

A G E N D A

FINANCE COMMITTEE

REGULAR MEETING
TUESDAY, FEBRUARY 21, 2017, AT 9:00 AM
BOARD ROOM – GATEWAY COMPLEX

1. MEETING CALLED TO ORDER: David H. Smith, Chairman
2. ROLL CALL: Smith, Autrey, Dorband, Haley, Neff, Rosenzweig, and Yahng
3. APPROVAL OF REPORTS: Regular meeting of January 24, 2017
Special Meeting of February 10, 2017 (Attachments)
4. RESIDENTS' FORUM
5. CHAIRMAN'S REPORT – ANNOUNCEMENTS
6. STAFF REPORTS
 - a. CEO – General Comments
 - b. CFO – Monthly GRF Financials (copy in GRF Board Office Finance Committee mailbox)
 - c. Director of Mutual and Trust Operations – Trust Facilities and Property Maintenance, Projects, and Machinery/Equipment Acquisition Reports (Attachments)
7. UNFINISHED BUSINESS
8. NEW BUSINESS
 - a. Discuss Mechanics Bank loan for the Del Valle Complex Renovation Project. (Attachment)
 - b. Discuss the long-range Trust maintenance plan. (Attachment)
9. ADJOURNMENT
10. NEXT MEETING: Tuesday, March 28, 2017, at 9:00 a.m. in the Board Room at Gateway Complex

RSC/kv
cc: GRF Board

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, JANUARY 24, 2017, AT 9:02 A.M.

A regular meeting of the Finance Committee was convened by the Vice Chairman, Mary K. Neff, at 9:02 a.m. on Tuesday, January 24, 2017, in the Board Room at Gateway Complex.

Present, in addition to the Vice Chairman, were Jean A. Autrey, F. William Dorband, Attendance Kenneth W. Haley, and Paul Rosenzweig. David H. Smith and Christopher T. Yahng were excused. Also attending were Melvin C. Fredlund, Vice President, Mary Lou Delpech, Secretary, and Robert D. Kelso, Geraldine Pyle, and Stephen D. Roath, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; and Jeffrey P. Matheson, Director of Resident Services.

A motion was made by Mr. Haley and seconded by Mr. Rosenzweig to approve the Finance Committee's report of November 29, 2016, with the following correction to the sixth paragraph on page 2 (correction in *italics*):

Report
Approved
as
Corrected

"A motion was then made by Mr. Yahng and seconded by Mr. Dorband to recommend to the GRF Board that it purchase earthquake insurance for GRF properties in the amount of \$25M at a cost of \$173,413. *The motion FAILED, with Messrs. Smith and Yahng voting 'yes', and Ms. Neff and Messrs. Dorband Haley, and Rosenzweig voting 'no.'*"

Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY to approve the Finance Committee's report of November 29, 2016, as corrected.

Following discussion, with comments from Messrs. Chakoff, O'Keefe, and Matheson, the Committee agreed to hold a special meeting to discuss financing options for the Fitness Center renovation project and review an updated Trust cash flow projection prior to the GRF Board's mid-month meeting on February 14, 2017. After further discussion, the Committee agreed to hold the special meeting on Friday, February 10, 2017, at 9:00 a.m., in a location to be determined.

Financing
Options for
Fitness Cntr.
Renovation
Project &
Special Mtg.

Mr. O'Keefe commented on several matters and answered questions from the Committee.

CEO's
Report

Mr. Chakoff reviewed the preliminary GRF Financials as of December 31, 2016, and answered questions from Committee members and Mr. Kelso.

Staff
Reports

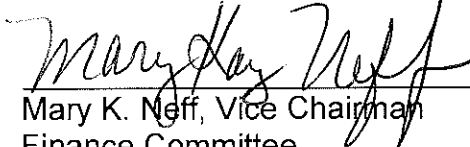
In Mr. Donner's absence, Mr. Chakoff reviewed the December Trust Facilities and Property Maintenance, Projects, and Machinery/Equipment Acquisition Reports. Discussion followed, with Messrs. Chakoff, O'Keefe and Matheson answering questions from the Committee.

Lastly, Mr. Chakoff reviewed the preliminary MOD financials as of December 31, 2016. Discussion followed, with Mr. Chakoff answering questions from Committee members and Mr. Kelso.

The Vice Chairman reminded the Committee that a special meeting will be held on Next Friday, February 10, 2017, at 9:00 a.m., in a location to be determined, and Meetings: announced that the Committee's next regular meeting will be held on February 21, 2/10/17 2017, at 9:00 a.m. in the Board Room at Gateway Complex. & 2/21/17

There being no further business to come before the Committee, a motion was made by Mr. Dorband, seconded by Ms. Autrey, and CARRIED UNANIMOUSLY to adjourn the meeting at 10:18 a.m.

Adjourn-
ment



Mary K. Neff, Vice Chairman
Finance Committee

FINANCE COMMITTEE REPORT

SPECIAL MEETING

FRIDAY, FEBRUARY 10, 2017, AT 9:04 A.M.

A special meeting of the Finance Committee was convened by the Chairman, David H. Smith, at 9:04 a.m. on Friday, February 10, 2017, in the Club Room at Creekside Complex.

