenda packet, in the amount of \$7,520, from MJ Jurado and to add \$1,000 for contingency, for a total cost not to exceed \$8,520, pending Board approval.

At its regularly scheduled meeting on November 19, 2018, the Finance Committee reviewed available Capital funding for the cost to install new gates at Mission Park, and unanimously resolved funding is available.

Ms. Gerber MOVED, seconded by Mrs. Perrotti-

TO approve the installation of new gates at Mission Park, per the proposals provided and to approve a contract with MJ Jurado to complete the work, in an amount not to exceed \$8,520, including contingency, Capital funding, and authorize the GRF President to sign all applicable contracts.

Three Directors and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Recreation Committee

Capital Funding Request – Patio Game Tables, Library

At its regularly scheduled meeting on November 5, 2018, the Recreation Committee (RC) duly moved and approved to recommend to the GRF Board of Directors the purchase of Library Game Tables, to be placed on the Library patio. Staff recommend the Dave Bang Associates. The RC Committee recommended the cost not exceed \$3,311, from Capital Funding.

At its regularly scheduled meeting on November 19, 2018, the Finance Committee reviewed available Capital funding for the cost to purchase Library Game Tables, and unanimously resolved funding is available.

NOTE: Quotation includes \$720 for shipping; GRF Staff is exploring alternative shipping, including pick up of table by GRF Staff.

Mrs. Perrotti MOVED, seconded by Mr. Moore-

TO approve the purchase of Library Game Tables, to be placed on the Library patio, at a cost not to exceed \$3,311, Capital Funding and authorize the GRF President to sign all applicable contracts.

Five Directors, the Executive Director and the Library Operations Supervisor spoke on the motion.

The motion was carried unanimously by the Board members present.

Service Maintenance Committee

Reserves Funding Request – Ice Machine Replacement

At its regularly scheduled meeting on October 25, 2018, the Service Maintenance Committee duly moved and approved to recommend to the GRF Board of Directors the purchase of the Scotsman Prodigy Plus Full Cube Ice Machine Head, along with the Scotsman 30" 420 lb Ice Bin, to replace the existing Ice Machine (Asset ID 904).

Quotes are as follows:

Amazon (Ice Machine and Bin – purchased separately)	\$ 3,533
Amazon (Ice Machine with Bin)	\$ 4,134
Reliable Ice Equipment Inc.	\$ 4,182

The ice machine at the Service Maintenance Yard has had several repairs over the course of ten years, with the machine now beginning to fail on a regular basis. Staff recommends a replacement for a Scotsman Prodigy Plus Full Cube Ice Machine Head, along with the Scotsman 30" 420 lb Ice Bin, at a cost not to exceed \$3,533, from Reserve Funding.

Ms. Hopewell MOVED, seconded by Mr. Dodero -

TO approve the purchase of the Scotsman Prodigy Plus Full Cube Ice Machine Head, along with the Scotsman 30" 420 lb Ice Bin, in an amount not to exceed \$3,533, Reserve funding, to replace the Service Maintenance Ice Machine (Asset ID 904), and authorize the GRF President to sign all applicable contracts.

Six Directors and the Executive Director spoke on the motion.

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

CONTROLLER'S REPORT

The Finance Director provided a financial report earlier in the meeting.

EXECUTIVE DIRECTOR'S REPORT

The Executive Director provided a written report for the Board.

BOARD MEMBER COMMENTS

Seventeen Board members spoke on the meeting proceedings.

ADJOURNMENT

The meeting was adjourned was at 12:13 p.m.

Suzanne Fekjar
GRF Corporate Secretary
cm



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

BOARD ACTION REQUEST

TO: GRF BOARD OF DIRECTORS
FROM: LINDA STONE, PRESIDENT
SUBJECT: COMMITTEE APPOINTMENT
DATE: DECEMBER 4, 2018
CC: FILE

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.

I move to approve the appointment of Ronde Winkler to the Facilities and Amenities Review Ad hoc Committee.

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Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

BOARD ACTION REQUEST

TO: GRF BOARD OF DIRECTORS
FROM: ARCHITECTURAL DESIGN AND REVIEW COMMITTEE (MW)
SUBJECT: CAPITAL FUNDING REQUEST - LANDSCAPE IMPROVEMENTS, MEDICAL BUILDING
DATE: DECEMBER 3, 2018
CC: FILE

The Physical Property Department was tasked with obtaining costs to replace landscaping around the Medical Building. A proposal, Exhibit A, was obtained by our current landscaper, Anguiano Lawn Care, for a cost not to exceed \$10,429, based on recommendations by the Architectural Design and Review (ADR) Committee.

At its November 28, 2018 meeting, the ADR Committee requested Finance Committee review and consideration to determine if sufficient funds, not to exceed \$10,429, are available for this project.

At its regular meeting in December 17, 2018, the Finance Committee reviewed available funding for this Capital project, and unanimously resolved Capital funding is available.

I move to approve replacement of landscaping around the Medical Building, for a total cost not to exceed \$10,429, per revised proposal, Exhibit A, from Anguiano Lawn Care dated 11-19-18, Capital funding, and authorize the President sign the contract.

EXHIBIT A

ANGUIANO LAWN CARE INC.

P.O.B. 2849, SEAL BEACH, CA 90740

(562) 493-1113

PROPOSAL FOR SERVICES (irrigation revised 11-19-18)

NOVEMBER 19, 2018

MARK WEAVER, FACILITIES DIRECTOR

LINDA STONE, GRF PRESIDENT

MEDICAL CENTER PLANTER LANDSCAPE

This is a proposal for the following job at the given location as described:

ITEM #	QUANTITY	DESCRIPTION	RATE	AMOUNT
		EAST SIDE TO THE RIGHT OF THE MED CENTER ENTRANCE		
1		BLANK ENTRY		
2	1	INSTALL 24" BOX 'RED DYNAMITE' MULTI TRUNK CRAPE MYRTLE ON CORNER	\$480.00	\$480.00
3	7	RELOCATE PINK MUHLY BUSHES FROM GLOBE AREA (INSTALL UNDER THE WINDOWS)		\$258.00
4	6	INSTALL 5 GALLON PURPLE HOPSEED (IN FRONT OF BLANK BLDG WALL)	\$30.00	\$180.00
5	5	INSTALL 5 GALLON MEDIUM SIZE BRONZE BABY (INSTALL UNDER THE WINDOWS)	\$30.00	\$150.00
6		LEFT SIDE ENTRANCE TO PHARMACY: INSTALL 14' X 5" WIDE CEMENT CURBING IN 'S' CURVE AROUND ELECTRICAL AND IRRIGATION BOXES/PIPES (INCLUDES LABOR AND MATERIAL)	\$14.00 PER LINEAR FT	\$196.00

