



REGULAR MEETING OF THE SHARED COSTS AD HOC COMMITTEE

**Thursday, August 15, 2019 – 10:00 a.m.
Laguna Woods Village Community Center Board Room
24351 El Toro Road**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. First Meeting
5. 2021 Shared Costs Policy Team Introductions
6. Chairs Remarks
7. Member Comments (Items Not on the Agenda)

Items for Discussion and Consideration

8. Shared Costs (SC) Concepts Slides
9. SC – GRF SC 2019 Concept Slides
10. SC – Policy History
11. SC – Reason People Moved Here
 - a. Recreation Department 2019 Pro Forma Per Manor Per Month (PMPM)
12. SC – Policy Changes
 - a. Expanding Fee Sharing with definitions
13. SC – Solutions to be Considered: Research Teams to be preformed
 - a. Trust Facilities Fee for a more equitable plan
 - b. Vehicles – The original SC concept; Fees for additional vehicles
 - c. Allocations of Work Center Admin Expenses
 - d. Guest Fees Reconsidered for Pools and Gyms
 - e. Discuss number of different users versus the number of facilities uses
 - f. All Future Endeavors must be self-funded
 - g. Broadband Services SC Concept
 - h. Recreation Bus Excursions SC; Plan a Ride SC vs Uber and Lyft

Concluding Business:

14. Committee Member Comments
15. Date of Next Meeting – TDB
16. Adjournment

Annette Soule, Chair
Siobhan Foster, Staff Officer
Telephone: 949-597-4266

The Original Shared Cost Concept

*All Members Shared The Costs and Benefits Of
The Residential and Recreational Facilities*

No fees were charged !

*Golden Rain facilities were heavily subsidized
by sales related income*

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When did fees
come into the
picture?

17

1967

Housing Market Slump

- The Rossmoor Corporation terminated their Agreement to subsidize the facilities
- Funds were now needed to support Golden Rain activities
- Golden Rain initiated fees to use:
 - golf course
 - stables
 - “trailer” storage area

18

1968

Special Study for Fees

Pertinent statements made in this Study:

- *Revenues should be for a purpose, never an end in themselves*
- *The extension of recreational services should be based upon need and not upon income*
- *Fees and charges should not be based upon the premise that Departments should be self-supporting*

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**Exceptions to Shared Cost Concept
were now divided into two categories:**

- Fees
- Charges

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1970 Study The Purpose

- To define the distinction between “fees” and “charges”
- To define a philosophy or policy statement with regard to the establishment of fees

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FEES were defined as

- An amount of money charged to a resident or user to use the facility
- Established by the Board of Directors in support of specific activity area
- Had to be needed and justified pursuant to approved criteria

24

CHARGES were defined as

- A charge established by the Management Agent with formal Board approval
- To provide special or personal service requested by individuals or groups
- Not in violation of the concept of community shared overall costs
- Not a participation fee

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Four Criteria to impose a “fee”

1. Utilization Control
2. Financial Support of a High Cost Facility
3. Service in Support of Personally Owned Property
4. Support of Financing a New Facility or Service

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Financial Support of a High Cost Facility

A Fee for use of a facility may be primarily justified in plain recognition of the high cost of operating and maintaining the facility concerned.

Inasmuch as all facilities are individually used by varying percentages of the total membership, a fee becomes a devise for reducing the impact of this cost on the monthly carrying charges.

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This criterion was applied in two major areas: Golf and the stables

“However, in fairness to the users of these facilities, the fee should cover only partial support of the activity, with a reasonable and equitable share of the costs borne by the total community.”

30

Income to Support a New Facility or Service

To meet the financial demands of a new facility or service, it would be reasonable to plan for its support from those desiring its services.

However, it would be most important to initiate the policy from its inception and to have all know in advance of the anticipated use by its expected users.

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III Surcharges Other Charges

Within the respective Mutuals, certain facilities or services are furnished for the use and convenience of a limited group of residents (or individuals) within the respective Mutuals.

These costs are budgeted in the respective Mutual **in addition** to the GRF/Mutual Shared and Direct Mutual Operating Costs.

The carrying charge paid monthly by each manor ownership in each of the limited groups of such Mutual reflect the Manor ownership's portion of these costs.

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Examples of these surcharges are:

Elevator operating charges
Recreation room charges
Laundry operating charges
Laundry replacement charges

Meal tickets
at the Towers

40

Basic Assessments Pay For:

Direct Mutual Operating Expenses
Mutual Reserve Contributions
Mutual Shared Operating Expenses
and
GRF Operating Expenses
GRF Reserve Contributions

41

At a GRF Board Meeting September 5, 1989

A formula was devised to determine when a fee may be imposed for a high cost facility.

“A fee may be imposed if the net annual operating and maintenance expense for the facility or service equals or exceeds 1/2% of the total amount of the most recent GRF budget exclusive of all reserve contributions.”

42

Special Facilities

Two facilities have been consistently free from fees being charged as a result of their being a high cost facility or service.

- **Aquatics**
- **Bus System**

43

Aquatics Special Exemption

Derives from the virtually universally held view that the “swimming pool” is an integral part of residential real property whether it is a single family residence or a condominium or cooperative housing development with a pool as part of the common area.

**2004 Business Plan showed \$383,004 For Aquatics
For Unallocated Expense less Revenue**

44

L.W. Transportation Special Exemption

Derives from assurances of the developer that there would be a free community bus system

And from an understanding that the imposition of any fees or charges would render the bus system subject to regulation by public authorities

Bus System - Unallocated Expense \$1,262,081

Source- 2004 Redbook

45

To Eliminate “Fees”

Non- Assessment Revenue from

Recreation Division	\$955,300
Golf Fees (Landscape)	<u>\$332,870</u>
Total	\$1,288,170

**Increase Assessments \$8.42 Per Manor
Per Month to eliminate Recreation Fees**

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Shared Cost Concept

- What are shared costs?
Costs shared equally by all units

- Costs of facility or service
 - Operating
 - Maintaining
 - Furnishing

Shared Cost Concept

Exceptions where fees are used to:

1. Control crowding
2. Minimize over-usage
3. Impose reasonable limitations on use
4. High cost facility or service
5. New facility or service
6. Limited or exclusive use

Shared Cost Concept

Historically, no fees have been imposed for:

1. Aquatics (Pools)
2. Transportation (Buses)
3. Special facilities where it may be difficult or not cost effective to collect fees (such as shuffleboard, bocce ball, lawn bowling, tennis, gym, etc.)

Policy for Fee Changes

- Review by Standing Committee
i.e. CAC, M&C, Security, Finance
- Adoption by Board
- Frequency:
 - As Needed
 - Business Planning Process
 - Entire Fee Schedule

Current Facility Fees

- Facility Room Rentals
- Garden Center
- Equestrian Center
- Golf Facilities
- RV Lot Storage

Current Service Fees

- | | |
|---|--|
| • Leases | • Inspections |
| • Transfers | • Alterations |
| • Second Occupants | • Permits |
| • Electric Golf Carts | • Chargeable Services |
| • Carport Rental | • Guests |
| • Security Fees
(i.e. key deposits,
lockouts) | • Recreation Classes |
| | • Community Sponsored
Entertainment |

GRF Revenue & Assessment History



YEAR	Non Assessment Revenues	Assessment PMPM
2007	4,900,000	\$202.07
2008	5,600,000	\$204.65
2009	5,600,000	\$216.16
2010	5,700,000	\$216.22
2011	4,600,000	\$199.71
2012	5,100,000	\$207.75
2013	7,400,000	\$208.40
2014	7,500,000	\$223.88
2015	7,300,000	\$216.06
2016	9,800,000	\$194.30
2017	10,600,000	\$193.61
2018	12,900,000	\$198.57
2019	13,600,000	\$201.01

GOLDEN RAIN
Foundation
of LAGUNA WOODS

To: Golden Rain Foundation Board of Directors
From: Betty Parker, Financial Services Director
Date: January 24, 2012
Subject: History of Shared Cost Policy

The GRF Board recently expressed an interest in reviewing the practice of shared costs in Laguna Woods Village. To start, Staff has looked for historical corporate records showing exceptions made to the shared cost concept, as applied by GRF to certain facilities or services. A search of key words in the governance records produced a number of resolutions related to the establishment, review, and modification of fee policies that were designed to offset, when warranted, the amount assessed equally to all members.

The list below summarizes a number of resolutions that had a direct impact on how such fees were established. At the Board's direction, Staff will proceed with a more in-depth look at these historical actions and how they may have led to current practice.

Resolution dated October 5, 1967

Established fees for use of GRF facilities including the riding stable, golf courses, and boat/trailer storage area.

Resolution dated November 27, 1967

Established a committee for the purpose of studying the existing schedule of fees related to use of facilities and to make recommendations.

Resolution No. 563 dated May 25, 1970

Joint Fees and Finance Committees presented their recommendations in the matter of Fees Philosophy and Criteria, leading to the approval of a guideline for the use of fees.

Resolution No. G-81-55 dated May 5, 1981

After review by the Community Relations Committee, confirmed the existing philosophy and criteria from resolution No. 563 as the basis for the use of fees.

Resolution No. G-86-28 dated March 4, 1986

Ad Hoc Fees and Charges Subcommittee completed a review of fees. The resulting "Guidelines – Shared Costs, Fees, Charges & Dues" (Guidelines) report was adopted, containing a definition of the shared cost concept and guidelines for establishing and modifying fees for users of a shared cost facility or service. [Resolution No. 563 was superseded and cancelled]

Resolution G-89-74 dated June 6, 1989

After review by the Finance Committee, modifications were made to the Guidelines report to apply fees in a more equitable manner. [Resolution No. G-86-28 was superseded and cancelled]

GOLDEN RAIN
Foundation
of LAGUNA WOODS

Resolution G-89-93 dated September 5, 1989

After review by the Community Activities Committee, modifications were made to the Guidelines report to apply fees in a more equitable manner.

[Resolution No. G-89-74 was superseded and cancelled]

Resolution G-89-115 dated November 7, 1989

After review by the Community Activities Committee, modifications were made to the Guidelines report to apply fees in a more equitable manner.

[Resolution No. G-89-93 was superseded and cancelled]

Resolution G-97-14 dated March 4, 1997

Established the Ad Hoc Shared Cost Concept Committee to review the origins, absolutions, and exceptions outlined in the Guidelines report.

Resolution G-97-40 dated April 1, 1997

Approved the Ad Hoc Shared Cost Concept Committee Charter

Resolution 90-07-26 dated April 3, 2007

Established Recreation Division Fees Ad Hoc Committee to determine the need to amend the Recreation Fees Schedule.

Attachments

Cc: Jerry Storage
Cris Robinson

MINUTES OF MEETING
BOARD OF DIRECTORS
GOLDEN RAIN FOUNDATION OF LAGUNA HILLS
A CALIFORNIA NONPROFIT CORPORATION

The directors of Golden Rain Foundation of Laguna Hills, a California nonprofit corporation, met at 23561 Paseo de Valencia, Laguna Hills, California, Monday, September 25, 1967 at 9:00 A. M., which was a duly scheduled regular meeting.

Directors present: Robert L. Price, S. N. Hall, Elsie Parker, Bernard Ingram, Frank Shepherd, Frank Schaeffer, George Farmer, Judge O. Benton Worley, Nicholas Zavodney, John Bramhall, and Harold Jones.

Directors absent: Helen Mullen, Alvin Counsell, John Hale Hackley, Harold Orville, Sheldon Sundgren and Marion Gouldthrite.

Others present: E. L. Olsen, H. Carl Roessler, W. F. Price, Harry Babbitt, Major Anderson and Evelyn Poitevin.

Mr. Price, president of the corporation, presided at the meeting and advised that it was being held pursuant to Section 4 of Article IV of the By-Laws of the Corporation following notice duly given and that a quorum was present.

The minutes of the August 28 regular and September 6, 14, and 18 special meetings were approved as submitted.

The Summary Budget Comparison Report and the August 31 Financial Statement were reviewed. Pursuant to a suggestion by Mr. Zavodney, it was agreed that at future meetings Harold Jones would review the highlights of the Financial Statement, especially any changes that have been made.

Mrs. Parker reported for the Medical Facilities Committee, stating they had met with Mr. Cortese and he had advised that he would allow the Nursing Home to be built elsewhere than behind the Medical Center Building.

Mr. Ingram advised that the Snack Shop Committee feels Mr. White should be allowed to expand his operations into the building formerly used by Mannings. The committee recommended that someone, if not Mr. White, should make use of this building, but they were willing to allow Mr. White to try it on a temporary basis only. A motion was made by Mr. Zavodney, seconded by Judge Worley, and duly carried to accept the committee's recommendation.