Present, in addition to the Chairman, were Mary K. Neff, Vice Chairman, Jean A. Attendance Autrey, Kenneth W. Haley, Paul Rosenzweig, and Christopher T. Yahng. F. William Dorband was excused. Also attending were Leslie Birdsall, President, Melvin C. Fredlund, Vice President, and Robert D. Kelso, Geraldine Pyle, and Stephen D. Roath, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director of Mutual and Trust Operations; Jeffrey P. Matheson, Director of Resident Services; and three residents.

During Residents' Forum, Mary A. England asked questions regarding the line items Residents' for the IT Department included in the spreadsheet labeled "Trust Expenditures – Forum Long-Range Comprehensive Capital Improvement Program". The Chairman said that her questions would be addressed during the meeting.

Following the Chairman's introductory remarks, Mr. Chakoff reviewed the Trust Trust Estate Fund Projection and the Long-Range Comprehensive Capital Improvement Estate Fund Program spreadsheets, and the Trust Estate 20-year expenditure projection, and Projection answered questions from Committee members and Messrs. Roath and Birdsall. The Review Committee asked Mr. Chakoff to make changes to some minor revisions to the reports.

Following additional discussion, on motion made by Mr. Yahng, seconded by Mr. Rosenzweig, and UNANIMOUSLY CARRIED, it was RESOLVED, that the Trust Estate Fund Projection and Trust Expenditures spreadsheet presented to this meeting be accepted with changes; and

FURTHER RESOLVED, that this Committee advise the GRF Board that it believes that the Golden Rain Foundation has the capacity to fund the bid proposal from Tilton Pacific Construction in the total amount of \$9,616,300 for the Del Valle Complex Renovation Project.

Recom-
mendation
to GRB re.
Funding
The DV
Complex
Renovation
Project

There being no further business to come before the Committee, the meeting was Adjourn- adjourned at 9:36 a.m. ment

David H. Smith, Chairman
Finance Committee

**CAPITAL PROJECTS
BUDGET AND EXPENDITURE REPORT**
Reporting Period JANUARY 2017

PRELIMINARY

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
Del Valle Renovation Project	1,182,500	27,425	692,014	490,486	1,182,500	0
Drop Creek Structure Construction	550,000		19,577	530,423	550,000	0
Valley-Wide Paving	510,000			510,000	510,000	0
Re-Pave MOD Parking Lot	211,500			211,500	211,500	0
Digital Phone System	140,000		140,000	0	140,000	0
Hillside Clubhouse Improvements	130,000			130,000	130,000	0
Del Valle Pools Ultra-Violet System	120,000			120,000	120,000	0
Solar Energy Consultant Phase 2	75,000		27,297	47,703	75,000	0
Gateway Multi-Purpose Rooms Improvements	50,000			50,000	50,000	0
Traffic and Pedestrian Safety Study	33,400	9,363	10,519	22,881	33,400	0
Gateway Clubhouse Automatic Doors	27,000			27,000	27,000	0
Rossmoor Gardens Chain Link Fence	26,500			26,500	26,500	0
Gateway Clubhouse Electrical Improvements	25,000		5,131	19,869	25,000	0
Gateway Studios Space Study	25,000	790	17,290	7,710	25,000	0
Landscape Median Renovation	25,000			25,000	25,000	0
Sportsman's Park Pergola	18,000			18,000	18,000	0
MOD Conference Room Remodel	16,500			16,500	16,500	0
Fireside Room Automatic Shades	15,000			15,000	15,000	0
Counseling Services Automatic Doors	6,500			6,500	6,500	0
Dollar Clubhouse Accessibility Study	6,000		4,875	1,125	6,000	0
TOTAL	3,192,900	37,578	916,702	2,276,198	3,192,900	0

Major Projects	Total Contingency	Contingency Reserved	Contingency Expended
Drop Creek Structure	70,000	0	0

**MACHINERY & EQUIPMENT
BUDGET AND EXPENDITURE REPORT**

Reporting Period: JANUARY 2017

PRELIMINARY

Project	Approved Budget	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
MOD Vehicles (6)	199,000	32,250	166,750	199,000	0
GRF Vehicles (4)	160,000		160,000	160,000	0
Data Storage Project	97,000		97,000	97,000	0
Fairway Mower	62,000		62,000	62,000	0
Bunker Rake	19,500		19,500	19,500	0
Gateway Clubhouse Fiber Switch	12,000	10,958	0	10,958	1,042
Mail Inserter Machine	11,000		11,000	11,000	0
Dollar Clubhouse Pool Heater	6,500		6,500	6,500	0
			0		0
			0		0
TOTAL	567,000	43,208	522,750	565,958	1,042

Agenda Item: 8a
Subject: Credit Line
Meeting Date: February 21, 2017

SUMMARY REPORT
GOLDEN RAIN FOUNDATION FINANCE COMMITTEE

REPORT PREPARED BY:

Rick Chakoff, CFO

REQUESTED ACTION/RECOMENDATION

Recommend a corporate resolution to the GRF Board for an \$8,000,000 loan from Mechanics Bank.

BACKGROUND:

The Board recently approved a project to renovate the Del Valle facility with an overall budget of \$9.6 million. In order to have the necessary cash flow to complete the project, it will be necessary to secure financing for the amount in excess of funds available in the Trust Estate Fund.

The loan will consist of a 1-year line of credit that will be followed by a 15 year term loan upon completion of the project.