ITEM #	QUANTITY	DESCRIPTION	RATE	AMOUNT
		EAST SIDE TOWARDS THE SOUTH SIDE PARKING LOT		
7		TAKE NO ACTION ON THE TWO PLANTERS BETWEEN THE BLDG SIDEWALK AND PARKING LOT		
		SOUTH SIDE		
8		REMOVE THE JASMINE, LANTANA AND LAVENDER. LEAVE THE MOCK ORANGE (LET THEM GROW NATURAL), HEDGES AND AFRICAN IRIS. RE PURPOSE THE SINGLE FLAX. (ADJUSTED FROM \$1285.00 TO \$950.00 ON 10/10/18)		\$950.00
9		BLANK ENTRY		
10		TWO CROSSWALK PLANTERS: ANGUIANO LAWN CARE TO DONATE 24" QUEEN PALM AND INSTALL RE PURPOSED SOCIETY GARLIC. INSTALL RE PURPOSED NANDINAS TO THREE PARKING LOT ISLANDS		.00
		WEST SIDE (CAFÉ SIDE)		
11		REMOVE PLANTS BETWEEN CH5 & CAFÉ BUT LEAVE THE FIVE PALMS		\$1740.00
12	20	INSTALL 5 GALLON RED CALLIANDRA; MATCH WHAT IS ALREADY PLANTED IN CH5 PLANTER	\$30.00	\$600.00
13		CALLIANDRA STAKES/WIRES		\$180.00
14		RE PURPOSE PURPLE AGAPANTUS FROM FRONT OF MED CENTER		
15	22	INSTALL ONE GALLON YELLOW DAYLILY BETWEEN THE AGAPANTHUS	\$20.00	\$440.00
16		BLANK ENTRY		

ITEM #	QUANTITY	DESCRIPTION	RATE	AMOUNT
17	6	INSTALL 5 GALLON DURANTA SWEET MEMORY (BETWEEN CH5 AND BACK OF MED CENTER)	\$30.00	\$180.00
18	6	INSTALL 5 GALLON ORANGE TRUMPET BUSHES. ALTERNATE WITH DURANTA BUSHES (BETWEEN CH5 AND BACK OF MED CENTER)	\$30.00	\$180.00
19	5	INSTALL FIVE GALLON (2 STAR JASMINE AND 3 ORANGE TRUMPET VINES) AT BLDG TRELLIS'S	\$30.00	\$150.00
		NORTH SIDE		
20		KEEP ALL PLANTS BUT REMOVE ONE STUMP AND ONE BANANA TREE IN THE CORNERS		\$200.00
21	3	INSTALL 5 GALLON ARABIAN LILACS IN THREE CORNERS	\$30.00	\$90.00
22	19	INSTALL ONE GALLON STORM CLOUD AGAPANTHUS	\$20.00	\$380.00
23	19	INSTALL ONE GALLON YELLOW DAYLILY	\$20.00	\$380.00
		AMPHITHEATRE PATH		
24		REMOVE BEGONIAS		N/C
25	2	INSTALL 5 GALLON SHADE AZEALEAS BY LARGE BOULDER	\$30.00	\$60.00
		SOUTH AMPHITHEATRE HILL		
26	1	INSTALL 5 GALLON ARABIAN LILAC	\$30.00	\$30.00
		LABOR AND PLANT ADDITIVES		
		PLANT INSTALL LABOR		\$2665.00
	4 CUBIC YARDS	COMPOST	\$40.00	\$160.00
	8 CUBIC YARDS	PREMIUM CHIP MULCH	\$40.00	\$320.00
	2 BOXES	GRO POWER TABLETS	\$80.00	\$160.00

ITEM #	QUANTITY	DESCRIPTION	RATE	AMOUNT
		IRRIGATION REPAIRS (LABOR AND MATERIAL)		\$300.00
TOTAL:				\$10,429.00

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BOARD ACTION REQUEST

TO: GRF BOARD OF DIRECTORS
FROM: EXECUTIVE COMMITTEE
SUBJECT: WORKERS' COMPENSATION POLICY RENEWAL
DATE: December 18, 2018

At its regularly scheduled meeting on December 14, 2018, the Executive Committee reviewed the proposals for the renewal of the Workers Compensation Policy for GRF.

Our insurance broker, DLD Insurance, has reviewed our coverage and obtained bids from five (5) carriers including our current carrier, Berkshire Hathaway Homestate Companies (BHHC).

The bids ranged from \$269,973 to \$418,000 with the lowest bid coming from BHHC, our current carrier. The 2019 budget for this expense is \$309,119:

Incumbent: (Cypress Insurance Company) Berkshire Hathaway Homestate Companies	Quoted: \$269,973
Preferred Employers Insurance	Quoted: \$271,951
Everest National Insurance Company	Indication: \$302,000
Insurance Company of the West	Indication: \$324,000
Berkley Net	Indication: \$418,000

Note: All quotes are based on an estimated payroll. The total premium will be based on actual audited payroll totals at the end of the year.

I move to approve renewal of Workers' Compensation Coverage with Berkshire Hathaway Homestate Companies (BHHC), for the 2019 policy year, in the amount of \$269,973, and authorize the GRF President to sign the renewal.



Golden Rain Foundation of Seal Beach

dba: Seal Beach Leisure World

Workers' Compensation Premium Comparison - Cypress Insurance Company (Berkshire Hathaway)

December 31, 2018 - December 31, 2019



CALIFORNIA	CYPRESS INSURANCE COMPANY Expiring Program - 2017-2018				CYPRESS INSURANCE COMPANY Renewal Program - 2018-2019				Rate % Change	Payroll & Premium % Change
	2017-2018 Estimated Payroll	2017-2018 Manual Rates	2017-2018 Net Rates	Premium (Rate & Payroll/100)	2018-2019 Estimated Payroll	2018-2019 Manual Rates	2018-2019 Net Rates	Premium (Rate & Payroll/100)		
8742--Salespersons--Outside	\$ 118,088	\$ 0.83	\$ 0.56	\$ 980	\$ 118,088	\$ 0.76	\$ 0.57	\$ 897	-8%	0%
8810--Clerical Office Employees--NOC	\$ 2,450,041	\$ 0.65	\$ 0.44	\$ 15,925	\$ 2,450,041	\$ 0.59	\$ 0.44	\$ 14,455	-9%	0%
9060--Clubs--Country or Golf--All Employees	\$ 39,842	\$ 8.69	\$ 5.87	\$ 3,462	\$ 39,842	\$ 8.52	\$ 6.42	\$ 3,395	-2%	0%
9066--Homeowners Assoc.--Not Building Ops	\$ 5,292,295	\$ 7.67	\$ 5.18	\$ 405,919	\$ 5,292,295	\$ 6.03	\$ 4.55	\$ 319,125	-21%	0%
Estimated Payroll Totals	\$ 7,900,266				\$ 7,900,266					0%
Manual Premium Totals				\$ 426,286				\$ 337,872		
Rating Factors:										
Experience Modification			92%	\$ (34,103)			101%	\$ 3,379		
Schedule Modification			25%	\$ (96,619)			24%	\$ (80,309)		
Premium Discount			3.6%	\$ (10,759)			3.6%	\$ (9,271)		
Volunteer Coverage (Adjusted at Audit)				\$ 3,000				\$ 3,000		
Expense Constant				\$ 100				\$ 100		
Terrorism Charge				Included				Included		
Estimated Annual Standard Premium				\$ 287,905				\$ 254,770		
Taxes and Assessments			3.1082%	\$ 8,949			3.9673%	\$ 10,107		
R-T Workers' Comp Specialty Fee				\$ 8,640				\$ 5,095		
Total Estimated Annual Placement Cost										
Subject to Final Audit				\$ 305,494				\$ 269,973		-12%
Savings					\$ (35,521)					
Program Net Rate (Total Cost/Total Payroll x \$100)				\$ 3.87					\$ 3.42	-12%

Notes:

1. Volunteer coverage included for \$3,000 and adjusted at audit.
2. The expiring program contemplates all mid term endorsements.
3. Net rates do not included taxes & fees.



