

## MINUTES

### GOLDEN RAIN FOUNDATION OF WALNUT CREEK

#### REGULAR MEETING OF THE BOARD OF DIRECTORS

THURSDAY, APRIL 26, 2007, AT 9:08 A.M.

A regular meeting of the Board of Directors of the Golden Rain Foundation (GRF) of Walnut Creek was convened by the President, David H. Smith, at 9:08 a.m. on Thursday, April 26, 2007, in Peacock Hall at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: David H. Smith, Sheldon Solloway, Ronald W. Moschel, Diane C. Mader, Christine L. Folger, Frank B. Mansfield, Clarence H. Nixon, Paul Rosenzweig, John C. Turnier, and Alan J. Gardner, Chief Executive Officer (CEO), ex-officio member of the Board Attendance

Absent: None

Also present were Hazel M. Horti, Chairwoman, Aquatics Advisory Committee; William W. Gerecke, Chairman, Audit Committee; Patrick T. Kelly, Chairman, Golf Advisory Committee; Richard S. Chakoff, Chief Financial Officer; Paul J. Donner, Director, Mutual Operations; Shannon M. Walpole, General Counsel; Paulette L. Jones, Senior Manager, GRF Board Administration; Maureen A. O'Rourke, Senior Manager, and Wilma Murray, Staff Writer, Communications Department; Judith A. Perkins, Senior Manager, Human Resources; Masha Hensel, Fitness Supervisor; Susan F. Ritner, Program Manager, and George Ivanov, Program Assistant, Rossmoor Television Channel; and James Martin and Ritesh Raj Custodians/AV Technicians.

The President began by saying that, when he took office as President of the GRF last year, he established two new awards. One of those awards is the Rossmoorian of the Year Award to be given at this time each year to an outstanding Rossmoorian. He went on to say that Rossmoor has many exceptional employees and many volunteers who have given much to the community. It was, therefore, difficult to single out one individual for this award. However, there was one person, Shannon Walpole, whom he believed made a significant positive difference to Rossmoor this past year. Before presenting the award to Mrs. Walpole, he reviewed her accomplishments during the past year, noting that they were not what general counsels normally do and that she truly walked the extra mile. He then presented the award to Mrs. Walpole, who expressed her thanks and appreciation for the award. Rossmoorian of the Year Award Presented

The President noted that last month he gave special awards to several individuals who helped at the scene of the automobile accident on March 8<sup>th</sup> that claimed the life of a Rossmoor resident. He went on to say that he did not know, however, at that Community Service Award

time there were others who climbed down the embankment and put their own safety at risk to help. He said it was his distinct pleasure to present the Community Service Award to Marlon Green and Keith Peddle, both of whom came to the aid of the victims of the car accident and are Rossmoor heroes. Neither Mr. Green nor Mr. Peddle were present at the meeting.

The President then announced the passing of Benjamin G. Wisner, an exceptional individual who contributed much to Rossmoor. A two-term GRF director, twice the president of GRF, and a four-term chairman of the Finance Committee, Mr. Wisner was instrumental in producing the long-range plan that was the basis for capital expenditures made since 2000 in addition to his other accomplishments. He was also the first recipient of the Rossmoor Award. The President described Mr. Wisner as having gravitas, the sense of dignity, seriousness, and duty that Ancient Roman society expected of its leaders. The President added that Mr. Wisner will be missed by all who knew him.

Passing of  
B. Wisner  
Acknowledged

The President concluded by announcing that yesterday, Paul Donner, the Director of Mutual Operations, informed him that Rossmoor's hazardous waste program should start in about a month on a limited basis. Pickups will be limited to what is known as universal waste which includes batteries, e-waste such as computers and televisions, fluorescent tubes, latex paint, and motor oil. Not included are such items as pesticides and certain household cleaning products. Details regarding the program will be in next week's Rossmoor News.

