



**Meeting of the Board of Directors  
Tuesday August 23, 2016 ~ From 3:30 to 5:30 PM  
2354 Garden Road, Monterey, CA**

## **Agenda**

- |   |      |
|---|------|
| 1. Call to Order – Greg Chilton, Board Chair                        | 3:30 |
| 2. Consent Agenda – Greg Chilton                                    | 3:35 |
| • Board Meeting Minutes – June 28, 2016 <b>(1-5)</b>                |      |
| • Executive Committee Minutes Special Meeting July 12 <b>(6-38)</b> |      |
| • Executive Committee Minutes – July 26, 2016 <b>(39-41)</b>        |      |
| • Finance Committee Minutes – June 28, 2016 <b>(42)</b>             |      |
| • Investment Committee Minutes – August 8, 2016 <b>(43-44)</b>      |      |
| 3. Report of the Chair – Greg Chilton                               | 3:40 |
| • Celebration of Philanthropy – October 20, 2016                    |      |
| ◦ Distinguished Trustee   |      |
| 4. Investment Committee - Ken Petersen                              | 3:45 |
| • Investment Committee Meeting - 8/8/2016                           |      |
| • Investment Policy Statement Amendment <b>(45-46)</b>              |      |
| ◦ ESG Fund  |      |
| 5. Resource Development Committee – Steve McGowan                   | 3:55 |
| • Development Summary <b>(47-48)</b>                                |      |
| • Professional Advisor Council                                      |      |
| • Private Foundation Services                                       |      |
| 6. Treasurer / Finance Committee – Gail Delorey                     | 4:15 |
| • June and July Financials <b>(49-56, 57-64)</b>                    |      |
| • CFMC Fee Policy Change  |      |
| • 2015 Form 990 (on portal)   |      |
| • Budget timeline   |      |
| 7. Governance Committee - Rick Kennifer                             | 4:30 |
| • Nominating Committee Update                                       |      |
| 8. Grants and Programs – Patti Hiramoto                             | 4:35 |
| • Grants and Programs Action Items <b>(65)</b>                      |      |
| 1. Grant Approvals June 1-July 31, 2016 <b>(66-73)</b>              |      |

### **Mission Statement**

To inspire philanthropy and be a catalyst for strengthening communities throughout Monterey County

### **Strategic Priorities**

- Community Impact – Invest in developing healthy, safe and vibrant communities across Monterey County
- Philanthropic Leadership – Inspire and facilitate philanthropy throughout Monterey County
- Community Leadership- Recognize opportunities for facilitation of solutions to community issues.
- Organizational Excellence – Optimize performance and stewardship for maximum impact

Grants and Programs continued...

2. Approve Donor Advised Grants of \$50,000+
3. Community Impact - Recommendation to eliminate the five-year consecutive funding limit **(74-75)**
4. Soberanes Grant Guidelines **(76-78)**
5. Chinatown Grant
  - College Futures Foundation
9. New Funds - Dan Baldwin
  - Robert Haas CGA
  - Soberanes Fire Fund
  - James Ray Valentine CRAT
  - Dr. James Valentine Fund
  - Pagnillo Family Fund
  - North County Affiliate Fund
  - June P Sheppard Fund for the Performing Arts
  - Vallentin Fund
11. President/CEO Report - Dan Baldwin
  - King Foundation Update
  - Soberanes Fire Fund
12. Executive Session

Adjourn

**Next Board Meeting: October 25, 2016 2354 Garden Road Monterey**



**Meeting of the Board of Directors  
945 S. Main Street #208 Salinas, CA  
June 28, 2016**

**MINUTES**

**Board Members Present:** Greg Chilton, Gail Delorey, Ken Wright, Betsy Buchalter Adler, Tonya Antle, Teri Belli, Steve Dart, Catherine Kobrinsky Evans, Patti Hiramoto, Birt Johnson, Jr, Rick Kennifer, Tina Starkey Lopez, Ken Petersen, Raul Rodriguez, Bill Sharpe.

**Absent:** Ida Chan, Steve McGowan, Erica Padilla-Chavez, Jimmy Panetta, John Phillips, Anna Marie Ponce. **A quorum was established.**

**Staff:** Dan Baldwin, Laurel Lee-Alexander, Christine Dawson, Diane Nonella, Amanda Holder, Julie Conrad, Cristina Dirksen

**CALL TO ORDER**

Board chair Greg Chilton called the regular meeting of the Board of Directors of the Community Foundation for Monterey County to order at 3:35 PM, Tuesday, June 28, 2016 at the Foundation's Salinas office. Greg welcomed new board members Teri Belli and Bill Sharpe. The staff and board introduced themselves.

**Auditors Report:**

Tom Rockwell reported that the RGP, LLP audit team issued a clean, unqualified opinion for the 2015 audit. Tom described the results of the process as:

- A clean unqualified opinion was issued
- The interim fieldwork was performed week of March 21, 2016
- Year-end field work was performed week of April 25, 2016
- We met with the Audit Committee:
  - During the planning stage on April 20, 2016
  - During the wrap-up stage on June 22, 2016

Auditor Molly Goshorn, reviewed the significant items:

- The audit went smoothly
- It was completed in a timely manner as planned
- There were no disagreements with management
- There were no material weaknesses identified and no significant deficiencies reported as a result of our audit procedures
- No fraud identified.

Molly reported the total assets for December 31, 2015 were \$180,284,198. She highlighted the key points of the audit findings:

1. Increase in investments
2. Decrease in investment earnings
3. Increase in contributions
4. Increase in grants payable
5. Decrease in grants expense
6. Increase in stewardship funds

After the presentation by Tom Rockwell and Molly Goshorn an executive session was called.

**Motion: to accept the 2015 Audit Report. Tina Starkey Lopez / Gail Delorey second.**  
**Motion carried unanimously.**

#### **CONSENT AGENDA – Greg Chilton**

Greg Chilton asked the board if they had any questions or required clarification on matters related to the consent agenda. There were no questions or concerns.

- Board Meeting Minutes – April 26, 2016 **(1-3)**
- Executive Committee Minutes – May 24, 2016 **(4-6)**
- Finance Committee Minutes – April 26, 2016 **(7)**
- Audit Committee Minutes – April 20, 2016 **(8)**
- Investment Committee Minutes – May 9, 2016 **(9-10)**
- Resource Development Committee Minutes – June 8, 2016 **(11-12)**
- Vice President of Grants and Programs Report – May 2016 **(13-15)**

**Motion: to approve the Consent Agenda. Ken Wright / Birt Johnson, Jr. second. Motion carried unanimously.**

#### **REPORT OF THE CHAIR – Greg Chilton**

Greg Chilton reported on the Past Chairs luncheon held June 14 at Corral de Tierra Country Club. Greg noted the value of continuity in leadership represented at the lunch.

Greg and Dan Baldwin attended the League of California Community Foundations CEO and Chair retreat in May. Greg found the experience very educational and found CFMC leading in many of its programs and activities. Steve McGowen attended the Community Foundation Basics Course, which he said was very useful.

Greg discussed the 2016 Distinguished Trustee Award which is presented each Fall at the Celebration of Philanthropy. The Executive Committee recommended Bill and Susanne Tyler. As backup, John and Ann Mahoney would be asked if the Tylers declined. All the candidates have a long history in community involvement and give generously throughout Monterey County. Greg recommended Bill and Susanne Tyler as the first choice and John and Ann Mahoney as the backup honorees.

**Motion: to approve Bill and Susanne Tyler as the first choice for the 2016 Distinguished Trustee Award. Ken Petersen/Betsy Buchalter Adler second. Motion carried unanimously.**

#### **INVESTMENT COMMITTEE – Ken Petersen**

Ken reported on the “Brexit” situation, the “British exit,” which refers to the June 23, 2016 referendum by British voters to exit the European Union. The market reacted dramatically to the news. Ken’s opinion is there will be volatility in 2016, but the CFMC will stay the course with the current policy.

The Investment Committee has implemented the new Mid-Term Fund and is moving forward with a Socially Responsible Fund option to offer agencies and donor advisors.

#### **RESOURCE DEVELOPMENT – Christine Dawson for Steve McGowan**

Christine reviewed the May Development Summary. She reported on the success of the Women’s Fund Luncheon, which raised \$50,000 the day of the event. The Women’s Fund awarded 18 college scholarships to Monterey County girls who participated in GHGH.

The first North County affiliate fund dinner on May 18 was well attended. \$75,000 has been committed. The next step is to create an advisory board.

Cristina Dirksen, Communications Associate, presented a PowerPoint on the use of Social Media in CFMC marketing.

#### **TREASURERS REPORT- Gail Delorey**

Gail Delorey reviewed the April 30, 2016 and May 31, 2016 financial statements.

**Motion: to approve the April 30, 2016 and May 31, 2016 financial statements.**

**Gail Delorey \ Ken Wright second. Motion carried unanimously.**

The Finance Committee recommended three changes to the Operating Reserves Policy.

1. The committee would like to set up a stewardship fund for the operating reserve that would be housed in the Mid Term Fund of the portfolio. Currently, the CFMC has an operating reserve of \$250,000 that is separate from the cash and building reserves.
2. Increase the operating reserve from \$250,000 to \$500,000.
3. Adjust the Expendable Operating Cash on Hand from 5 to 8 months' of the current year's operating budget, to 3 to 6 months.

**Motion: 1. To approve the stewardship fund for the operating reserve that would be housed in the Mid Term Fund of the portfolio. Gail Delorey/ Ken Petersen second.**

**Motion 2. To approve the increase of the operating reserve from \$250,000 to \$500,000. Gail Delorey/ Ken Petersen second.**

**Motion 3. To approve adjusting the Expendable Operating Cash on Hand from 5 to 8 months' of the current year's operating budget, to 3 to 6 months. Gail Delorey / Ken Petersen second. The board voted unanimously to pass all three motions.**

#### **GOVERNANCE COMMITTEE – Rick Kennifer**

Rick Kennifer welcomed Teri Belli and Bill Sharpe to the board. Teri will shadow Gail Delorey for 2016 and then fill the Treasurer's position in 2017. Bill Sharpe sits on the Investment Committee. The Governance Committee will continue the process of nominating three new board members during 2016. The second stage of nominations will be confirmed in the Fall of 2016.

#### **GRANTS AND PROGRAMS – Patti Hiramoto**

Patti Hiramoto reported that between April 1 and May 31, 2016 the Community Foundation awarded 176 grants totaling \$2,086,961 since the last board report.

**Motion: to approve 176 grants awarded from April 1 and May 31, 2016, totaling \$2,086,961. Patti Hiramoto / Betsy Buchalter Adler second. Motion carried unanimously.**

Grant Approvals:

Patti requested Board approval for two CI program areas: Children & Youth and Health & Human Services of 50 grants totaling \$1,089,000.