BOARD ACTION REQUEST

TO: GRF BOARD OF DIRECTORS
FROM: EXECUTIVE COMMITTEE (AH)
SUBJECT: APPROVE UNIFORM CONTRACT
DATE: DECEMBER 14, 2018
CC: FILE

The uniform contract is due to expire on January 1, 2019. In preparation for the expiration of this contract, staff has reached out to several uniform companies, including Cintas, our current uniform vendor. Two bids were received:

Vendor	Weekly Cost	Annual Cost	Complete Proposal	Comments
UniFirst	367.61	19,115.72	Y	Embroidery cost not included
Prudential Overall Supply	339.04	17,630.08	N	Embroidery cost not included

Staff recommends the selection of UniFirst, based on its detailed proposal and unit rates per the attached bid. Based on the total number of uniforms currently needed, the annual estimated cost would be \$19,115.72. The total amount budgeted for uniform expenses, for 2019, is \$42,861.

At its December meeting, the Executive Committee recommended the Board award a contract to UniFirst based on its detailed proposal and unit rates (Exhibit A).

I move to award a contract with UniFirst based on bid proposal dated November 13, 2018, marked Exhibit A ,for a five-year term, funding from Operations, and authorize the President to sign the contract.

November 13, 2018

Proposal

Golden Rain Foundation

UniFirst Code	Item Description	Total Inventory	Weekly Qty	Unit Rate	Weekly Total
0111	Managers Dress Shirts	22	22	\$ 0.21	\$ 4.62
1122	Managers Dress Pants	22	22	\$ 0.24	\$ 5.28
0237	Leads Upgraded Shirts	22	22	\$ 0.22	\$ 4.84
1122	Leads Upgraded Pants	22	22	\$ 0.24	\$ 5.28
0101	34 Technicians Shirts	374	374	\$ 0.17	\$ 63.58
0202	34 Technicians Pants	374	374	\$ 0.24	\$ 89.76
0101	Painter Shirts	11	11	\$ 0.15	\$ 1.65
0202	Painter Pants	11	11	\$ 0.21	\$ 2.31
0101	4 Auto Technicians Shirts	44	44	\$ 0.15	\$ 6.60
0202	5 Auto Technicians Pants	44	44	\$ 0.21	\$ 9.24
0607	Security Shirts	350	350	\$ 0.26	\$ 91.00
0607	Physical property Department Inspectors Shirts	110	110	\$ 0.26	\$ 28.60
8581	Shop Towels	125	125	\$ 0.10	\$ 12.50
	Auto Replacment	1	1	\$ 2.70	\$ 2.70
	Fender Covers	5	5	\$ 0.85	\$ 4.25
	Terry Towels	200	200	\$ 0.10	\$ 20.00
	Auto Replacment	1	1	\$ 5.40	\$ 5.40
	DEFE	1	1	\$ 10.00	\$ 10.00
Weekly Total					\$ 367.61



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

BOARD ACTION REQUEST

TO: GRF BOARD OF DIRECTORS
FROM: FINANCE COMMITTEE (CM)
SUBJECT: ACCEPTANCE OF THE NOVEMBER FINANCIAL STATEMENTS
DATE: DECEMBER 17, 2018
CC: FILE

At the regularly scheduled meeting of the Finance Committee on December 17, 2018, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the November 2018 financial statements for audit.

Our Director of Finance, Carolyn Miller will give a recap of the November 2018 financial statements. At the end of the report, a motion will be made to accept the November 2018 financial statements for audit.

I move that the GRF Board of Directors accept the November 2018 financial statements for audit.

Financial Recap – November 2018

As of the ten-month period ended November 2018, the draft financial reports indicate that GRF is in a favorable financial position with a surplus of \$228,942.

Major variances are:

Wages, Taxes & Benefits	353,970	Favorable: Wages \$52K; P/R Taxes \$50K; Workers' Comp \$105K; Group Ins \$125K; 401(k) Match \$23K
Temporary Agency Fees	(214,578)	Temporary help for key positions.
Facilities Rentals & Maintenance	40,056	Landscape \$66K
Property & Liability Insurance	123,516	Favorable: Actual premiums less than budget; Est. YE variance: \$129K
Misc Expense	(67,021)	Interest expense on initial unclaimed property remitted to the State of California
Other Income	149,728	Permits \$25K; Shipping recov. \$18K; Donations \$27K; Parking fines \$20K
News Advertising Income	(122,128)	Unfavorable: Budget was more optimistic than current advertiser interest
SRO Labor Cost Recovery	(53,790)	Less billable labor hours than budgeted

	Fund Balance	Allocated For 2018 Projects	Allocated For Future Projects	For details, see page
Reserve Funds				
Repairs & Replacements	\$9,579,302	\$2,085,899	\$7,493,403	9

	Fund Balance	Allocated Funds	Unallocated Funds	For details, see page
Capital Funds				
Capital Improvements	\$1,537,854	\$209,920	\$1,327,934	11

Total year-to-date approved unbudgeted operating expenses are \$129,330.

Golden Rain Foundation
Cash Flow Activity - All Reserves
For the Period Ended November 30, 2018

	Contingency Operating Fund	Reserve Fund	Capital Improvement Fund	Liability Insurance Fund	Nonrestricted Funds	Total
Balance 12/31/2017	500,000	9,385,260	1,644,057.80	204,287	922	11,734,527
Funded: Assessments		1,100,000				1,100,000
Funded: Amenities Fees collected* (469)		632,991	632,991			1,265,982
Funded: M17 Lease Fees collected** (28)		5,841	5,841			11,682
Funded: Interest on Funds		55,885				55,885
Progress Payments on CIP						-
Expenditures		(1,494,616)	(760,035)			(2,254,652)
Commitments		(106,059)				(106,059)
Replenish funds for Donated Assets						-
Net Monthly Claims						-
Donations			15,000			15,000
2017 Excess Income		-			-	-
Transfers to/from Funds	(500,000)			(204,287)	704,287	-
Interest Income Allocation						-
Net Monthly Activity					(584,401)	(584,401)
Balance 11/30/2018	-	9,579,302	1,537,854	-	120,809	11,237,965
 Net Activity	 (500,000)	 194,042	 (106,203)	 (204,287)	 119,886	 (496,562)

*43 of Memberships totaling \$131,322 were collected in November to be transferred in Dec.

