

July 27, 2008

To: Robert Miller, President
GRF Board
P.O. Box 2220
Laguna Woods, CA 92654

From: Conrad Grundke
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Subject: Open Letter to the Golden Rain Foundation President

Reference: Proposed Survey by GHS Consulting, to Evaluate PCM Management

Mr. Miller:

It is with great deal of frustration that I write this letter concerning the GRF Board's proposed survey of the Laguna Woods Residents on their attempted evaluation of PCM Management. The survey will have little accuracy or value and is a waste of the owners' money as it currently is being implemented. It will raise more questions than it will answer.

Once again, the *lack of oversight* on the part of the Boards, and **blind trust in PCM** is going to waste a tremendous amount of effort and money. The following concerns and questions illustrate my belief that the survey will have no value;

1. I would ask the Board how the consultant was selected?
 - a. How many Bids were sent out?
 - b. Which Board members selected the consultant?
 - c. Did they review the responses of the responders to verify that they have no ties with PCM?
 - d. Or, did PCM engage the consultant?
2. Who defined the specifications for the survey?
 - a. Was the consultant alerted to the fact that we have several distinct and unique subsets of the total population who will answer the questions on this survey from a completely different perspective?
 - i. I.E., when asking if an owner is willing to pay for additional services, residents in Gate 11 will answer differently than the residents in Gates 1-4.
 - ii. Co-ops will have a different response than condominiums.
 - iii. Garden Villas have different concerns.
 - b. Did the consultant take these different populations into concern when selecting the "random" (?) 2500 ballot recipients?
3. Of six residents who notified me that they had received ballots, all six survey addresses had the incorrect name for the manor address.
 - a. Who provided the addresses and owner names?

- b. How many of the surveys had the correct name and address, or, how many of the 2500 surveys had incorrect addressees?
 - c. How did this error occur?
 - i. Was it intentional?
 - ii. Was an incorrect algorithm used to select the addressees?
 - d. How many residents will return their ballot unopened?
 - i. How will that impact the result?
 - e. How many will not return the ballot and discard mail that was not intended for them?
4. The consultant, Dr. M. Watson, of GHS states unequivocally in her advertisements on our cable system that she has no ties with PCM. That would be necessary since it would be inadvisable for someone in the same “family” to evaluate the performance of another “family” member.
- a. PCM and GHS were members of the same *association* which had a home office address on Bircher Street which is PCM’s address. Dr. M. Watson completely ignored mentioning that common tie in her advertisements.
 - b. This is deceiving the resident/owners and completely unethical in the eyes of many residents of Laguna Woods.

The Golden Rain Foundation Board should have recognized these potential problems. By not doing so they have allowed PCM to initiate costly waste of our assessments. This is obviously one of the reasons that owners have expressed their dissatisfaction with Professional Community Management as our General Manager. It is not necessary for the GRF Board to look very far for a management evaluation, if they are willing to open their eyes.

Over the past 30+ years, our Boards have defaulted to accepting PCM’s decisions without question. They implement many PCM suggestions which are not in the best interest of the resident/owners. This survey is an indication of the lack of oversight that our boards have fallen into by not questioning PCM. We wonder why our assessments are increasing yearly and the Boards can’t recognize how wasteful this survey is and of what value it is to the average resident/owner.

GRF should publicly note to all resident/owners what the total projected cost is for this survey?

Rather than a survey, a much simpler question to ask of PCM is, “What is the track record over the past 5 years of our ‘Lag Time’ for resolving resident problems?” But then again, if PCM provided the information and the Boards took it at face value, what purpose would that serve?

Cancel this survey and find a more meaningful way of measuring PCM’s performance. Maybe we (the resident/owners) need our own independent “Oversight” consultant to review how and why our money is being spent!

Respectfully,


Conrad Grundke