

MINUTES

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, MARCH 25, 2010, AT 9:03 A.M.

A regular meeting of the Board of Directors of the Golden Rain Foundation (GRF) of Walnut Creek was convened by the President, Ronald W. Moschel, at 9:02 a.m. on Thursday, March 25, 2010, in Peacock Hall 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,
Rita A. Fredlund, David H. Smith, Melvin N. Wall, and
Warren T. Salmons, Chief Executive Officer (CEO), ex-
officio member of the Board

Absent: None

Also present were Donald A. Peterson, Chairman, Aquatics Advisory Committee; William W. Gerecke, Chairman, Audit Committee; Kenneth Haley, Chairman, Finance Committee; Carol A. Green, Chairman, Fitness Center Advisory Committee; Michael P. Fleck, Chairman, Golf Advisory Committee; Paul J. Donner, Director, Mutual Operations; Mark K. Heptig, Director, Golf Courses/Golf Professional; Daniel L. Schrantz, Director, and Martijn Lemmens, Public Works Administrator, 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; Dennis Bell, Public Safety Coordinator; Priscilla Tudor, Counseling Services Coordinator; Susan F. Ritner, Program Manager, and George Ivanov, Program Assistant, Rossmoor Television Channel; and Armando Medina, Custodian/AV Technician, Resident Services.

There being no corrections, the minutes of the regular meetings of the Board held on February 25, 2010, and March 9, 2010, were approved as written by unanimous consent. Minutes
Approved

The President said his report this morning is very short but very important. He then, on behalf of the many St. Mary's College graduates who live in Rossmoor and on behalf of all of those who are fans of St. Mary's College basketball, said all he simply had to say is "Go Gaels". President's
Report

The CEO reviewed his written report dated March 18, 2010, which included the manor sales report for the period ending February 28th and as of March 18th. The report was included in the agenda package. Mr. Salmons added that, as of yesterday, there have been 26 sales in March and there are 66 open escrows. CEO's
Report

Mr. Rosenzweig gave the Treasurer's report for the period ending February 28, 2010. The report was previously distributed to the members of the Board and is on file.

Treasurer's
Report

During the Residents' Forum, Hugh M. Grey, President of the Committee for Responsive and Open Government (CORG), requested that the Board act today to authorize Channel 28 to videotape and broadcast CORG's April 14th candidates' forum at which candidates running for election to the GRB will be asked questions and given the opportunity to respond. He noted that all of the candidates were invited to participate in the forum, but three of them, one in each district, declined to participate. Therefore, staff, citing GRF Policy 602.0, The Rossmoor Television Channel, as the reason, was no longer willing to tape and broadcast the forum. Mr. Grey said CORG believes the requirements of the Policy have been met.

Residents'
Forum

The President called on the CEO, who explained that the practice has been that the candidates' forums have been videotaped and, unless all the candidates running in a particular District are present to participate, the video is edited to exclude that district or those districts where all candidates did not participate. He added that this practice has been in place at least several years and has been thoroughly explained to the organizations sponsoring the candidates' forums. Discussion followed during which it was suggested that Policy 602.0, the Rossmoor Television Channel, be reviewed.

Mr. Peterson, Chairman of the Aquatics Advisory Committee, apologized for the use of the words "a non-issue" in the report of the Committee's March meeting with reference to the guest policy for the pools. He added that, in his opinion, nothing that residents bring forth to the Committee is a "non-issue" and that the use of those words was unfortunate. He went on to explain that the Committee determined the guest policy would be too difficult to change at this point, and, therefore, set the resident's request aside. The report of the Committee's March meeting was included in the agenda package.

AAC
Report

The Chairman of the Audit Committee had nothing to add to the report of the Committee's March meeting, which was included in the agenda package. The President then announced that Mr. Gerecke, who served as Chairman of the Committee for the past eleven years, submitted his resignation from the Committee, effective April 30, 2010, and, on behalf of the Board, thanked him for his long and faithful service.

Audit
Committee
Report

Mr. Haley, Chairman of the Finance Committee, said the report of the Committee's March meeting was previously distributed to the members of the Board. The report is on file with the minutes. Mr. Haley noted that the key discount rate used to calculate GRF's minimum required pension contribution has been raised by the IRS, resulting in GRF's minimum contribution now being less than that reported by GRF's actuary when the 2010 budget was prepared. Since funds are available and GRF's long-term

Finance
Committee
Report

obligations have not changed, the Committee unanimously recommended that GRF continue to make pension contributions as approved in the budget for 2010.

The Chairman of the Fitness Center Advisory Committee, Ms. Green, said the report of the Committee's March meeting was included in the agenda package. She then noted that there were 11,520 visits to the Fitness Center in February, including 326 guests; the PharmaSmart Blood Pressure Kiosk has been installed and is now in operation, with short training sessions available for residents; the 2nd Annual Rossmoor Spring Triathlon, a 250-yard swim event, an eight-mile bike ride, and a two-mile walk/run, will be held on April 26th. The President, on behalf of the Board, thanked Ms. Green for her yeoman's work in securing the blood pressure machine for the Fitness Center with grant funds from Kaiser Permanente. Discussion followed.