**1 of Lease fee totaling \$38 was collected in November to be transferred in Dec.

Golden Rain Foundation

Cash Flow Activity - All Reserves

For the Month of November 2018

	Contingency Operating Fund	Reserve Fund	Capital Improvement Fund	Nonrestricted Funds	Total
Balance 10/31/18	700,000	9,528,331	1,643,552	13,973	11,885,856
Funded: Assessments		100,000			100,000
Funded: Amenities Fees collected*	(43)	-	-		-
Funded: M17 Lease Fees collected**	(1)	-	-		-
Funded: Interest on Funds		5,552			5,552
Progress Payments on CIP					-
Expenditures		(54,581)	(105,697)		(160,278)
Commitments					-
Replenish funds for Donated Assets					-
Net Monthly Claims					-
Donations			-		-
Transfers to/from Funds					-
Transfers to/from General Checking	(700,000)			700,000	-
Interest Income Allocation					-
Net Monthly Activity				(593,165)	(593,165)
Balance 11/30/18	-	9,579,302	1,537,854	120,809	11,237,965
 Net Activity	 (700,000)	 50,971	 (105,697)	 106,835	 (647,891)

*43 of Memberships totaling \$131,322 were collected in November to be transferred in Dec.

**1 of Lease fee totaling \$38 was collected in November to be transferred in Dec.

2018 Capital Plan

Center	Description	2018 Unapproved	Total Projects	TTD Expenditures	Allocated Funds
MAC	Mutual Administration Office Renovation (881-18)	-	12,016	12,016	-
34	Jenark System (5000-14 J) (Closed project)	-	183,017	183,017	-
34	Axxerion System (5000-14 A) (Closed project)	-	89,381	89,381	-
34	Dynamcis GP 2018 (5002-18 D)	-	158,148	72,548	85,600
35	Purchase New Shelving	-	15,176	15,176	-
35	Patio Game Tables	-	3,311	-	3,311
37	Security Office and Lobby	50,000	-	-	-
37	Access Control	100,000	-	-	-
40	Event Trailer Supplies	-	4,472	4,472	-
45	Amphitheater Surveillance Camera System (861-18) (Completed 8/29/18)	-	11,517	11,517	-
46	Replace Tree Retainer and Seating Area (867-18) (Completed 10/8/18)	-	7,250	7,250	-
47	RV Lot General Operational Requirements (815-17) (Completed 6/7/18)	-	21,628	21,628	-
47	RV Lot Electrical Upgrade- 400 amps (837-17)	-	39,939	39,061	878
48	Pool Area Planning- replace/enhance or modify (850-17)	-	25,000	8,575	16,425
48	Swimming Pool Upgrade (TBD)	-	-	-	-
52	Develop redesign CH2 Outdoor Multi-Use Area (785-16) (Completed 8/29/18)	-	12,250	12,250	-
52	Mission Park Project (841-17)	-	420,201	420,150	51
52	Mission Park Gates	-	8,520	-	8,520
52	Landscape Replacement	25,000	-	-	-
54	Remove and Relocate Flag Pole (857-18) (Completed 8/29/18)	-	7,196	7,196	-
54	Installation of Murals (880-18)	-	5,000	3,075	1,925
56	Install Ramp on East End (839-17) (Completed 2/13/18)	-	16,780	16,780	-
70	Purchase 5 Club Carts	-	37,800	35,665	2,135
79	Pedestrian Gate at Northwood Road (820-17)	-	28,143	25,342	2,801
79	Compliance with California Manual on Uniformed Traffic Control Devices (CAMUTCD) (738-15)	-	42,040	7,265	34,775
79	Street Paving Project- Phase two (St. Andrews Drive) (836-17) (Completed 4/23/18)	-	27,000	27,000	-
79	Battery Backup System at Traffic Signal (847-17) (Completed 9/11/18)	-	14,985	14,985	-
79	Street Paving Project- Phase III- New Landscaping	400,000	-	-	-
79	Veterans Plaza (849-17) (Completed 10/8/18)	-	66,833	66,833	-
79	Main Gate Study	7,500	-	-	-
79	Install Screening Fence for Administration Generator (852-18) (Completed 4/23/18)	-	1,084	1,084	-
79	Conduit Installation for Future Communication Cables at North St. Andrews (869-18) (Completed 12/3/18)	-	45,920	45,920	-
79	Modify Crosswalk from Medical Center to Clubhouse Six- ADA Plus Plan (877-18)	-	7,500	-	7,500.00
79	Purchase Six Sets of Patio Furniture and Three Waste Receptacles for Veterans Plaza	-	14,121	14,121	-
79	Install New Building Signage for Administration Building, Amphitheater, and LW Weekly Building	-	10,000	-	10,000.00
79	Jim's Gate Improvement- Construct ADA Compliant Ramp, Handrail, and Modify Gate (853-18)	-	20,000	-	20,000.00
79	Install Main Gate Delineators	-	5,500	-	5,500.00
79	Install Bus Stop Signage at ten locations (885-18)	-	6,500	-	6,500.00
79	Consulting Services for the roofs at Administration and Amphitheater Building (884-18)	-	4,000	-	4,000.00
		-	-	-	-
Total Planned Capital Acquisitions		582,500	1,372,229	1,162,309	209,920

Fund Balance	1,537,854
2018 Unapproved	582,500
Total Approved Projects	1,372,229
Total To-Date Expenditures	(1,162,309)
Surplus	<u>745,434</u>

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Golden Rain Foundation

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Leisure World, Seal Beach

BOARD ACTION REQUEST

TO: GRF BOARD OF DIRECTORS
FROM: FINANCE COMMITTEE (CM)
SUBJECT: LIQUID RESERVE FUNDS TRANSFER REQUEST
DATE: DECEMBER 17, 2018
CC: FILE

At the regularly scheduled meeting of the Finance Committee on November 19, 2018, 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 limit and therefore are not in compliance with Policy 5520-31 – Reserves.

The Committee passed a motion to recommend the GRF Board authorize the transfer of \$1,300,000 of reserve funds, from First Foundation Bank ,to US Bank for the purposes of maximizing insured funds and to invest in higher yielding CDs with US Bancorp.

I move to approve a transfer of \$1,300,000, in Reserve funds, from the First Foundation Bank Business Maximizer account to the Money Market Reserve account at US Bank for the purposes of maximizing insured funds and to invest in higher yielding CDs with US Bancorp.

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Leisure World, Seal Beach

BOARD ACTION REQUEST

TO: GRF BOARD OF DIRECTORS
FROM: FINANCE COMMITTEE (CM)
SUBJECT: INVESTMENT LADDER – CD PURCHASE REQUEST
DATE: DECEMBER 17, 2018
CC: FILE

At the regularly scheduled meeting of the Finance Committee on December 17, 2018, the members discussed terms and interest rates on CDs offered through US Bancorp. Additionally, the Committee discussed the current investment ladder and reserve funds available for investing to fill in the gaps in the investment ladder.