**Motion: to approve 50 grants in two program areas, Children & Youth and Health & Human Services, totaling \$1,089,000. Betsy Buchalter Adler/ Gail Delorey second. Motion carried unanimously with one abstention (Birt Johnson, Jr.).**

Patti requested Board approval for the Next Steps for Small Nonprofit Grants. This is a new program that supports small organizations with three years of general operating support grant funding, organizational assessments, individualized plans for strengthening the organization, training, peer meetings and one-on-one support from a professional nonprofit mentors. There were 23 eligible applications reviewed by a grant committee and nine grants of \$54,000 over three years (\$18,000/year operating support) were awarded. - \$486,000 total over three years

Grant term: July 1, 2016 – June 30, 2019. The groups recommended for approval are:

1. Gathering for Women
2. Interagency Autism Consortium
3. Monterey County Pops!
4. The Parenting Connection of Monterey County
5. Big Sur Education Council
6. Hope, Horses, & Kids
7. Monterey Bay Fisheries Trust
8. Multiple Sclerosis Quality of Life Project
9. Orchestra in the Schools

**Motion: to approve 9 Next Steps grants of \$54,000 over three years, July 1, 2016 – June 30, 2019 (\$18,000/year operating support) totaling \$486,000. Rick Kennifer / Ken Wright second. Motion carried unanimously with two abstentions, Birt Johnson, Jr. and Ken Wright.**

Patti requested a motion to approve two CFMC pass-through grants for Community Leadership Project.

**Motion: to approve two pass-through grants to the community foundation partners for the concluding year of the Community Leadership Project: \$200,590 to the Community Foundation of Santa Cruz County and \$79,266 to the Community Foundation for San Benito County. Ken Petersen/Ken Wright second. Motion carried unanimously with 1 abstention, Birt Johnson, Jr.**

Patti described the Community Philanthropy Initiative developed by the College Futures Foundation and involving six California community foundations, including the CFMC. During the planning phase (July 2015 – January 2016), the CFMC received a grant (\$50,000) and was encouraged to apply for an implementation grant. In June 2016, the CFMC received notification of an implementation grant (\$680,000 over 33 months) for scholarships and program support. Board approval is requested for a grant to CSUMB (University Corporation at Monterey Bay) for the Community Philanthropy Initiative which will focus on low-income and first generation students with a special emphasis on reaching Latino males.

**Motion: to approve CFMC's grant to the Foundation of CSUMB for \$222,000 over 3 years (\$74,000/year) July 1, 2016 – February 28, 2019, to implement a College Readiness Advisor (staff position) and workshop materials. Ken Wright/ Catherine Kobrinsky Evans second. Motion carried unanimously with 1 abstention, Patti Hiramoto.**

#### **NEW FUNDS – Dan Baldwin**

Dan Baldwin apprised the board of new funds since April meeting. The CRAT and CRUT need approval.

- Dr. James Ray Valentine CRAT
- Marc Rosen, CRUT
- Nicholas M. Pasculli Fund
- John Meeks CGA
- Gathering for Women Capital Campaign
- Big Sur Land Trust Carmel River FREE Stewardship Fund
- Shirley I. Thackara Fund- Field of Interest
- Friends of Laguna Seca
- CHISPA Stewardship Fund
- Bright Futures Donor Advised Fund

Dan explained to the board the CFMC's proposed trusteeship of the James Valentine Charitable Remainder Annuity Trust (CRAT). Mr. Valentine wants to gift a commercial property into a CRAT and

CFMC would be the trustee. As part of the CFMC Gift Acceptance Policy, the property is required to go through a Phase 1 environmental study.

The Board posed questions about the potential environmental liabilities involved with the commercial property as well as the risk of downturns in real estate market values.

A special meeting will be called in July for the Executive Committee and any other board members that want to attend, to discuss the proposed CRAT with CFMC counsel, Sidney Morris, present.

**Motion: to authorize the Executive Committee to determine the results of the Phase 1 Environmental Report are clean and clarify with CFMC legal counsel, Sidney Morris, any uncertainties in the CRAT trusteeship responsibilities. Once the Executive Committee is confident the environmental and legal liability reports are acceptable, the Executive Committee has the authority to accept the trusteeship of the Dr. James Ray Valentine CRAT. Bill Sharpe / Betsy Buchalter Adler second. Unanimous vote with one abstention, Steve Dart.**

Dan described the Marc Rosen Charitable Remainder Unitrust (CRUT). CFMC will distribute a fixed percentage of the value of its assets (to a beneficiary) until his death when the remaining balance of the CRUT's assets are distributed to CFMC.

**Motion: to approve the CFMC as trustee to the Marc Rosen Charitable Remainder Unitrust. Ken Wright /Betsy Buchalter Adler second. Unanimous vote with one abstention, Greg Chilton.**

#### **PRESIDENTS REPORT – Dan Baldwin**

Dan Baldwin noted the meeting was running late and carried over three agenda items: the NGP Ceremony, Private Foundation Services and CFMC Stewardship Fund.

Dan reported the Dan and Lillian King Foundation paperwork is moving forward with the attorneys, but nothing has been filed with the courts.

Executive Session at 6:35 PM

ADJOURN

**The next board meeting is August 23, 2016 3:30-5:30 in the Monterey office.**

Minutes prepared by: \_\_\_\_\_  
Julie Conrad, Administrative Services Manager

Approved by: \_\_\_\_\_  
Ken Wright, Secretary of the Board of Directors



**Executive Committee Minutes  
July 12, 2016**

**Present:** Greg Chilton, Betsy Buchalter Adler, Stephen Dart, Rick Kennifer, Steve McGowan, Ken Petersen; and Tonya Antle and Gail Delorey via phone

**Staff:** Dan Baldwin, Christine Dawson and Diane Nonella

**Absent:** Patti Hiramoto and Ken Wright

**Special Guest:** Sidney Morris of Heisinger, Buck and Morris, via phone

The special meeting of the Executive Committee was called to order by Greg Chilton at 4:10PM on July 12, 2016.

Greg Chilton explained the purpose of the meeting is to discuss and vote on the CFMC accepting and trusteeing the James Ray Valentine Charitable Remainder Annuity Trust (CRAT). Greg also noted Sidney Morris was joining the meeting to answer all questions concerning the CRAT.

The committee discussed the CRAT, and the areas of concern for risk, including:

1. Environmental contamination
  - o The attached Phase 1 Environmental Site Assessment report for the property contributed to establish the CRAT states the assessment revealed no evidence of a Recognized Environmental Condition (REC) associated with the current or former use of the property.
2. Financial liability
  - o Sidney Morris explained there is no liability risk to the CFMC because the trust is responsible for the beneficiary distributions. If the funds in the trust are exhausted, the trust will dissolve and there will be no remainder distribution to the CFMC.
3. Property damage or personal injury on commercial property
  - o Sidney explained insurance would cover any claims for damage or injury. Christine Dawson informed the committee the transfer of the property to the CRAT includes the existing insurance policies.

The committee had a thorough discussion, and at the conclusion on a motion by Ken Petersen, seconded by Steve McGowan, the committee approved accepting and trusteeing the James Ray Valentine Charitable Remainder Annuity Trust

Having no further business, the meeting was adjourned by Greg Chilton at 4:51PM.

**Minutes prepared by:**

**Approved by:**

---

Diane R. Nonella  
Director of Finance and HR

---

Greg Chilton  
Board Chair

# HEISINGER, BUCK & MORRIS

ATTORNEYS AT LAW

MALCOLM S. MILLARD (1914-1999)

JAMES G. HEISINGER, JR.  
SIDNEY M. MORRIS\*

CHRIS CAMPBELL  
LYNN C. LOZIER  
DAVID L. BIGGER

\*CERTIFIED SPECIALIST - ESTATE PLANNING  
TRUST AND PROBATE LAW  
STATE BAR OF CALIFORNIA  
BOARD OF LEGAL SPECIALIZATION

RETIRED

ROBERT B. BUCK

DOLORES & SIXTH STREETS  
POST OFFICE BOX 5427  
CARMEL, CALIFORNIA 93921-5427  
TELEPHONE (831) 624-3891  
FACSIMILE (831) 625-0145

E-MAIL: hbm@carmellaw.com

July 11, 2016

Daniel Baldwin  
Community Foundation for Monterey County  
2354 Garden Road  
Monterey, CA 93940

Dear Dan:

When the term "annuity" is used in the context of charitable gifts it can refer to two forms of charitable giving. The first is the "charitable gift annuity." The second is the "charitable remainder annuity trust." A charitable gift annuity is more like an insurance product sponsored by the charity and is regulated by the State of California. The charity offers the annuity in amounts based on the age of the donor and the rates of return determined by the charity. All the assets of the charity stand behind the charitable gift annuity.

The charitable remainder annuity trust (hereafter "CRAT") is a common law trust created by the donor. The CRAT is unique because the establishment of a qualified CRAT will create a charitable deduction for the donor and establish a trust that does not have to pay tax on income and gains retained by the trustee. To be "qualified" the trust must comply with Regulations promulgated by the Treasury of the United States. In all other respects the trustee must follow the common law duties of a trustee as described in the California Probate Code.

For its part, the IRS and its Regulations are concerned with two things: making sure there is a realistic gift to charity and prohibiting acts of self-dealing by the donor. A CRAT must pay an annuity of 5% or more of the initial fair market value of the trust estate for a term or years not to exceed 20 years or for the lifetime of the donor. The amount of the annuity is fixed for the term of the trust.

Aside from complying with the IRS Regulations, the CRAT is managed like any other trust and the trustee must manage the trust estate in accordance with the prudent investor rules. We live in a world where the income, rents, and dividends of prudent investments rarely exceed 5% -- the IRS currently assumes 1.8% when valuing the charitable gift on the creation of a CRAT.

Accordingly, the payment of a 5% annuity will most likely include the distribution of income, gain, and principal. Further, another one or two percent must be allocated to such expenses as the cost of management and professional fees. With real estate you need to add taxes, maintenance, and insurance. In the economy of 2016 a 5% CRAT will likely be a depreciating asset. If the donor lives long enough the trust may be depleted.

A trustee cannot control the economy. For this reason, a trustee cannot guarantee the success of a trust. The trustee must, however, follow the rules and in doing so the trustee will be protected from liability if the trust fails.

Establishing a CRAT with a gift of a single parcel of real estate can be challenging to the trustee. The gift is illiquid and is hard to value for purposes of determining the amount of the annuity. Second, it establishes a trust with no investment diversity. So, unless the trust instrument requires the retention of the real property, the trustee should consider an immediate sale even if the property's income will support the liquidity needs of the trust. The Valentine CRAT lack diversity in both the class of asset and market. So a sale of the property as soon as possible appears to be appropriate. Once sold, the sales proceeds can be invested in a prudent and diversified manner.

Real estate is hard to value compared to stocks and bonds. At best, a real estate appraisal is nothing more than an informed person's educated guess. The real indication of value at any point in time is the price agreed to by a willing seller and willing buyer. In the case of the Valentine CRAT the prudent trustee should interview a number of experienced commercial realtors, consider their estimates of value, select a realtor, and offer the property for sale at a realistic price as soon as possible.

