

## MINUTES

### GOLDEN RAIN FOUNDATION OF WALNUT CREEK

#### REGULAR MEETING OF THE BOARD OF DIRECTORS TUESDAY, OCTOBER 14, 2008, AT 10:07 A.M.

A regular meeting of the Board of Directors of the Golden Rain Foundation (GRF) of Walnut Creek was convened by the President, Fred W. Barnes, at 10:07 a.m. on Tuesday, October 14, 2008, in the Board Room at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Fred W. Barnes, David H. Smith, Christine L. Folger, Paul Rosenzweig, Jane P. Carmichael, Phoebe E. Cortessis, Ronald W. Moschel, Sheldon Solloway, John C. Turnier, who attended a portion of the meeting, and Warren T. Salmons, Chief Executive Officer (CEO), ex-officio member of the Board Attendance

Absent: None

Also present were Richard S. Chakoff, Chief Financial Officer; Paul J. Donner, Director, Mutual Operations Division; Mark K. Heptig, Director, Golf Courses/Golf Professional; Daniel L. Schrantz, Director, Trust Operations; Shannon M. Walpole, General Counsel and Director, Confidential Services; Paulette L. Jones, Senior Manager, Executive Services; Maureen A. O'Rourke, Senior Manager, and Wilma Murray, Staff Writer, Communications Department; Susan F. Ritner, Program Manager, and George Ivanov, Program Assistant, Rossmoor Television Channel; and, for a portion of the meeting, James F. Batka, President, Woodside Financial Advisors; and Alexander Gunst, Project Manager, Pound Management, Inc.

The President called on Mr. Batka, GRF's Pension Consultant, who, using a PowerPoint presentation, gave an updated review of GRF's Defined Benefit Plan (Pension Plan) with respect to the Pension Protection Act of 2006 and its impact on GRF's Pension Plan and included options and Mr. Batka's recommendation to leave the current Pension Plan in place as is, which is the same recommendation he made in 2006. Mr. Batka's written updated review of GRF's Pension Plan was previously distributed to the members of the Board and is on file. Discussion followed during which Mr. Batka answered questions from the members of the Board. Staff was asked to provide additional information concerning the Pension Plan; namely, to provide a cost estimate to leave the Pension Plan in place for current non-union employees, plus those hired in 2009, and to offer a 401(k) Plan to employees hired beginning January 1, 2010; and to provide an analysis of the adequacy of GRF's insurance coverage regarding its liability exposure for the Pension Plan. The Compensation Committee will be discussing the Pension Plan again for recommendation to the Board at its December or January meeting. Updated Review of Pension Plan

Mr. Batka was excused from the meeting at 11:10 a.m.

During the Residents' Forum, Walter A. Braun, recommended, as Chairman of the Finance Committee, that any financial reports of significance be submitted to the Finance Committee for vetting and recommendation to the Board before being submitted to the Board. Two cases in point were the Pension Plan and staff's cash flow analysis for project financing on the agenda for discussion at this meeting.

Residents'  
Forum

Patrick T. Kelly asked that the Creekside project north of Stanley Dollar Drive be done in one phase and suggested a plan to do so.

Michael Fleck submitted petitions signed by residents urging the Board to approve the building of the Creekside Complex (maintenance, public safety, Rossmoor News, Channel 28, table tennis, meeting rooms, restaurant, and pro shop) in one phase and one phase only (the petitions are on file).

A motion was made by Mr. Smith, seconded by Ms. Folger, and CARRIED UNANIMOUSLY to approve, as recommended by the President, the appointment of Robert A. Hayes and Julia (Judy) Faye Nixon to the Ad Hoc RV Committee, effective immediately, to replace Dolores O. Cleary and Robert R. Cluff, who resigned.

Approved  
Appointments  
to Ad Hoc RV  
Committee

The CEO introduced Alex Gunst of Pound Management who reported on the status of the Creekside Phase I Project. Discussion followed.

Report on  
Creekside  
Phase I  
Project/

Mr. Gunst then discussed the golf maintenance relocation plan (agenda attachments 8-2 and 8-3). This was an information only item, and no Board action was required. Discussion followed.

Golf  
Maintenance  
Relocation  
Plan

The CEO apologized to the Finance Committee for presenting the cash flow analysis for project financing to the Board before it was reviewed by the Committee, explaining that timing was of the essence because of the pivotal nature of the information in moving projects forward. He then called on the CFO who explained the cash flow analysis for project financing which was previously distributed to the members of the Board and is on file. Discussion followed.

Cash Flow  
Analysis  
for Project  
Financing

A motion was made by Mr. Smith and seconded by Ms. Carmichael to approve the formation of a Creekside GRF Board Study Group. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Approved  
Formation of  
Creekside  
Board Study  
Group/

A motion was made by Mr. Solloway, seconded by Mr. Rosenzweig, and CARRIED UNANIMOUSLY to approve, as recommended by the President,

Approved  
Appointments  
to Creekside

the appointment of Phoebe E. Cortessis, Christine L. Folger, Ronald W. Moschel, and Sheldon Solloway to the Creekside GRF Board Study Group.

Board Study  
Group

There being no further business to come before the Board, the meeting was recessed at 12:35 p.m. and reconvened in executive session at 1:12 p.m. to discuss contract and legal matters.

Recess

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Christine L. Folger, Secretary  
Golden Rain Foundation of Walnut Creek

pj