Following this discussion, the Committee passed a motion to recommend the GRF Board authorize the purchase of four (4) CDs at approximately \$245,000 each, with maturity dates of January and July 2020, and January and July 2021, at the prevailing interest rates at the time of purchase, for a total of approximately \$980,000 of reserve funds.

To approve the purchase of four (4) CDs, at approximately \$245,000 each, with maturity dates of January and July 2020, and January and July 2021, at the prevailing interest rates at the time of purchase, for a total of approximately \$980,000 of reserve funds.

Proposed Addition to the Reserve Funds Investment Ladder

Term	Maturity Month	Investment Amount
0	Dec-18	1,300,000
1	Jan-19	500,000
2	Feb-19	
3	Mar-19	500,000
4	Apr-19	800,000
8	May-19	500,000
6	Jun-19	800,000
7	Jul-19	1,000,000
8	Aug-19	495,000
9	Sep-19	244,000
10	Oct-19	244,000
11	Nov-19	245,000
12	Dec-19	243,000
13	Jan-20	245,000
14	Feb-20	
15	Mar-20	
16	Apr-20	246,000
17	May-20	
18	Jun-20	245,000
19	Jul-20	245,000
20	Aug-20	
21	Sep-20	
22	Oct-20	246,000
23	Nov-20	
24	Dec-20	245,000
25	Jan-21	245,000
26	Feb-21	
27	Mar-21	
28	Apr-21	245,000
29	May-21	245,000
30	Jun-21	
31	Jul-21	245,000
32	Aug-21	
33	Sep-21	
34	Oct-21	245,000
35	Nov-21	

Key:	
Black	Current investments
Black	Approved from last month
Blue	Proposed investments



BOARD ACTION REQUEST

TO: GRF BOARD OF DIRECTORS
FROM: FINANCE COMMITTEE
SUBJECT: EXCLUSIVE USE OF TRUST PROPERTY LEASE AMENDMENT
DATE: NOVEMBER 20, 2018
CC: FILE

At the December 17, 2018 meeting of the Finance Committee, the Committee recommended the GRF Board approve the 1st Amendment (attached) to the leases for the exclusive use of trust property identified as:

- Friends of the Library
- Genealogy Club
- Golden Age Foundation
- Historical Society
- Radio Club
- Theater Club
- Video Producers Club

The addendum extends the lease agreements for six months (January 1, 2019 to June 30, 2019), per the terms and conditions of the existing agreements.

I move to approve the 1st Addendum for the lease agreements, for the exclusive use of Trust property, for the:

- Friends of the Library
- Genealogy Club
- Golden Age Foundation
- Historical Society
- Radio Club
- Theater Club
- Video Producers Club
-

and authorize the President to sign the agreements.

AMENDMENT TO EXCLUSIVE USE OF TRUST PROPERTY AGREEMENT

Preamble and Recitals

This Amendment to the Agreement (this "Amendment") is entered into on December_____,2018, by and between GOLDEN RAIN FOUNDATION, a California non-profit Corporation, hereinafter referred to in this Amendment as "Lessor", and _____(Organization_____, hereinafter referred to in this Second Amendment as "Lessee". Lessor and Lessee shall hereinafter be collectively referred to as the "Parties".

Recital

This Amendment relates to the specific modification and term extension of the below-described provision of that certain Agreement entered into on ____ (state date of agreement)____ (the "Agreement"), by and between the Parties, and providing for the use of Trust Property identified as ____ (insert description____). Said Agreement is modified only in those particular provisions described herein, and in all other respects and provisions, the Agreement shall continue in full force and effect, except as so amended and modified.

Amendment to Agreement

TERM of the agreement is amended and modified to hereinafter provided and as said provision now provides in the original terms and provisions of the Agreement, the same is/are deleted and said section as amended shall read as follows, to wit:

"The term of this Agreement commences on the 1st day of January 2019 and shall be for a period of six (6) months, commencing on said date and continuing through June 30, 2019 unless sooner terminated in accordance with the terms of the Agreement."

Lessee shall pay Lessor during the period January 1, 2019 through June 30, 2019 a term rental fee of \$1.00 in advance on the first day of the term, commencing on the date the term commences.

As hereinbefore provided, Lessor and Lessee each agree that, except as amended by this Amendment, all provisions of the Agreement shall continue to prevail in each and every respect.

The parties have hereunto executed this Amendment to ____ (State Organization)____ Agreement effective on the date hereinabove set forth at Seal Beach, California.

Attest:

(Organization)

Golden Rain Foundation

Date: _____, 2018

Date: _____, 2018

By:_____

By:_____



BOARD ACTION REQUEST

TO: GRF BOARD OF DIRECTORS
FROM: FINANCE COMMITTEE AMEND POLICY
SUBJECT: 5061-31, FEES (**FINAL VOTE**)
DATE: DECEMBER 18, 2018

At the regular Finance Committee meeting on October 15, 2018, the Finance Committee recommended Policy 5061-31, Fees, be amended. The proposed policy changes are noted in the attached document.

At its meeting of October 23, 2018, 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 November 2nd 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 shareholders/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.

No correspondence was received, regarding amendment of Policy 5061-31, Fees, during the 30-day notification to the membership period.

I move to amend Policy 5061-31, Fees, to increase the facilities and amenities fee from twenty (20) to twenty four (24) times the monthly GRF assessment fee and change the \$25 fee from "late payment" to "returned check" fee.

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

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

1. Facilities and Amenities (Amenities) Fee:

- 1.1 Each owner, co-owner, co-occupant non-owner, or qualified permanent resident is required to pay a one-time, non-refundable Amenities fee.
- 1.2 The Amenities fee for an owner, co-owner, co-occupant non-owner or qualified permanent resident represents a use fee for access and use of the Trust facilities, amenities, and participation in GRF activities.
- 1.3 Non-resident co-owners do not pay an Amenities fee and have no right to use any of the facilities or amenities except as a guest of a Member.
- 1.4 The Amenities fee is calculated as ~~twenty-four~~ twenty (24~~20~~) times the monthly GRF assessment and rounded up to the nearest dollar. The Amenities fee is reviewed annually and is implemented on January 1st of each year.
- 1.5 Existing GRF Member (owner & co-owner), co-occupant non-owner(s) and qualified permanent resident(s) may transfer from one unit to another without having to pay the Amenities fee again. They have thirty (30) days to complete the transfer.
- 1.6 If they are out of the community for more than thirty (30) days, a new Amenities fee will need to be paid.
- 1.7 The Amenities fee shall be allocated as follows:
 - 1.7.1 Fifty percent (50%) into the GRF Capital Improvement Fund.
 - 1.7.2 Fifty percent (50%) into the GRF Reserve Fund.