If, in a reasonable time, the property sells for less than the appraisal made at the time of the transfer to the CRAT, the sales price should be considered as a better indication of value than the appraisal. Based on my discussions with Mr. Valentine's attorney, I do not think he would object to an adjustment of value. Of course, the value could adjust upward if the property sells for more.

Priced correctly, the property should sell in a reasonable time. If for some reason the trustee finds itself holding unproductive or underproductive property, the options are limited. The trustee could borrow and use the loan proceeds to fund the annuity and expenses. Perhaps the annuity could be paid by the trustee's promissory note or an in kind distribution. With a CRAT the trustee must do all it can to avoid this situation. The best way to avoid the problem is a timely sale.

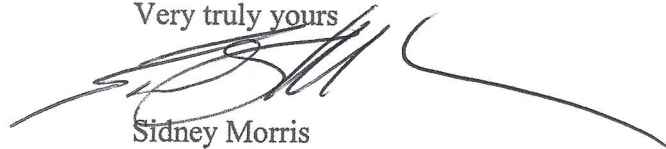
You also asked me to comment on officers' and directors' liability. The California Attorney General has published a handbook as a guide for charitable organizations. The following is quoted from that publication:

"A director of a public benefit corporation who performs his or her duties in good faith, in a manner the director believes to be in the best interest of the corporation, and with reasonable care and inquiry under the circumstances has no personal monetary liability to the corporation in an action based on alleged failure to discharge the director's duties. This protection against liability does not apply to a director who engages in self-dealing or who makes or receives a prohibited loan or distribution of the corporation's assets.

Although California statutes (Corporations Code sections 5047.5, 5239) purport to protect volunteer officers and directors of charitable corporations against personal liability for monetary damages to third parties under certain circumstances, these statutes cannot prevent the filing of lawsuits against individual directors and officers of nonprofit corporations. It can be expensive for an individual director to pay an attorney to defend the director against a civil lawsuit. For this reason, it is important for directors to review the matter of "directors and officers" insurance ... Moreover, these statutes do not protect officers or directors from liability in a lawsuit brought by the Attorney General."

In conclusion, I think the Community Foundation can manage its liability by following the same practices it follows in its management of any trust. Here the issue is getting the property on the market and sold as soon as possible. Based on the information I have about this property it should sell. If the sales price much less than expected, we will have to deal with that issue.

Very truly yours

A handwritten signature in black ink, appearing to be "Sidney Morris", with a long horizontal flourish extending to the right.

Sidney Morris

SMM



Environmental Assessments and Solutions

4299 MacArthur Blvd., Suite 107 • Newport Beach, CA 92660

(949) 476-8922 • FAX (949) 474-3222

July 8, 2016

Mr. Dan Baldwin, President/CEO

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**

2354 Garden Road

Monterey, California 93940

Re: **EXECUTIVE SUMMARY** - Phase I Environmental Site Assessment

1620 North Tustin Street

Orange, California 92867

Centec Project #0516042

Dear Mr. Baldwin:

Centec Engineering has completed the Phase I Environmental Site Assessment for the above-referenced property. Centec understands the Community Foundation for Monterey County (CFMC) is considering receipt of the property as a donation. This assessment has revealed no evidence of a Recognized Environmental Condition (REC) associated with the current or former use of the subject property, a rectangular-shaped parcel of 1.63 acres developed as a single-tenant retail store with a parking lot, located at 1620 North Tustin Street, Orange, California 92867. There is an Historical Recognized Environmental Condition (HREC) because when the structure was originally built it was for a paint company. The paint company had installed a 10,000-gallon underground storage tank which, according to the only record located at the City of Orange Fire Department, could not be removed due to the fact that "There are 4 lines on top - one line is a 6" fire-water line for the sprinkler. Tank was filled with a slurry mix- according to LA City procedure on 4-5-85." No other information about the UST was located. Based on the concern over an older tank left in place, Centec conducted a geophysical survey to confirm its location under a large concrete pad in the southwest corner of the property, and completed a subsurface investigation to determine if any likely contaminants were present in soils around the tank. No contaminants were detected in the three soil borings completed, and therefore no further actions appear warranted. These conclusions have been reached for the following reasons:

- 1) The subject property building is occupied by Jo-Ann Fabrics and Crafts (Jo-Ann), a retail store selling fabric and do-it-yourself crafting items like artificial flowers,



## **COMMUNITY FOUNDATION FOR MONTEREY COUNTY**

Executive Summary - Centec Project #0516042

July 8, 2016 - Page 2

as well as scrapbook materials. No hazardous materials are in use on-site other than what may be contained in household cleaners. The parking lot is asphalt-paved, but it does not appear to be in excellent condition. There are no areas of what could be exposed soil, but there are numerous patches and repaired areas for apparent installations of utility lines, as well as typical stains in the parking stalls. No areas of significant stains were noted. The landscaping consists of mature trees, shrubs and, lawn, and all appears healthy and growing (except for drought issues), with no signs of toxic materials abandonment. No indication of the location of the UST was obvious, however, a concrete patch at the southwestern corner of the property, outside the store building, appeared to otherwise have no use or purpose, and was deemed likely to be a cover for the UST.

- 2) A history of the subject property was ascertained through historical aerial photographs, USGS Topographic Maps, Orange County Assessor's records, records at the City of Orange Building & Fire Departments, and an interview with Ms. Rebecca Canalez, Client Services Team Lead at CBRE who is working with the people donating the subject property to CFMC. Historically, the subject property was under tree crop cultivation and there appear to have been residential buildings at the northern portion of the current parking lot, close to Tustin Street. The 1963 photos show the property vacant and rough-graded. The 1966 photos show the property still vacant, but the housing development adjacent to the south and west side of the property are under construction. The 1972 photos note the existence of the Firestone building to the north of the subject property, which is still vacant in 1972, but the extant building is visible in the photos from 1980 to the 2012 photos. No permits for the demolition of the residential buildings were located. Permits for the construction of the extant building were issued in 1975 to Standard Brand Paints. They were apparently on-site until 1993 when permits were issued to House of Fabrics for some tenant improvements. Jo-Ann acquired House of Fabrics in 1998, according to Wikipedia, and operates as a retail store on-site. No records of any manufacturers or assembly businesses at the subject property were located. No records or files reviewed indicated that significant spills have had to be investigated or remediated at the subject property. There were no permits at either the City of Orange Building or Fire Departments for Standard Brands Paints to install a UST. There was one page of information regarding the abandonment-in-place of a 10,000-gallon underground storage tank at the subject property. The paint company had installed a 10,000-gallon underground storage tank which, according to the only record located at the City of Orange Fire Department, could not be removed due to the fact that "There are



## COMMUNITY FOUNDATION FOR MONTEREY COUNTY

Executive Summary - Centec Project #0516042

July 8, 2016 - Page 3

4 lines on top - one line is a 6" fire-water line for the sprinkler. Tank was filled with a slurry mix- according to LA City procedure on 4-5-85." No other information about the UST was located. Based on the concern over an older tank left in place, Centec conducted a geophysical survey to confirm its location under a large concrete pad in the southwest corner of the property, and completed a subsurface investigation to determine if any likely contaminants were present in soils around the tank. No contaminants were detected in the three soil borings completed.

- 3) There are no suspect PCB-containing transformers evident, nor is there documentary or physical evidence of current or former aboveground storage tanks on the property. There is an abandoned-in-place 10,000-gallon underground storage tank under a concrete patch in the southwest corner of the property. Based on the age of the building, it is possible that there are asbestos-containing materials on-site, however, based on the current inspection of the most recent interior renovation there appears to be no damaged suspect friable materials and no samples were taken. Also, based on the age of the building, it is possible that lead-based paints may have been used. There are only small amounts of "household" cleaners which may contain hazardous materials at the property. No reportable quantities of hazardous materials are on-site and no generation of hazardous waste takes place at the property.
- 4) A review of adjacent properties indicated no significant concerns. The subject property is in an area developed since the mid-1960's for residential and associated commercial use. Adjacent sites include residential and commercial uses, including an auto service shop that generates small quantities of hazardous wastes, but none are identified as known sources of contamination or would appear to present an imminent risk of impairment to the subject property.
- 5) Our review of known cases of contamination found within a one-mile radius of the subject property found no reasons to suspect a likelihood that the subject property has been impacted by off-site sources of contamination. The environmental database identified nine different locations of contamination, all from leaking USTs, within a ½-mile radius of the subject property, however, all impacted soil only and seven have been remediated and "closed." The nearest sites include a gas station 400 feet to the north that was remediated and "closed" in 1994, and a gas station 1,000 feet to the north that was closed in 2004. All of the other sites are beyond ¼ mile away. The only active sites are 2,000 feet to the south and southeast and also impacted soil only. None of the listed sites are expected to have an environmental impact on the subject property.



## **COMMUNITY FOUNDATION FOR MONTEREY COUNTY**

Executive Summary - Centec Project #0516042

July 8, 2016 - Page 4

There are no state or federal "Superfund" sites, CERCLIS sites, or hazardous waste landfills in the one-mile study.

This assessment has revealed no evidence of Recognized Environmental Conditions (RECs) associated with the current or former use of the property. The presence of an abandoned UST in the southwest corner of the property was considered an Historical REC. However, based on the findings of the subsurface investigation around the abandoned UST, it does not appear that any contamination is associated with its presence, and no further actions are recommended. Our report goes into further detail regarding how and why these conclusions are Reached. Community Foundation for Monterey County and/or assigns, may rely on the information contained in the report as being accurate and thorough subject to the limitations detailed in the report. If you should have any questions whatsoever regarding the report, please feel free to contact me directly.

Sincerely,  
**CENTEC ENGINEERING, INC.**

A handwritten signature in blue ink that reads "Steven Collins". The signature is written in a cursive style.

Steven N. Collins, REA  
Principal, Project Manager

## **PHASE II SUBSURFACE INVESTIGATION**

In order to qualify the presence of potential contaminants associated with an underground storage tank (UST) on the property, Centec was retained to conduct a limited field investigation in addition to the Phase I assessment to collect samples for laboratory analysis. The investigation was intended to provide a current status of the subsurface soils beneath the location of an abandoned 10,000-gallon UST that had been presumably installed by Standard Brands and abandoned-in-place in 1985 when the unexpected presence of several in-ground utility lines over the top of the tank prevented a safe removal.

