

CORRECTED

MINUTES

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, OCTOBER 27, 2011, AT 9:00 A.M.

A regular meeting of the Board of Directors of the Golden Rain Foundation (GRF) of Walnut Creek was convened by the President, Susan Williamson, at 9:00 a.m. on Thursday, October 27, 2011, in Peacock Hall at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Susan Williamson, Donald A. Peterson, Barbara S. Jordan, Attendance
Kenneth W. Haley, Rita A. Fredlund, James W. Giffin,
Donald J. Liddle, Melvin N. Wall, Clair S. Weenig, and
Warren T. Salmons, Chief Executive Officer (CEO), ex-
officio member of the Board

Absent: None

Also present were Sheldon Solloway, Chairman, Audit Committee; David H. Smith, Chairman, Finance Committee; Carol A. Green, Chairman, Fitness Center Advisory Committee; Michael P. Fleck, Chairman, Golf Advisory Committee; Richard S. Chakoff, Chief Financial Officer; Paul J. Donner, Director, Mutual and Trust Operations; Anthony W. Grafals, General Counsel and Director of Confidential Services; Mark K. Heptig, Director, Golf Courses/Golf Professional; Jeffrey P. Matheson, Director, Resident Services; Paulette L. Jones, Senior Manager, Executive Services; Judith A. Perkins, Senior Manager, Human Resources; 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; Priscilla Tudor, Counseling Services Manager; Debi Tallerico, Manager, Information Technology; Dennis Bell, Public Safety Coordinator; Tess Haskett, Assistant Controller; and Ryan Carroll, Custodian/AV Technician, Custodial Department.

There being no corrections, the minutes of the regular meeting of the Board held on September 28, 2011, were approved as written by unanimous consent.

Minutes
Approved

Mr. Haley gave the Treasurer's report for the period ending September 30, 2011. The report was included in the agenda package.

Treasurer's
Report

The CEO reviewed his written report dated October 19, 2011, which included the manor sales report for the period ending September 30, 2011, and as of October 19, 2011. The report was included in the agenda package. Mr. Salmons then displayed the special award for community character presented to Rossmoor by the Action for

CEO's
Report

Beauty Council at its recent 2011 ceremony, which was accepted by the President, on behalf of Rossmoor. The award will be displayed in the Gateway Administration Building.

Before beginning the Residents' Forum, the President called on Francesca Ann Johnson, to speak. Ms. Johnson is the Founder of the Save Our Stanley (SOS) Ad Hoc Group. Ms. Johnson introduced herself and thanked the Board for giving her the time to present the results of the SOS petition against building the Event Center in front of the Dollar Clubhouse. She noted that the petition drive has truly been a grass roots effort and reviewed the Group's activities the past few months. A 59-page list of the names, addresses, and telephone numbers, organized by District, of the residents who are asking the Board not to build the Event Center was given to the members of the Board. Ms. Johnson explained how the data was compiled and then read the numbers of residents in each District who signed the petition against the planned Event Center (copies of the list of numbers were given to the members of the Board). She reported that the total number of unquestionable petition signers was 2,809. Ms. Johnson said the Group will keep the list of petition signers active until the final vote on the Event Center, saying that anyone who wants to be added or removed, if they feel they have been misled, may contact the Group by e-mail at mail@saveourstanley.com or by phone at 934-1532. She concluded by thanking everyone who helped with this effort and who signed the petition. She also thanked the Board for listening and for allowing her time to present these results. Note: The actual signed petition was not submitted.

F. Johnson
Speaks
About
SOS
Petition

During the Residents' Forum, the following residents spoke about the following subjects:

Residents'
Forum

- Patricia Lynn Baker – Spoke about the SOS petition, saying that, if residents had a chance to vote, the Event Center would be voted down.
- Diane C. Guilfooy spoke about the Event Center, telling the Board about 3 of the people who signed the SOS petition and why they signed it.
- Robert C. Dickson spoke about the SOS petition, saying it was amazing how many people signed it.
- Kathleen Solares spoke about the SOS petition, asking what more needs to be said when almost 3,000 signatures have been collected.
- Patricia Zuker spoke about the Event Center, appealing to the members of the Board to understand that many residents disagree with them.
- Kenneth Nickoll spoke about the Event Center, saying that there should be a ballot and people should get to vote on it.
- David R. Wilcox urged the Board to go ahead with the Event Center.
- Jean Wilcox urged the Board to go ahead with the Event Center.
- Robert Allan Moon said Rossmoor needs the Event Center.
- Eldon E. Rowe spoke in support of the Event Center.