2. Payment of Amenities Fee:

- 2.1. New Members are encouraged to pay the Amenities fee in full at the close of the purchase escrow. By California statute, GRF has established a finance plan to pay the Amenities fee over a seven-year period for those Members who wish to finance the fee.
- 2.2. Members who opt to finance the payment of their Amenities fee must complete a Promissory Installment Note and agree to the terms of the Note.
 - 2.2.1. If a Member opts to finance the Amenities fee, the Member shall pay a one-time upfront payment of twenty-five percent (25%) of the total Amenities fee at the close of Escrow, and

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

make seven (7) equal annual installment payments of the remaining balance. 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.

- 2.2.2. The annual finance charge on matured, unpaid amounts shall be one percent (1%) per month (APR of 12%) paid annually on the outstanding balance.
- 2.2.3. In the event that a unit changes ownership before the Amenities fee is paid in full, the balance due must be paid before transfer is complete.
- 2.2.4. All co-occupant non-owners and qualified permanent residents must pay the Amenities fee in advance without an option to finance.

3. **Membership Certificate and Mutual Stock Certificate Processing Fee:**

- 3.1. GRF shall issue one membership and one stock certificate per unit. They may contain one or more names.
- 3.2. A certificate processing fee of two hundred fifty dollars (\$250) will be charged in advance each time the certificates are changed or altered to cover the cost of preparing, recording and/or replacing either or both certificates.
- 3.3. The certificate processing fee will be waived when a shareholder/member elects to remove a deceased co-owner from the title and have new certificates issued. The fee will be waived only within one (1) year of the owner's death, and will not be waived for other transfer requests such as the replacement of lost certificates, or the addition or removal of Member owners or non-resident co-owner(s).
- 3.4. The Certificate processing fee shall be allocated to Cost Center 33 (Stock Transfer).

4. **Transfer Fee – In Escrow:**

The seller of a Mutual share of stock shall pay a transfer fee of five hundred dollars (\$500) to cover the cost of transferring ownership(s). The fee shall be allocated to Cost Center 33 (Stock Transfer).

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

Non – Owner, Co-Occupant Processing fee of one hundred dollars (\$100) shall be charged to

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

cover the actual set up and processing costs and shall be allocated to Cost Center 33 (Stock Transfer).

6. Mutual Corporation Fees

Each Mutual represents a fully independent corporation and as such may establish fees applicable to the Mutual. GRF operates as the management company for the Mutuals and will, as part of its duties, apply Mutual Fees in accordance with established Mutual policies (See the 7000 Policy Series).

7. Stock Transfer Legal Review of Trust Fees

- 7.1. Upon 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 GRF the right to request the current acting trustee or successor trustee to provide either a certification of trust, or a copy of the trust. The following procedures will be 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 GRF 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 GRF 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 GRF attorney review, there shall be assessed to the trustee or successor trustee, a fee of one hundred twenty-five dollars (\$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 (Stock Transfer).

8. Lessee Annual Amenities Fee – Mutual 17 Only

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

- 8.1. The GRF annual Lessee Amenities fee is a required use fee for access to the Trust facilities, amenities, and participation in GRF activities. The Lessee fee is calculated at twenty-five percent (25%) of the GRF annual assessment rounded up to the nearest dollar for each occupant.
- 8.2. The required annual Lessee Amenities fee payment is due and payable in full on the date of the lease agreement. No monthly payments can be made.
- 8.3. If delinquent, the Lessee shall pay damages to reimburse GRF for its expense 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 full 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 a twenty-five dollar (\$25) returned check late payment fee, and all bank charges assessed against the association.
- 8.5. If a Lessee becomes more than ninety (90) days delinquent, the Lessee will receive a 30-day notice of GRF's intent to suspend the right to use GRF amenities and Trust facilities, 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 for the Amenities fee from Lessor.
- 8.7. Lessee Amenities fees shall be allocated as stated in Section 1.7.
9. The fee for verifying Powers of Attorney and Court Orders will be seventy-five dollars (\$75) per document, per review, and shall be allocated to Cost Center 33 (Stock Transfer).
10. The fee for additional Leisure World maps will be five (\$5) per map (shareholders excluded).
11. All Fees are subject to annual review and are subject to change.

Policy

Adopted: 21 Apr 70
 Amended: 31 Aug 73

GOLDEN RAIN FOUNDATION
SEAL BEACH, CA

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

Amended: 20 Nov 73
Amended: 19 Aug 75
Amended: 31 Aug 77
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: 27 Dec 16 (Effective 01 Jan 2017)
Amended: 23 May 17 (Effective 01 each year)
Amended: 19 Dec 17

(Dec 17)



BOARD ACTION REQUEST

TO: GRF BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION COMMITTEE
SUBJECT: AMEND POLICY 1201-33, GRF IDENTIFICATION CARDS **(FINAL VOTE)**
DATE: DECEMBER 18, 2018

At its meeting on October 8, 2018, the Mutual Administration Committee recommended the Golden Rain Foundation (GRF) Board of Directors (BOD) amend Policy 1201-33, Photo Identification Cards.

At its meeting of October 23, 2018, 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 November 2nd 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 shareholders/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.

No correspondence was received, regarding amendment of Policy 1201-33, Photo Identification Cards, during the 30-day notification to the membership period.

I move to amend Policy 1201-33, Photo Identification Cards, changing the title of the policy to “GRF Identification Cards”, increasing the fee for second and subsequent losses of ID cards to \$50, removing the reference to Policy 1801-33, amending the term “renter” to “renter/tenant”, and stating that the non-surrender fee “may” be waived, rather than “will” be waived in the case of a deceased member.

COMMUNITY OPERATIONS**RESIDENT PARTICIPATION****AMEND****GRF Photo-Identification Cards**

1. ~~GRF Photo~~ identification cards will be issued by the Stock Transfer Office with authorization from the Stock Transfer ~~Manager~~ Supervisor and/or the Executive Director. ~~GRF Photo~~ identification cards are for the use of residents only. Use by anyone other than the members, co-occupants, ~~renter~~ renter/tenants to whom the identification card is issued is strictly prohibited. The ID card will be renewed every five (5) years, upon the surrender of the old ID card. ~~GRF Photo~~ identification cards will be issued to the following persons:

1- 1.1 All members of the Golden Rain Foundation as shown in the stock records of the Stock Transfer Office.

2- 1.2 Qualified Permanent Residents, as shown in the records of the Stock Transfer Office.

3- 1.3 Co-Occupants as described in Policy 1801-333, 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~~ GRF identification card must be surrendered to the Stock Transfer Office.

4- 1.4 All approved lessees of Mutual No. Seventeen.

1. Upon the sale of the unit or the demise of a member, co-occupant, or ~~renter~~ renter/tenant, the ~~photo~~ GRF identification card shall be surrendered to the Stock Transfer Office. If the ID card is not surrendered, a fee of \$500 will be assessed against the unit. In the case of a deceased member, the fee may will be waived. When the Security Department retrieves a ~~photo~~ GRF identification card, for whatever reason, it shall be surrendered to the Stock Transfer Office immediately.