Hazardous  
Waste  
Program

A motion was made by Mr. Rosenzweig, seconded by Mrs. Mader, and CARRIED UNANIMOUSLY to approve, as written, the minutes of the regular meeting of the Board held on March 29, 2007.

Minutes  
Approved

A motion was made by Mrs. Mader, seconded by Mr. Rosenzweig, and CARRIED, with Mr. Turnier abstaining because he was not at the meeting, to approve, as written, the minutes of the regular meeting of the Board held on April 10, 2007.

The CEO reviewed his written report dated April 26, 2007, which included the manor sales report for the period ending March 31, 2007. The report was distributed to the members of the Board and is on file. Discussion followed.

CEO's  
Report

Mr. Moschel gave the Treasurer's report for the period ending March 31, 2007 (copy on file).

Treasurer's  
Report

During the Residents' Forum, Hugh M. Grey, President of CORG, urged the Board to approve agenda item 11b, Consider continuing open committee meetings for observation only by any resident of Rossmoor with the understanding that the

Residents'  
Forum

chairman of any committee of the Board may hold a committee meeting in executive session, or adjourn an existing committee meeting to executive session, where the subject or subjects to be discussed requires confidentiality, such as matters involving an employee's privacy, potential or pending litigation, and the terms of third-party contracts. He noted that there has been no evidence of disruptiveness since committee meetings were made open eleven months ago.

Mrs. Horti, Chairwoman of the Aquatics Advisory Committee, reviewed items in the report of the Committee's April meeting, which was included in the agenda package. Discussion followed. AAC Report

The Chairman of the Audit Committee, Mr. Gerecke, reported that the Committee met with the Foundation's auditor, Moss Adams LLP, on three occasions to review the status of the audit and the draft of the audit report for the year ended December 31, 2007, and to discuss other matters. He added that Moss Adams will continue to provide non-audit services for the Foundation in the preparation of tax returns and reports on the Foundation's retirement plans. Discussion followed. Audit Committee Report

A motion was made by Mr. Moschel, seconded by Mr. Solloway, and CARRIED UNANIMOUSLY that the Board accept, as recommended by the Audit Committee, the GRF Audit Report for the year ended December 31, 2006, as submitted by the Foundation's independent audit firm, Moss Adams LLP. 2006 Audit Report Accepted

There was no Emergency Preparedness Committee report. The President noted, however, that the report of the Committee's April meeting was included in the agenda package. EPC

In the absence of Mr. Donovan, Chairman, Finance Committee, the Treasurer, Mr. Moschel, reported on the Committee's April meeting at which the CFO reviewed the statement of operations for March, and the Director of Trust Operations reviewed the Trust Reserve Work Program. The Creekside Financing Task Force was also discussed at the meeting. Mr. Moschel said the DVD of the meeting is available for viewing in the GRF Board Office at Gateway. It is also available in the Gateway library. Mr. Moschel then announced that the next meeting of the Committee will be held on Tuesday, May 29, 2007, at 1:30 p.m. and invited residents to attend. Finance Committee Report

There was no Fitness Center Advisory Committee report. The President noted, however, that the report of the Committee's April meeting was included in the agenda package. FCAC

Mr. Kelly, Chairman of the Golf Advisory Committee, said the report of the Committee's April meeting was included in the agenda package. He then announced GAC Report

that there will be a golf tournament on Friday, May 18<sup>th</sup>, dedicated to helping those who lost their homes and belongings in the recent fire on Golden Rain Road and noted that the event has the full support of the four Rossmoor golf clubs and is open to all those who wish to participate. He also noted that the Rossmoor Kiwanis Club, through its %Challenges of the Aging Fund+, has graciously stepped forward to handle the proceeds and distribution thereof. He asked residents to mark their calendars and plan on being part of this worthwhile endeavor for their friends and neighbors. Discussion followed during which Mrs. Mader referred to the item in the Committee's report stating that the green fees for the tournament were waived by Mr. Mansfield, the GRF Board representative for the Committee, and she pointed out that there is nothing in the Committee's Charter delegating the waiving of fees to the Board's representative. Mr. Mansfield replied that he thought he was acting within his authority. It was noted that former Board representatives to the Committee also approved the waiving of fees, thinking they were acting within their authority. It was suggested that the Policy Committee consider revising the Charter to have it correspond with the current practice of the Board representative waiving fees.