The interest rate will equal the U.S. Constant Maturity Treasury (CMT) rate + 2.6%; currently 5.11%. In addition there will be loan fees of 0.50% of the commitment amount (\$40,000), documentation fees of \$1,000, plus any appraisal and legal fees required.

Currently GRF has two outstanding loans with Mechanics Bank totaling \$12.8 million.

SUBSEQUENT ACTIONS:

Once approved the bank will prepare loan documents for signature.

FINANCIAL IMPACT:

Loan and documentation fees in the amount of \$41,000 plus appraisal and legal fees as required.

ATTACHMENTS:

Bank resolution and term sheet

RESOLUTION REAFFIRMING CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$8,000,000.00	02-__-2017	02-__-2033					

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Any item above containing "****" has been omitted due to text length limitations.

Corporation: Golden Rain Foundation of Walnut Creek and Golden Rain Foundation of Walnut Creek, as Trustee of the Golden Rain Foundation of Walnut Creek Trust U/A/D April 1, 1964
1001 Golden Rain Road
Walnut Creek, CA 94595

Lender: Mechanics Bank
Commercial Lending Group
725 Alfred Nobel Drive
Hercules, CA 94547-5610

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

WHEREAS, the Board of Directors ("Board") of Golden Rain Foundation of Walnut Creek and Golden Rain Foundation of Walnut Creek, as Trustee of the Golden Rain Foundation of Walnut Creek Trust U/A/D April 1, 1964 (collectively, the "Corporation") unanimously adopted a Corporate Resolution to Borrow/Grant Collateral on June 12, 2012 (the "6-12-2012 Resolutions");

WHEREAS, the Board believes that it is desirable to enter into, on behalf of the Corporation, an \$8,000,000 loan transaction with Mechanics Bank ("Lender"), which loan shall be for the construction of the Del Valle Complex Renovation Project and associated improvements. The loan will be secured by a first priority UCC-1 security interest in all assets of the Corporation, including a Deed of Trust on that certain real property commonly known as John Muir Outpatient Center located at 1220 Rossmoor Parkway in Walnut Creek, CA, and in connection with such loan transaction to reaffirm the 6-12-2012 Resolutions;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby reaffirms the 6-12-2012 Resolutions;

RESOLVED FURTHER, that the Board approves the loan to be made by Lender to the Corporation in the amount of Eight Million and No/100ths Dollars (\$8,000,000.00).

There has been no change in any of the officers named in the 6-12-2012 Resolutions except as set forth below:

<u>NAMES</u>	<u>TITLES</u>	<u>AUTHORIZED</u>	<u>ACTUAL SIGNATURE</u>
Leslie Birdsall	President	X	X _____
Melvin C. Fredlund	Vice President	X	X _____
Mary Lou Delpach	Secretary	X	X _____
Kenneth W. Haley	Treasurer	X	X _____

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that each signature set opposite each name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct, and that this Resolution was adopted at a meeting of the Board, duly called and held on February __, 2017, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting.

Attached hereto as Exhibit "A" is a true, correct and complete copy of the 6-12-2012 Resolutions.

CERTIFIED TO AND ATTESTED BY:

X _____
Mary Lou Delpach, Secretary of Golden Rain Foundation of Walnut Creek and Golden Rain Foundation of Walnut Creek, as Trustee of the Golden Rain Foundation of Walnut Creek Trust U/A/D April 1, 1964

EXHIBIT "A"
6-12-2012 RESOLUTIONS



00000001778560812028006122012

CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$11,000,000.00	06-12-2012	06-07-2027	1778550812	1400	148289	857	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Corporation: Golden Rain Foundation of Walnut Creek and Golden Rain Foundation of Walnut Creek, As Trustee of the Golden Rain Foundation of Walnut Creek Trust U/A/D April 1, 1964
1001 Golden Rain Road
Walnut Creek, CA 94595

Lender: Mechanics Bank
Commercial Lending Group
725 Alfred Nobel Drive
Hercules, CA 94547-5610

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE CORPORATION'S EXISTENCE. The complete and correct name of the Corporation is Golden Rain Foundation of Walnut Creek and Golden Rain Foundation of Walnut Creek, As Trustee of the Golden Rain Foundation of Walnut Creek Trust U/A/D April 1, 1964 ("Corporation"). The Corporation is a non-profit corporation which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at 1001 Golden Rain Road, Walnut Creek, CA 94595. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

RESOLUTIONS ADOPTED. At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on June 12, 2012, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICERS. The following named persons are officers of Golden Rain Foundation of Walnut Creek and Golden Rain Foundation of Walnut Creek, As Trustee of the Golden Rain Foundation of Walnut Creek Trust U/A/D April 1, 1964:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Donald J. Liddle	President	Y	X
Donald A. Peterson	Vice President	Y	X
Barbara S. Jordan	Secretary	Y	X
Kenneth W. Haley	Treasurer	Y	X

ACTIONS AUTHORIZED. Any one (1) of the authorized persons listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Corporation. Specifically, but without limitation, any one (1) of such authorized persons are authorized, empowered, and directed to do the following for and on behalf of the Corporation:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Corporation and Lender, such sum or sums of money as in their judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Corporation's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Corporation's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all of the Corporation's real property and all of the Corporation's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above

CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL

Loan No: 1778550812

(Continued)

Page 2

authorized persons may execute, deliver, or record financing statements.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Corporation or in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Corporation's account with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the officers may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

ASSUMED BUSINESS NAMES. The Corporation has filed or recorded all documents or filings required by law relating to all assumed business names used by the Corporation. Excluding the name of the Corporation, the following is a complete list of all assumed business names under which the Corporation does business: **None.**

NOTICES TO LENDER. The Corporation will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Corporation's name; (B) change in the Corporation's assumed business name(s); (C) change in the management of the Corporation; (D) change in the authorized signer(s); (E) change in the Corporation's principal office address; (F) change in the Corporation's state of organization; (G) conversion of the Corporation to a new or different type of business entity; or (H) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the Corporation's name or state of organization will take effect until after Lender has received notice.

