

May 31st Town Hall Meeting

- **Welcome, 9:30 – 9:40 am**
Why this town hall meeting and what do we wish to accomplish? (Pam Grundke, Ed Tao)
- **9:40 – 10:05 am – Getting to know the United Board**
- **10:05 – 10:20 am – “Protecting our Property Value” by protecting the United Board (Stevie Magid)**
- **10:20 – 10:50 am – “Dispelling the Myths” (Mike Comer)**
- **10:50– 11:30 am – Conclusion and Q&A**

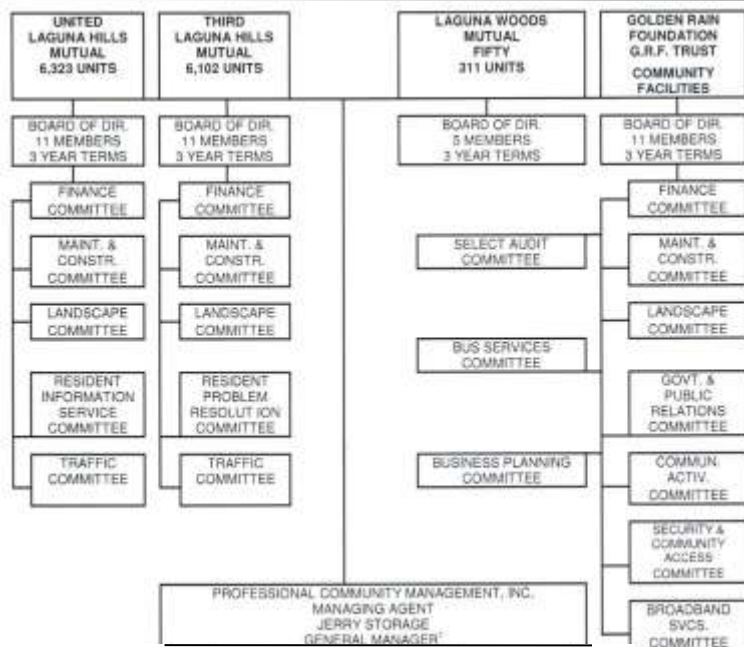
Hello & Welcome



May 31st Town Hall Meeting

Presenters: Stevie Magid and Michael Comer

Laguna Woods Village Organization



Dispelling More Myths

EXAMINING THE ALLEGATIONS

- Eliminate the Trust and PCM
- Divide all assets among the mutuals.
- Only 4 elected directors – 7 appointed
- Assessments kept too low
- Filing of lawsuit against GRF

Countering the Myths

- Elimination of Trust/PCM is pure conspiracy theory. Goal is more transparency, prudent financial management and broader decision making.
- Dividing the assets is like shooting yourself in the foot.
- Reality happens. People die, have health problems and personal issues – the Board does what is needed to replace them.
- Low assessments would be the responsibility of the 2011 and 2012 Boards – not the one subject to recall.
- Lawsuit not a myth. With a refusal to honor a legal Bylaw amendment United had no choice but to file suit.

The Real Issues of the Recall

- The law suit challenges the absolute monarchy of the bare majority of six directors.
- Further amendment of the Bylaws could result in direct election of GRF directors.
- Direct election would stop pre-selected candidates from being elected to support specific agendas.
- With no credible answers to explain GRF conduct, recalling the entire United Board and demonizing its supporters is the only way to save the GRF monarchy.

Facts Concerning the Lawsuit

- Despite 2006 and 2011 amendments, refusal to recognize the current Bylaw amendment offered no other choice than to file suit.

- Nothing new – five restrictions added in 2006:
 - Vote required on creation of new mutuals or additions.
 - Vote required on sale or lease of GRF properties.
 - Vote required on acquisition of real estate.
 - Notification required for new facilities construction.
 - Notification required for demolition of facilities.
 - Additional amendments in 2011.

Other Legal Considerations

- In 2006 and 2011 many of the current opponents (Souza, Gerson, Rosenhaft, Wilson) actively supported amendments to restrict GRF activities.

- Attorney Bob Hart of Hart, King & Holdren did not view the amendment process as illegal or in conflict with the Trust.