Copies of the Maintenance Cost Study Committee's recommendations, listed in the September 18 minutes of its meeting, were distributed and reviewed. Fees were recommended for use of the golf course, stable, and the boat and trailer storage area. Mr. Anderson displayed charts of maintenance costs if Golden Rain Foundation should decide to purchase the golf course.

Upon motion made, seconded, and unanimously carried, the following resolution was adopted:

~~RESOLVED~~, that effective October 5, 1967, the following fees for use of facilities of this corporation shall be charged to members of this corporation:

Riding Stable	\$.50 per hour (or portion thereof)
Golf Course	2.00 for 18 holes, and 1.25 for 9 holes
Boat & Trailer Storage Area (including campers)	3.00 per mo. for units under 15' 4.00 per mo. for units 15-20' 5.00 per mo. for units over 20'.

11/27/67

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized and directed to take such action as may be necessary to carry out the purposes of this resolution.

Copies of a report from Major Anderson dated November 6 regarding monthly golf rates were distributed. Pursuant to discussion and recommendation that a committee be appointed to study this area of fees conclusively and presented as a package, a motion was made by Mr. Zavodney, seconded by Mr. Schaeffer, and duly carried that this be done.

The meeting was recessed at 11:35 A. M. for lunch and reconvened at 1:00 P. M. with the same directors in attendance, plus John Bramhall and Harold Jones.

Copies of a work order to remodel Suite #5 in the Medical Center Building to be used for doctors' sleeping quarters were distributed and discussed. Dr. Wergeland advised that over and above the alteration cost, there will be an additional expense involved in furniture for the suite. Pursuant to discussion, and upon motion made by Mr. Ingram, seconded by Mrs. Mullen, and duly carried, the following resolution was adopted:

WHEREAS, it has been recommended by the medical director and the administrator that certain alterations be made in one of the medical center suites to provide improved quarters for doctors when on duty off hours;

NOW, THEREFORE, BE IT RESOLVED, that the alterations as recommended be approved and that the amount of \$1,000. be appropriated from the medical equipment fund for the purpose of accomplishing said alterations and that the administrator be authorized to proceed as expeditiously as possible.

The October 31 Financial Statement was reviewed, with Harold Jones discussing each page.

Mr. Price advised that Harold Jones is now the division's assistant controller and Mr. H. E. Kinkead, the new division controller, was introduced.

Pursuant to further discussion on the study of fees, and upon motion made by Mr. Zavodney, seconded by Mr. Shepard, and duly carried, the following resolution was adopted:

RESOLVED, that a committee is hereby established for the purpose of studying the existing schedule of fees paid by members for use of facilities of the corporation and to make such recommendations as may be appropriate on or before March 25, 1968;

RESOLVED FURTHER, that Frank Shepherd, George Farmer, Wm. Dunn, Frank Schaeffer, Nicholas Zavodney and Marion Gouldthrite are hereby appointed as members of said committee and Frank Shepherd is designated as chairman.

Copies of a report from the administrator dated November 24 regarding Orange County Service Area #4 were distributed and discussed. Upon motion made by Mr. Schaeffer, seconded by Mr. Farmer, and duly carried, this action was deferred to a later date.

Information copies of a report dated November 20 from E. L. Olsen on the status of new sales and resales were distributed and acknowledged.

Information copies of a report on leased manors as of November 27 were distributed and acknowledged.

Copies of a report from Major Anderson dated November 20 recommending the library be moved to the Snack Bar Building were distributed and discussed.

Information copies of the Statement for the 1968 Budget of the Medical Department were distributed, acknowledged, and reviewed by Dr. Wergeland.

Mr. Roy Brown asked why temperatures in hot pools at the swimming pools were so low. Mr. Price advised that the matter was a medical and legal problem and had been referred to Dr. Wergeland and William F. Price.

- # The Joint Fees and Finance Committees presented their recommendations in the matter of Fees Philosophy and Criteria. After some discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

Resolution No. 563

RESOLVED, that the report of the Joint Finance and Fees Committees be approved; and

RESOLVED FURTHER, that the following statement of philosophy regarding the use of fees be approved:

The primary financial support of the overall program of community activities and services, as provided by the Golden Rain Foundation of Laguna Hills, is to be gained by the levying of equal monthly charges on the community's membership. There will be two general exceptions to this policy.

1. Participation Fees may be approved by the board of directors in support of specific activity areas, providing they are needed and justified, pursuant to approved criteria as hereinafter stated.
2. Charges for services may be made by the management agent, as may be necessary, to provide services requested by individuals or groups concerned, providing they are not in violation of the concept of community shared, overall costs, as above stated, and excepting the area of participation fees as reserved by the board of directors for its decision.

CRITERIA

These criteria may be applied to any existing or proposed fee to be paid for the usage of any facility, service or activity.

1. Utilization Control - A fee may be charged to control utilization of a facility or facilities when it is found necessary or appropriate for the following reasons:
 - a. To effectively control crowding and minimize over-usage.
 - b. To control guests, wherever needed or appropriate.
 - c. To enable utilization by Third Party Occupants.
 - d. To meet any other need where utilization control is apparent.
2. Financial Support of a High Cost Facility - A fee may be charged to the users of a high cost facility so as to share in its operational and maintenance costs and thereby reduce the impact on the monthly carrying charge.
3. Service in Support of Personally Owned or Financed Property - A fee may be charged to a resident as payment for special services provided to him in the case of personal property owned by him or so as to permit an improvement being installed for his personal accommodation.

BFB

4. Income to Support a New Facility or Service - A fee may be charged of all users of a new facility or service, provided it was planned and initiated with this policy and well known by all concerned.

Upon motion duly made and seconded, the following resolution was adopted:

Resolution No. 564

RESOLVED, that the Golden Rain Foundation of Laguna Hills board of directors wishes to express its appreciation and gratitude to the dozens of students from Saddleback Junior College who spent an entire recent Saturday voluntarily washing cars for Leisure World residents without accepting a penny of recompense; and

RESOLVED FURTHER, that the board of directors appreciates this effort on their part to become better acquainted with Leisure World residents, thus bridging the 'so-called' generation gap; and

RESOLVED FURTHER, that Leisure World residents hope that this friendly spirit will continue as it has in the past to reflect the pride and confidence that the residents of Leisure World have in Saddleback Junior College.

Upon motion duly made and seconded, the following resolution was adopted:

Resolution No. 565

WHEREAS, the Library facility at Rossmoor Leisure World, Laguna Hills, has grown from its volunteer inception in 1965 to be a complete facility with its own building adjacent to the Administration Building; and

WHEREAS, an unusually large amount of volunteer time and effort has been provided to the library, now including 1711 hours, by Mrs. Elza Blanchard; and

WHEREAS, it is the consensus of the board of directors of Golden Rain Foundation of Laguna Hills that recognition for this extensive dedicated service is worthy and deserving; and

NOW THEREFORE BE IT RESOLVED, that the board of directors of Golden Rain Foundation of Laguna Hills does duly praise and commend Mrs. Elza Blanchard for her outstanding contribution to Leisure World's facilities and program.

The report on Golf Cart Lease was discussed and upon motion duly made and seconded, the following resolution was adopted:

Resolution No. 566

RESOLVED, that the officers and agents of this corporation are hereby authorized to enter into a lease agreement with Taylor-Dunn Manufacturing Company of Anaheim, California, to supply the corporation with two additional golf carts for a period of three years at the unit rate of \$30.89 per month, with the condition that said lease can be cancelled on thirty days' notice if the operation is relinquished to another party.

May 5, 1981

in the capital budget, for the construction of tennis facilities, parking and other related costs at the Outdoor Recreation Area.

A request from Pacific Telephone Company for Grant of Easement was discussed. Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution No. G-81-54

RESOLVED, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to grant an easement to the Pacific Telephone and Telegraph Company for the purpose of constructing and maintaining underground communication facilities on Lot A of Tract S861 of the real property owned by the corporation; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to execute such documents and take such action as they may deem necessary to carry out the purpose of this resolution.

Mr. Smith, Chairman of the Community Relations Committee, reported on the assignment of the committee to study fees and charges. He advised the board of directors that a resolution of guidelines adopted in 1970 is still applicable and asked that the same guidelines and criteria be continued.

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution No. G-81-55

RESOLVED, that the board of directors of this corporation hereby reaffirms resolution No. 563 adopted on May 25, 1970, concerning the philosophy of fees for the use of the facilities and the criteria for application of said fees.

General Manager Russell L. Disbro commented on the safety record of the Recreation Division for 1000 days without a lost time injury and complimented Division Director Richard Way for such a record.

Mrs. Christiansen, Personnel and Safety Director, reported on her attendance in Sacramento on the California State House Conference on Aging and the 17 issues which were under discussion.

Mr. Hanson expressed his thanks to directors Rosenberg, Driscoll and Nathanson for their service to the community for the proceeding 3 years as directors of the corporation and thanked all of the directors for having had the privilege of serving with them.

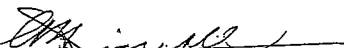
The meeting recessed at 11:30 A.M., and reconvened at 12:10 P.M.

The chairman reminded the board of directors of the annual meeting to be held on May 18th at 10:00 A.M., and the Meet the Candidates meeting on Monday, May 11th at 10:00 A.M.

Mr. Hanson advised the board of directors that C. C. Coates, Glenn F. Wineman, Emily C. Davis and he will be in contact with Rossmoor Corporation concerning the proposed Rossmoor Professional Office Center during the coming months.

Mr. Hanson again thanked the board of directors for their cooperation and loyalty.

There being no further business to come before the meeting it was adjourned.


A. H. Driscoll, Secretary

vc

March 4, 1986

Resolution No. G-86-26

RESOLVED, that the following persons are hereby appointed to serve on the Recreation/Education Committee of this corporation:

Hamilton Robinson, Chairman
Leon A. Bosch
Richard C. Bruner
Mary E. Drane
Robert W. Hayes
Charles Kleeberg
Shirley O'Connor
Kitty Robinson
Edwin M. Short
H. Dixon Trueblood.

The President requested that the board of directors approve a resolution to accept a gift to the corporation.

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution No. G-86-27

RESOLVED, that this corporation hereby accepts a gift of \$2,000.00 from the Ebell of Laguna Hills;

RESOLVED FURTHER, that the President is hereby authorized and directed to notify said donor, in writing, of the acceptance of said gift and to express the thanks of the corporation therefor; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to expend from working capital not to exceed \$2,000.00 in addition to sums previously authorized in the 1986 capital budget, for the installation of hand holds in the Auditorium at Clubhouse III.

Resident Member Milton Adamson, Chairman of the Area Project Review Committee, presented his report.

Resident Member C. H. Troy, member of the Ad Hoc Fees and Charges Subcommittee reported that the committee's assignment has been completed and that the committee's recommendation is that the board of directors approve the proposed guidelines.

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution No. G-86-28

WHEREAS, it is in the best interests of this corporation that a definition and procedure for the levying of Fees, Charges and Dues be prepared and adopted:

WHEREAS, it is the intent of the officers and directors of this corporation that such rationale, definition and procedure be so established as to provide for routine modification of fees, charges and dues in accordance with approved procedures and without requirement for future resolutions;

NOW THEREFORE BE IT RESOLVED, that this corporation hereby approves and adopts the Guidelines, effective

March 4, 1986, for the levying of Fees, Charges and Dues as proposed by the Fees and Charges Committee of the Golden Rain Foundation of Laguna Hills;

RESOLVED FURTHER, that in accordance with the intent of the study and proposed Guidelines, the Schedule of Fees and Charges may from time to time be modified;

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to take such action as they may deem appropriate to carry out the purposes of this resolution; and

RESOLVED FURTHER, that resolution No. 563, adopted May 25, 1970, is hereby superseded and cancelled.

Director Lederer, Chairman of the Capital Improvements Committee, presented her report.

There was a discussion concerning the replacement of capital equipment.

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution No. G-86-29

RESOLVED, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to expend from the general equipment depreciation fund not to exceed \$3,021.00 in addition to sums previously authorized in the 1986 capital budget, for the purchase of 2 sewer/drain cleaning machines with cables and power feeds.

Securing of the two gates at the service road that separates the 12th and 13th holes of the 27 hole golf course was discussed.

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution No. G-86-30

RESOLVED, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to expend from the trust improvement fund not to exceed \$8,800.00 in addition to sums previously authorized in the 1986 capital budget, for two (2) electronic gate installations and the purchase of one (1) wrought iron gate at the following locations on the 27 hole golf course:

To allow egress from the 12th hole, and
To allow ingress to the 13th hole.

Director Lederer presented a report on Volume IV of the Five-Year Capital Improvements Proposals and requested that the board of directors approve the plan. A discussion followed.