A motion was made by Mr. Moschel and seconded by Mrs. Mader to approve the request from the American Heritage and Conservation Committee NSDAR, Mt. Diablo Chapter, for permission to place a tree ring on a Blue Oak tree to be planted in Rotary Peace Park indicating that the tree was donated by the DAR. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Mrs. Folger abstaining.

Approved  
Request  
from DAR for  
Permission  
to Place a  
Tree Ring  
on a Tree

A motion was made by Mrs. Mader and seconded by Mr. Rosenzweig to approve a new Policy 201.2, Conflict of Interest and Code of Conduct and Ethics, as recommended by the Policy Committee (agenda attachment 10b-1 thru 10b-4). Mrs. Mader, Chairwoman of the Policy Committee, then explained the reasons for the proposed Policy. The President pointed out that there is currently a Code of Conduct for employees and that the recommended Conflict of Interest and Code of Conduct and Ethics Policy for Board members was not proposed because of conflicts on the Board. During further discussion, Ms. Folger suggested that the motion be amended to include in the footnote on page 1 of the recommended Policy %parents+in the definition of %immediate family+. Mrs. Mader, the maker of the motion, and Mr. Rosenzweig, who seconded it, accepted Ms. Folger's suggested amendment to the motion. Further discussion followed. The vote was then taken on the motion, as amended, and the amended motion CARRIED, with Mr. Turnier voting no.

Policy 201.2  
Approved

A motion was made by Mr. Nixon and seconded by Mr. Rosenzweig to approve, as recommended by the Policy Committee, revised Policy 401.0, Employment of Residents (agenda attachment 10c-1). During discussion

Policy 401.0  
Approved

Mrs. Mader and Mr. Solloway explained why they will abstain on the motion, Ms. Folger and Messrs. Nixon and Rosenzweig spoke in support of the motion, and Mr. Mansfield stated that he was a little uncomfortable with the idea of the CEO living in Rossmoor. A roll call vote was then taken, and the motion CARRIED, with Mr. Mansfield voting no and Mrs. Mader and Mr. Solloway abstaining.

Mrs. Mader then read proposed Policy 103.4, Outside Media.

A motion was made by Mrs. Mader and seconded by Mr. Rosenzweig to approve new Policy 103.4, Outside Media, as recommended by the Policy Committee (agenda attachment 10d-1). During discussion the CEO stated that the question was raised as to who will serve in the role as outside media contact in the absence of the Communications Department Manager, and he reported that Susan Ritner, Program Manager of Channel 28, will serve in that role. The vote on the motion was then taken, and the motion CARRIED UNANIMOUSLY.

Policy 103.4  
Approved

The President called on Taylor T. Wheeler, past President of the Rossmoor Lawn Bowling Club, who thanked the Board for allowing the Club to put in a much needed kitchen at the Mat House at Hillside and said the Club was donating \$25,000 for the project. He then said that the Club was having an open house at Hillside tomorrow from 2:00 p.m. to 4:00 p.m. and invited all to attend.

Lawn  
Bowling  
Club  
Donation

A motion was made by Mr. Nixon and seconded by Mr. Moschel to accept the donation of \$25,000 from the Rossmoor Lawn Bowling Club for the work to install new sewer and water which serves its new kitchenette at the Mat House at Hillside. It was noted that the total cost of the project is \$25,539 and that GRF will make up the difference of \$539. During discussion Mr. Nixon reviewed the history leading up to the project and complemented the Club on funding the project, saying that it set a beautiful example for the community. Following further discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Accepted  
Donation of  
Funds from  
Lawn Bowl-  
ing Club for  
Mat House  
Kitchenette