- None of the other association attorneys raised any issue with the Bylaw amendments.

- It is not a conflict per se, but only so when the GRF Board chooses to make it a conflict.

Situational Ethics?

- What's changed since 2006 and 2011?
- Not the concern over GRF's unrestricted and unaccountable power.
- Difference is the RMP as it is a lightning rod for overall community dissent over the process involved in bringing this to life.
- GRF power is threatened – current actors needed to flip flop in order to defend their actions.
- Would be interesting to hear the personal stories of how this conversion occurred.

Famous Quotes

- “If you like your plan you can keep your plan.” (President Obama)
- “This (the RMP) will cost you nothing.”
(GRF President)

Transfer Fee Issue

- Transfer fees were prohibited in 1987 by the Davis-Stirling Act due to abuses.
- GRF consulted with California Political Consulting Group re an amendment to allow transfer fees.
- A 2011 amendment to DSA allowed CIDs “under a declaration of trust” to charge a transfer fee. GRF could then charge a fee, but not the mutuals.
- An 8/2011 GRF release stated the fee would be placed in reserve funds to reduce member assessments.

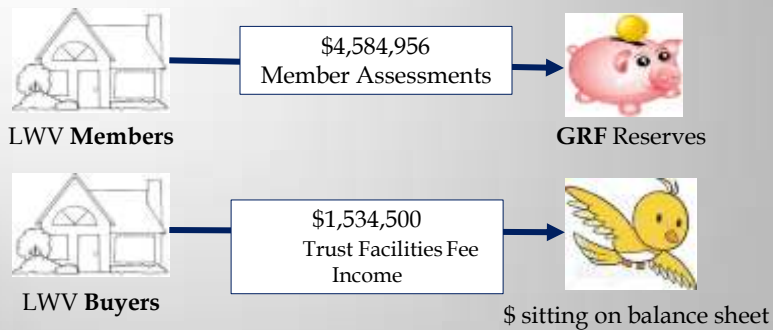
Transfer Fee Issue (Cont'd)

- Transfer fee implemented 1-1-2012.
- July, 2012 Friends of Village newsletter stated that fees “are to be used for maintaining our amenities”.
- PCM recently announced the increase to \$2500 from \$1500 and stated it would be used to *enhance and improve* the recreational and other amenities.
- GRF President previously stated “enhanced” was used to agree with Trust – no such term is used in the Trust.