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution No. G-86-31

RESOLVED, that the "Golden Rain Foundation Five Year Capital Improvement Proposals - Volume IV" for 1986

GUIDELINES - SHARED COSTS, FEES, CHARGES & DUES

Through research of the governing documents pertaining to both the cooperative and condominium housing projects which comprise Leisure World, Laguna Hills, the following provisions provide for the shared Cost Concept:

1. Regarding Cooperative Housing Projects (United): The Occupancy Agreements, Article I (a), Article 13 and United By-Laws, Article III, Section 6.
2. Regarding Condominium Housing Projects: (Third, # 50) The Covenants, Conditions and Restrictions Article III, Section 2 (i), and Article VII, Section I (h)
3. Regarding Golden Rain Foundation: Exhibit B, Trust Agreements, Paragraph 6: Golden Rain Costs shall be included in monthly carrying charges on a pro-rata basis to members of respective cooperatives.(Mutuals)

Accordingly, if any material changes are made which differ from the long established shared cost concept, amendments to the governing documents (CC&R's), Occupancy Agreement, Trust Agreement, By-Laws) may be required.

The following Guidelines for the sharing of costs and for the levying and collection of fees, charges and dues, reflect the policies and practices which have developed over the period of Leisure World's history to date. Obviously the Guidelines and the attached schedule of fees, charges and dues are subject to change from time to time by future action of the Boards.

Although the Shared Cost Principle is reaffirmed and a basis is set forth for determining of both high cost facilities and the division of costs between users and the monthly carrying charges, these determinations could be made in other ways. One possibility, in recognition of the user/usage factor, could be to identify costs of individual use of a facility along with the volume of total usage. This method as well as others may be worthy of exploration.

Determination of the merit of the above option, and of others brought to the committee's attention, would depend on the availability of more precise and comprehensive statistical data concerning: (1) facility usage and (2) expense data relating to both operation and maintenance as well as initial capital cost.

A. General Principles and the Shared Cost Concept:

- I. Shared costs are costs of operating, maintaining or furnishing facilities or services which all Leisure World residents use or enjoy, or have the right to use or enjoy. They are costs budgeted as Golden Rain Foundation/Mutual Shared Costs, shared equally throughout Leisure World by manor. The carrying charge paid monthly by each manor ownership reflects an equal portion of these costs.
- II. Similarly, costs of operating, maintaining or furnishing facilities or services within Third, United, and Mutual Fifty, which all members of the respective Mutuals use or enjoy or have the right to use or enjoy, are costs which are similarly shared throughout each respective Mutual

and budgeted as Mutual Shared or as Direct Mutual Operating Costs. The carrying charge paid monthly by each manor ownership in each Mutual reflects an equal portion of these costs within the respective Mutual.

- III. In addition, within the respective Mutuals, certain facilities or services are furnished for the use and convenience of a limited group of residents (or of an individual resident) within the respective Mutuals. These costs are budgeted in the respective Mutual in addition to the Golden Rain Foundation/Mutual Shared and Direct Mutual Operating Costs. The monthly carrying charges paid monthly by each manor ownership in each of said limited groups of residents of such Mutual reflect the Manor ownership's portion of these costs.

B. Exceptions to the Shared Cost Concept:

I. Utilization Control.

In order to control crowding, minimize over-usage or to impose reasonable limitations on guests, fees may be imposed on users of a shared cost facility or service. Determination that utilization requires control through the imposition and amount of this fee is a function of the managing agent but requires approval of the Golden Rain Foundation Board of Directors (or Directors of the Mutual if the facility is a Mutual facility).

II. Financial Support of a High Cost Facility.

Reasonable fees may be imposed on the users of a shared cost facility or service if the net annual operating and maintenance expense for that facility or service equals or exceeds one-half of one percent (.5%) of the total amount of the most recent GRF budget exclusive of all reserve contributions.

Inasmuch as all Clubhouses provide multipurpose facilities and services, the foregoing formula shall be applied to each such facility in each Clubhouse separately in order to determine whether or not any such facility shall be classified as a high cost facility.

III. Financial Support of a New Facility or Service.

In instances where it was so planned and well known to all concerned, fees may be imposed and the users of a new facility or service required to support what would otherwise have been a shared cost facility or service.

C. Special Facilities:

- I. Although clearly falling within the principles of the Shared Cost Concept as well as the Exceptions thereto as defined above, since the inception of Leisure World two facilities have consistently been declared to be free from the imposition of fees for use thereof by Leisure World residents.

- a. The first of such special facilities are the aquatics and necessary related facilities. The special classification of aquatics derives from the virtually universally held view that the "swimming pool" is an integral part of residential real property

whether the single family residence or the condominium or cooperative housing development with a pool or pools as part of common area.

- b. The second such special facility is the Leisure World Mini-Bus Transportation system. Its special classification derives from assurances of the original developer that the community bus system would furnish certain fare-free bus transportation to Leisure World residents. In addition, the special classification derives from an understanding that the imposition of any fees or charges would render the bus system subject to regulation by public authorities. Rendition of this free bus service has been endorsed and continued by the first and subsequently elected Golden Rain Foundation boards of directors.

D. Definitions of Fees, Charges and Dues:

I. Fees.

A "fee" is a payment imposed on the user of a Shared Cost Facility or Service. The fee should represent an equitable and reasonable division of the cost involved between the users and the monthly carrying charge.

II. Charges.

A "charge" is a payment imposed on the user of a facility or service which is not a Shared Cost Facility or Service or which is furnished for the use and convenience of an individual resident or limited group of residents. Accordingly, a charge should represent, as nearly as reasonable and practicable, the entire cost of the use of the facility or service involved.

III. Dues.

Dues are payments imposed by the Board of Directors of Golden Rain Foundation on resident members as a membership requirement for the use of facilities of, or services rendered by, the Foundation.

E. Policy Regarding Furnishing Facilities or Services to Guests:

- I. Many facilities and services within Leisure World may be appropriately used by guests if invited to do so and accompanied by one or more residents.
- II. As a matter of policy, charges for furnishing facilities or services to guests should not result in either profit from or subsidy to guests. The charges should, as nearly as reasonable and practicable, represent the entire cost of the guest use of the facility or service involved.

F. Determination of Fees, Charges and Dues:

I. Fees.

Since a fee for support of a high cost facility should represent an equitable and reasonable division of the cost involved between users

and the monthly carrying charge respectively, the following formula has been developed and shall be followed by the managing agent as a part of the annual budget process:

- a. Calculate the percentage of the total cost of operation and maintenance of a given shared cost facility or service as allocated to the users and the monthly carrying charge respectively in the 1985 annual budget.

In the event that a facility or service should be identified as a high cost facility subsequent to the 1985 budget year, the Golden Rain Foundation Board of Directors shall determine an equitable and reasonable division of the cost involved between the users and the monthly carrying charge respectively.

- b. Changes in the amount of such total costs in subsequent years should be divided, as nearly as practicable, between users and monthly carrying charges so as to maintain the same relative percentages found in the 1985 annual budget.

In the event of changes of such total costs in subsequent years respecting a facility identified as a high cost facility subsequent to the 1985 budget year, the Golden Rain Foundation Board of Directors shall, from time to time, reexamine the division of the cost involved between the users and the monthly carrying charges respectively, and shall determine that such division is equitable and reasonable.

- c. Any such changes in an individual user's fee shall be imposed in increments of 25 cents or more. The following shall govern with respect to a single 25 cent increment or with respect to the last of two or more such increments. If an individual user's fee should change by $12\frac{1}{2}$ cents or more but less than 25 cents, the individual user's fee shall be changed by 25 cents; if such individual fee should change by less than $12\frac{1}{2}$ cents, no change shall be made in such individual user's fee.

Accordingly, while this requirement may cause underfunding or overfunding in a given year by a user or the monthly carrying charge, appropriate adjustment shall be made in the succeeding budget year to compensate for such imprecise funding.

- d. Where the managing agent determines that a facility or service should be subject to a user's fee to control crowding or over-usage, the managing agent shall recommend imposition of such a fee to the Board of Directors of Golden Rain Foundation. Such fee may be adjusted from time to time or eliminated as the Board may determine reasonable.
- e. Similarly, when the Board has determined that a new facility or service should be supported by users thereof, the Board may adjust said fee from time to time or eliminate the user's contribution as the Board may determine reasonable.

II. Charges.

By definition, a charge should represent, as nearly as reasonable and practicable, the entire cost of the use of the facility or service involved. The managing agent shall review all charges as a part of the annual budget process.

III. Dues

Annually, along with the collection of the monthly carrying charges in February of each year, ten dollars (\$10.00) is paid by the owners of each manor as annual membership dues in Golden Rain Foundation. Such membership dues entitle two residents in each manor to the use of all of the Foundation's facilities or services, subject, however, to payment of such fees and charges as may be established from time to time by the Board of Directors of the Foundation.

In the event that the owner(s) of any manor shall lease said manor to a tenant or tenants such tenant(s) shall be entitled to the use of all of the Foundation's facilities or services as aforesaid during the term of said lease and the owner(s) shall not be entitled to such use of said facilities or services and shall be required to execute a written waiver of all right to the use of said facilities or services.

The third and each additional occupant in a manor, whether owner or tenant, is required to pay dues in the amount of thirty-eight dollars (\$38.00) per month for the right to the use of the Foundation's facilities or services as aforesaid.

A third or additional person having an ownership interest in any manor but who does not in fact occupy such manor, shall not be required to pay the aforesaid dues provided that such person executes a written waiver of all right to the use of said facilities or services.

mkb.1/z19
Revised
3/12//86

RESOLVED, that the report of the Joint Finance and Fees Committees be approved; and

RESOLVED FURTHER, that the following statement of philosophy regarding the use of fees be approved:

The primary financial support of the overall program of community activities and services, as provided by the Golden Rain Foundation of Laguna Hills, is to be gained by the levying of equal monthly charges on the community's membership. There will be two general exceptions to this policy.

1. Participation Fees may be approved by the board of directors in support of specific activity areas, providing they are needed and justified, pursuant to approved criteria as hereinafter stated.
2. Charges for services may be made by the management agent, as may be necessary, to provide services requested by individuals or groups concerned, providing they are not in violation of the concept of community shared, overall costs, as above stated, and excepting the area of participation fees as reserved by the board of directors for its decision.

CRITERIA

These criteria may be applied to any existing or proposed fee to be paid for the usage of any facility, service or activity.

1. Utilization Control - A fee may be charged to control utilization of a facility or facilities when it is found necessary or appropriate for the following reasons:
 - a. To effectively control crowding and minimize over-usage.
 - b. To control guests, wherever needed or appropriate.
 - c. To enable utilization by Third Party Occupants.
 - d. To meet any other need where utilization control is apparent.
2. Financial Support of a High Cost Facility - A fee may be charged to the users of a high cost facility so as to share in its operational and maintenance costs and thereby reduce the impact on the monthly carrying charge.
3. Service in Support of Personally Owned or Financed Property - A fee may be charged to a resident as payment for special services provided to him in the case of personal property owned by him or so as to permit an improvement being installed for his personal accommodation.
4. Income to Support a New Facility or Service - A fee may be charged of all users of a new facility or service, provided it was planned and initiated with this policy and well known by all concerned.

EXHIBIT "A"

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution G-89-74

WHEREAS, it was determined by this corporation that clarification of the Fees, Charges and Dues Guidelines as adopted on March 4, 1986, was required; and

WHEREAS, the Finance Committee reviewed these Guidelines and determined modifications were needed to apply said Guidelines in a more equitable manner;

NOW THEREFORE BE IT RESOLVED, that this corporation hereby approves and adopts the attached Guidelines, as modified, effective June 6, 1989, for the levying of fees; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to take such action as they may deem appropriate to carry out the purposes of this resolution; and

RESOLVED FURTHER, that Resolution G-86-28, adopted March 4, 1986, is hereby superseded and cancelled.

Chairman Studebaker reported from the Community Activities Committee. Recreation Director Debby Lamb was present for questions thereon.

Chairman Schwartz reported from the Community Relations Committee.

Chairman Grossman reported from the Television Services Subcommittee.

Chairman Conser reported from the Government and Public Relations Committee.

Chairman Heiser reported from the Airport Awareness Subcommittee.

Chairman Potter reported from the Grounds Water Committee.

Vice Chairman Grossman reported from the 25th Anniversary Committee.

Chairman Gunster reported from the Maintenance and Construction Committee.

Chairman Smith reported from the Transportation Services Subcommittee.

Chairman Gunster reported from the Security Committee.

A portion of the meeting was devoted to questions from the audience.

The meeting recessed at noon and reconvened at 12:55 p.m.

Del Mourer, Vice President of Maintenance Services, Kirk Watilo, Vice President of Community Services, Roberta A. McNiel, Vice President of Financial Services, and PGM Directors Debby Lamb, Terry White and Milt Johns joined the meeting.

There being no further business to discuss, the meeting was adjourned at 3:00 p.m.