### **Field Activities**

On June 29, 2016, Centec conducted the field investigation. Based on the description of site conditions during the attempted removal in 1985, including the presence of "a 6" fire-water line for the sprinkler" and the overall size of a 10,000-gallon UST (typically 8 feet in diameter and 27 feet long), and in consideration that the tank was intended to be removed and therefore all surface coverings were likely removed before the inground utilities were detected, it appeared most likely that the UST was located in the southwest corner of the property where a concrete patch of approximately 13 feet by 34 feet is located and where the fire sprinkler line is located inside the southwest corner of the building. Centec also noted that a metal pipe, very typical of one used as a tank vent line, is still present raising up the south wall of the building, close to the southwest corner of the building, and rises up above the roof. Centec also noted the presence of a small round patch in the asphalt near the southwest corner of the concrete patch, which suggested the patched remnants of a boring completed with a 6-inch diameter hollow-stem auger used by a drill rig. (No other records were located to indicate that any site investigations had been completed to confirm the lack of contamination for the UST, although this would normally be expected for an abandonment-in-place.)

Prior to drilling activities, Centec retained Goldak, a professional magnetic survey vendor, to conduct an electromagnetic survey throughout the southwest corner of the property to search for USTs, pipelines, utilities, and any other underground objects or magnetic anomalies that may be present. Goldak personnel utilized various pieces of equipment, including a magnetometer, a 902 Subscanner, and a Goldak Model 600, and scanned the likely areas of concern. The geophysical scanning efforts identified the clear presence of a large metallic anomaly the approximate size and shape of a 10,000-gallon UST, underneath the concrete slab. The concrete was found to have no metal reinforcement (mesh or rebar), so the magnetic scanning was very effective. The scanning, utilizing various techniques, also clearly identified various underground utility lines crossing over or across the concrete patch area, including the main fire sprinkler water line across the middle, water or natural gas lines across the east side, and a telephone/cable line across the northwest corner. An apparent natural gas line also ran near the east side of the patch. These findings were consistent with the descriptions provided during the attempted removal of the UST.

In order to determine the presence of potential contaminants connected with the former use of the UST on the property, Centec completed three borings into accessible areas around the perimeter of the UST, as had been clearly identified by the geophysical investigation. Each boring was drilled with Kehoe Testing's hydraulic press drilling rig utilizing a GeoProbe. To collect samples, a 1.25-inch diameter probe is hydraulically hammered into the ground. The bottom 2-foot section of probe contains a hollow acetate liner which is used to collect a relatively undisturbed, discrete soil sample. Once the desired depth is reached, the tip of the probe is opened, and the probe is extended deeper to collect the soil sample. Upon retrieval of the sampler, the sample tube was separated into 6-inch parts. The lowest portion of the tube was immediately capped, labeled, and chilled pending delivery under strict chain-of-custody procedures to California-certified A&R Laboratories (DHS #2789) for chemical analysis. Soil samples were screened in the field for visual and olfactory indications of petroleum hydrocarbons.

Boring B-1 was drilled adjacent to the west-center side of the concrete patch over the abandoned UST, with soil samples collected at 5, 10, and 15 feet below ground surface (bgs), and then a rock or another refusal condition was encountered at 16 feet bgs that prevented deeper boring. Borings B2 and B3 were completed along the east side of the concrete patch, with soil samples collected at 5, 10, 15 and 20 feet bgs in both borings. The locations of these 3 borings around the concrete patch have been added to an aerial photograph of the southern portion of the property, which is included on the following pages.

Soils encountered during the sampling activities included silty sand at 5 feet bgs in B1, clayey sands at 5 feet bgs in B2, and gravelly sand at 5 feet bgs in B3, likely identifying different fill materials around the upper perimeter of the UST. Silty sands and clayey silts were encountered at 10 and 15 feet bgs in all locations, and gravelly sands were present at 20 feet bgs in B2 and B3. No unusual odors, stains, or other suspect conditions suggesting contamination were encountered, and no moisture or any indications of groundwater were encountered.

After drilling, each bore hole was backfilled with bentonite and patched to grade with asphalt. Between each sampling event, the metal casing of the sampling probe was thoroughly washed in a tri-sodium, non-phosphate solution and then rinsed in both tap and deionized water using the "three-bucket-wash" method.

### **Laboratory Results**

Representative soil samples collected at the site, primarily those at or below the bottom of the tank, were analyzed for Total Petroleum Hydrocarbons (TPH according to EPA Method 8015M) with a complete carbon chain scan to identify gasoline, diesel and oil-range hydrocarbons, as well as the volatile fuel components of benzene, toluene, ethylbenzene, and xylenes (BTEX), MTBE and other fuel oxygenates, and a full scan of volatile organic compounds (VOCs) according to EPA Method 8260B.

The laboratory analytical results of the six soil samples analyzed identified no

detectable concentrations of TPH of any kind, BTEX, MTBE, or oxygenates in any of the samples analyzed.

A summary of the laboratory results from the investigation can be found in Table 1 on the following pages. All of the laboratory data sheets from the investigation can be found in Exhibit 1.

### **Conclusions and Recommendations**

The sampling observations and laboratory analytical results indicate no significant leakage had occurred from the former use of the 10,000-gallon UST that was abandoned-in-place in the southwest corner of the property. The geophysical survey clearly identified the presence of the tank below a concrete slab, as well as the various utility lines described for the attempted removal in 1985. Analytical results of the representative samples collected and analyzed identified no detectable concentrations of any likely contaminants of concern. Based on the findings, no further actions would appear necessary to further investigate this area.

**TABLE 1**

**SUMMARY OF SOIL SAMPLE RESULTS**

**1620 N. TUSTIN STREET  
ORANGE, CALIFORNIA**

All sample results shown in mg/kg (parts per million)

Boring I.D. #	Sample Depth (feet bgs)	TPHg,d,o	BTEX/MTBE	VOCs
B-1	5	--	--	--
	10	ND	ND	ND
	15	ND	ND	ND
B-2	5	--	--	--
	10	ND	ND	ND
	15	--	--	--
	20	ND	ND	ND
B-3	5	ND	ND	ND
	10	--	--	--
	15	ND	ND	ND
	20	--	--	--

**NOTES:** Samples collected 6/29/16

TPHg,d,o = Total Petroleum Hydrocarbons as gasoline, diesel, oils, EPA Method 8015M

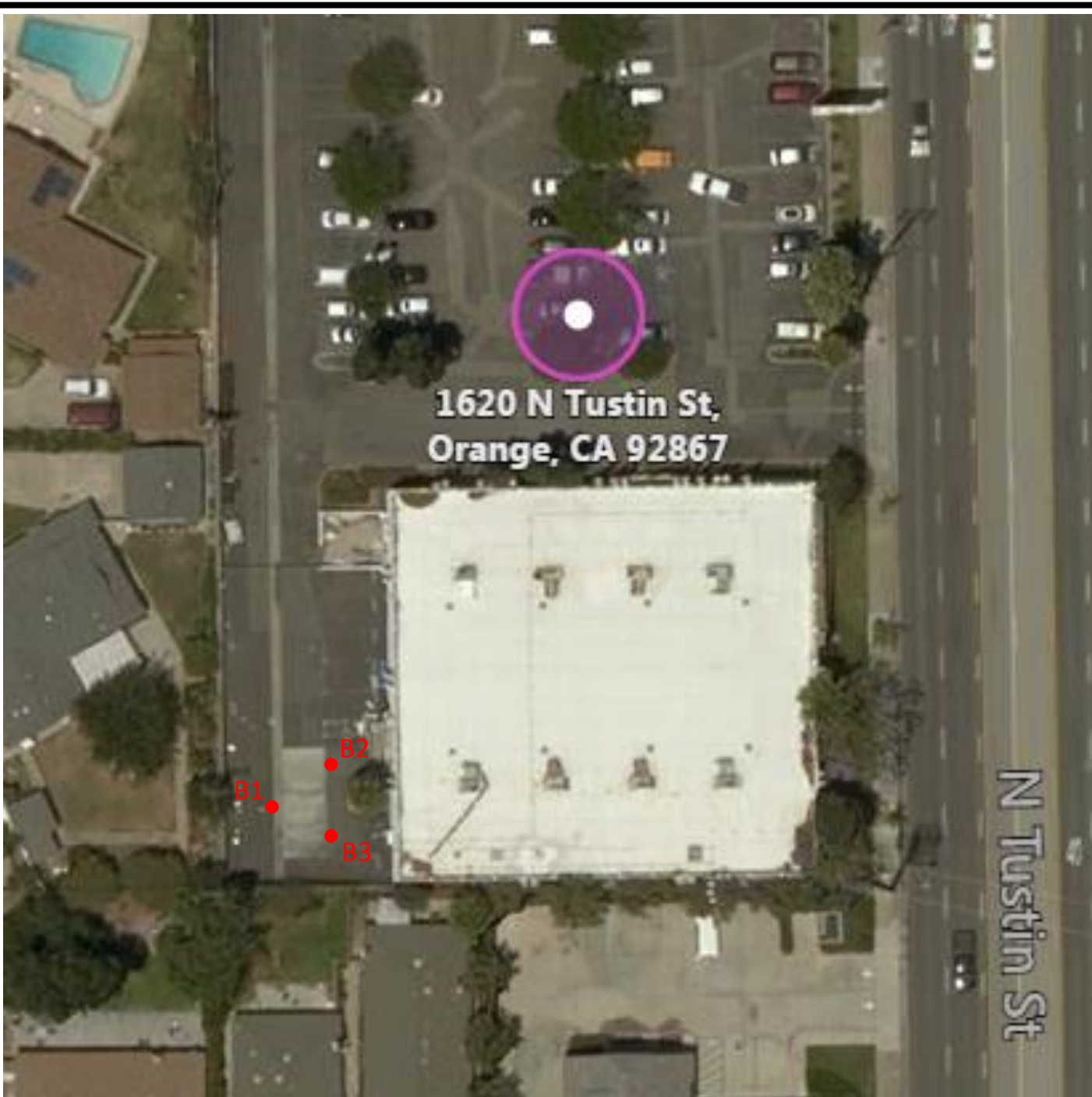
BTEX/MTBE = Aromatic Fuel Components (Benzene, Toluene, Ethylbenzene, and Xylenes/MTBE and other fuel oxygenates associated with gasoline, EPA Method 8260B),

VOCs = Volatile Organic Compounds, EPA Method 8260B

ND = Not Detected at or below Method Detection Limit

-- = Not Analyzed

Feet bgs = Feet Below Ground Surface



● = Centec Soil Boring



SOURCE: BING

FIGURE 1  
Boring Locations

Property located at  
1620 North Tustin Street  
Orange, California 92867


Centec Project #0516042

SCALE (not to scale)