2. For lost or stolen ~~photo~~ GRF identification cards, members, co-occupants, or ~~renter~~ renter/tenants may obtain a replacement card by:

5- 3.1 Personally completing a "Certificate of Lost ID" form in the Stock Transfer Office.

6- 3.2 Paying a \$20 fee for the first loss;

~~A3.2.1. Subsequent losses will be a \$50 fee each. 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;~~

~~B3.2.2.1.~~ The fee will be waived if member, co-occupant, ~~renter~~ renter/tenant produces a Police Report that can be verified by the Stock Transfer Office.

(Sep 17)

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

Waiving of fee or fees is at the sole discretion of the Finance Committee.

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: 27 Dec 16
 Amended: 26 Sep 17

GOLDEN RAIN FOUNDATION
Seal Beach, California

(Sep 17)

COMMUNITY OPERATIONS

RESIDENT PARTICIPATION

AMEND

| **GRF** Photo Identification Cards

| (Sep 17)



BOARD ACTION REQUEST

TO: GRF BOARD OF DIRECTORS
FROM: PHYSICAL PROPERTIES COMMITTEE (MW)
SUBJECT: CAPITAL FUNDING REQUEST - MEDICAL BUILDING IMPROVEMENTS
DATE: DECEMBER 6, 2018
CC: FILE

The Physical Property department was tasked with obtaining costs to replace concrete, as needed, and install roofing in the open awning areas around the Medical building. Proposals are attached, Exhibit A, based on recommendations by the ADRC at their October 24, 2018 meeting.

Medical Center

After a brief discussion, Ms. Hopewell MOTIONED, seconded by Ms. Fekjar and carried unanimously by the Committee members -

TO approve and recommend the Physical Property Committee seek costs for:

- Concrete additions/replacement to existing sidewalk
- Fill in roof openings around building

Bids were received and are as follows:

MJ Jurado (concrete removal/replacement)	\$15,356
Jordan Roof Company (roof additions)	\$ 5,400

It was recommended by the Physical Property Committee, at its November 7, 2018 meeting, to add a \$2,000 contingency, and forward this request to the GRF Board after review by the Finance Committee.

At its regular meeting on December 17, 2018, the Finance Committee reviewed available funding for this Capital project, and unanimously resolved funding is available.

I move to approve improvements around the Medical Center Building including concrete replacement, and roof installation (cover open awnings), based on recommendations of the ADRC, adding a contingency of \$2,000, for a total cost not to exceed \$22,756, Capital funds, and authorize the President to sign the contracts.

EXHIBIT A



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

Lic.# 987670

Proposal

Date	Estimate #
10/16/2018	17-0480

ATTN:

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

Project			
Concrete Tripping Hazards Club 5			
Description	Qty	Rate	Total
Location Building D South Side Next To Parking Stalls - Remove & Replace existing Sidewalk Construct New Sidewalk with Rebar And Acid Wash Finish . All Concrete Removed due to tripping Hazard.	810	11.00	8,910.00
Location In Front Of Medical Center & Pharmacy - Extend Concrete In Planter Area , Place 4" Concrete With Rebar Acid Wash Finish .	430	11.00	4,730.00
Location West Side Physical Property Office In Alley - Sawcut ,Remove & Replace Concrete , Construct New Concrete 6" On Native with #4 Rebar Doweled Into Existing .	156	11.00	1,716.00
<p>*Exclusions: Demo grading, water, permits, surveys, approved plans, soils tech, inspections, underground utilities that may be damaged during excavation, all work or items furnished by others.</p> <p>We can schedule this work to meet your production requirements. Thank you for your consideration. We trust we can be of service.</p> <p>Michael J. Jurado</p>			
Total			\$15,356.00

Approved By: _____

Date: _____



Jordan Roof Company

"The LEAK Stoppers"

ST LIC 406783

Commercial Division
Est. 1981

11542 Anabel Avenue, Garden Grove, Ca. 92843
Ofc. (714) 744-6577 Fax. (714) 744-6517

Contract

Client: Leisure World Seal Beach
Golden Rain/Physical Properties

Job Address: Commercial/Medical Building
1661 Saint Andrews Bldg D
Seal Beach, Ca.

Roof System Specification: N/A

10/30/2018

Construction: Jordan Roof Company, Inc. (JRC) will furnish the necessary labor, materials, and equipment and agrees to perform in a conscientious manner to complete the job for the owners the following work as detailed below under "Scope of Work".

Scope of Work: Open awning installation only

1. Installation of "Standing Seam" steel-panel system over approximately 540 square feet of existing open canopy—to include all materials, trim, fastener and labor.
2. Client to be responsible for finish prime and paint of new panels.
3. Client understands work is to match as-close-as-possible, but, is not guaranteed to match exactly.
4. Clean-up and haul away all debris caused by roofers and leave area clean.

1. Roofing Contract

Owner promises to pay or cause to be paid Jordan Roof Company in consideration therefore the **Contract Price of:**
Five thousand Four Hundred Dollars-----**\$ 5,400.00**-----

Terms: Upon completion.

Acceptance: The above prices, specifications and conditions are satisfactory and are hereby accepted. Jordan Roof Company is authorized to do work as specified. Payment will be set out under terms.

Jordan Roof Company, Inc.

Buyer or Representative

Bill Jordan

Signature

Date

- 1.1 **The Contract Price** includes usual building permits and sales taxes. The Contract Price does not include any other government fees or assessments, if any. Because of the extreme price volatility for roofing materials, the above Contract Price is valid only for work commenced within thirty (30) days following the date of this Contract. Increases in the price of roofing materials after that date will be passed through to the Owner who agrees to execute a Change-Order for the increased costs.
- 1.2 **Schedule of Progress Payments:** After Owner has paid Contractor a Progress Payment and prior to Owner making any further Progress Payments, Contractor will provide Owner a full and unconditional release from any claim or mechanics' lien pursuant to Section 3114 of the California Civil Code for that portion of the work for which the Progress Payment was made. Payment is due within twenty one (21) days after billing. Late payments will bear interest at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less, and JRC may stop the work.
 - 1.2.1 Progress payments will be negotiated.
 - 1.2.2 **Change-Orders:** If Owner has requested Change-Orders that alter and add to the cost of the work, Owner will pay the cost of the Change-Orders upon completion of the additional work.

Change-Orders & Notes: Replacement of damaged wood other than what is stated already in scope of work will be considered a **Change order**. Board sheathing is replaced @ \$ 3.50 per lf, plywood @ \$ 2.25 per sq. ft., 2x joist @ \$ 5.00 per lf., rafter tails @ \$ 18.00 per lf. Fascia is replaced @ \$ 9.25 per lf. **Any and all other structural repairs deemed necessary by City Inspectors, General Contractor or Representatives of Jordan Company** for the successful completion of project will be billed @ **Time & Materials plus 25%.** **Jordan Roof Company will not** be held responsible for any unforeseen conditions or hazardous waste disposal (asbestos) if found. Please call your Jordan Roof Company representative for clarification prior to job start on any of the above statements.