A motion was made by Mr. Moschel and seconded by Mr. Rosenzweig to approve continuing open committee meetings for observation only by any resident of Rossmoor with the understanding that the chairman of any committee of the Board may hold a committee meeting in executive session, or adjourn an existing committee meeting to executive session, where the subject or subjects to be discussed require confidentiality, such as matters involving an employee's privacy, potential litigation, and the terms of third-party contracts. Messrs. Moschel and Solloway spoke in support of the motion. During further discussion, it was suggested that the motion be

Amended  
Motion to  
Continue  
Open  
Committee  
Meeting  
Approved

amended to eliminate the word "only" in the second line of the motion. Mr. Moschel, the maker of the motion, and Mr. Rosenzweig, who seconded it, accepted the suggested amendment. The vote was then taken on the motion, as amended, and the amended motion CARRIED UNANIMOUSLY.

The President called on General Counsel who reviewed her memorandum dated April 20, 2007, to the Board listing staff's recommendations regarding use of the StairTrac to limit liability for the StairTrac moving forward (agenda attachment 11c-1).

StairTrac  
Service

A motion was made by Mr. Moschel and seconded by Ms. Folger to approve the following, as recommended by staff, regarding StairTrac service:

Approved  
Use of  
StairTrac  
Service as  
Indicated

- 1) Users must have a wheelchair that is compatible with the StairTrac device so that lifting residents from one wheelchair to another is not required.
- 2) Users must weight 210 pounds or less.
- 3) Securitas has the discretion to refuse StairTrac service if such appears dangerous under the circumstances.
- 4) Users must sign a waiver prior to each use.
- 5) StairTrac is limited to 20 uses per manor per year.
- 6) StairTrac service is available 7 days a week during the day shift.

The vote on the motion was taken, and the motion CARRIED, with Mrs. Mader abstaining.

Deferred  
Agenda Item  
to Consider  
Disbanding  
Creekside  
Financing  
Task Force

The President proposed that agenda item 11d, Consider disbanding, with thanks, the Creekside Financing Task Force, as it has fulfilled its mission and had determined that the Creekside project is viable financially, be deferred until the May 31<sup>st</sup> regular meeting of the Board. There were no objections.

Following an explanation by the CEO regarding the proposed distribution of the MOD dividend to the managed Mutuals, a motion was made by Mr. Nixon, seconded by Mr. Mansfield, and CARRIED UNANIMOUSLY to approve the MOD dividend in the amount of \$170,000 to be distributed to the managed Mutuals on a per-unit basis.

Approved  
Distribution  
of MOD  
Dividend

The President called on General Counsel who explained the proposal to contribute funds to Project 50's slope rehabilitation project and the reasons therefore.

Approved

A motion was made by Mrs. Mader and seconded by Mr. Moschel to approve contributing \$25,000 to Project 50~~0~~ slope and rehabilitation project in exchange for a release and permanent easement from Third Walnut Creek Mutual permitting GRF~~0~~ continued use of Project 50~~0~~ land as part of the 18-hole golf course. Following discussion, the vote on the motion was taken,

Contributing  
Funds to  
Project 50~~0~~  
Slope & Re-  
habilitation  
Program

and the motion CARRIED UNANIMOUSLY. Mr. Rosenzweig was excused from the meeting at 11:20 a.m. and did not vote on the motion.

Before concluding, the President announced that the next mid-month informational regular meeting of the Board will be held on Tuesday, May 8, 2007, at 10:00 a.m. in the Board Room at Gateway Complex; that the Forty-Third Annual Meeting of Members of the GRF will be held on Monday, May 14, 2007, at 9:30 a.m. in the Fireside Room at Gateway Complex; that the next regular meeting of the Board will be held on Thursday, May 31, 2007, 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 legal and personnel matters.

Announce-  
ments

There being no further business to come before the Board, the meeting was recessed at 11:22 a.m. and reconvened in executive session at 11:50 a.m.

Recess

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Diane C. Mader, Secretary  
Golden Rain Foundation of Walnut Creek