

MINUTES

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

SPECIAL MEETING OF THE BOARD OF DIRECTORS WEDNESDAY, SEPTEMBER 9, 2009, AT 9:07 A.M.

A special meeting of the Board of Directors of the Golden Rain Foundation (GRF) of Walnut Creek was convened by the President, Ronald W. Moschel, at 9:07 a.m. on Wednesday, September 9, 2009, in the Fireside Room at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Ronald W. Moschel, Sheldon Solloway, Susan Williamson, Attendance
Paul Rosenzweig, Fred W. Barnes, Phoebe E. Cortessis, who attended a portion of the meeting, Rita A. Fredlund, Melvin N. Wall, and Warren T. Salmons, Chief Executive Officer (CEO), ex-officio member of the Board

Excused: David H. Smith

Also present were Kenneth Haley, Chairman, Tim R. Christoffersen, Vice Chairman, and Jean A. Autrey, Walter A. Braun, Robert W. Donovan, and James W. Giffin, Members, Finance Committee; 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; Judith A. Perkins, Senior Manager, Human Resources; Tess Haskett, Assistant Controller; Debi Tallerico, Manager, Information Technology; Susan F. Ritner, Program Manager, and George Ivanov, Program Assistant, Rossmoor Television Channel; Dennis Bell, Public Safety Coordinator; Priscilla Tudor, Counseling Services Coordinator; Masha Henzel, Fitness Supervisor, Resident Services; Randy Wright, Custodial Supervisor, and Kevin Echols, Custodian/AV Technician, Resident Services; and Alexander Gunst, Project Manager/Owner's Representative, Pound Management.

In accordance with the Bylaws of the Corporation, notice of time and place of a special meeting was duly given to the members of the Board by e-mail on September 1, 2009. Notice of Meeting

The purpose of the meeting was to consider approving actions to proceed with construction of the Creekside Project, Phase I and Phase II, and to consider accepting a donation of up to \$25,000 from the Rossmoor Rotary Foundation for the purpose of building the water feature (fountain) at the new Creekside Complex Social Building and including some recognition of the donor. Purpose of Meeting

No one wished to speak during the Residents' Forum. Residents' Forum

A motion was made by Ms. Williamson, seconded by Mr. Solloway, and CARRIED UNANIMOUSLY (Mrs. Cortessis was not yet present) to award a bid for construction of the Creekside Project, Phase I and Phase II, to Hillhouse Construction for \$7,048,076 to be paid from the Trust Estate Fund; to authorize a Project Owner's contingency for construction of the Creekside Project, Phase I and Phase II, in an amount up to \$1,100,000 to be paid from the Trust Estate Fund; and to authorize the CEO to execute the contract for construction of the Creekside Project, Phase I and Phase II, with Hillhouse Construction on behalf of the GRF to complete the work.

Approved
Actions to
Proceed
w/Creekside
Project as
Indicated

A motion was made by Mr. Rosenzweig, seconded by Mrs. Fredlund, and CARRIED UNANIMOUSLY (Mrs. Cortessis was not yet present) to authorize the CEO to execute change orders for construction of the Creekside Project, Phase I and Phase II, as may be necessary, subject to the provisions of Policy 402.1, Financial Authority, and within the limits of the contingency amount.

Authorized
CEO to
Execute
Change
Order for
Creekside
Project as
Indicated

Before proceeding with the agenda for the meeting, the President announced that he found it necessary to recuse himself from both discussion and voting on the next agenda item regarding accepting a donation of up to \$25,000 from the Rossmoor Rotary Foundation for the purpose of building the water feature (fountain) at the new Creekside Complex Social Building due to his personal involvement in the matter on behalf of the Rossmoor Rotary Foundation. He then turned the meeting over to the Vice President. The Vice President called on the CEO who explained the proposal.

A motion was made by Mrs. Fredlund and seconded by Mr. Wall to accept the donation of up to \$25,000 from the Rossmoor Rotary Foundation for the purpose of building the water feature (fountain) at the new Creekside Complex Social Building and approve including some recognition of the donor.

Motion to
Accept
Donation of
Funds from
Rotary
Foundation
for Creek-
side
Fountain/
Motion to
Defer
Accepting
Donation
Failed

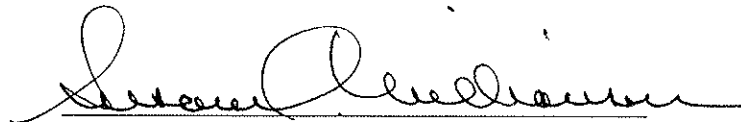
A substitute motion was made by Mr. Rosenzweig and seconded by Mr. Barnes to defer consideration of accepting the donation of up to \$25,000 from the Rossmoor Rotary Foundation for the purpose of building the water feature (fountain) at the new Creekside Complex Social Building and approve including some recognition of the donor pending a reevaluation of the water feature. During discussion, Mr. Rosenzweig expressed his objection to the water feature and explained why. A roll call vote on the motion was then taken (Mrs. Cortessis was not yet present). There was a tie vote, and the motion FAILED, with Mrs. Fredlund, Solloway, and Wall voting no.

Mrs. Cortessis joined the meeting during discussion of the motion to accept the donation from the Rossmoor Rotary Foundation.

Messrs. Barnes and Rosenzweig explained their reasons for opposing the water fountain. Following further discussion, the vote was then taken on the motion to accept the donation of up to \$25,000 from the Rossmoor Rotary Foundation for the purpose of building the water feature (fountain) at the new Creekside Complex Social Building and to approve including some recognition of the donor, and the motion CARRIED, with Mrs. Cortessis and Messrs. Barnes and Rosenzweig voting no.

Donation
Accepted

There being no further business to come before the Board, the meeting was adjourned at 9:26 a.m. Adjournment



Susan Williamson, Secretary
Golden Rain Foundation of Walnut Creek