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officers named above are duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupy the positions set opposite their respective names. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

NO CORPORATE SEAL. The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signatures set opposite the names listed above are their genuine signatures.

I have read all the provisions of this Resolution, and I personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct. This Corporate Resolution to Borrow / Grant Collateral is dated June 12, 2012.

CERTIFIED TO AND ATTESTED BY:

Barbara S. Jordan

Barbara S. Jordan, Secretary of Golden Rain Foundation of Walnut Creek and Golden Rain Foundation of Walnut Creek, As Trustee of the Golden Rain Foundation of Walnut Creek Trust U/A/D April 1, 1964

NOTE: If the officers signing this Resolution are designated by the foregoing document as one of the officers authorized to act on the Corporation's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Corporation.

January 27, 2017

Rick Chakoff
c/o Golden Rain Foundation of Walnut Creek
1001 Golden Rain Road
Walnut Creek, CA 94595

RE: Expression of Interest #2017-1

Mr. Chakoff:

Mechanics Bank is pleased to provide the following term sheet for the proposed credit facilities between the Mechanics Bank as Lender and Golden Rain Foundation and Golden Rain Foundation, Trustee as Co-Borrower's. This term sheet is for discussion purposes only, there are no promises or representations or expression of interest to lend from us to you regarding the proposed credit facility except as is specifically set forth in this letter. Nothing contained in this letter shall modify the rights and obligations of the Bank under any existing or prior credit facilities between you and us.

1. Borrower.

The names of the Co-Borrowers ("Borrower") are Golden Rain Foundation of Walnut Creek, a California nonprofit mutual benefit corporation and Golden Rain Foundation of Walnut Creek, Trustee of Golden Rain Foundation of Walnut Creek Trust.

2. Term.

The Loan will be for a total term of 16 years, consisting of a 1-year interest only draw period followed by 15 years of full principal and interest.

3. Loan Amount.

The loan amount will not exceed eight million dollars (\$8,000,000,) or the total amount drawn against the commitment during the initial 12 months draw period, whichever is less.

4. Repayment.

Interest only for the first 12 months, followed by 180 payments of the then current balance termed out at the Interest Rate described below. Monthly payment to be automatically deducted from Borrower's deposit account with Lender.

5. Fees.

The Loan fee is equal to .50% of the commitment amount (\$40,000.00), subject to adjustment based on outside counsel fees for attorney prepared loan documents. The documentation fee is equal to one thousand dollars (\$1,000.00).

6. Interest Rate.

10 year CMT + 2.6% (currently 5.11%) with a floor of 5.11% fixed at documentation for the Term described above.

7. Debt Service Coverage Ratio.

For each annual measurement, the DSCR shall not go below 2:1 defined as (EBITDA + Transfer Fees) / (CPLTD + Interest Expense) of all debt incurred by Borrower, calculated based on Trust Estate financials.

8. Purpose.

Loan funds will be used to reconstruct the fitness center located in Rossmoor.

9. Collateral.

Uniform Commercial Code security interest of first priority in all business assets and rights to receive income, plus 1st DOT on medical office building located at 1220 Rossmoor Parkway cross-collateralized with existing loan(s) XXXXXXXX997, and XXXXXXXX812, including assignment of rents.

- An appraisal may be required on the building located at 1220 Rossmoor Parkway. Borrower responsible for all 3rd party expenses including, but not limited to, appraisal, environmental, flood, and title reports.

10. Guaranty.

The Loan will have no personal guaranties.

11. Prepayment Penalty.

The Loan will subject to a prepayment fee in years 1 through 8 at the rate of 7%, 7%, 6%, 5%, 4%, 3%, 2%, 1%, and no prepayment penalty in years 9 through 16.

12. Expenses.

Borrower agrees to pay all taxes and assessments, and all recording fees, registration taxes, title insurance premiums and other charges of the title company, attorney fees (including the fees of special counsel for the Lender), appraisal fees, construction consulting fees, construction inspection fees, environmental consulting fees, and all other expense of closing the loans, whether or not the loans contemplated hereunder are made unless the loans are not made because of wrongful action or delay of the Lender. These fees shall be due and payable to Lender upon demand and shall be due to Lender whether or not one or all of the loans are made.

