



GOLDEN RAIN *Foundation* of LAGUNA WOODS



Newsletter

Frequently Asked Questions: GRF

What is GRF's Role in Governing the Community?

Laguna Woods Village is a community comprised of three housing mutuals and the Golden Rain Foundation (GRF). GRF is a California non-profit corporation which oversees the management and maintenance of the facilities and services within the community.

What does the Managing Agent do?

The role of the managing agent is to implement the policy decisions that this board sets; administer the services, programs, and operations of GRF; fulfill the terms of the managing agreement; and provide information, training, and guidance to the board as it sets policies and makes decisions.

What is the benefit to Laguna Woods Village in having a Managing Agent?

The managing agent employs and is responsible for over 1,000 employees that provide service to Laguna Woods Village. The community is unique in this fact, and other home owner's associations don't offer the comprehensive services Laguna Woods Village offers its residents. Much of the services, such as building maintenance, paint, plumbing, and landscape, are performed in-house by the managing agent's employees versus contractors. This is a benefit to the community in that the community pays for the cost of the services without markup.

So, who do the employees work for?

The managing agent of Laguna Woods Village is the employer of certified experts in association management, risk management, human resources, maintenance, security, landscaping, recreation, and social services, to name a few. GRF and the other Boards of Laguna Woods Village are not employers. All personnel issues are the purview of the managing agent. This protects GRF and the other Boards from employee liability claims and lawsuits.

What type of tax corporation is GRF?

The Golden Rain Foundation formerly filed its federal taxes as a §528 homeowners association, and changed to a §501(c)4 corporation effective in 2001. The Finance Division staff submitted an application to the IRS for 501(c)4 status in order to reduce GRF's taxes. The initial savings realized was in the form of \$600,000 in refunds and, since 2001, an average annual savings of \$250,000 has been achieved, for a total savings to date of about \$2.6 million as a result of the status change.

What is Laguna Woods Village? Is it a corporation?

Laguna Woods Village is the name of an active adult gated community in Southern Orange County. It is not a corporation, is not registered as such with the Secretary of State, does not have a tax ID number and does not file tax returns.

There are four separate mutual benefit corporations that constitute Laguna Woods Village: Third Laguna Hills Mutual, United Laguna Hills Mutual, Laguna Woods Mutual 50, and The Golden Rain Foundation (GRF). The community changed its name to Laguna Woods Village in 2005. The decision to change the community name was made by GRF to avoid trademark use issues.

Was Laguna Woods Village ever a corporation?

The entire community under its former name was never a single corporation registered with the Secretary of State, nor is it one under the new Laguna Woods Village name, so there was no change to be registered with the Secretary of State. A vote was held to help choose a new name for the community, but this was solely to involve the residents in the selection of the new name. No vote was required by the Secretary of State or any federal or state law.

Why does Bank of America accept checks made out to Laguna Woods Village if it is not a corporation?

Each of the four mutual corporations in Laguna Woods Village have bank accounts, currently at Bank of America. United, Third, and Mutual 50 members pay their monthly assessments into the Golden Rain Foundation account. Although the bank account is in the name of the Golden Rain Foundation, the Bank will accept checks made out to "Laguna Woods Village", "Third Laguna Hills Mutual", "United Laguna Hills Mutual", "Mutual 50", and a few other commonly used community names. This minimizes the number of assessment checks returned to the members and saves on administrative costs. There is no bank account under the name Laguna Woods Village.

I still have questions. How can I get more information?

- You can write to your GRF Board members c/o the Community Center: PO Box 2220, Laguna Hills, CA 92654.
- Call and leave a message for the GRF Board at (949) 597-4262.
- The Village website is an invaluable source of community information. Go to www.lagunawoodsvillage.com for "Setting the Record Straight", a central location for clarification on "hot-button" issues.