Albert Potter - Secretary

GUIDELINES - SHARED COSTS AND FEES

Through research of the governing documents pertaining to both the cooperative and condominium housing corporations which comprise Leisure World, Laguna Hills, the following provisions provide for the shared cost concept:

1. Regarding United Laguna Hills Mutual: The Occupancy Agreements, Article I (a), Article 13 and United By-Laws, Article III, Section 6.
2. Regarding Third Laguna Hills Mutual and Laguna Hills Mutual No. Fifty: The Covenants, Conditions and Restrictions, Article IX, Section 1 (h), and Article VII, Section 1 (h).
3. Regarding Golden Rain Foundation: Amended Trust Agreement dated March 30, 1964, Paragraph 6: Golden Rain costs shall be included in monthly carrying charges on a pro-rata basis to members of respective corporations.

Accordingly, if any material changes are made which differ from the long established shared cost concept, amendments to the governing documents (CC&R's, Occupancy Agreements, Trust Agreement, By-Laws) may be required.

The following Guidelines for the sharing of costs and for the levying and collection of fees reflect the policies and practices which have developed over the period of Leisure World's history to date. Obviously, the Guidelines are subject to change from time to time by future action of the Boards.

A. General Principles and the Shared Cost Concept:

- I. Shared costs are costs of operating, maintaining or furnishing facilities or services which all Leisure World residents use or enjoy, or have the right to use or enjoy. They are costs budgeted as Golden Rain Foundation/Mutual Shared Costs, shared equally throughout Leisure World by manor. The carrying charge paid monthly by each manor ownership reflects an equal portion of these costs.
- II. Similarly, costs of operating, maintaining or furnishing facilities or services within Third, United, and Mutual Fifty, which all members of the respective Mutuals use or enjoy or have the right to use or enjoy, are costs which are similarly shared throughout each respective Mutual and budgeted as Mutual Shared or as Direct Mutual Operating Costs. The carrying charge paid monthly by each manor ownership in each Mutual reflects an equal portion of these costs within the respective Mutual.
- III. In addition, within the respective Mutuals, certain facilities or services are furnished for the use and convenience of a limited group of residents (or of an individual resident) within the respective Mutuals. These costs are budgeted in the respective Mutual in addition to the Golden Rain Foundation/Mutual Shared and Direct Mutual Operating Costs. The monthly carrying charges paid monthly by each manor ownership in each of said limited groups of residents of such Mutual reflect the Manor ownership's portion of these costs.

7. Exceptions to the Shared Cost Concept:

I. Utilization Control.

In order to control crowding, minimize over-usage or to impose reasonable limitations on guests, fees may be imposed on users of a shared cost facility or service. Determination that utilization requires control through the imposition and amount of this fee is a function of the Managing Agent but requires approval of the Golden Rain Foundation Board of Directors (or Directors of the Mutual if the facility is a Mutual facility).

II. Financial Support of a High Cost Facility/Service.

Reasonable fees may be imposed on the users of a shared cost facility or service if the net annual operating and maintenance expense for that facility or service equals or exceeds one-half of one percent (.5%) of the total amount of the most recent GRF budget exclusive of all reserve contributions.

Inasmuch as all Clubhouses provide multipurpose facilities and services, the foregoing formula shall be applied to each such facility in each Clubhouse separately in order to determine whether or not any such facility shall be classified as a high cost facility.

III. Financial Support of a New Facility or Service.

In instances where it was so planned and well known to all concerned, fees may be imposed and the users of a new facility or service may be required to support what would otherwise have been a shared cost facility or service. Such fees shall be imposed at the discretion of the Golden Rain Foundation Board of Directors.

IV. Exclusive Use of Facility by Resident.

Where only a small number of residents are allowed access to a facility, the Golden Rain Foundation Board may impose a fee to recover certain costs of operating that facility. The Managing Agent shall identify those facilities that have limited use and recommend fees to the Board.

C. Special Facilities:

Although they could fall within the definition of a high cost facility/service, since the inception of Leisure World, two facilities have consistently been declared to be free from the imposition of fees for use thereof by Leisure World residents.

1. The first of such special facilities is the aquatics and necessary related facilities. The special classification of aquatics derives from the view traditionally held by the Leisure World community that the "swimming pool" is an integral part of residential real property.
2. The second such special facility is the Leisure World Transportation System. Its special classification derives from assurances of the original developer that the community bus system would furnish certain fare-free bus transportation to Leisure World residents. Rendition of this free bus service has been endorsed and continued by the first and subsequently elected Golden Rain Foundation Boards of Directors.

Additionally, there are other facilities where it would be difficult to collect fees or where it may not prove to be cost effective. Such facilities include shuffleboard, bocce ball, lawn bowling, tennis and the gymnasium.

D. Definition of Fees:

- I. Facilities Fee - A payment imposed on the user of a shared facility in order to control use or recover a portion of the costs if a high cost or new facility. The fee should represent an equitable and reasonable division of cost between the user and the monthly carrying charge.

A Facilities Fee requires an annual cost analysis in which the Golden Rain Board of Directors will determine what percentage, between 1% and 99%, is an equitable and reasonable division between the user and the carrying charge. The cost analysis shall include all direct costs of operating the facility.

- II. Administrative Service Fee - A payment imposed on the user of a service provided by administrative personnel of the Managing Agent. Where the service takes two hours or less to perform, the fee shall be set at no more than \$50.00; if the service takes more than two hours to perform, then the fee shall be set at a level intended to recover direct labor and material costs.

Annually, the Managing Agent shall provide to the Golden Rain Foundation Board of Directors a list of suggested services to which fees should attach and shall recommend to the Board fee amounts.

This fee pertains to services performed by administrative personnel only. These guidelines do not pertain to charges for maintenance services. Charges for maintenance services are established annually by the Board and are based on the actual costs incurred to render the service.

- III. Entertainment Fee - A fee assessed to individuals to cover a portion of the actual cost to put on a Recreation Division sponsored event. If the total cost of the event/activity is less than \$1,000.00, a nominal fee may be assessed. If the event/activity costs more than \$1,000.00, then the fee can be set at a level intended to recover direct labor and material and entertainers' costs.

- IV. Third Party Fee - A payment imposed for the third and each additional occupant in a manor, whether owner or tenant, for the right to use community facilities or services. The monthly fee shall be set at \$38.00 per month in 1989 and shall be adjusted in each subsequent year by the percentage increase/decrease in the GRF/MSO carrying charge.

A third or additional person having an ownership interest in any manor but who does not in fact occupy such manor, shall not be required to pay the aforesaid fee provided that such person executes a written waiver of all rights to the use of said facilities or services.

- V. Nonresident/Guest Fees - A payment imposed on a nonresident, including all non-Leisure World organizations, for use of a community facility or service. The amount shall be established by considering rates assessed for similar facilities or services outside the Leisure World community.
- VI. Membership Fee - Annually, along with the collection of the monthly carrying charges in February of each year, a fee is paid by the owners of each manor as annual membership dues in Golden Rain Foundation. Such membership dues entitle two residents in each manor to the use of all of the Foundation's facilities or services, subject, however, to payment of such fees as may be established from time to time by the Board of Directors of the Foundation.

In the event that the owner(s) of any manor shall lease said manor to a tenant or tenants such tenant(s) shall be entitled to the use of all of the Foundation's facilities or services as aforesaid during the term of said lease and the owner(s) shall not be entitled to such use of said facilities or services and shall be required to execute a written waiver of all right to the use of said facilities or services.

None of the fees defined in items I-VI shall be set at less than the amounts existing at January 1, 1989.

KW/RMA/nrh 1/38(#34)

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution G-89-91

RESOLVED, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to amend the expiration date of that certain Ground Lease between this corporation and SeaTree Nurseries Partnership;

RESOLVED FURTHER, that the expiration date of the aforementioned ground lease is hereby extended by one year so as to expire on June 30, 1993;

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to take such action as they may deem appropriate to carry out the purpose of this resolution; and

RESOLVED FURTHER, that except as modified herein the terms of said lease agreement shall remain in full force and effect as originally executed and as amended.

Director Smith gave the Treasurer's Report for the period ending July 23, 1989. Roberta McNiel, Financial Services Vice President was present for questions thereon.

Director Coblens joined the meeting.

Chairman Heiser reported from the Community Activities Committee.

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution G-89-92

RESOLVED, that this corporation hereby accepts gifts totalling \$4,158.05 from the following groups:

Laguna Hills Greenbelt in cooperation with	
Rod & Gun Club & L.H. Men's Golf Club	\$2,057.57
Mr. and Mrs. Bert Wilmers	100.00
Arlene E. Sampsell	10.00
Theatre Guild of Leisure World	1,990.48 and;

RESOLVED FURTHER, that the President is hereby authorized and directed to notify said donors in writing, of the acceptance of said gifts and to express the thanks of the corporation therefor; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation, to expend from Capital Equip. Fund not to exceed \$4,158.05 in addition to sums previously authorized in the 1989 operating budget, toward the purchase of a Sennheiser System for Clubhouse II.

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution G-89-93

WHEREAS, it was determined by this corporation that clarification of the Fee Guidelines as adopted on June 6, 1989, was required; and

WHEREAS, the Community Activities Committee and staff reviewed these Guidelines and determined modifications were needed to apply said Guidelines in a more equitable manner;

NOW THEREFORE BE IT RESOLVED, that this corporation hereby approves and adopts the attached Guidelines, as modified, effective September 5, 1989, for the levying of fees; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to take such action as they may deem appropriate to carry out the purposes of this resolution; and

RESOLVED FURTHER, that Resolution G-89-74, adopted June 6, 1989, is hereby superseded and cancelled.

Director Grossman reported from the Community Relations Committee and the Television Services Subcommittee.

Director Mandelstam reported from the Health & Social Services Subcommittee.

Director Conser reported from the Government and Public Relations Committee.

Director Payne reported from the Local Government Relations Subcommittee.

Directors Smith and Selden reported from the Airport Subcommittee.

French television cameraman Oliver Peghetti filmed a portion of this meeting for use overseas.

Director Potter reported from the Grounds & Water Committee.

Director Grossman reported from the 25th Anniversary Committee.

Director Coblens reported from the Legal Committee.

Director Gunster reported from the Maintenance and Construction Committee. He gave an update on the Irrigation System.

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution G-89-94

RESOLVED, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to expend a sum not to exceed \$2,050 from the Trust Improvement/Replacement Reserve for the installation of a traffic sign with flashing amber lights on the access road to R. V. Storage Lot 1, east of the 13th tee crossing.

Director Smith reported from the Transportation Services Subcommittee. The Sunday evening "B" bus will be stopped October 1, 1989, due to low ridership. Event rescheduling and alternate transportation are planned.

Director Payne reported from the Security Committee.

The meeting was recessed at 12:30 p.m. and reconvened at 1:10 p.m.

Operations Vice President Del Mourer, Financial Services Vice President Roberta McNiel, Recreation Director Debby Lamb, Landscape Director Milt Johns, Maintenance Director Terry White, and Executive Assistant Margaret K. Busby joined the meeting at this time.

GUIDELINES - SHARED COSTS AND FEES

Through research of the governing documents pertaining to both the cooperative and condominium housing corporations which comprise Leisure World, Laguna Hills, the following provisions provide for the shared cost concept:

1. Regarding United Laguna Hills Mutual: The Occupancy Agreements, Article I (a), Article 13 and United By-Laws, Article III, Section 6.
2. Regarding Third Laguna Hills Mutual and Laguna Hills Mutual No. Fifty: The Covenants, Conditions and Restrictions, Article IX, Section 1 (h), and Article VII, Section 1 (h).
3. Regarding Golden Rain Foundation: Amended Trust Agreement dated March 30, 1964, Paragraph 6: Golden Rain costs shall be included in monthly carrying charges on a pro-rata basis to members of respective corporations.

Accordingly, if any material changes are made which differ from the long established shared cost concept, amendments to the governing documents (CC&R's, Occupancy Agreements, Trust Agreement, By-Laws) may be required.

The following Guidelines for the sharing of costs and for the levying and collection of fees reflect the policies and practices which have developed over the period of Leisure World's history to date. Obviously, the Guidelines are subject to change from time to time by future action of the Boards.