- Sandra P. Willams said residents should stop bickering and encouraged the Board to move forward with the Event Center.
- Gene Gordon spoke in support of a democratic form of government in Rossmoor and asked the Board to acknowledge that a majority of residents do not want an Event Center built on the Dollar lawn.
- Lavinia L. Swain expressed her strong support for the Event Center.
- Donald C. Swain said he strongly supports the Event Center.
- Paul V. Holland said he was in favor of the Event Center.
- Patrick T. Kelly spoke in support of the Event Center.
- Karen B. Perkins spoke about the SOS petition, saying she was opposed to the Event Center at its proposed location.
- Fred W. Barnes spoke about the Event Center, expressing his concern that the Board may be ignoring what the majority of residents want.
- Hugh Grey said he supported the SOS petition but was saddened by the badmouthing of the petitions and its signers by some Rossmoorians.
- Diane C. Mader urged the Board to approve the Event Center, saying it is the capstone of the 1997 Master Plan.
- Leslie Birdsall said he and his wife support of the Event Center and urged the Board to follow the path to completion.
- Patricia Dickson encouraged the Board to go ahead with the Event Center, saying she was 100% behind it.
- Rose Michaels said she was at the meeting to talk about the people who signed the SOS petition, saying that they are not just names on a sheet of paper, they are real people.
- Timothy Wise offered some constructive ideas regarding the design of the Event Center.
- Caroline A. Henrichs said she came to the meeting to address the character of the Board, GRF representatives, and employees. She then described her positive, transparent, and supportive experience with them.
- Gilbert Doubet spoke about the SOS petition, saying it deserves the Board's public acknowledgment, consideration, and respect.
- Pasquale A. Quatro recommended that the Board create, as soon as possible, a committee of manor owners who are not on the Board and charge that committee to find ways to permit manor owners greater control of the Mutuels and the GRF Board.
- John H. Nutley referred to the Residents' Forum in the Rossmoor News, saying it is filled with complaints and problems about the Event Center that need solving, and he proposed several solutions regarding the project.
- Paul Rosenzweig spoke in favor of the Event Center and rebutted what he said were the extensive misstatements and pseudo history that permeates SOS utterings.

At the conclusion of the Residents' Forum, Messrs. Peterson, Haley, Liddle, Weenig, and Wall shared their thoughts about the SOS petition, the Event Center, and what residents have been saying about them. In addition, the CEO was asked to and enlightened the Board on some statements made regarding the Event Center, i.e., loss of lawn and trees; increased traffic on Stanley Dollar Drive; and the golf practice area.

Reporting in the absence of Mrs. Jones, Chairman of the Aquatics Advisory Committee, Mr. Matheson said the report of the Committee's October meeting was included in the agenda package. He then noted that the pool closure schedule for the 2011-2012 seasons has been well publicized in the Rossmoor News and then reported on related matters. Discussion followed.

AAC
Report

The Chairman of the Audit Committee, Mr. Solloway, said the report of the Committee's October meeting was included in the agenda package and summarized items in the report.

Audit
Committee
Report

A motion was made by Mr. Liddle, seconded by Mr. Weenig, and CARRIED UNANIMOUSLY to accept, as recommended by the Audit Committee, the audit proposal from Armanino McKenna LLP to perform an examination of the financial statements of the GRF and the financial statement of the employees' Pension Plan and the 401(k) Plan and to prepare the necessary income tax returns for the GRF for the year ending December 31, 2011, for the proposed fee of \$73,500 and to authorize the CFO to execute the Engagement Letter.

Accepted
Audit
Proposal
For 2011

Mr. Smith, Chairman of the Finance Committee, summarized items in the report of the Committee's October meeting. The report was distributed to the members of the Board prior to the meeting and is on file. Discussion followed.

Finance
Committee
Report

Ms. Green, Chairman of the Fitness Center Advisory Committee, summarized items in the report of the Committee's October meeting, noting that there were 11,529 visits to the Fitness Center in September, including 169 guests and 95 caregivers. There were also 796 visits to pool classes taught by Fitness Center staff. She then reported on the upcoming Holiday Challenge.