Iron drains are replaced @ \$ 325 per—including all materials, coupler and fittings with a Thunderbird copper drain system.

Asbestos Notice: The Contract Price assumes that the existing roof does not contain asbestos or asbestos containing materials (ACM). Jordan Roof Company, Inc. (JRC) is not a licensed asbestos abatement contractor. If during discovery JRC finds the existing membrane(s) to contain ACM, JRC will notify the Owner who will be solely responsible for the additional costs. Owner shall defend, indemnify and hold harmless JRC and its employees and agents from all claims, liabilities, costs and expenses (including, without limitation, attorney fees, expert witness fees, and costs) arising out of or related to in any manner to asbestos or ACM, and excepting only such claims as arising solely and exclusively from JRC's gross negligence or intentional and unlawful conduct.

1.3 Approximate Start Date: _____ The work will be deemed substantially begun when JRC technicians access property and start roof preparation.

1.4 Approximate Completion Date: _____ The work will be deemed substantially completed when the work can be used for its intended purpose, although "Punch-list" items may still need to be completed.

2. Warranties

2.1 Warranty: JRC is providing a limited labor warranty on the areas of repair and/or replacement for a period of **Fifteen (15) years** from the date of completion. Warranty is void at time of any installations, i.e. solar or satellite systems or penetrations, unless approved or installed by Jordan Roof Company. Material Manufacturer warranties will be provided to the Owner upon completion as asked for. JRC assumes only repair work necessary should any leak(s) arise from workmanship, but, does not assume any responsibility for consequential damages caused by leakage whatsoever.

2.2 Disclaimer of Warranties and Limitation of Damages: The JRC warranty is in lieu of any other warranty, expressed or implied, including any implied warranty of merchantability or fitness for any particular purpose. The sole and exclusive remedy of the Owner for warranty matters is the repair of the defect. JRC is not liable for special, consequential, or incidental damages.

2.3 All Warranties are Conditioned Upon Payment in Full: If Owner fails to pay JRC all monies when due, then JRC warranties are void. Payment in full is a condition precedent to the effectiveness of the warranties. Owner shall not withhold final payment for matters covered under warranty or other minor "Punch-list" items.

2.4 Ponding: JRC did not design the roof and is not responsible for pre-existing ponding conditions. Owner will be notified of severe ponding conditions that are evident during the re-roofing process and whatever additional cost to correct the condition to an acceptable outcome.

3. Mold: JRC is not responsible for mold, mildew, dry-rot, or fungus. Owner shall defend, indemnify, and hold harmless JRC and its employees and agents from all claims, liabilities, costs and expenses (Including, without limitation, attorney fees, expert witness fees, and costs) arising out of or related in any manner to mold, mildew, dry-rot or fungus, and excepting only such claims arising solely and exclusively from JRC's gross negligence or intentional and unlawful conduct.

3.1 Mechanical Equipment: JRC is not responsible for defective or pre-existing conditions related to roof-top mechanical equipment.

4. General Description of the work

4.1 Work: JRC shall perform the work detailed under "Scope of Work", in a good and workmanlike manner, equal to or exceeding industry standard. JRC may sub-contract with licensed sub-contractors all or part of the work. JRC will pay all valid charges for labor and materials incurred by JRC and used in the work, but, Owner excuses JRC from this obligation for bills received in any period during which Owner is in arrears in making progress payments to JRC. The specifications in this

Contract are merely descriptive of the general work. JRC will submit the actual plans and specifications, as necessary, to the local government agency to obtain the required, again, as necessary, required permits. If there is a conflict between the specifications, and the plans and specifications submitted to the local government agency, the latter shall control.

- 4.2 Change Orders:** JRC will complete the work as described in this Contract. Changes in the work may be caused by unknown conditions, changes requested by Owner, changes required by the local jurisdiction, or other reasons beyond the control of the parties. Owner shall execute a written Change-Order setting forth the agreed changes, the reasons for such changes, the increase or decrease in the Contract Price as a result of such changes, and the extension of the Contract Completion Date, if any, caused by the Change-Order.
- 4.3 Substitution of Materials:** JRC reserves the right to substitute materials of equal quality and price if the materials specified in this Contract are not reasonably available for a timely completion of the work.
- 4.4 Completion Date:** The Completion Date shall be extended for causes beyond reasonable control of JRC, including Acts-of-God, civil disturbances, strikes, unavailability of construction material or labor, government action, delays in required permits, delays caused by others in delivering goods or performing services, changes in Contract terms requested by Owner, Owner's failure to make payments according to the Schedule of Progress Payments, or any other cause beyond JRC's reasonable control. Because Owner's work is scheduled along with the work to be performed for other Owners, any delay will result in Owner's work having to be rescheduled, and, may result in a delay of up to Five (5) business days. Therefore, for each delay not caused by JRC, the Contract Completion Date shall be extended Five (5) business days.
- 4.5 Property Damage:** JRC will take reasonable precautions to avoid unnecessary damage to Owner's property; however, some damage may be inevitable. JRC shall not be responsible for any such damage. Owner waives all claims against JRC for any such damage.
- 4.6 WARNING:** Hot asphalt fumes may cause odors that some people find objectionable. JRC recommends that all potentially affected persons be notified of the possibility of odors, and, provided a copy of the Material Safety Data Sheet for hot asphalt. JRC assumes no responsibility or liability for persons who may incur adverse reactions as the result of hot asphalt fumes.
- 4.7 Advertising:** Owner grants JRC the right to display signs at the jobsite, through the date of substantial completion. JRC may publish the project street address for references.

5. Owners Duties

- 5.1 Timely Payment:** Owner shall pay Jordan Roof Company, Inc. all amounts due within twenty one (21) days following billing. If Owner fails to make timely payment, then, JRC may stop the work and pursue its legal remedies, including filing a "Mechanics Lien" against the property. Late payments shall bear interest at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less, and, JRC may stop the work.
- 5.2 Owner delays:** If Owner delays the completion of the project for any reason, the Contract Price shall be increased by an amount equal to the increased cost of materials, labor, and interest to JRC resulting from the delay.
- 5.3 Protection of Materials and Equipment, Insurance:** Owner shall protect all materials and equipment delivered to the property. Owner shall insure the materials and equipment against theft or other loss. Owner shall maintain Insurance, including liability and property damage, and, covering course of construction, physical loss, vandalism and malicious mischief. If the work is damaged or destroyed by accident, disaster, theft or vandalism, Owner, at Owner's cost, shall restore the work and execute a Change-Order for the extra work.
- 5.4 Permits, Variances and Approvals:** JRC, at JRC's cost will obtain the Building Permit.
- 5.5 Adequate Access:** Owner, at Owner's cost, shall provide adequate access to JRC for materials and equipment. Owner shall obtain written permission from any adjacent landowners if access is to be provided through the property of others.
- 5.6 Notice of Completion:** If requested, Owner shall record a Notice of Completion within Five (5) days following substantial completion. If Owner fails to record the Notice of Completion, Owner authorizes JRC to sign and record the Notice as Owner's agent.