A. General Principles and the Shared Cost Concept:

- I. Shared costs are costs of operating, maintaining or furnishing facilities or services which all Leisure World residents use or enjoy, or have the right to use or enjoy. They are costs budgeted as Golden Rain Foundation/Mutual Shared Costs, shared equally throughout Leisure World by manor. The carrying charge paid monthly by each manor ownership reflects an equal portion of these costs.
- II. Similarly, costs of operating, maintaining or furnishing facilities or services within Third, United, and Mutual Fifty, which all members of the respective Mutuals use or enjoy or have the right to use or enjoy, are costs which are similarly shared throughout each respective Mutual and budgeted as Mutual Shared or as Direct Mutual Operating Costs. The carrying charge paid monthly by each manor ownership in each Mutual reflects an equal portion of these costs within the respective Mutual.
- III. In addition, within the respective Mutuals, certain facilities or services are furnished for the use and convenience of a limited group of residents (or of an individual resident) within the respective Mutuals. These costs are budgeted in the respective Mutual in addition to the Golden Rain Foundation/Mutual Shared and Direct Mutual Operating Costs. The monthly carrying charges paid monthly by each manor ownership in each of said limited groups of residents of such Mutual reflect the Manor ownership's portion of these costs.

B. Exceptions to the Shared Cost Concept:

I. Utilization Control.

In order to control crowding, minimize over-usage or to impose reasonable limitations on guests, fees may be imposed on users of a shared cost facility or service. Determination that utilization requires control through the imposition and amount of this fee is a function of the Managing Agent but requires approval of the Golden Rain Foundation Board of Directors (or Directors of the Mutual if the facility is a Mutual facility).

II. Financial Support of a High Cost Facility/Service.

Reasonable fees may be imposed on the users of a shared cost facility or service if the net annual operating and maintenance expense for that facility or service equals or exceeds one-half of one percent (.5%) of the total amount of the most recent GRF budget exclusive of all reserve contributions.

Inasmuch as all Clubhouses provide multipurpose facilities and services, the foregoing formula shall be applied to each such facility in each Clubhouse separately in order to determine whether or not any such facility shall be classified as a high cost facility.

III. Financial Support of a New Facility or Service.

In instances where it was so planned and well known to all concerned, fees may be imposed and the users of a new facility or service may be required to support what would otherwise have been a shared cost facility or service. Such fees shall be imposed at the discretion of the Golden Rain Foundation Board of Directors.

IV. Exclusive Use of Facility by Resident.

Where only a small number of residents are allowed access to a facility, the Golden Rain Foundation Board may impose a fee to recover certain costs of operating that facility. The Managing Agent shall identify those facilities that have limited use and recommend fees to the Board.

C. Special Facilities:

Although they could fall within the definition of a high cost facility/service, since the inception of Leisure World, two facilities have consistently been declared to be free from the imposition of fees for use thereof by Leisure World residents.

1. The first of such special facilities is the aquatics and necessary related facilities. The special classification of aquatics derives from the view traditionally held by the Leisure World community that the "swimming pool" is an integral part of residential real property.
2. The second such special facility is the Leisure World Transportation System. Its special classification derives from assurances of the original developer that the community bus system would furnish certain fare-free bus transportation to Leisure World residents. Rendition of this free bus service has been endorsed and continued by the first and subsequently elected Golden Rain Foundation Boards of Directors.

Additionally, there are other facilities where it would be difficult to collect fees or where it may not prove to be cost effective. Such facilities include shuffleboard, bocce ball, lawn bowling, tennis and the gymnasium.

D. Definition of Fees:

- I. Facilities Fee - A payment imposed on the user of a shared facility in order to control use or recover a portion of the costs if a high cost or new facility. The fee should represent an equitable and reasonable division of cost between the user and the monthly carrying charge.

A Facilities Fee requires an annual cost analysis in which the Golden Rain Board of Directors will determine what percentage, between 1% and 99%, is an equitable and reasonable division between the user and the carrying charge. The cost analysis shall include all direct costs of operating the facility.

- II. Administrative Service Fee - A payment imposed on the user of a service provided by administrative personnel of the Managing Agent. Where the service takes two hours or less to perform, the fee shall be set at no more than \$50.00; if the service takes more than two hours to perform, then the fee shall be set at a level intended to recover direct labor and material costs, with the exception of leasing fees where income may exceed expenses.

Annually, the Managing Agent shall provide to the Golden Rain Foundation Board of Directors a list of suggested services to which fees should attach and shall recommend to the Board fee amounts.

This fee pertains to services performed by administrative personnel only. These guidelines do not pertain to charges for maintenance services. Charges for maintenance services are established annually by the Board and are based on the actual costs incurred to render the service.

- III. Entertainment Fee - A fee assessed to individuals to cover a portion of the actual cost to put on a Recreation Division sponsored event. If the total cost of the event/activity is less than \$1,000.00, a nominal fee may be assessed. If the event/activity costs more than \$1,000.00, then the fee can be set at a level intended to recover direct labor and material and entertainers' costs.

- IV. Third Party Fee - A payment imposed for the third and each additional occupant in a manor, whether owner or tenant, for the right to use community facilities or services. The monthly fee shall be set at \$38.00 per month in 1989 and shall be adjusted in each subsequent year by the percentage increase/decrease in the GRF/MSO carrying charge.

A third or additional person having an ownership interest in any manor but who does not in fact occupy such manor, shall not be required to pay the aforesaid fee provided that such person executes a written waiver of all rights to the use of said facilities or services.

- V. Nonresident/Guest Fees - A payment imposed on a nonresident, including all non-Leisure World organizations, for use of a community facility or service. The amount shall be established by considering rates assessed for similar facilities or services outside the Leisure World community.

In the event that the owner(s) of any manor shall lease said manor to a tenant or tenants such tenant(s) shall be entitled to the use of all of the Foundation's facilities or services as aforesaid during the term of said lease and the owner(s) shall not be entitled to such use of said facilities or services and shall be required to execute a written waiver of all right to the use of said facilities or services.

None of the fees defined in items I-^{II} shall be set at less than the amounts existing at January 1, 1989.

KW/RMA/nrh 1/1(#6)
Final Revised 8/31/89

Agenda Item # *6h*
Page *4* of *5*

Resolution G-89-113

RESOLVED, that this corporation hereby accepts \$100 from The Saddleback Kiwanis Club of Laguna Hills; and

RESOLVED FURTHER, that the President is hereby authorized and directed to notify said donors in writing, of the acceptance of said gifts and to express the thanks of the corporation therefor; and

FURTHER RESOLVED, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to expend from working capital not to exceed \$100 in addition to sums previously authorized in the 1989 operating budget, toward the purchase of miscellaneous equipment for Clubhouse I Fitness Center.

After considerable discussion, upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution G-89-114

RESOLVED, that effective January 1, 1990, the Schedule of 1990 Fees (attached) shall be charged to persons authorized to use the facilities and services of this corporation.

Upon motion duly made, seconded and carried, the following resolution was adopted:

Resolution G-89-115

WHEREAS, it was determined by this corporation that clarification of the Fee Guidelines as adopted on September 5, 1989, was required; and

WHEREAS, the Community Activities Committee and staff reviewed these Guidelines and determined modifications were needed to apply said Guidelines in a more equitable manner;

NOW THEREFORE BE IT RESOLVED, that this corporation hereby approves and adopts the attached Guidelines, as modified, effective November 7, 1989, for the levying of fees; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized, on behalf of the corporation, to take such action as they may deem appropriate to carry out the purposes of this resolution; and

RESOLVED FURTHER, that Resolution G-89-93, adopted September 5, 1989, is hereby superseded and cancelled.

Director Conser reported from the Government and Public Relations Committee.

Director Payne reported from the Local Government Relations Subcommittee.

Director Smith reported from the Airport Subcommittee.

Director Schwartz reported from the 25th Anniversary Committee. Robert B. Dozier accepted the records regarding the celebration on behalf of the Leisure World Historical Society.

A portion of the meeting was devoted to questions and answers.

GUIDELINES - SHARED COSTS AND FEES

Through research of the governing documents pertaining to both the cooperative and condominium housing corporations which comprise Leisure World, Laguna Hills, the following provisions provide for the shared cost concept:

1. Regarding United Laguna Hills Mutual: The Occupancy Agreements, Article I (a), Article 13 and United By-Laws, Article III, Section 6.
2. Regarding Third Laguna Hills Mutual and Laguna Hills Mutual No. Fifty: The Covenants, Conditions and Restrictions, Article IX, Section 1 (h), and Article VII, Section 1 (h).
3. Regarding Golden Rain Foundation: Amended Trust Agreement dated March 30, 1964, Paragraph 6: Golden Rain costs shall be included in monthly carrying charges on a pro-rata basis to members of respective corporations.

Accordingly, if any material changes are made which differ from the long established shared cost concept, amendments to the governing documents (CC&R's, Occupancy Agreements, Trust Agreement, By-Laws) may be required.

The following Guidelines for the sharing of costs and for the levying and collection of fees reflect the policies and practices which have developed over the period of Leisure World's history to date. Obviously, the Guidelines are subject to change from time to time by future action of the Boards.

A. General Principles and the Shared Cost Concept:

- I. Shared costs are costs of operating, maintaining or furnishing facilities or services which all Leisure World residents use or enjoy, or have the right to use or enjoy. They are costs budgeted as Golden Rain Foundation/Mutual Shared Costs, shared equally throughout Leisure World by manor. The carrying charge paid monthly by each manor ownership reflects an equal portion of these costs.
- II. Similarly, costs of operating, maintaining or furnishing facilities or services within Third, United, and Mutual Fifty, which all members of the respective Mutuals use or enjoy or have the right to use or enjoy, are costs which are similarly shared throughout each respective Mutual and budgeted as Mutual Shared or as Direct Mutual Operating Costs. The carrying charge paid monthly by each manor ownership in each Mutual reflects an equal portion of these costs within the respective Mutual.
- III. In addition, within the respective Mutuals, certain facilities or services are furnished for the use and convenience of a limited group of residents (or of an individual resident) within the respective Mutuals. These costs are budgeted in the respective Mutual in addition to the Golden Rain Foundation/Mutual Shared and Direct Mutual Operating Costs. The monthly carrying charges paid monthly by each manor ownership in each of said limited groups of residents of such Mutual reflect the Manor ownership's portion of these costs.

B. Exceptions to the Shared Cost Concept:

I. Utilization Control.

In order to control crowding, minimize over-usage or to impose reasonable limitations on guests, fees may be imposed on users of a shared cost facility or service. Determination that utilization requires control through the imposition and amount of this fee is a function of the Managing Agent but requires approval of the Golden Rain Foundation Board of Directors (or Directors of the Mutual if the facility is a Mutual facility).

II. Financial Support of a High Cost Facility/Service.

Reasonable fees may be imposed on the users of a shared cost facility or service if the net annual operating and maintenance expense for that facility or service equals or exceeds one-half of one percent (.5%) of the total amount of the most recent GRF budget exclusive of all reserve contributions.

Inasmuch as all Clubhouses provide multipurpose facilities and services, the foregoing formula shall be applied to each such facility in each Clubhouse separately in order to determine whether or not any such facility shall be classified as a high cost facility.

III. Financial Support of a New Facility or Service.

In instances where it was so planned and well known to all concerned, fees may be imposed and the users of a new facility or service may be required to support what would otherwise have been a shared cost facility or service. Such fees shall be imposed at the discretion of the Golden Rain Foundation Board of Directors.

IV. Exclusive Use of Facility by Resident.

Where only a small number of residents are allowed access to a facility, the Golden Rain Foundation Board may impose a fee to recover certain costs of operating that facility. The Managing Agent shall identify those facilities that have limited use and recommend fees to the Board.

C. Special Facilities:

Although they could fall within the definition of a high cost facility/service, since the inception of Leisure World, two facilities have consistently been declared to be free from the imposition of fees for use thereof by Leisure World residents.

1. The first of such special facilities is the aquatics and necessary related facilities. The special classification of aquatics derives from the view traditionally held by the Leisure World community that the "swimming pool" is an integral part of residential real property.
2. The second such special facility is the Leisure World Transportation System. Its special classification derives from assurances of the original developer that the community bus system would furnish certain fare-free bus transportation to Leisure World residents. Rendition of this free bus service has been endorsed and continued by the first and subsequently elected Golden Rain Foundation Boards of Directors.

Additionally, there are other facilities where it would be difficult to collect fees or where it may not prove to be cost effective. Such facilities include shuffleboard, bocce ball, lawn bowling, tennis and the gymnasium.

D. Definition of Fees:

- I. Facilities Fee - A payment imposed on the user of a shared facility in order to control use or recover a portion of the costs if a high cost or new facility. The fee should represent an equitable and reasonable division of cost between the user and the monthly carrying charge.

A Facilities Fee requires an annual cost analysis in which the Golden Rain Board of Directors will determine what percentage, between 1% and 99%, is an equitable and reasonable division between the user and the carrying charge. The cost analysis shall include all direct costs of operating the facility.

- II. Administrative Service Fee - A payment imposed on the user of a service provided by administrative personnel of the Managing Agent. Where the service takes two hours or less to perform, the fee shall be set at no more than \$50.00; if the service takes more than two hours to perform, then the fee shall be set at a level intended to recover direct labor and material costs, with the exception of leasing fees where income may exceed expenses.