FCAC
Report

Mr. Fleck, Chairman of the Golf Advisory Committee, said that the report of the Committee's October meeting was included in the agenda package. He then commented on the new practice area.

GAC
Report

The Chairman of the Compensation Committee, Mr. Liddle, reported on the Committee's October meeting. The report was included in the agenda package.

Compen-
sation
Committee
Report

Mrs. Fredlund, Chairman of the Policy Committee, said the report of the Committee's October meeting was included in the agenda package. She then discussed the Committee's recommended revised Policy 402.1, Financial Authority (agenda attachment 8b1-3); new Policy 102.3, Allocation of Revenues and Expenses 8b2-3 and 8b2-4); and new Policy 102.4, Approval of Budget and Expenditure of Funds (agenda attachment 8b3-3) and the reasons therefore. Discussion followed. 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 revised Policy 402.1 and new Policies 102.3 and 102.4 was deferred to the December 1st regular meeting of the Board.

Policy
Committee
Report/
Consider-
ation of
Recom-
mended
Policies
Deferred

The President called on Mr. Bell who gave a brief summary of the proposal to purchase and install new access system and gate hardware for the front gate and to purchase Radio Frequency Identification tags. Discussion followed.

Approved
Expenditure
for Pur-
chase &
Installation
of New
Access
System &
Gate
Hardware/
for Front
Gate/

A motion was made by Mr. Peterson, seconded by Mr. Weenig and CARRIED UNANIMOUSLY to approve a Trust Estate expenditure not to exceed \$451,773.50, of which \$199,633.50, including a 10% contingency, is for the purchase and installation of a new access system and gate hardware for the front gate and \$252,140 is for the purchase of Radio Frequency Identification tags; and to authorize the CEO to execute the necessary contract for the project.

Approved
Proposal for
Geotech.
Services
for Buckeye
Tennis
Project/
Authorized
Increase in
Budget for
Gateway
Water Line
Damage

A motion was made by Mr. Haley and seconded by Mr. Wall to approve the proposal for geotechnical services for the Buckeye Tennis Project by Rockridge Geotechnical for a cost of \$10,550, plus a contingency of up to \$1,000, paid from the Trust Estate Fund, and to authorize the CEO to execute a standard Professional Services Agreement with Rockridge on behalf of the GRF. Discussion followed during which Mr. Matheson commented on the proposal. The vote on the motion was then taken, and the motion CARRIED UNANIMOUSLY.

A motion was made by Mr. Haley, seconded by Mr. Peterson, and CARRIED UNANIMOUSLY to authorize an increase of \$22,000 in the budget for repair of the Gateway water line damage.

The proposal to convene an Ad Hoc Information Technology Task Force was discussed.

Approved
Convening
Ad Hoc
Information
Technology
Task Force/
K. Haley &

A motion was made by Mr. Liddle, seconded by Mr. Haley, and CARRIED UNANIMOUSLY to convene an Ad Hoc Information Technology Task Force and to designate at this meeting two to three Board members to serve on the Committee.

A motion was made by Mr. Liddle, seconded by Mr. Peterson, and CARRIED UNANIMOUSLY to appoint Kenneth W. Haley and Clair S. Weenig the Board members to serve on the Ad Hoc Information Technology Task Force.

C. Weenig
Appointed
to Task Force

The President called on Mr. Heptig who discussed the proposed schedule of 2012 Golf Club and outside tournaments, including various Club events involving reduced or waived fees.

Approved
Schedule of
2012 Golf
Club &
Outside
Tournaments

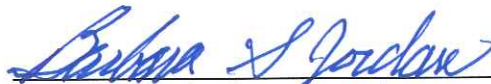
A motion was made by Ms. Jordan, seconded by Mr. Liddle, and CARRIED UNANIMOUSLY to approve the schedule of 2012 Golf Club and outside tournaments, including various Club events involving reduced or waived fees (agenda attachment 10e-2 through 10e-5).

Before concluding, the President announced that the next mid-month regular meeting of the Board will be held on Tuesday, November 8, 2011, 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, **December 1**, 2011, 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 contract and personnel matters.

Announce-
ments

There being no further business to come before the Board, the meeting was recessed at 12:17 p.m. and reconvened in executive session at 12:20 p.m. in the Board Room.

Recess



Barbara S. Jordan, Secretary
Golden Rain Foundation of Walnut Creek