13. Special Provisions.

- Covenant (existing)
 - Minimum DSCR 2:1 calculated as EBITDA of Trust Estate + Membership Transfer Fees/(CPLTD + Interest Expense) of all debt incurred by Borrower.
- Covenant (new)
 - If at any time the building located at 1220 Rossmoor Parkway should become vacant, Borrower will be required to re-margin this loan such that the DSCR, as calculated according to the terms described above, is at least 2:1.
- Reporting (existing)
 - Year End Audited F/S for Trust and Fund
 - Interim F/S (applies only to Fund)
 - Quarterly Sales Report tracking all sales to new members

Golden Rain Foundation of Walnut Creek
Term Sheet #2017-1
January 27, 2017

Thank you for the opportunity to assist you with this financing. Should you have any questions on the terms contained herein, please contact me at the number or email address listed below.

Mechanics Bank,



Gary Staring, SVP
Senior Relationship Manager
Commercial Banking
Ph: (925) 482-8024
Email: gary_staring@mechanicsbank.com

Acknowledged and agreed to by:

X _____ Date: _____
(Name & Title)

Golden Rain Foundation Long Range Expenditure Analysis

One of the Board's goals for the 2016-2017 year was to complete a 20 year Capital Needs Analysis to be used to determine funds available for future projects. Staff has prepared four schedules that may be used as planning tools to accomplish this goal. These include a:

1. Trust Capital Expenditure schedule accompanied by a chart illustrating the total capital expenditures by year
2. Trust Maintenance schedule also accompanied by a chart illustrating total expenditures by year
3. Trust Estate Fund projection
4. Potential Major Projects Schedule

Neither the Trust Capital Expenditure schedule nor the Trust Maintenance schedule is intended to be a precise work plan but rather an estimate of future funding requirements based on staff projections. These projections can be affected by any large renovation projects approved by the Board.

Trust Capital Expenditures Schedule

- This schedule includes a summary of projected capital expenditures to be paid by the Trust Estate Fund.
- The Fitness Center expansion is not included on this schedule.
- Capital expenditures include items costing \$5,000 or more with a useful life in excess of one year.
- Projected expenditures include a 2% per year inflation factor based on current estimated costs.
- Street paving is now treated as a capital expenditure and is therefore included in the schedule at a rate of \$500,000/yr., adjusted for inflation.

Trust Maintenance Schedule

- This schedule includes a summary of significant maintenance projects for Trust properties paid by the Operating Fund.
- Projected expenditures include a 2% per year inflation factor based on current estimated costs.

- The schedule includes a rolling fund projection based on equal maintenance budgets beginning in 2018. This will have the effect of eliminating significant year-to-year coupon fluctuations resulting from variations in required maintenance.
- Roof replacements are treated as maintenance expense and included in this schedule. The total projected expenditures on roofing for the 20 year period included on the schedule is approximately \$1.7 million or an average of \$85,000/yr.

Trust Estate Fund Projection

- The purpose of this schedule is to forecast the annual balance in the Trust Estate Fund.
- Membership fees are projected at 400 sales per year with no assumption of a fee increase.
- Medical Center rent increases 2.5% per year at a rate consistent with the current lease.
- The credit line proceeds provide sufficient funds to complete the Fitness Center renovation and are converted to a fixed loan beginning in 2018.
- Expenditures include total included on the Trust Expenditure Schedule, the projected remaining cost of the Fitness Center expansion and debt service.