Annually, the Managing Agent shall provide to the Golden Rain Foundation Board of Directors a list of suggested services to which fees should attach and shall recommend to the Board fee amounts.

This fee pertains to services performed by administrative personnel only. These guidelines do not pertain to charges for maintenance services. Charges for maintenance services are established annually by the Board and are based on the actual costs incurred to render the service.

- III. Entertainment Fee - A fee assessed to individuals to cover a portion of the actual cost to put on a Recreation Division sponsored event. If the total cost of the event/activity is less than \$1,000.00, a nominal fee may be assessed. If the event/activity costs more than \$1,000.00, then the fee can be set at a level intended to recover direct labor and material and entertainers' costs.

- IV. Third Party Fee - A payment imposed for the third and each additional occupant in a manor, whether owner or tenant, for the right to use community facilities or services. The monthly fee shall be set at \$38.00 per month in 1989 and shall be adjusted in each subsequent year by the percentage increase/decrease in the GRF/MSO carrying charge.

A third or additional person having an ownership interest in any manor but who does not in fact occupy such manor, shall not be required to pay the aforesaid fee provided that such person executes a written waiver of all rights to the use of said facilities or services.

- V. Nonresident/Guest Fees - A payment imposed on a nonresident, including all non-Leisure World organizations, for use of a community facility or service. The amount shall be established by considering rates assessed for similar facilities or services outside the Leisure World community.

In the event that the owner(s) of any manor shall lease said manor to a tenant or tenants such tenant(s) shall be entitled to the use of all of the Foundation's facilities or services as aforesaid during the term of said lease and the owner(s) shall not be entitled to such use of said facilities or services and shall be required to execute a written waiver of all right to the use of said facilities or services.

KW/RMA/nrh 1/1(#6)
Revised 11/14/89

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GOLDEN RAIN FOUNDATION OF LAGUNA HILLS
SCHEDULE OF 1990 FEES

I. FACILITIES FEES

<u>Garden Center</u>		1990
<u>Resident plots (annual)</u>		
	200 sq. ft.	16.50
	201-400 sq. ft.	24.75
	over 400 sq. ft.	33.00
	Citrus (3 trees)	6.50
<u>Stables</u>		
<u>Resident rides per hour</u>		3.00
<u>Boarding fee (per month)</u>		150.00
<u>Non-resident boarding fee</u>		225.00
<u>R.V. Storage Lot (annual)</u>		62.00
<u>(PCM Staff)</u>		120.00
<u>Golf Cart Electrical Fee (annual) Mutual fee</u>		55.00
<u>Golf Facilities</u>		
<u>Greens fee - 27-hole Course (resident)</u>		
	18 holes	4.75
	9 holes	2.75
	First 9: peak time(7AM-noon)	4.75
<u>Greens fee - Par 3 Leisure Course (resident)</u>		
	18 holes	3.00
	9 holes	1.75
<u>Cart rental (resident)</u>		
	18 holes	7.50
	9 holes	4.70
<u>Cart registration (resident)</u>		
	single use	2.50
	annual pass	35.00
<u>Driving range (resident)</u>		
	large bucket	1.50
	small bucket	1.00
<u>Activity pass - 150 plays (resident)</u>		
	18 holes	585.00
	9 holes	337.50
<u>Club storage (annual)</u>		50.00

(Attachment 1a)

(Over)

<u>Clubhouses</u>	<u>1990</u>
Use of facility for fund raising event	
- lecturers per 100 persons	6.25
- dinners per 100 persons	12.25
Clubhouse 3 Auditorium - for events with admission charge	200.00
- Leisure World groups (any time)	
Failure to cancel reservations	15.00
- Clubhouse 1, 2 Dining Rooms	50.00
- Clubhouse 1, 2, 5, 6, Main Lounge	200.00
- Clubhouse 3 Auditorium	25.00
- Clubhouse 3 Dining Room	

II. SERVICE FEES

Community Relations Division	
=====	175.00
Referrals	250.00
Leasing fee	50.00
Lease extension	20.00
Leasing I.D. card renewal	
Financial Services Division	
=====	35.00
Nonsale transfer fee	250.00
Administrative transfer fee	8.00
Replace lost I.D. card	6.00
G.E. Maintenance Contract Transfer Fee	112.00
Escrow cancellation fee	
Security Division	
=====	1.86
Replace 9-volt smoke detector batteries	.65
Replace 1-1/2 volt smoke detector batteries	2.25
Service charge for replacement of batteries	7.37
Smoke detectors	4.00
Service charge for installation of smoke detectors	16.50
Fire extinguishers (large, A.B.C.)	20.00
Fire extinguishers (Halon)	3.50
Decals, auto (lost)	5.50
Frozen food, pick-up, storage and delivery	4.25
Lock outs (special)	2.75
Lock outs (regular)	15.00
Passes, business (lost)	
Passes, all others excluding business and	15.00
Leisure World I.D. cards (lost)	10.00*
Recreational vehicle storage area key fee	3.00
Keys (storage areas in residential buildings)	

*\$25.00 for lost key

(Attachment 1b)

Recreation Division

	1990
Self sustaining instructor - 20% of instructor charge	
Price of drinks - mixed	2.00
- soft drink	.50
- wine	1.00
Private party bar fee	
Technical staff - per hour (3 hrs. min.)	10.00
Hostesses - per hour (3 hrs. min.)	10.00
Clean-up svc. help - per hour (3 hrs. minimum)	8.00
Clubhouse aides help - straight time	12.00
Room reservation fee - per reservation	10.00
Private party reservation - per reservation	3.00
Church reservation - per reservation	10.00
	5.00
Swimming lessons (ten 30 minute lessons)	15.00
Billiard Room locker rental - initial charge	5.00
Failure to clean kitchens/dining rooms	25.00
Clubhouse 4 locker rental (annual)	20.00
Golf lessons-private, resident (per 1/2 hr.)	16.00
Stables	
Lessons private---per hour	8.00
Lessons group-----per person, per hour	5.00
Washing charge	7.00
Trimming mane and legs	7.00
Clipping entire horse	25.00
Hauling horse in trailer	45.00
	(plus 25¢ per mile)
Rototilling (per 200 sq. ft.)	8.00

Maintenance Division

Alteration permit fees - alt. value: \$1-250	10.00
\$251-500	20.00
\$501-750	30.00
\$751-1,000	40.00
\$1,001-1,250	60.00
\$1,251-1,500	80.00
\$1,501-1,750	100.00
\$1,751-2,000	120.00
\$2,001-2,500	140.00
\$2,501-3,000	160.00
\$3,001-4,000	200.00
\$4,001-5,000	240.00
\$5,001-6,000	260.00
Over \$6,000	300.00

Resale inspection fee

- Cooperative manor	80.00
- Condominium manor	80.00

(Attachment 1c)

(Over)

III. ENTERTAINMENT FEES

Saturday night dance entrance fee	1990
- resident with L.W. I.D. card	.50
Library Book Fine (per day per book)	.05

IV. THIRD PARTY FEE

For each additional occupant in manor (monthly)	41.00
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V. NON-RESIDENT/GUEST FEES

Community tours	1-10 persons	100.00
	11-25 persons	200.00
	26 or more persons	300.00
Transit ad (monthly)	1 sign per bus	50.00
Greens fee - 27-hole Course	18 holes	17.00
	9 holes	11.00
Greens fee - Par 3 Leisure Course	18 holes	5.00
	9 holes	3.00
Driving Range	large bucket	3.50
	small bucket	2.50
Golf cart rental	18 holes	15.00
	9 holes	10.00
Golf Lessons	private-----per 1/2 hour	22.00
Stables		
Adult ride	per hour	7.00
Child ride	per hour	5.00
Adult Lessons	per hour	15.00
Child (11-17) Lessons	per hour	10.00
Swimming		
Adults (16 & over)		1.50
Child (4 thru 15)		1.00
Saturday night dance		3.00

(Attachment 1d)

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
GOLDEN RAIN FOUNDATION OF LAGUNA HILLS
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
March 4, 1997

The Board of Directors of Golden Rain Foundation of Laguna Hills, a California non-profit mutual benefit corporation met on Tuesday, March 4, 1997, at 9:30 A.M. at 23522 Paseo de Valencia, Laguna Hills, California.

Directors Present: Matt Magidson; Robert Morton;
Bert Hack; Jan Nelson; Leo Minkin;
Kenneth Dooley; Richard Fuchs;
Charles Hellmann; Burns Nugent;
George Ratner; Hank Thomas

Directors Absent: None

Others Present: Russell L. Disbro, Susan M. Condon
Janet Price; Kirk Watilo; Judie Zoerhof (closed session)

Matt Magidson, President of the Corporation, served as Chairman of the meeting and stated that it was a regular meeting held pursuant to notice duly given and that a quorum was present.

Leo Minkin led the membership in the pledge of allegiance.

The minutes of the regular meeting of February 4, 1997, were approved as written.

The press was acknowledged in the person of Cheryl Walker, Leisure World News, and TV-6.

Matt Magidson extended condolences to Director Bob Morton on the passing of his wife.

Upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

Resolution G-97-12

RESOLVED, that Peggy Kermer is hereby appointed as an
adviser to the Finance Committee.

Upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

Resolution G-97-13

RESOLVED, that Dr. Mathew Ross is hereby appointed to
the Ad Hoc Facilities/Land Planning Committee.

Matt Magidson discussed the shared concept issue.

Upon motion duly made, seconded and carried, Bert Hack, Leo Minkin, Henry Thomas and Burns Nugent voted against, the following resolution was adopted:

Resolution G-97-14

WHEREAS, this corporation is guided by the "Guidelines - Shared Costs and Fees" document describing the absolusions and exceptions to its "shared cost concept", and

WHEREAS, the members of the Leisure World, Laguna Hills community are requesting that additional facilities be evaluated for both educational and recreational purposes, and

WHEREAS, said shared cost concept was last reviewed, revised and adopted pursuant to Resolution G-89-115 dated June 6, 1989; and

WHEREAS, the Board of Directors of this corporation is desirous of establishing an ad hoc committee consisting of directors of the Leisure World, Laguna Hills, corporations to review this corporation's shared cost concept, its origins, absolutions and exceptions, it being the intent that such ad hoc committee prepare questions for and receive responses from the community membership and community groups, such as the Community Association and Project 21 before submitting recommendations to the Board of Directors of this corporation;

NOW THEREFORE BE IT RESOLVED, that the "Ad Hoc Shared Cost Concept Committee" is hereby formed and the following persons are hereby appointed to said Ad Hoc Committee:

Golden Rain Foundation

Charles Hellmann - Chairman
Jan Nelson - Vice Chairperson
Ken Dooley

United Laguna Hills Mutual

Cynthia Chyba
Helen Mencher
Jim Etter

Third Laguna Hills Mutual

Robert Payne
Sy Coblens
Harry Curtis

Laguna Hills Mutual No. Fifty

Dr. Mathew Ross

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of the resolution.

Leo Minkin reported from the Finance Committee.

Upon motion duly made, seconded and carried, (Hank Thomas opposed and George Ratner abstained) the following resolution was adopted:

Resolution G-97-15

RESOLVED, that the Board of Directors of this corporation hereby approves the attached Finance Committee Charter; and

RESOLVED FURTHER, that Resolution, G-96-35, adopted on April 2, 1996 is hereby superseded and cancelled.

Upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

Resolution G-97-16

WHEREAS the 1997 Capital Plan was approved by means of Resolution No. G-96-78 on September 3, 1996 approving expenditures of \$5,046,737 in 1997; and

WHEREAS additional information has become available in the ensuing months indicating that certain items can reasonably be delayed or otherwise removed from the 1997 Capital Plan (as detailed on the attached schedule entitled "Proposed Capital Expenditure Reduction");

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

Burns Nugent reported from the TV Services Committee.

Charles Hellmann reported from the Ad Hoc Shared Cost Committee.

Upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

Resolution G-97-40

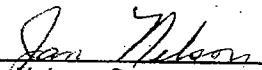
RESOLVED, that the Board of Directors of this corporation hereby approves the attached Ad Hoc Shared Cost Concept Committee Charter.

Matt Magidson accepted a petition regarding lighting within the community.

The meeting recessed at 11:45 a.m. and went into closed session.

During closed session the Board discussed the RV access road negotiations, banking relationships and the Litigation Status Report.

There being no further business, the meeting was adjourned at 2:24 p.m.


Jan Nelson, Secretary

grfapr.smc

Ad Hoc Shared Cost Concept Committee Charter

WHEREAS, the Golden Rain Foundation Board of Directors has established an Ad Hoc Shared Cost Concept Committee pursuant to Resolution G-97-14 dated March 4, 1997,

NOW THEREFORE BE IT RESOLVED, that said Ad Hoc Committee shall be charged with the following duties and responsibilities:

1. To review and define the general principles of the shared cost concept.
2. To review and define exceptions to the shared cost concept.
3. To review and define special facilities.
4. To review and define fees.
5. Request and receive information from community membership and community groups.
6. Submit recommendations to the Board of Directors of the Golden Rain Foundation Corporation.