18

SITE LOCATION

721 W 1st St Tustin, CA 92780  Restaurant Building of 10,398 SF Sold on 11/23/2015 for \$7,545,600 - Research Complete					
buyer					
David Shenton 3134 Sycamore Ln Billings, MT 59102 (406) 237-5050					
seller					
Centres Inc. 9130 S Dadeland Blvd Miami, FL 33156 (305) 670-1997					
vital data					
Escrow/Contract: -			Sale Price: \$7,545,600		
Sale Date: 11/23/2015			Status: Confirmed		
Days on Market: 165 days			Building SF: 10,398 SF		
Exchange: No			Price/SF: \$725.68		
Conditions: -			Pro Forma Cap Rate: 5.56%		
Land Area SF: 74,052			Actual Cap Rate: -		
Acres: 1.7			Down Pmnt: \$2,915,000		
\$/SF Land Gross: \$101.90			Pct Down: 38.6%		
Year Built, Age: 1981 Age: 34			Doc No: 0601636		
Parking Spaces: 108			Trans Tax: -		
Parking Ratio: -			Corner: No		
FAR 0.14			Zoning: NC		
Lot Dimensions: -			No Tenants: 1		
Frontage: 150 feet on W 1st St 186 feet ...			Percent Improved: 24.0%		
Tenancy: -			Submarket: Parkcenter Area		
Comp ID: 3457033			Map Page: -		
			Parcel No: 401-302-08		
			Property Type: Retail		
income expense data			Listing Broker		
Net Income	Net Operating Income	\$419,535	Marcus & Millichap Inc 4660 La Jolla Village Dr San Diego, CA 92122 (858) 373-3100 Alvin Mansour, Phil Sambazis		
	- Debt Service				
	- Capital Expenditure				
	Cash Flow				
			Buyer Broker		
financing			prior sale		
1st Central National Bank and Trust Company of Enid			Date/Doc No: 7/3/2014		
Bal/Pmt: \$4,630,600			Sale Price: -		
			CompID: 3064302		

17632 17th St

Citibank  
Tustin, CA 92780

Bank Building of 4,893 SF Sold on 9/2/2015 for \$4,680,000 -  
Research Complete

buyer

Kelly & Associates  
360 Kiely Blvd  
San Jose, CA 95129  
(408) 241-3300

seller

Corporate Partners Capital Group Inc.  
545 S Figueroa St  
Los Angeles, CA 90071  
(213) 488-9595



vital data

Escrow/Contract: -  
Sale Date: 9/2/2015  
Days on Market: -  
Exchange: No  
Conditions: Investment Triple Net  
Land Area SF: 10,019  
Acres: 0.23  
\$/SF Land Gross: \$467.12  
Year Built, Age: 1974 Age: 41  
Parking Spaces: -  
Parking Ratio: -  
FAR 0.49  
Lot Dimensions: -  
Frontage: -  
Tenancy: Single  
Comp ID: 3389208

Sale Price: \$4,680,000  
Status: Full Value  
Building SF: 4,893 SF  
Price/SF: \$956.47  
Pro Forma Cap Rate: -  
Actual Cap Rate: 4.18%  
Down Pmnt: \$4,680,000  
Pct Down: 100.0%  
Doc No: 0456010  
Trans Tax: -  
Corner: No  
Zoning: -  
No Tenants: 1  
Percent Improved: 31.7%  
Submarket: Parkcenter Area  
Map Page: -  
Parcel No: 401-381-05  
Property Type: Retail

income expense data

Expenses	- Taxes	\$39,101
	- Operating Expenses	
	Total Expenses	\$39,101
Net Income	Net Operating Income	\$195,720
	- Debt Service	
	- Capital Expenditure	
	Cash Flow	

Listing Broker

Buyer Broker

financing

prior sale

Date/Doc No: 1/31/2014  
Sale Price: \$259,000,000  
CompID: 2951032

**26761 Aliso Creek Rd**

Petsmart - Aliso Viejo Town Center  
Aliso Viejo, CA 92656

Freestanding (Power Center) Building of 25,952 SF Sold on  
4/19/2016 for \$18,093,726 - Research Complete

**buyer**

House of Sportsmen, Inc.  
c/o Faye Hezar  
2700 N Main St  
Santa Ana, CA 92705  
(714) 953-7321

**seller**

TradeCor Partners, LLC  
4455 E Camelback Rd  
Phoenix, AZ 85018  
(602) 759-5250

**vital data**

Escrow/Contract:	60 days	Sale Price:	\$18,093,726
Sale Date:	4/19/2016	Status:	Confirmed
Days on Market:	167 days	Building SF:	25,952 SF
Exchange:	No	Price/SF:	\$697.20
Conditions:	Investment Triple Net	Pro Forma Cap Rate:	-
Land Area SF:	106,722	Actual Cap Rate:	4.73%
Acres:	2.45	Down Pmnt:	\$10,593,726
\$/SF Land Gross:	\$169.54	Pct Down:	58.5%
Year Built, Age:	1997 Age: 19	Doc No:	0168623
Parking Spaces:	100	Trans Tax:	\$19,903.40
Parking Ratio:	3.84/1000 SF	Corner:	No
FAR	0.24	Zoning:	PC-COM, County
Lot Dimensions:	-	No Tenants:	2
Frontage:	146 feet on Aliso Creek Rd ...	Percent Improved:	30.9%
Tenancy:	Single	Submarket:	Laguna Hills/Aliso Viejo
Comp ID:	3573960	Map Page:	Thomas Bros. Guide 921-E5
		Parcel No:	629-321-14
		Property Type:	Retail

**income expense data**

Income	Gross Scheduled Income	\$856,680
	+ Other Income	
	- Vacancy Allowance	
	Effective Gross Income	
Net Income	Net Operating Income	\$855,833
	- Debt Service	
	- Capital Expenditure	
	Cash Flow	

**Listing Broker**

Colliers International  
3 Park Plaza  
Irvine, CA 92614  
(949) 474-0707  
Eric Carlton, Jereme Snyder, John Sharpe

**Buyer Broker**

No Buyer Broker on Deal

**financing**

1st Cathay Bank (Conventional)  
Bal/Pmt: \$7,500,000

**prior sale**

Date/Doc No: 3/10/2014  
Sale Price: \$8,100,000  
CompID: 2982211

**22331 El Paseo**

24 Hour Fitness  
Rancho Santa Margarita, CA 92688

Health Club Building of 22,000 SF Sold on 8/21/2015 for  
\$9,650,000 - Research Complete

**buyer**

Albee Properties, LLC  
26741 Portola Pky  
Foothill Ranch, CA 92610

**seller**

American Housing Partners Inc  
4075 Prospect Ave  
Yorba Linda, CA 92886  
(714) 577-9644

**vital data**

Escrow/Contract:	-	Sale Price:	\$9,650,000
Sale Date:	8/21/2015	Status:	Confirmed
Days on Market:	85 days	Building SF:	22,000 SF
Exchange:	No	Price/SF:	\$438.64
Conditions:	-	Pro Forma Cap Rate:	-
Land Area SF:	74,052	Actual Cap Rate:	5.50%
Acres:	1.7	Down Pmnt:	\$9,650,000
\$/SF Land Gross:	\$130.31	Pct Down:	100.0%
Year Built, Age:	1993 Age: 22	Doc No:	0435686
Parking Spaces:	109	Trans Tax:	-
Parking Ratio:	4.95/1000 SF	Cornet:	No
FAR	0.30	Zoning:	TC, Rncho Sta. Marg.
Lot Dimensions:	-	No Tenants:	1
Frontage:	-	Percent Improved:	85.0%
Tenancy:	Single	Submarket:	Lake Forest/Foothill Ranc
Comp ID:	3373797	Map Page:	Thomas Bros. Guide 893-B3
		Parcel No:	814-171-07
		Property Type:	Retail

**income expense data**

Expenses	- Taxes	\$72,553
	- Operating Expenses	
	Total Expenses	\$72,553
Net Income	Net Operating Income	\$530,767
	- Debt Service	
	- Capital Expenditure	
	Cash Flow	

**Listing Broker**

Colliers International  
3 Park Plaza  
Irvine, CA 92614  
(949) 474-0707  
Mehran Foroughi

**Buyer Broker**

Colliers International  
3 Park Plaza  
Irvine, CA 92614  
(949) 474-0707  
Mehran Foroughi

**financing****prior sale**

Date/Doc No:	6/9/2005
Sale Price:	\$7,200,000
CompID:	1030997

**24334 El Toro Rd**

Office Max - Home Depot Center  
Laguna Hills, CA 92637

Freestanding (Community Center) Building of 23,500 SF Sold  
on 8/5/2015 for \$4,000,000 - Research Complete

**buyer**

Saunders Property Company  
4040 MacArthur Blvd  
Newport Beach, CA 92660  
(949) 251-0444

**seller**

Suzanne Shevell  
74998 Country Club Dr  
Palm Desert, CA 92260  
(760) 346-9286

**vital data**

Escrow/Contract:	-	Sale Price:	\$4,000,000
Sale Date:	8/5/2015	Status:	Confirmed
Days on Market:	69 days	Building SF:	23,500 SF
Exchange:	No	Price/SF:	\$170.21
Conditions:	-	Pro Forma Cap Rate:	-
Land Area SF:	158,994	Actual Cap Rate:	5.29%
Acres:	3.65	Down Pmnt:	\$4,000,000
\$/SF Land Gross:	\$25.16	Pct Down:	100.0%
Year Built, Age:	1999 Age: 16	Doc No:	0406935
Parking Spaces:	70	Trans Tax:	\$4,400
Parking Ratio:	2.98/1000 SF	Cornr:	No
FAR	0.15	Zoning:	PC, Orange County
Lot Dimensions:	-	No Tenants:	1
Frontage:	97 feet on El Toro Rd (with 2 ...	Percent Improved:	44.4%
Tenancy:	Single	Submarket:	Laguna Hills/Aliso Viejo
Comp ID:	3368008	Map Page:	Thomas Bros. Guide 891-D7
		Parcel No:	621-211-08 [Partial List]
		Property Type:	Retail

**income expense data**

Expenses	- Taxes	\$44,834
	- Operating Expenses	
	Total Expenses	\$44,834

**Listing Broker**

Norm Haley Real Estate  
135 W Foothill Blvd  
Monrovia, CA 91016  
(626) 791-7000  
Norm Haley

**Buyer Broker**

Bob M. Cohen & Associates Law Corporation  
16000 Ventura Blvd  
Encino, CA 91436  
(818) 986-3332  
Bob Cohen

**financing****prior sale**

Date/Doc No:	7/25/2014
Sale Price:	-
CompID:	3087938

**22740 Hawthorne Blvd**

Torrance, CA 90505

Retail Building of 23,500 SF Sold on 6/14/2016 for \$8,550,000 - In Progress

**buyer**22740 Hawthorne Blvd Llc  
1537 Pontius Ave  
Los Angeles, CA 90025**seller**

Mcrm7 Llc

**vital data**

Escrow/Contract:	-	Sale Price:	\$8,550,000
Sale Date:	6/14/2016	Status:	-
Days on Market:	223 days	Building SF:	23,500 SF
Exchange:	No	Price/SF:	\$363.83
Conditions:	-	Pro Forma Cap Rate:	-
Land Area SF:	47,476	Actual Cap Rate:	4.85%
Acres:	1.09	Down Pmnt:	-
\$/SF Land Gross:	\$180.09	Pct Down:	-
Year Built, Age:	1970 Age: 46	Doc No:	0684084
Parking Spaces:	41	Trans Tax:	-
Parking Ratio:	1.36/1000 SF	Cornr:	No
FAR	0.49	Zoning:	-
Lot Dimensions:	-	No Tenants:	1
Frontage:	206 feet on Hawthorne Blvd ...	Percent Improved:	44.0%
Tenancy:	Single	Submarket:	Torrance
Comp ID:	3631722	Map Page:	-
		Parcel No:	7368-004-066
		Property Type:	Retail