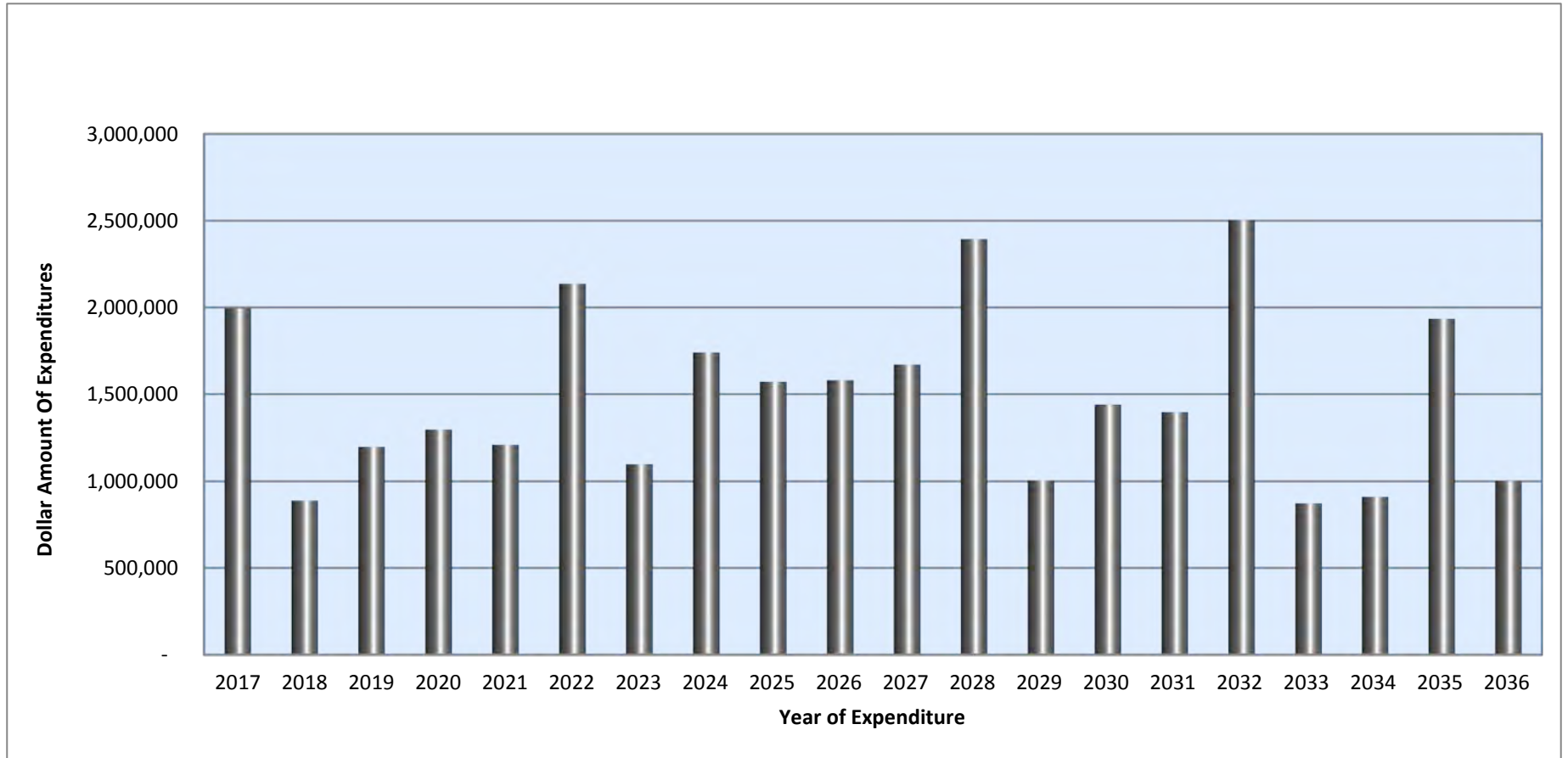
Potential Major Projects Schedule

- The purpose of this schedule is to provide a rough estimate of major renovations that the community might contemplate in the future.

**Trust Expenditures
Long-Range Comprehensive Capital Program
Trust Estate Fund**

Location	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Del Valle Total	120,000	129,000	-	-	-	143,531	16,892	-	70,300	29,877	60,950	198,940	-	-	-	74,023	-	-	278,508	-
Gateway Total	98,500	-	-	-	54,122	220,816	202,709	252,711	128,883	215,117	255,989	932,531	-	-	-	309,550	-	-	621,287	-
Hillside Total	148,000	-	-	115,672	70,358	11,041	-	11,487	41,008	87,242	-	198,940	15,219	32,340	-	383,572	-	-	35,706	32,050
Dollar Total	6,500	6,630	6,763	113,019	63,322	169,476	7,320	18,953	7,616	139,228	7,923	8,082	8,244	8,408	8,577	176,982	8,923	9,102	99,263	53,174
F-Event Center Total	-	-	-	-	-	-	-	-	12,888	-	-	-	-	-	-	154,775	-	-	-	-
MOD Office Total	228,000	-	-	73,223	14,072	160,092	73,201	530,693	-	78,876	46,322	12,434	-	-	-	26,917	-	-	-	-
Corp Yard Total	-	61,200	15,606	10,612	-	-	-	17,230	17,575	-	36,570	-	19,024	-	-	13,459	-	21,004	-	-
Gatehouse Total	-	-	-	-	-	-	-	-	14,060	-	42,665	-	-	-	-	-	-	-	-	-
Parks Total	51,500	-	-	-	-	55,204	-	-	52,725	-	-	-	-	-	-	-	-	-	-	-
Golf Dollar Ranch Total	-	-	208,080	-	217,569	139,114	-	-	-	-	158,469	124,337	82,436	291,061	105,558	397,031	-	-	-	-
Golf Creekside Total	-	-	-	201,630	10,824	71,765	39,416	-	-	77,681	97,520	99,470	82,436	84,084	65,974	-	-	-	-	-
Golf Misc Equipment Total	-	-	-	-	17,319	-	16,892	-	-	17,926	79,235	-	-	-	-	-	-	-	-	-
Golf Practice Facilities Total	-	-	20,808	-	-	-	-	11,487	-	-	-	-	-	-	224,311	67,293	-	-	-	-
Golf Cart Bridges Total	-	-	-	47,754	81,182	110,408	33,785	103,382	-	-	-	-	-	-	-	-	-	-	-	-
Golf Equipment Total	81,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paving Total	510,000	510,000	520,200	530,604	541,216	552,040	563,081	574,343	585,830	597,546	609,497	621,687	634,121	646,803	659,739	672,934	686,393	700,121	714,123	728,406
Vehicles Total	160,000	132,600	168,452	205,957	140,716	503,531	146,401	221,329	190,316	193,362	196,469	199,639	164,871	168,169	171,532	174,963	178,462	182,031	185,672	189,385
IT Total	60,500	51,000	260,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valley-Wide Total	530,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	1,994,500	890,430	1,200,009	1,298,471	1,210,700	2,137,018	1,099,698	1,741,615	1,572,288	1,580,267	1,670,843	2,396,059	1,006,350	1,443,018	1,400,627	2,505,334	873,778	912,257	1,934,560	1,003,014