FCAC
Report

Mr. Fleck, Chairman of the Golf Advisory Committee, said the report of the Committee's March meeting was included in the agenda package. He had nothing to add to the report.

GAC
Report

The Chairman of the Policy Committee, Mr. Solloway, said the report of the Committee's March meeting was included in the agenda package. He then commented on the Committee's recommendation regarding new Policy 104.3, Privacy (agenda attachment 9a1-2) and new Policy 201.5, Code of Conduct and Ethics (agenda attachment 9a2-2 through 9a2-4), explaining the reasons for the recommended Policies. In keeping with the Board's practice that policy, procedure, and rule agenda items be on the agenda for two end-of-the-month meetings to allow time for resident input, consideration of approving the recommended new Policies was deferred to the April 29th regular meeting of the Board. Mr. Solloway concluded by announcing that the April Policy Committee has been rescheduled to Monday, April 12th, at 9:30 a.m. in the Solarium in Dollar Clubhouse.

Policy
Committee
Report/
Deferred
Consider-
ation of
New Policy
104.3, &
New Policy
201.5

Under Unfinished Business, Mr. Solloway reported that a revised Policy 201.2, Conflict of Interest, was introduced at the February 25th regular meeting of the Board.

A motion was made by Mr. Solloway and seconded by Mrs. Fredlund to approve, as recommended by the Policy Committee, a revised Policy 201.2, Conflict of Interest (agenda attachment 10a-2 through 10a-8). He then called on Mrs. Walpole, who explained the major revisions to the Policy, which were mainly for clarification and to address perceived shortcomings. The vote on the motion was then taken, and the motion CARRIED UNANIMOUSLY.

Approved
Revised
Policy
201.2

A motion was made by Ms. Williamson, seconded by Mr. Barnes, and CARRIED UNANIMOUSLY to approve, as recommended by the President, the appointment of Nancy M. Groswird to the Golf Advisory Committee, effective immediately, to serve the unexpired portion of the term of Laurence Ringen, who resigned from the Committee. The term expires in May 2010.

Approved
Appoint-
ment of
N. Groswird
to GAC

A motion was made by Mr. Rosenzweig and seconded by Mr. Smith to approve the appointment of the audit firm Armanino McKenna, LLP, GRF's auditors, to count the ballots for the upcoming election of GRF Directors to represent Districts B, F, and G and to authorize the CEO to execute a Letter of Understanding outlining the scope of the services to be performed. In response to a question regarding the use of an audit firm to count the ballots rather than resident volunteers, Ms. Jones responded that originally residents, overseen by GRF staff, counted the ballots. In response to complaints about staff's involvement in the ballot counting and to eliminate those concerns, the Board elected in 2001 to use an audit firm to count the ballots and has done so since that time. The vote on the motion was then taken, and the motion CARRIED UNANIMOUSLY.

Approved
Appointment
of Auditors
to Count
GRF Ballots

A motion was made by Mrs. Fredlund and seconded by Mr. Solloway to approve an expenditure not to exceed \$278,000 from the operating budget and to authorize the CEO to execute a contract with Silicon Valley Paving, Inc., for street maintenance. The President called on Mr. Schrantz who explained the project. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Approved
Funds for
Street
Maintenance

A motion was made by Mr. Smith and seconded by Mr. Rosenzweig to approve a License Agreement with Verizon Wireless (copy on file with the minutes) allowing Verizon to use roads owned by GRF to access a cell tower located on property owned by Third Walnut Creek Mutual. The President called on Mrs. Walpole, who commented on the Agreement. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Approved
License
Agreement
w/Verizon
Wireless

Before concluding, the President announced that the next mid-month regular meeting of the Board will be held on Tuesday, April 13, 2010, at 9:00 a.m. in the Fireside Room at Gateway Complex; that the next end-of-the month regular meeting of the Board will be held on Thursday, April 29, 2010, at 9:00 a.m. in Peacock Hall at Gateway Complex; and that the Board will meet in executive session following this meeting to discuss a legal matter.

Announc-
ments

The President then celebrated the 89th birthday of Vice President Sheldon Solloway, the oldest known living member of the GRF Board, by telling a story about his life, following which he and the others present at the meeting gave Vice President Solloway a round of applause and sang a rousing verse of "Happy Birthday" to him. Mr. Moschel invited everyone to join the Board in the Fireside Room following this meeting for some birthday cake and conversation with Vice President Solloway.

Vice-Pres.
Solloway's
89th
Birthday

There being no further business to come before the Board, the meeting was recessed Recess
at 10:10 a.m. and reconvened in executive session at 11:10 a.m.

A handwritten signature in black ink, appearing to read "Susan Williamson", written over a horizontal line.

Susan Williamson, Secretary
Golden Rain Foundation of Walnut Creek

pj