**income expense data****Listing Broker**JLL  
515 S Flower St  
Los Angeles, CA 90071  
(213) 239-6000  
Matthew Berres**Buyer Broker****financing**1st River Cty Bk  
Bal/Pmt: \$3,400,000

**15316 Nordhoff St**

Walgreens - Paseo Sepulveda  
North Hills, CA 91343

Drug Store (Neighborhood Center) Building of 14,313 SF Sold  
on 3/8/2016 for \$9,660,000 - Research Complete

**buyer**

Ke-Thia Yao  
20330 Via Urbino Ave  
Porter Ranch, CA 91326

**seller**

Teh Ming Cheu  
12 Glen Ellen  
Irvine, CA 92602  
(562) 697-3886

**vital data**

Escrow/Contract:	-	Sale Price:	\$9,660,000
Sale Date:	3/8/2016	Status:	Confirmed
Days on Market:	207 days	Building SF:	14,313 SF
Exchange:	Yes	Price/SF:	\$674.91
Conditions:	1031 Exchange	Pro Forma Cap Rate:	-
Land Area SF:	62,870	Actual Cap Rate:	4.90%
Acres:	1.44	Down Pmnt:	\$3,685,000
\$/SF Land Gross:	\$153.65	Pct Down:	38.1%
Year Built, Age:	2005 Age: 11	Doc No:	0253975
Parking Spaces:	56	Trans Tax:	\$10,626
Parking Ratio:	3.91/1000 SF	Cornet:	No
FAR:	0.23	Zoning:	R3
Lot Dimensions:	-	No Tenants:	1
Frontage:	95 feet on Columbus Ave 130 ...	Percent Improved:	64.2%
Tenancy:	Single	Submarket:	Eastern SFV
Comp ID:	3544388	Map Page:	-
		Parcel No:	2654-004-051
		Property Type:	Retail

**income expense data**

Net Income	Net Operating Income	\$473,340
	- Debt Service	
	- Capital Expenditure	
	Cash Flow	

**Listing Broker**

KW Commercial  
4061 Laurel Canyon Blvd  
Studio City, CA 91604  
(818) 432-1505  
Joe Kim

**Buyer Broker**

Keller Williams Commercial Santa Monica  
2701 Ocean Park Blvd  
Santa Monica, CA 90405  
(310) 482-2200  
Jason Flashman

**financing**

1st FSG Bank  
Bal/Pmt: \$5,975,000

**prior sale**

Date/Doc No: 10/30/2006  
Sale Price: \$2,800,000  
CompID: 1169093

**784 N Tustin St**

Orange, CA 92867

Freestanding (Neighborhood Center) Building of 10,080 SF  
Sold on 1/28/2016 for \$2,211,000 - Research Complete**buyer**Kevin Maguire  
PO Box 1233  
Cardiff By The Sea, CA 92007**seller**Quy Le  
920 S Jay Cir  
Anaheim, CA 92808  
(714) 281-9051**vital data**

Escrow/Contract:	-	Sale Price:	\$2,211,000
Sale Date:	1/28/2016	Status:	Confirmed
Days on Market:	15 days	Building SF:	10,080 SF
Exchange:	No	Price/SF:	\$219.35
Conditions:	-	Pro Forma Cap Rate:	-
Land Area SF:	26,114	Actual Cap Rate:	5.00%
Acres:	0.6	Down Pmnt:	\$771,000
\$/SF Land Gross:	\$84.67	Pct Down:	34.9%
Year Built, Age:	1964 Age: 52	Doc No:	0039112
Parking Spaces:	14	Trans Tax:	\$2,432.10
Parking Ratio:	1.43/1000 SF	Cornet:	No
FAR	0.39	Zoning:	C2, Tustin
Lot Dimensions:	97x268	No Tenants:	1
Frontage:	-	Percent Improved:	22.1%
Tenancy:	Multi	Submarket:	East Orange
Comp ID:	3512580	Map Page:	Thomas Bros. Guide 799-J2
		Parcel No:	386-301-07
		Property Type:	Retail

**income expense data**

Net Income	Net Operating Income	\$110,550
	- Debt Service	
	- Capital Expenditure	
	Cash Flow	

**Listing Broker**Coldwell Banker Commercial Advisors  
2600 Michelson Dr  
Irvine, CA 92612  
(949) 954-3700  
Scott Hook, Daniel Tyner**Buyer Broker**Coldwell Banker Commercial Advisors  
2600 Michelson Dr  
Irvine, CA 92612  
(949) 954-3700  
Mike Ward**financing**1st Orange Cntys Cu  
Bal/Pmt: \$1,440,000**prior sale**Date/Doc No: 12/10/1999  
Sale Price: \$710,000  
CompID: 426772

RECORDING REQUESTED BY  
YVONNE A. ASCHER, ESQ.

AND WHEN RECORDED MAIL TO

Community Foundation for Monterey  
2354 Garden Road  
Monterey, CA 93940

---

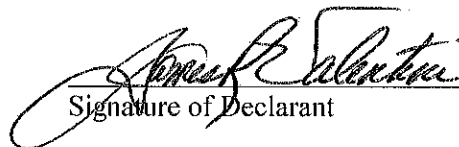
**GRANT DEED**

---

**APN: 375-432-38**

**THE UNDERSIGNED GRANTOR DECLARES:**

Under penalty of perjury that the documentary transfer tax is none. This conveyance transfers the Grantor's interest into an Irrevocable Trust; in which he is the primary beneficiary. There is no consideration for this transfer. Therefore, this transfer is exempt from the documentary transfer tax pursuant to Revenue and Taxation Code § 11930.

  
Signature of Declarant

**FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, JAMES R. VALENITNE, also known as JAMES RAY VALENTINE, as trustee of the JAMES R. VALENTINE LIVING TRUST dated April 17, 1990,**

**hereby GRANTS to COMMUNITY FOUNDATION FOR MONTEREY (CFMC), Trustee, or Successor Trustee, of the JAMES RAY VALENTINE CHARITABLE REMAINDER ANNUITY TRUST U/D/T dated MAY 16, 2016**

**the following described real property in the City of Orange, Orange County, California:**

Parcel 2 as shown on a Map filed in Book 28, Page 33 of Parcel Maps, in the office of the County Recorder of Orange County, California.

Street Address: 1620 N. Tustin Avenue, Orange, California

Dated:

MAY 16, 2016

  
JAMES R. VALENTINE, Trustee

MAIL TAX STATEMENTS TO: Community Foundation for Monterey, 2354 Garden Road, Monterey, CA 93940

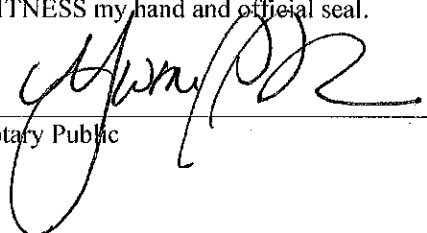
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

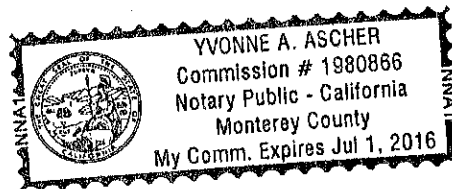
STATE OF CALIFORNIA       )  
  ) ss.  
COUNTY OF MONTEREY     )

On May 16, 2016, before me, Yvonne A. Ascher, Notary Public, personally appeared JAMES R. VALENTINE, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

*I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.*

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public



MAIL TAX STATEMENTS TO: Community Foundation for Monterey, 2354 Garden Road, Monterey, CA 93940

**PRELIMINARY CHANGE OF OWNERSHIP REPORT**

To be completed by the transferee (buyer) prior to a transfer of subject property, in accordance with section 480.3 of the Revenue and Taxation Code, A *Preliminary Change of Ownership Report* must be filed with each conveyance in the County Recorder's office for the county where the property is located.

NAME AND MAILING ADDRESS OF BUYER/TRANSFeree  
(Make necessary corrections to the printed name and mailing address)

JAMES RAY VALENTINE CHARITABLE REMAINDER ANNUITY TRUST

ASSESSOR'S PARCEL NUMBER  
375-432-38

SELLER/TRANSFEROR  
James Ray Valentine

BUYER'S DAYTIME TELEPHONE NUMBER  
( 831 ) 641-9019

BUYER'S EMAIL ADDRESS

STREET ADDRESS OR PHYSICAL LOCATION OF REAL PROPERTY

1620 N. Tustin Avenue, Orange, California

MAIL PROPERTY TAX INFORMATION TO (NAME)

Community Foundation for Monterey

ADDRESS

2354 Garden Road

CITY

Monterey

STATE

CA

ZIP CODE

93940

☐ YES ☒ NO This property is intended as my principal residence. If YES, please indicate the date of occupancy or intended occupancy.

MO

DAY

YEAR

**PART 1. TRANSFER INFORMATION**

*Please complete all statements.*

This section contains possible exclusions from reassessment for certain types of transfers.

YES NO

- ☐ ☐ A. This transfer is solely between spouses (*addition or removal of a spouse, death of a spouse, divorce settlement, etc.*).
- ☐ ☐ B. This transfer is solely between domestic partners currently registered with the California Secretary of State (*addition or removal of a partner, death of a partner, termination settlement, etc.*).
- ☐ ☐ \*C. This is a transfer: ☐ between parent(s) and child(ren) ☐ from grandparent(s) to grandchild(ren).
- ☐ ☐ \*D. This transfer is the result of a cotenant's death. Date of death \_\_\_\_\_
- ☐ ☐ \*E. This transaction is to replace a principal residence by a person 55 years of age or older.  
Within the same county? ☐ YES ☐ NO
- ☐ ☐ \*F. This transaction is to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code section 69.5. Within the same county? ☐ YES ☐ NO
- ☐ ☐ G. This transaction is only a correction of the name(s) of the person(s) holding title to the property (*e.g., a name change upon marriage*).  
If YES, please explain: \_\_\_\_\_
- ☐ ☐ H. The recorded document creates, terminates, or reconveys a lender's interest in the property.
- ☐ ☐ I. This transaction is recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (*e.g., cosigner*). If YES, please explain: \_\_\_\_\_
- ☐ ☐ J. The recorded document substitutes a trustee of a trust, mortgage, or other similar document.
- K. This is a transfer of property:
- ☐ ☐ 1. to/from a revocable trust that may be revoked by the transferor and is for the benefit of  
☐ the transferor, and/or ☐ the transferor's spouse ☐ registered domestic partner.
- ☐ ☐ 2. to/from a trust that may be revoked by the creator/grantor/trustor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the creator/grantor/trustor dies.
- ☒ ☐ 3. to/from an irrevocable trust for the benefit of the  
☒ creator/grantor/trustor and/or ☐ grantor's/trustor's spouse ☐ grantor's/trustor's registered domestic partner.
- ☐ ☐ L. This property is subject to a lease with a remaining lease term of 35 years or more including written options.
- ☐ ☐ M. This is a transfer between parties in which proportional interests of the transferor(s) and transferee(s) in each and every parcel being transferred remain exactly the same after the transfer.
- ☐ ☐ N. This is a transfer subject to subsidized low-income housing requirements with governmentally imposed restrictions.
- ☐ ☐ \*O. This transfer is to the first purchaser of a new building containing an active solar energy system.