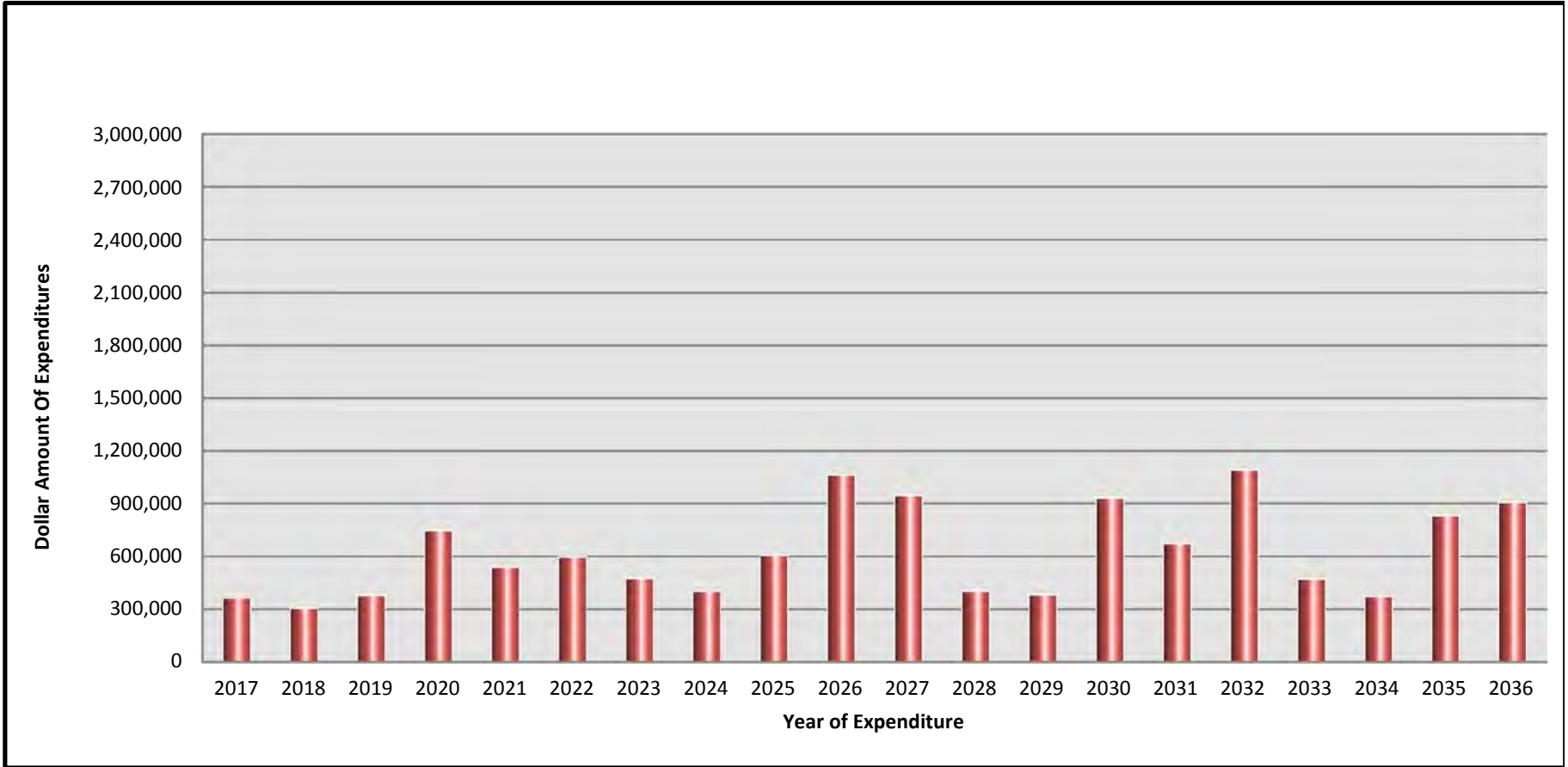
GRF TRUST ESTATE 20 Year Capital Expenditure Projection