RESOLVED FURTHER, that the Ad Hoc Committee shall perform such other tasks as are assigned by the President or the Board of Directors of this corporation.

data/adhoc/charter.doc

April 3, 2007

By way of consensus the Board moved agenda item 9(c) *Entertain Motion to Rescind Motion Made February 6, 2007 Pertaining to Memorial Signs* to under the Landscape Report.

Ms. Janet Price entered the meeting at 10:44 A.M.

CONSENT CALENDAR

Without objection and by way of unanimous consent the Consent Calendar was approved and the following action was taken:

RESOLUTION 90-07-26

RESOLVED, April 3, 2007 that the Board of Directors of this Corporation hereby establishes a Recreation Division Fees Ad Hoc Committee;

RESOLVED FURTHER, that the purpose of the Committee will be to assess the need to amend the Recreation Fee Schedule; and

RESOLVED FURTHER, that the following persons are hereby appointed to serve on the Recreation Fees Ad Hoc Committee of this Corporation:

Ruth May
Don Tibbetts
Joseph Heller

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

COMMITTEE REPORTS

Director Bob Miller reported on the Treasurer's Report and from the Finance Committee.

Resident Member Barbara Copley (410-D) addressed Director Miller on his report.

Ms. Janet Price left the meeting at 10:58 A.M.

Director Cynthia Chyba reported from the Bus Services Committee.

Director Ruth May reported from the Community Activities Committee.

The Secretary of the Corporation read a proposed resolution on approving a donation of a Brothers Laser Printer. Director May moved to approve the resolution. Director Miller seconded the motion.

By a vote of 10-0-0 the motion carried and the Board of Directors adopted the following resolution:

GUIDELINES - SHARED COSTS AND FEES

The following policy was adopted by the Golden Rain Foundation Board via Resolution G-89-115:

Through research of the governing documents pertaining to both the cooperative and condominium housing corporations which comprise Laguna Woods Village, the following provisions provide for the shared cost concept:

1. Regarding United Laguna Hills Mutual: The Occupancy Agreements, Article I (a), Article 13 and United By-Laws, Article III, Section 6.
2. Regarding Third Laguna Hills Mutual and Laguna Hills Mutual No. Fifty: The Covenants, Conditions and Restrictions, Article IX, Section 1 (h), and Article VII, Section 1 (h).
3. Regarding Golden Rain Foundation: Amended Trust Agreement dated March 30, 1964, Paragraph 6: Golden Rain costs shall be included in monthly assessment on a pro-rata basis to members of respective corporations.

Accordingly, if any material changes are made which differ from the long established shared cost concept, amendments to the governing documents (CC&R's, Occupancy Agreements, Trust Agreement, By-Laws) may be required.

The following Guidelines for the sharing of costs and for the levying and collection of fees reflect the policies and practices which have developed over the period of Laguna Woods Village's history to date. Obviously, the Guidelines are subject to change from time to time by future action of the Boards.

A. General Principles and the Shared Cost Concept:

- I. Shared costs are costs of operating, maintaining or furnishing facilities or services which all Laguna Woods Village residents use or enjoy, or have the right to use or enjoy. They are costs budgeted as Golden Rain Foundation/Mutual Shared Costs, shared equally throughout Laguna Woods Village by manor. The monthly assessment by each manor ownership reflects an equal portion of these costs.
- II. Similarly, costs of operating, maintaining or furnishing facilities or services within Third, United, and Mutual Fifty, which all members of the respective Mutuals use or enjoy or have the right to use or enjoy, are costs which are similarly shared throughout each respective Mutual and budgeted as Mutual Shared or as Direct Mutual Operating Costs. The monthly assessment paid by each manor ownership in each Mutual reflects an equal portion of these costs within the respective Mutual.

GUIDELINES - SHARED COSTS AND FEES

- III. In addition, within the respective Mutuals, certain facilities or services are furnished for the use and convenience of a limited group of residents (or of an individual resident). These costs are budgeted in the respective Mutual in addition to the Golden Rain Foundation/Mutual Shared and Direct Mutual Operating Costs. The monthly assessment¹ paid by each manor ownership in each of said limited groups of residents of such Mutual reflect the Manor ownership's portion of these costs.

B. Exceptions to the Shared Cost Concept:

I. Utilization Control.

In order to control crowding, to minimize over-usage or to impose reasonable limitations on guests, fees may be imposed on users of a shared cost facility or service. Determination that utilization requires control through the imposition and amount of this fee is a function of the Managing Agent but requires approval of the Golden Rain Foundation Board of Directors (or Directors of the Mutual if the facility is a Mutual facility.)

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In instances where it was so planned and well known to all concerned, fees may be imposed and the users of a new facility or service may be required to support what would otherwise have been a shared cost facility or service. Such fees shall be imposed at the discretion of the Golden Rain Foundation Board of Directors.

IV. Exclusive Use of Facility by Resident.

Where only a small number of residents are allowed access to a facility, the Golden Rain Foundation Board may impose a fee to recover certain costs of operating that facility. The Managing Agent shall identify those facilities that have limited use and recommend fees to the Board.

¹ For the purpose of this document, the term "carrying charge," used in Resolution G-89-115, has been replaced with "assessment" to reflect current terminology used by the corporations in Laguna Woods Village.

GUIDELINES - SHARED COSTS AND FEES

C. Special Facilities:

Although they could fall within the definition of a high cost facility/service, since the inception of Laguna Woods Village, two facilities have consistently been declared to be free from the imposition of fees for use thereof by Laguna Woods Village residents.

- I. The first of such special facilities is the aquatics and necessary related facilities. The special classification of aquatics derives from the view traditionally held by the Laguna Woods Village community that the "swimming pool" is an integral part of residential real property.
- II. The second such special facility is the Laguna Woods Village Transportation System. Its special classification derives from assurances of the original developer that the community bus system would furnish certain fare-free bus transportation to Laguna Woods Village residents. Rendition of this free bus service has been endorsed and continued by the first and subsequently elected Golden Rain Foundation Boards of Directors.

Additionally, there are other facilities where it would be difficult to collect fees or where it may not prove to be cost effective. Such facilities include shuffleboard, bocce ball, lawn bowling, tennis and the gymnasium.

D. Definition of Fees:

- I. Facilities Fee - A payment imposed on the user of a shared facility in order to control use or recover a portion of the costs if a high cost or new facility. The fee should represent an equitable and reasonable division of cost between the user and the monthly assessment.

A Facilities Fee requires an annual cost analysis in which the Golden Rain Board of Directors will determine what percentage, between 1% and 99%, is an equitable and reasonable division between the user and the monthly assessment. The cost analysis shall include all direct costs of operating the facility.

- II. Administrative Service Fee - A payment imposed on the user of a service provided by administrative personnel of the Managing Agent. Where the service takes two hours or less to perform, the fee shall be set at no more than \$50.00; if the service takes more than two hours to perform, then the fee shall be set at a level intended to recover direct labor and material costs, with the exception of leasing fees where income may exceed expenses.

GUIDELINES - SHARED COSTS AND FEES

Annually, the Managing Agent shall provide to the Golden Rain Foundation Board of Directors a list of suggested services to which fees should attach and shall recommend to the Board fee amounts.

This fee pertains to services performed by administrative personnel only. These guidelines do not pertain to charges for maintenance services. Charges for maintenance services are established annually by the Board and are based on the actual costs incurred to render the service.

- III. Entertainment Fee - A fee assessed to individuals to cover a portion of the actual cost to put on a Recreation Division sponsored event. If the total cost of the event/activity is less than \$1,000.00, a nominal fee may be assessed. If the event/activity costs more than \$1,000.00, then the fee can be set at a level intended to recover direct labor and material and entertainers' costs.
- IV. Third Party Fee - A payment imposed for the third and each additional occupant in a manor, whether owner or tenant, for the right to use community facilities or services. The monthly fee shall be set at \$38.00 per month in 1989 and shall be adjusted in each subsequent year by the percentage increase/decrease in the GRF/MSO assessment.

A third or additional person having an ownership interest in any manor but who does not in fact occupy such manor, shall not be required to pay the aforesaid fee provided that such person executes a written waiver of all rights to the use of said facilities or services.
- E. Nonresident/Guest Fees - A payment imposed on a nonresident, including all non-Laguna Woods Village organizations, for use of a community facility or service. The amount shall be established by considering rates assessed for similar facilities or services outside the Laguna Woods Village community.

In the event that the owner(s) of any manor shall lease said manor to a tenant or tenants such tenant(s) shall be entitled to the use of all of the Foundation's facilities or services as aforesaid during the term of said lease and the owner(s) shall not be entitled to such use of said facilities or services and shall be required to execute a written waiver of all right to the use of said facilities or services.

90-12-132 - 11/6/2012 - GUIDELINES FOR SHARED COSTS AND FEES

RESOLVED November 6 2012 that the following are Guidelines for the sharing of costs and for the levying and collection of fees reflect the policies and practices which have developed over the history of Laguna Woods Village. The Guidelines are subject to change from time to time at the discretion of the Golden Rain Foundation Board of Directors (GRF).

A. General Principles and the Shared Cost Concept:

I. Shared costs are costs of furnishing maintaining or operating facilities and services which all Laguna Woods Village residents use or enjoy or have the right to use or enjoy. They are costs budgeted as Golden Rain Foundation operating or reserve expenditures shared equally throughout Laguna Woods Village by manor. The monthly assessment by each manor ownership reflects an equal portion of these costs per the amended Trust Agreement dated March 30 1964 Paragraph 6: Golden Rain costs shall be included in monthly assessment on a pro-rata basis to members of respective corporations.

II. Reasonable fees may be imposed pursuant to the Trust Agreement as amended.

B. Exceptions to the Shared Cost Concept:

I. Utilization Control

In order to control crowding to minimize over-usage or to impose reasonable limitations on *guests* fees may be imposed on users of a shared cost facility or service.

II. Financial Support of a Facility/Service

Reasonable fees may be imposed on the users of a new or existing shared cost facility or service if GRF determines that fees would be appropriate to help offset costs and reduce assessments.

III. Exclusive Use of Facility by Resident

Where only a small number of residents are allowed access to a facility GRF may impose a fee to recover certain costs of operating that facility.

C. Special Facilities:

Since the inception of Laguna Woods Village two facilities have consistently been declared to be free from the imposition of fees for use thereof by Laguna Woods Village residents.

I. The first of such special facilities is the aquatics and necessary related facilities. The special classification of aquatics derives from the view traditionally held by the Laguna Woods Village community that the "swimming pool" is an integral part of residential real property.

II. The second such special facility is the Laguna Woods Village Transportation System. Its special classification derives from assurances of the original developer that the community bus system would furnish certain fare-free bus transportation to Laguna Woods Village residents. Rendition of this free bus service has been endorsed and continued by the first and subsequently elected Golden Rain Foundation Boards of Directors.

Additionally there are other facilities where it would be difficult to collect fees or where it may not prove to be cost effective.

D. Definition of Fees:

Inasmuch as GRF provides multipurpose facilities and services a formula for determining fees shall be applied to each such facility or service separately in order to determine an appropriate fee amount. When establishing fees GRF will review direct costs of operating the facility reserve requirements for equipment and facility improvements and utilization.

I. Facilities Fee - A payment imposed on the user of a shared facility in order to control use or recover a portion of the facility costs. The fee should represent an equitable and reasonable division of cost between the user and the monthly assessment.

II. Administrative Service Fee - A payment imposed on the user of a service provided by administrative personnel of the Managing Agent or a contracted service provider.

III. Entertainment Fee - A fee assessed to individuals for a Recreation coordinated event.

IV. Additional Occupant Fee - A payment imposed for each additional occupant over two in a manor whether owner or tenant for the right to use community facilities or services.

V. Nonresident/*guest* Fees - A payment imposed on a nonresident including all non-Laguna Woods Village organizations for use of a community facility or service.

In the event that the owner(s) of any manor shall lease said manor to a tenant or tenants such tenant(s) shall be entitled to the use of all GRF facilities or services as aforesaid during the term of said lease and the owner(s) shall not be entitled to such use of said facilities or services.