\* Please refer to the instructions for Part 1.

**Please provide any other information that will help the Assessor understand the nature of the transfer.**

**THIS DOCUMENT IS NOT SUBJECT TO PUBLIC INSPECTION**

**PART 2. OTHER TRANSFER INFORMATION***Check and complete as applicable.*

A. Date of transfer, if other than recording date: \_\_\_\_\_

B. Type of transfer:

☐ Purchase ☐ Foreclosure ☐ Gift ☐ Trade or exchange ☐ Merger, stock, or partnership acquisition (Form BOE-100-B)☐ Contract of sale. Date of contract: \_\_\_\_\_ ☐ Inheritance. Date of death: \_\_\_\_\_☐ Sale/leaseback ☐ Creation of a lease ☐ Assignment of a lease ☐ Termination of a lease. Date lease began: \_\_\_\_\_

Original term in years (including written options): \_\_\_\_\_ Remaining term in years (including written options): \_\_\_\_\_

☐ Other. Please explain: \_\_\_\_\_C. Only a partial interest in the property was transferred. ☐ YES ☐ NO If YES, indicate the percentage transferred: \_\_\_\_\_ %**PART 3. PURCHASE PRICE AND TERMS OF SALE***Check and complete as applicable.*

A. Total purchase price

\$ \_\_\_\_\_

B. Cash down payment or value of trade or exchange excluding closing costs

Amount \$ \_\_\_\_\_

C. First deed of trust @ \_\_\_\_\_ % interest for \_\_\_\_\_ years. Monthly payment \$ \_\_\_\_\_

Amount \$ \_\_\_\_\_

☐ FHA (\_\_\_\_ Discount Points) ☐ Cal-Vet ☐ VA (\_\_\_\_ Discount Points) ☐ Fixed rate ☐ Variable rate☐ Bank/Savings & Loan/Credit Union ☐ Loan carried by seller☐ Balloon payment \$ \_\_\_\_\_ Due date: \_\_\_\_\_

D. Second deed of trust @ \_\_\_\_\_ % interest for \_\_\_\_\_ years. Monthly payment \$ \_\_\_\_\_

Amount \$ \_\_\_\_\_

☐ Fixed rate ☐ Variable rate ☐ Bank/Savings & Loan/Credit Union ☐ Loan carried by seller☐ Balloon payment \$ \_\_\_\_\_ Due date: \_\_\_\_\_E. Was an Improvement Bond or other public financing assumed by the buyer? ☐ YES ☐ NO Outstanding balance \$ \_\_\_\_\_

F. Amount, if any, of real estate commission fees paid by the buyer which are not included in the purchase price \$ \_\_\_\_\_

G. The property was purchased: ☐ Through real estate broker. Broker name: \_\_\_\_\_ Phone number: (\_\_\_\_) \_\_\_\_\_☐ Direct from seller ☐ From a family member-Relationship \_\_\_\_\_☐ Other. Please explain: \_\_\_\_\_

H. Please explain any special terms, seller concessions, broker/agent fees waived, financing, and any other information (e.g., buyer assumed the existing loan balance) that would assist the Assessor in the valuation of your property.

**PART 4. PROPERTY INFORMATION***Check and complete as applicable.*

A. Type of property transferred

☐ Single-family residence☐ Co-op/Own-your-own☐ Manufactured home☐ Multiple-family residence. Number of units: \_\_\_\_\_☐ Condominium☐ Unimproved lot☐ Other. Description: (i.e., timber, mineral, water rights, etc.) \_\_\_\_\_☐ Timeshare☐ Commercial/IndustrialB. ☐ YES ☐ NO Personal/business property, or incentives, provided by seller to buyer are included in the purchase price. Examples of personal property are furniture, farm equipment, machinery, etc. Examples of incentives are club memberships, etc. Attach list if available.

If YES, enter the value of the personal/business property: \$ \_\_\_\_\_ Incentives \$ \_\_\_\_\_

C. ☐ YES ☐ NO A manufactured home is included in the purchase price.

If YES, enter the value attributed to the manufactured home: \$ \_\_\_\_\_

☐ YES ☐ NO The manufactured home is subject to local property tax. If NO, enter decal number: \_\_\_\_\_D. ☐ YES ☐ NO The property produces rental or other income.If YES, the income is from: ☐ Lease/rent ☐ Contract ☐ Mineral rights ☐ Other: \_\_\_\_\_E. The condition of the property at the time of sale was: ☐ Good ☐ Average ☐ Fair ☐ Poor

Please describe: \_\_\_\_\_

**CERTIFICATION***I certify (or declare) that the foregoing and all information hereon, including any accompanying statements or documents, is true and correct to the best of my knowledge and belief.*

SIGNATURE OF BUYER/TRANSFeree OR CORPORATE OFFICER

DATE

TELEPHONE

( 831 ) 641-9019

NAME OF BUYER/TRANSFeree/LEGAL REPRESENTATIVE/CORPORATE OFFICER (PLEASE PRINT)

TITLE

EMAIL ADDRESS

James Ray Valentine CFMC, Dan Baldwin

CEO

The Assessor's office may contact you for additional information regarding this transaction.

## THE JAMES RAY VALENTINE CHARITABLE REMAINDER ANNUITY TRUST

This Agreement is made between JAMES RAY VALENTINE (referred to herein as the "Settlor") and the COMMUNITY FOUNDATION FOR MONTEREY COUNTY (CFMC), as Trustee, on this 16<sup>th</sup> day of May, 2016.

### ARTICLE ONE Creation of Trust

A. Transfer to Trust. The Settlor hereby transfers and delivers to the Trustee, without consideration, the property described in Schedule A attached to this trust, and incorporated herein by this reference. All property subject to this trust from time to time is referred to as the trust estate and shall be held, administered, and distributed according to this agreement. The Trustee accepts the property and agrees to hold, manage, and distribute the property under the terms set forth in this trust instrument.

B. Purpose of Trust. The Settlor desires to establish a charitable remainder annuity trust within the meaning of Section 664(d)(1) of the Internal Revenue Code of 1986 (hereinafter referred to as the "Code") and all terms and provisions of this trust shall be construed consistent with such intent.

C. Name of Trust. This trust may be referred to as the JAMES RAY VALENTINE CHARITABLE REMAINDER ANNUITY TRUST.

D. Irrevocability of Trust. This trust is irrevocable and may not be altered or amended in any respect except as specifically authorized by this instrument and may not be terminated except through distributions permitted by this instrument.

E. Additional Contributions Prohibited. No additional contributions shall be made to the trust after the initial contribution.

### ARTICLE TWO Payments Annuity Trust Payments During One Life

A. Payment of Annuity Amount. In each taxable year of the trust during the annuity period, the Trustee shall pay to JAMES RAY VALENTINE (hereinafter "the Recipient") an annuity amount equal to five percent (5%) of the initial net fair market value of all property transferred to the trust, valued as of the above date (that is, the date of the transfer). The first day of the annuity period shall be the date the property is transferred to the trust and the last day of the annuity period shall be the date of the Recipient's death.

The annuity amount shall be paid in each taxable year in quarterly installments from income, and to the extent income is not sufficient, from principal. Any

income of the trust for a taxable year in excess of the annuity amount shall be added to principal.

The annuity amount shall be paid at the end of each payment period.

**B. Correction for Overpayments/Underpayments.** If the initial net fair market value of the trust assets is incorrectly determined, then within a reasonable period after the value is finally determined for federal tax purposes, the Trustee shall pay to the Recipient (in the case of an undervaluation) or receive from the Recipient (in the case of an overvaluation) an amount equal to the difference between the annuity amount(s) properly payable and the annuity amount(s) actually paid.

**C. Proration of Annuity Amount.** The Trustee shall prorate the annuity amount on a daily basis for any short taxable year.

In the taxable year of the trust during which the annuity period ends, the obligation of the Trustee to pay the annuity amount shall terminate with the regular installment next preceding the death of the Recipient.

### **ARTICLE THREE**

#### **Distribution to Charity**

**A. Distribution to Charity.** At the termination of the annuity period, the Trustee shall distribute all of the then remaining principal and income of the trust (other than any amount due the Recipient or the Recipient's estate under the provisions above) to the COMMUNITY FOUNDATION FOR MONTEREY COUNTY (hereinafter "the Charitable Organization"). The COMMUNITY FOUNDATION FOR MONTEREY COUNTY shall add said distributed funds to the "DR. JAMES VALENTINE ENDOWED DESIGNATED FUND," to be held, administered and distributed as a part of said Fund and according to the instructions provided by the Donor during his lifetime, subject to the governing provisions of the COMMUNITY FOUNDATION FOR MONTEREY COUNTY.

The above notwithstanding, as to seventy-five percent (75%) of the Trust Estate remaining at the termination of the annuity period, JAMES RAY VALENTINE reserves the right to designate, at any time and from time to time, in lieu of the Charitable Organization identified above, one or more organizations described in IRC §§170(b)(1)(A), 170(c), 2055(a), and 2522(a) as the charitable remainderman (as to said percentage) and shall make any such designation by giving written notice to the Trustee. JAMES RAY VALENTINE has irrevocably designated a minimum of a twenty-five percent (25%) interest to the above named Charitable Organization.

If the Charitable Organization is not an organization described in IRC §§170(b)(1)(A), 170(c), 2055(a), and 2522(a) at the time when any principal or income of the trust is to be distributed to it, then the Trustee shall distribute the

then principal and income to one or more organizations described in IRC §§170(b)(1)(A), 170(c), 2055(a), and 2522(a) as the Trustee shall select, and in the proportions as the Trustee shall decide, in the Trustee's sole discretion.

#### **ARTICLE FOUR**

##### **Limited Power To Amend**

The Settlor intends that this trust shall qualify as a charitable remainder annuity trust under Internal Revenue Code §664 and all clauses of this instrument shall be interpreted according to this intention. The Trustee shall have the power to amend the terms of this instrument in writing without application to any court to the extent permitted by the Internal Revenue Code and applicable Treasury Regulations to qualify and continue to qualify the trust as a charitable remainder annuity trust under Internal Revenue Code §664.