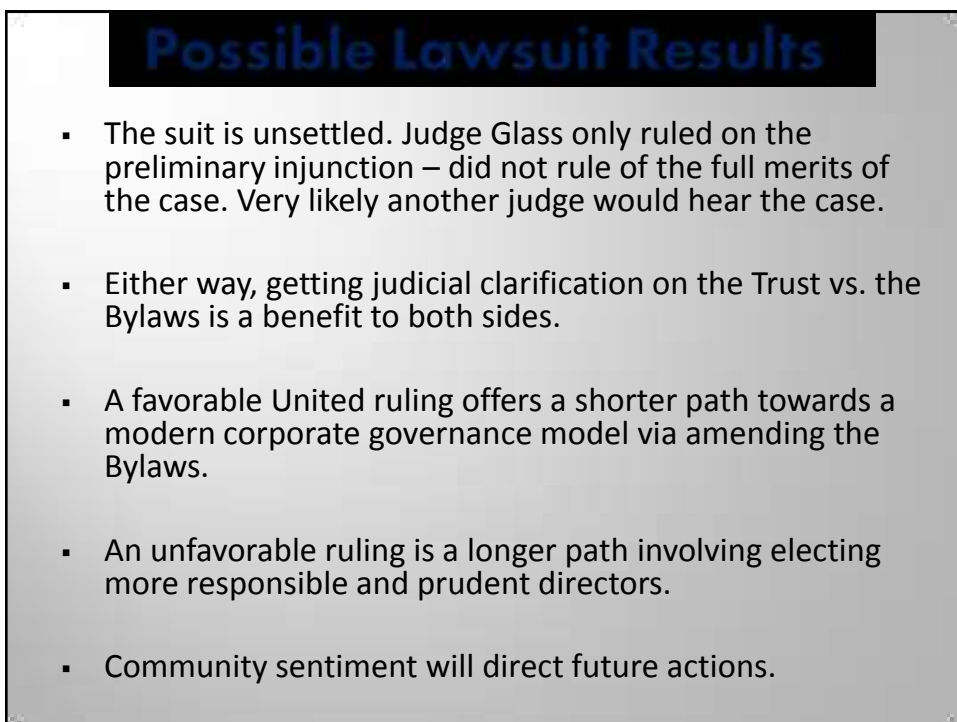
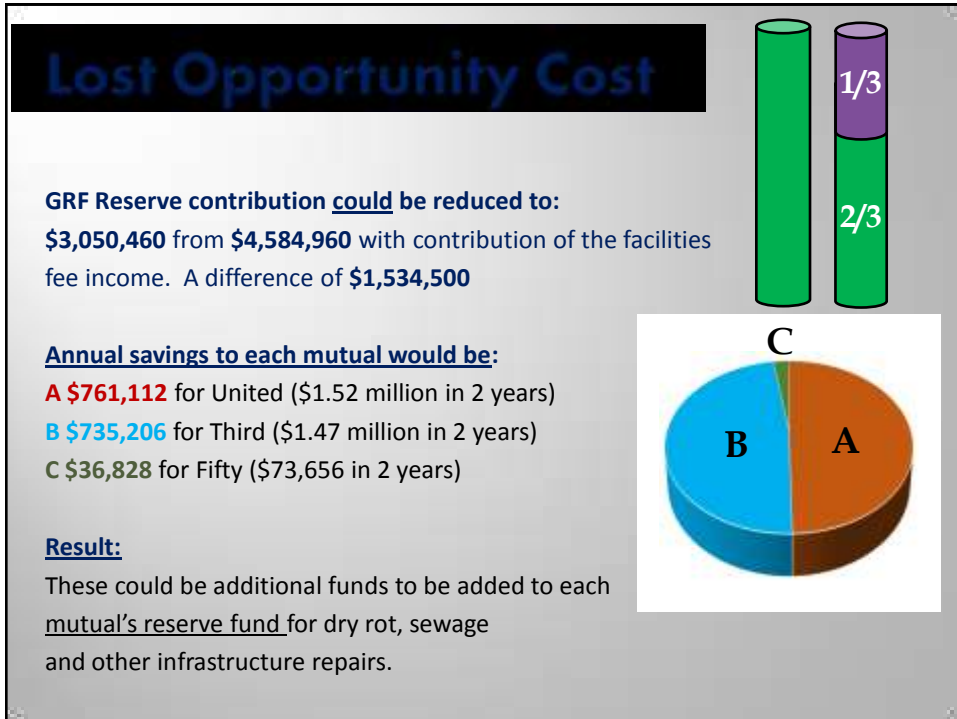
It's funny how the word
"trust" is part of the
Golden Rain
Foundation name.

The Real Financial Cost

Per the 2013 audited financials:



- Transfer to GRF Reserve per reserve plan: \$4,584,956
- Facilities fees not used to reduce reserve requirement
- GRF Reserve contribution 100% financed by members.
- Unallocated \$1,534,500 sat on balance sheet



The Future

- If the recall is successful prepare for ten more years of the unaccountable GRF runaway train.
- However, the “end of days” occurs in ten years when the Trust expires and must either be terminated, renewed, revised or replaced per the Paul/Hastings legal report.
- BUT – all four corporations must agree to an action. Any one corp. can be the spoiler. Is renewal of an archaic 60 year old document in the best interests of anyone – other than a GRF Board wanting to hold on to their power?
- Currently, only the United Board is prepared to work towards this objective, which is why they must be retained.

If you are uncomfortable with:

- Imprudent financial decisions made without open debate and discussion – or any accountability.
- Oppressive media policies and secrecy intended to stifle any honest debate or criticism.
- Meeting agenda manipulation and silencing of any real debate on issues.
- Then by all means:

VOTE “NO” ON THE RECALL