RESOLVED FURTHER that Resolution G-89-115 adopted November 7 1989 is hereby superseded and cancelled; and

Golden Rain Foundation of Laguna Woods
Proforma Recreation Services Summary of Operations
5/31/2019
SUMMARY: DEPARTMENT OF RECREATION SERVICES

	Admin	Aquatics/Fitness	Bar Services	Clubhouses	Equestrian	Garden Centers	Golf	PAC	YTD ACTUAL	YTD BUDGET	VAR\$ B/(W)
Non-Assessment Revenues:											
Golf Green Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$529,800	\$0	\$529,800	\$674,040	(\$144,240)
Golf Operations	0	0	0	0	0	0	87,720	0	87,720	127,900	(40,180)
Merchandise Sales	0	303	27,677	0	0	0	68,222	0	96,202	108,965	(12,763)
Clubhouse Rentals and Event Fees	4,675	5,011	0	154,789	2,602	0	4,216	154,327	325,620	415,135	(89,515)
Rentals	0	0	0	0	0	23,421	22,500	0	45,921	40,415	5,506
Miscellaneous	6,040	54,130	0	58,711	41,521	506	520	11,726	173,155	189,401	(16,246)
Total Non-Assessment Revenue	10,715	59,444	27,677	213,500	44,123	23,927	712,978	166,053	1,258,417	1,555,856	(297,439)
Expenses:											
Employee Compensation	153,349	160,564	8,236	334,282	77,022	22,090	650,430	162,936	1,568,908	1,499,602	(69,307)
Expenses Related to Employee Compensation	61,547	50,322	2,426	92,206	21,560	10,753	266,402	44,361	549,578	542,603	(6,974)
Materials and Supplies	596	5,359	0	59,864	31,002	4,439	98,197	10,496	209,954	272,326	62,372
Cost of Goods Sold	0	0	9,365	0	0	0	53,797	0	63,163	69,940	6,777
Community Events	11,683	326	0	79,223	3,081	0	0	54,262	148,575	151,135	2,560
Utilities and Telephone	276	69,318	0	200,692	28,261	16,161	120,642	28,070	463,420	496,039	32,619
Professional Fees	0	0	0	0	0	0	0	0	0	625	625
Equipment Rental	0	10,236	0	948	0	0	18,856	117	30,158	31,070	912
Outside Services	5,990	170,831	0	10,487	852	2,480	33,603	6,572	230,815	218,205	(12,610)
Repairs and Maintenance	0	4,455	0	6,651	3,632	0	2,268	1,327	18,332	38,170	19,838
Other Operating Expense	19,336	3,607	788	6,160	543	168	10,662	992	42,256	36,738	(5,518)
Property and Sales Tax	43	22	1,991	212	28	102	5,710	25	8,132	8,525	393
Total Expenses	252,818	475,041	22,806	790,724	165,981	56,194	1,260,567	309,158	3,333,289	3,364,978	31,689
Net Cost (before allocations)	\$242,104	\$415,596	(\$4,871)	\$577,224	\$121,857	\$32,267	\$547,589	\$143,105	\$2,074,872	\$1,809,122	\$265,749
Allocated To Departments	(173,233)	0	0	(14,824)	0	0	0	0	(188,057)	(174,645)	13,412
Allocated From Departments	87,543	75,093	3,026	227,053	18,991	16,272	47,695	47,889	523,562	521,184	(2,377)
Net Cost	\$156,414	\$490,689	(\$1,845)	\$789,453	\$140,848	\$48,540	\$595,284	\$190,994	\$2,410,377	\$2,155,662	\$254,715

RESOLUTION 90-12-132

GUIDELINES FOR SHARED COSTS AND FEES

RESOLVED, November 6, 2012, that the following Guidelines for the sharing of costs and for the levying and collection of fees reflect the policies and practices which have developed over the history of Laguna Woods Village. The Guidelines are subject to change from time to time at the discretion of the Golden Rain Foundation Board of Directors (GRF).

A. General Principles and the Shared Cost Concept:

- I. Shared costs are costs of furnishing, maintaining, or operating facilities and services which all Laguna Woods Village residents use or enjoy, or have the right to use or enjoy. They are costs budgeted as Golden Rain Foundation operating or reserve expenditures shared equally throughout Laguna Woods Village by manor. The monthly assessment by each manor ownership reflects an equal portion of these costs per the amended Trust Agreement dated March 30, 1964, Paragraph 6: "Golden Rain costs shall be included in monthly assessment on a pro-rata basis to members of respective corporations."
- II. Reasonable fees may be imposed pursuant to the Trust Agreement, as amended.

B. Exceptions to the Shared Cost Concept:

- I. Utilization Control
In order to control crowding, to minimize over-usage, or to impose reasonable limitations on guests, fees may be imposed on users of a shared cost facility or service.
- II. Financial Support of a Facility/Service
Reasonable fees may be imposed on the users of a new or existing shared cost facility or service if GRF determines that fees would be appropriate to help offset costs and reduce assessments.
- III. Exclusive Use of Facility by Resident
Where only a small number of residents are allowed access to a facility, GRF may impose a fee to recover certain costs of operating that facility.

C. Special Facilities:

Since the inception of Laguna Woods Village, two facilities have consistently been declared to be free from the imposition of fees for use thereof by Laguna Woods Village residents.

- I. The first of such special facilities is the aquatics and necessary related facilities. The special classification of aquatics derives from the view

traditionally held by the Laguna Woods Village community that the "swimming pool" is an integral part of residential real property.

- II. The second such special facility is the Laguna Woods Village Transportation System. Its special classification derives from assurances of the original developer that the community bus system would furnish certain fare-free bus transportation to Laguna Woods Village residents. Rendition of this free bus service has been endorsed and continued by the first and subsequently elected Golden Rain Foundation Boards of Directors.

Additionally, there are other facilities where it would be difficult to collect fees or where it may not prove to be cost effective.

D. Definition of Fees:

Inasmuch as GRF provides multipurpose facilities and services, a formula for determining fees shall be applied to each such facility or service separately in order to determine an appropriate fee amount. When establishing fees, GRF will review direct costs of operating the facility, reserve requirements for equipment and facility improvements, **and** utilization.

- I. Facilities Fee - A payment imposed on the user of a shared facility in order to control use or recover a portion of the facility costs. The fee should represent an equitable and reasonable division of cost between the user and the monthly assessment.
- II. Administrative Service Fee - A payment imposed on the user of a service provided by administrative personnel of the Managing Agent or a contracted service provider.
- III. Entertainment Fee - A fee assessed to individuals for a Recreation coordinated event.
- IV. Additional Occupant Fee - A payment imposed for each additional occupant over two in a manor, whether owner or tenant, for the right to use community facilities or services.
- V. Nonresident/Guest Fees - A payment imposed on a nonresident, including all non-Laguna Woods Village organizations, for use of a community facility or service.

In the event that the owner(s) of any manor shall lease said manor to a tenant or tenants, such tenant(s) shall be entitled to the use of all GRF facilities or services as aforesaid during the term of said lease and the owner(s) shall not be entitled to such use of said facilities or services.

RESOLVED FURTHER, that Resolution G-89-115 adopted November 7, 1989 is hereby superseded and cancelled; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

RESOLVED FURTHER that the officers and agents of this Corporation are hereby authorized, on behalf of the Corporation, to carry out this resolution.

SEPTEMBER Initial Notification

30-days notification to comply with Civil Code §4360 has been satisfied.

Director diLorenzo made a motion to adopt the Suspend Cable/Internet in the Event of Disciplinary Action Resolution. Director Perak seconded the motion.

Discussion ensued among the Directors.

- Keith Belya (5394-C) spoke against this policy and feels that internet service is necessary to call 911 for some residents that do not have a land line.
- Diane Casey (188-C) asked the Board if the cable service could be turned off but not the internet service.
- Maxine McIntosh (68-C) spoke in favor of this resolution because it only applies to residents that have been delinquent for several days and not responded to warnings.

President Parker called for a vote and the motion passed unanimously.

12f Adopt a Resolution to Increase the Trust Facility Fee from \$2,500 to \$5,000.

Director diLorenzo read the following Resolution:

RESOLUTION 90-17-35

Trust Facilities Fee from \$2,500 to \$5,000

WHEREAS, as Trustee of the Golden Rain Foundation Trust, the Board of Directors of the Golden Rain Foundation is required to maintain and improve the recreational and other amenities available to all residents of Laguna Woods Village; and

WHEREAS, The Board of Directors finds that reinstatement of the capital contribution to the Trust originally required to be made for each manor sold will ensure the continuation of the amenities that make Laguna Woods Village unique; and

NOW THEREFORE BE IT RESOLVED, November 7, 2017, that as Trustee of the Golden Rain Foundation Trust, a declaration of Trust recorded March 6, 1964, the Board will impose a fee, to be known as the "Trust Facilities Fee", in accordance with all terms and conditions contained in this policy statement and in California Civil 4580 (as amended by Senate Bill 1128, stats 2010 Chapter 322, 2, effective January 1, 2011), on all transactions involving the purchases of a separate interest in any of the Trustors' common interest developments (United Laguna Woods Mutual, Third Laguna Hills mutual and Mutual Fifty, each of which is hereinafter referred to as a "Trustor") within the City of Laguna Woods, as an obligation of the Purchaser(s); ***effective January 1, 2018, and closing on or***

before March 31, 2018, are deemed transactions occurring prior to the Effective Date: and

RESOLVED FURTHER, the Trust Facilities Fee will be a fixed amount, as provided herein and as determined from time to time by the Trustee of the Golden Rain Foundation Trust. The entirety of each such fee, when and as paid by the purchaser(s) shall be deposited into the Trust Facilities Fee Fund and shall be applicable to all such transactions, excluding the following transfers of a separate interest:

1. Where ownership of a separate interest is joined between a current beneficiary of a Trustor and a non-beneficiary spouse, domestic partner or other relative of such beneficiary;
2. Where ownership of a separate interest is transferred to a non-beneficiary of a Trustor by gift or through inheritance from a beneficiary of a Trustor;
3. Where ownership of a separate interest is transferred by a beneficiary of a Trustor to the current qualifying resident (as defined in the Bylaws of each Trustor) of the separate interest, where the transferor has never been a qualifying resident and has previously paid a Trust Facilities Fee; or
4. Where ownership of a separate interest is being transferred to a trust whose settlor or principal beneficiary is the transferor, or to another trust for estate planning purposes.

RESOLVED FURTHER, effective with escrows opened, or purchase contracts signed, on or after January 1, 2018, ***the Trust Facilities Fee shall be set at \$5,000 for units with a sales price of \$75,000 or higher and \$2,500 for units that sell below \$75,000***, until modified by the Trustee; and

RESOLVED FURTHER, in accordance with California Civil Code §4580 each new purchase of a separate interest in any of the Trustors' common interest developments within the City of Laguna Woods to which this Trust Facilities Fee applies (i.e., all new purchases other than a transfer qualifying for any of the exclusions set forth in subparagraphs 1-4 above) shall, in compliance with California Civil Code §4580, have the option to either:

- (i) pay the fee in its entirety at the time of transfer; or
- (ii) pay the fee amount pursuant to an installment payment plan for a period of seven years.

If the purchaser elects to pay the fee in installment payments under the second of the above statutorily permitted options, then the Trustee may also collect additional amounts not to exceed the actual costs for billing and financing on the amount owed (as set forth below, and in compliance with the Davis-Stirling Act, as the same may be amended from time to time), and if the purchaser sells their separate interest

prior to the end of the installment payment plan period, he or she shall pay the remaining balance of the fee owed to the Trustee prior to transfer. A fee of \$10 will be imposed for any late payments.

The Golden Rain Foundation Board shall assess a one-time fee for the preparation of the promissory note. The Golden Rain Foundation Board shall also assess a handling fee of \$252.00 until later modified by the Board and interest, if applicable, at the minimum rate allowed by law. The monthly payment of the Trust Facilities Fee, the handling fee and interest, if applicable, shall be due on the 1st day of each month; and

RESOLVED FURTHER, Resolution 90-16-54, adopted December 6, 2016, is hereby superseded and cancelled ***to the extent that it differs, effective January 1, 2018;*** and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on, behalf of the Corporation, to carry out this resolution.

SEPTEMBER Initial Notification
30-days notification to comply with Civil Code §4360 has been satisfied.

Director diLorenzo made a motion to adopt the Trust Facilities Fee Resolution. Director Phelps seconded the motion.

Discussion ensued among the Directors.

- Reed Archambault (1351) spoke against the agenda item.
- Mary Stone (356-C) corrected the comment made by Director Beckett and commented that the records were published in October, 2017 which shows the amounts in the different funds.

President Parker called for a vote and the motion passed by a vote of 9-1-0 (Director Beckett opposed).

12g. Introduce a Resolution Amending Recreation Policies and Operating Rules.

RESOLUTION 90-17-XX
Recreation Policy and Operating Rules

WHEREAS, the Board has set Policies and Operating Rules for usage of GRF facilities; and

WHEREAS, the Recreation and Special Events Department oversee the use of facilities; and

WHEREAS, the Department is responsible for booking room reservations, selling tickets, conducting classes, set-up and take down of rental rooms, ensure that safety and compliance procedures are followed, protect facilities, and enforce