Trust Maintenance
Expense
Operating Fund

Location	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Creekside Total	-	-	44,737	181,467	75,770	30,914	11,262	-	23,433	250,969	-	22,381	12,682	285,887	307,439	30,496	171,598	-	185,672	-
Del Valle Total	10,000	-	-	-	-	-	-	-	169,891	-	-	-	-	-	-	-	-	-	35,706	437,043
Gateway Total	6,500	110,160	72,828	106,121	194,838	88,326	112,616	109,125	41,008	137,436	235,266	116,877	50,730	94,433	75,210	141,316	-	56,010	49,989	17,482
Hillside Total	-	-	20,808	95,509	10,824	11,041	19,145	-	58,583	199,580	195,039	12,434	-	12,936	13,195	-	23,337	14,002	99,977	145,681
Dollar Total	50,500	-	31,212	10,612	21,649	52,996	16,892	-	58,583	72,901	73,140	12,434	19,024	64,680	-	109,015	-	-	71,412	26,223
Event Center Total	10,000	-	10,404	-	-	-	11,262	-	-	-	12,190	-	-	-	13,195	-	-	-	14,282	-
MOD Office Total	-	-	-	74,285	-	-	-	22,974	-	89,632	-	-	-	168,169	-	-	-	35,006	35,706	-
Corp Yard Total	-	-	-	5,306	5,412	-	-	-	-	-	18,285	-	-	6,468	10,556	62,000	-	-	-	-
Gatehouse Total	-	-	-	-	-	-	11,262	-	-	-	18,285	-	-	-	-	-	13,728	-	-	-
Buckeye Tennis Total	-	-	-	-	-	176,653	-	-	-	-	-	-	-	-	-	242,256	-	-	-	-
Golf Storm Drain Total	45,000	-	-	47,754	-	-	50,677	-	-	53,779	-	-	57,071	-	-	60,564	-	-	64,271	-
Golf Storm Total	43,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
STREETS Total	-	-	-	-	-	-	-	22,974	-	-	-	-	-	51,744	-	-	-	-	-	-
Valley-Wide Total	198,500	195,840	199,757	226,037	231,640	236,273	242,125	246,967	253,078	258,140	394,954	238,728	243,502	248,372	253,340	446,828	263,575	268,846	274,223	279,708
Grand Total	363,700	306,000	379,746	747,090	540,134	596,204	475,241	402,040	604,576	1,062,437	947,159	402,853	383,009	932,690	672,934	1,092,476	472,238	373,864	831,239	906,137
Fund Balance																				
Beginning Balance	250,000	250,000	394,000	564,254	472,164	587,030	645,826	825,586	1,078,546	1,128,970	721,532	429,374	681,520	953,511	675,821	657,887	220,410	403,172	684,308	508,068
Amount Collected Via Coupon	363,700	450,000	550,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000
Expenditures	(363,700)	(306,000)	(379,746)	(747,090)	(540,134)	(596,204)	(475,241)	(402,040)	(604,576)	(1,062,437)	(947,159)	(402,853)	(383,009)	(932,690)	(672,934)	(1,092,476)	(472,238)	(373,864)	(831,239)	(906,137)
Ending Balance	250,000	394,000	564,254	472,164	587,030	645,826	825,586	1,078,546	1,128,970	721,532	429,374	681,520	953,511	675,821	657,887	220,410	403,172	684,308	508,068	256,932

TRUST MAINTENANCE EXPENSE - OPERATING FUND 20 Year Expenditure Projection



**Golden Rain Foundation
Trust Estate Fund Projection**
in thousands (000's)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total	
Beginning Balance 12/31/16	4,103	552	1,831	2,844	3,803	4,894	5,104	6,398	7,096	8,010	8,962	10,242	11,222	13,951	16,493	19,099	20,624	24,307	27,975	30,645	4,103	
Estimated Revenues:																						
Membership transfer fees	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	72,000
Medical Center rent	644	660	677	694	711	729	747	766	785	804	825	845	866	888	910	933	956	980	1,005	1,030	1,030	16,455
Credit line	5,300																					5,300
Total	9,544	4,260	4,277	4,294	4,311	4,329	4,347	4,366	4,385	4,404	4,425	4,445	4,466	4,488	4,510	4,533	4,556	4,580	4,605	4,630	93,755	
Estimated Expenditures																						
Total per Long Range Plan	1,995	890	1,200	1,298	1,211	2,137	1,100	1,742	1,572	1,580	1,671	2,396	1,006	1,443	1,401	2,505	873	912	1,935	1,003	29,870	
Del Valle Renovation	9,335																					9,335
Debt Service:																						
Mechanics Bank loan #1-Creekside	749	749	749	749	749	749	749	749	749	749	378											7,868
Mechanics Bank loan #2-Event Center	866	839	812	785	757	730	701	674	647	620	593	566	228									8,818
Mechanics Bank loan #3-Fitness Center		503	503	503	503	503	503	503	503	503	503	503	503	503	503	503						7,545
Credit Line interest	150																					150
Total Estimated Expenditures	13,095	2,981	3,264	3,335	3,220	4,119	3,053	3,668	3,471	3,452	3,145	3,465	1,737	1,946	1,904	3,008	873	912	1,935	1,003	63,586	
Revenue minus expense	(3,551)	1,279	1,013	959	1,091	210	1,294	698	914	952	1,280	980	2,729	2,542	2,606	1,525	3,683	3,668	2,670	3,627	30,169	
Ending Fund Balance	552	1,831	2,844	3,803	4,894	5,104	6,398	7,096	8,010	8,962	10,242	11,222	13,951	16,493	19,099	20,624	24,307	27,975	30,645	34,272	34,272	

Mechanics Bank Credit Line Activity

Beginning Credit Line Balance	-	5,300
Borrowing	5,300	-
Convert to fixed loan		(5,300)
Ending Credit Line Balance	5,300	-

**Golden Rain Foundation
Potential Major Projects**

Project	Estimated Cost	
	Low	High
Hillside Clubhouse Renovation	\$ 2,000,000	\$ 15,000,000
Dollar Clubhouse Renovation	\$ 500,000	\$ 5,000,000
Pedestrian/traffic safety projects	\$ 10,000	\$ 500,000
Renovate Fireside Kitchen	\$ 100,000	\$ 500,000
MOD Office Renovation	\$ 1,000,000	\$ 10,000,000
Alternative Energy Projects	\$ 100,000	\$ 500,000
Workshop improvements at Gateway	\$ 250,000	\$ 1,500,000
Outdoor Pickleball Courts	\$ 400,000	\$ 1,000,000
Creek Restoration	\$ 1,000,000	\$ 10,000,000
Water Reclamation Facility	\$ 10,000,000	\$ 15,000,000
Garden Club improvements	\$ 100,000	\$ 150,000
Drought tolerant design - golf & parks	\$ 500,000	\$ 2,000,000
	\$ 15,960,000	\$ 61,150,000