#### **ARTICLE FIVE**

##### **Office of Trustee**

A. Nomination of Successor Trustees. If at any time the initial named Trustee fails to qualify or ceases to serve as Trustee, or is removed by the Settlor as provided herein below, the Settlor, if he is able, or if he is not, the COMMUNITY FOUNDATION FOR MONTEREY COUNTY (through its Executive Directive, or Board of Directors) shall designate a successor Trustee(s) to act with respect to said Trust, under such terms and conditions as specified by said Trustee, and revoke or change such designations, by a signed and dated written document. The foregoing notwithstanding, any such nominated successor Trustee must be a professional fiduciary, as defined under California Business and Professions Code §6500, et seq, and/or a corporate Trustee, or any combination thereof.

B. Resignation of Trustee. Any Trustee may resign at any time on sixty (60) days written notice to the Settlor. The Trustee shall continue to act until a successor Trustee accepts the Trusteeship.

C. Removal of Trustee. The Settlor may remove any Trustee at any time on thirty (30) days written notice. On such removal, a successor Trustee shall be appointed under the provisions in paragraphs A and D of this article.

D. Appointment of Successor Trustee. If at any time no Trustee is acting, and neither the Settlor nor the COMMUNITY FOUNDATION FOR MONTEREY COUNTY has selected a Trustee, a successor Trustee shall be appointed by a court of competent jurisdiction.

E. Waiver of Trustee Bond. No bond shall be required of any person named in this instrument as Trustee, or of any person appointed as Trustee in the manner specified in this trust, for the faithful performance of his or her duties as Trustee.

F. Compensation of Trustee. The Trustee shall be entitled to reasonable compensation from time to time for services rendered to the trust and to reimbursement for expenses of the trust that the Trustee has paid, both without prior court order.

G. Corporate Trustee. Reference in this instrument to the Trustee shall include any corporation or association that may become a successor Trustee or any successor corporation that may succeed to a corporate Trustee's business.

H. Non-liability of Successor Trustee. All rights, powers, authority, immunity and discretion herein granted or conferred on the original Trustee shall survive to and may be exercised or applied in the same manner and to the same extent by or for any successor or substitute that may at any time be acting hereunder. No successor Trustee shall be liable for any act, omission, or default of a predecessor Trustee. The successor Trustee may accept the accounting records of the predecessor Trustee showing assets on hand without further investigation and without incurring any liability to any person claiming or having an interest in the trust.

## **ARTICLE SIX**

### **Trustee Prohibitions**

A. Prohibited Transactions. Except for the payment of the annuity amount to JAMES RAY VALENTINE, the Trustee is prohibited from engaging in any act of self-dealing as defined in Internal Revenue Code §4941(d), as modified by IRC §4947(a)(2)(A), from retaining any excess business holdings as defined in Internal Revenue Code §4943(c) that would subject the trust to tax under Internal Revenue Code §4943, from making any investments that would be subject to tax under Internal Revenue Code §4944 of the Code, and from making any taxable expenditures as defined in Internal Revenue Code §4945(d), as modified by IRC §4947(a)(2)(A). The Trustee shall make distributions at such time and in such manner so as not to subject the trust to tax under Internal Revenue Code §4942.

B. No Investment Restriction on Trustee. Nothing in this trust instrument shall be construed to restrict the Trustee from investing the trust assets in a manner that could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of trust assets.

C. Payment of Estate and Gift Taxes. No gift, legacy, succession, inheritance, estate taxes, or generation-skipping transfer taxes that may be assessed against the property of the trust created by this instrument by reason of Settlor's transfer to the trust or the Settlor's death shall be paid out of any property held in this trust. The Settlor agrees on behalf of himself, his heirs, legal representatives, successors and assigns, to provide for payments of any such taxes from sources other than property held by this trust and to indemnify and hold harmless the Trustee from any and all liability for such taxes. The Settlor agrees that the

Trustee shall not be liable for any federal or state death taxes or generation-skipping transfer taxes payable. The Settlor imposes an obligation on his estate to pay all such taxes, and the Settlor agrees to provide for the payment of all such taxes from sources other than the trust estate.

D. No Other Non-charitable Payments. No amount other than the annuity amount described in Article Two of this instrument or an amount transferred for full and adequate consideration may be paid to or for the use of any person other than an organization described in Internal Revenue Code §§170(b)(1)(A), 170(c), 2055(a), and 2522(a).

## **ARTICLE SEVEN**

### **Trustee Powers**

The Trustee is authorized to exercise the following powers for purposes of discharging the Trustee duties imposed by this document and by law:

1. Each power enumerated in California Probate Code §§16047, 16052, 16200, 16220–16249, and any successor statutes as amended from time to time.
2. The power to make or decline to make any tax election affecting the trust or its beneficiaries.
3. The power, exercisable in its sole and absolute discretion, to allocate receipts and disbursements between income and principal without regard to the fact that the Trustee is also a remainder beneficiary, at least in part, hereunder, to the extent that such a power does not jeopardize the qualification of this Trust as a charitable remainder annuity trust within the meaning of Section 664(d)(1) of the Internal Revenue Code of 1986.
4. The power to determine the market value of any investment of any trust for any purpose on the basis of such quotation, evidence, data, or information, as the Trustee may deem pertinent and reliable; to make any division or distribution prorata or nonprorata, in undivided interests or in kind or partly in money and partly in kind on partial or final distribution.
5. All other provisions notwithstanding, the Trustee's powers and discretions shall not include any power or discretion that is in conflict with Internal Revenue Code §664 and the regulations thereunder or any specific provision of this instrument.

## **ARTICLE EIGHT**

### **Miscellaneous**

A. Calendar Year. The taxable year of the trust shall be the calendar year.

B. Governing Law. The operation of the trust shall be governed by the laws of the State of California. The Trustee is prohibited, however, from exercising any

power or discretion granted under those laws that would be inconsistent with the qualification of the trust under Internal Revenue Code §664 and the corresponding regulations.

**CERTIFICATION OF SETTLOR**

I, JAMES RAY VALENTINE, certify that:

1. I am the person named as Settlor in the foregoing Trust Agreement.
2. I have read the foregoing Trust Agreement and it correctly sets forth the terms and conditions under which the Trustee named in it is to hold, administer, and distribute the Trust Estate described therein;
3. I confirm, ratify, and approve such Trust Agreement and request the Trustee to execute it.

EXECUTED on this 16<sup>TH</sup> day of MAY, 2016, at MONTEREY, California.

  
JAMES RAY VALENTINE

**ACCEPTANCE BY TRUSTEE**

In consideration of the foregoing, the Trustee accepts the trust thus committed to it and agrees to act in accordance with the terms stated above.

\_\_\_\_\_  
COMMUNITY FOUNDATION FOR  
MONTEREY COUNTY, by DANIEL R.  
BALDWIN, PRESIDENT/CEO

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )

) ss.

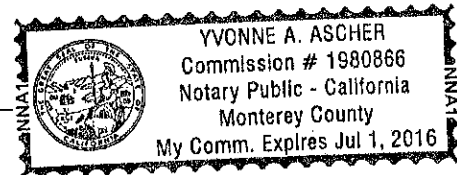
COUNTY OF MONTEREY )

On May 16, 2016 before me, Yvonne A. Ascher, Notary Public, personally appeared JAMES RAY VALENTINE, who provided to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public



## **SCHEDULE A**

### **ATTACHMENT TO JAMES RAY VALENTINE CHARITABLE REMAINDER ANNUITY TRUST**

1. A One Hundred percent (100%) interest in the commercial real property located at 1620 N. Tustin Avenue, Orange, Orange County, California, and more particularly described on Exhibit "A-1" attached hereto. APN: 375-432-38



## **Executive Committee Minutes July 26, 2016**

**Present:** Greg Chilton, Gail Delorey, Patti Hiramoto, Steve McGowan, Ken Petersen, and Ken Wright

**Absent:** Rick Kennifer

**Staff:** Dan Baldwin, Laurel Lee Alexander, Christine Dawson, Diane Nonella and Julie Conrad

The meeting of the Executive Committee was called to order by Greg Chilton at 3:35 PM on July 26, 2016 in the Salinas CFMC Office.

### **Minutes**

**Motion: to approve the minutes of May 24, 2016 and the Special Meeting of July 12, as written. Gail Delorey/Ken Petersen second. Motion carried unanimously.**

### **Report of the Chair – Greg Chilton**

Greg Chilton reported on the Celebration of Philanthropy, October 20, 2016 to be held at the Corral de Tierra County Club. The Distinguished Trustee has been confirmed as William (Bill) and Susanne Tyler. Bill will represent the couple at the award ceremony.

### **Treasurer's Report – Gail Delorey**

Gail Delorey reviewed the June 2016 financial statement.

**Motion: to approve the June 2016 financial statement.**

**Gail Delorey / Ken Wright second. Motion carried unanimously**

### **Grants and Programs Committee – Patti Hiramoto**

Patti Hiramoto reported there were no agenda items for this meeting.

### **Investment Committee - Ken Petersen**

Ken Petersen reported there is an August 8, 2016 Investment Committee meeting and the committee will vote on the addition of a Socially Responsible Investment Fund to the portfolio.

Dan noted the challenges in the stock market for the 4<sup>th</sup> Quarter 2015 and 1st Quarter 2016 produced fund fees lower than expected. As we enter the 3rd Quarter the fund balances are higher and the rest of 2016 is more positive.

### **Resource Development Committee - Steve McGowan**

Steve McGowan reviewed the June 2016 Resource Development Summary.

Steve reported there is a CFMC Professional Advisors Counsel luncheon at the Monterey office, July 27, 2016. The Philanthropic Services team will present information on the benefits of Private Foundation Services offered at the CFMC.

### **Governance Committee – Dan Baldwin for Rick Kennifer**

The committee will begin to identify candidates to invite to join the 2017 board. Dan Baldwin will send a request for recommendations to the board.

### **New Funds**

Dan Baldwin reported the following new funds were established and approved:

- James Ray Valentine CRAT

Dan described the property donated to the Valentine CRAT and the positive results of the Phase 1 environmental study. The tenants have made recent improvements to the building and a realtor is preparing to list it on the market. The donor, Jim Valentine, has reimbursed the CFMC for all the costs of the Phase 1 environmental study. Mr. Valentine also opened a separate donor advised fund for \$500,000.

Other new funds:

- Pagnillo Family Fund
- North County Affiliate Fund

The Community Foundation Opportunity Fund has approved three grants:

- \$10,000 to the CFMC Soberanes Fire Fund (SFF)
- \$5,000 to the Southern Monterey County Foundation (SMCF)
- \$5,000 to the North Monterey County Affiliate Fund (NOCO)

### **President/CEO Report**

#### **Private Foundation Services**

Dan explained the Private Foundation Services that are available to donor advisors. CFMC's Philanthropic Services Department has customizable resources that can reduce much of the administrative expense of operating a private foundation, while keeping the brand of the donor.

#### **King Foundation Update**

Dan reported on the current status of the petition being filed in regard to the Dan and Lillian King Foundation. Attorney Chris Campbell has drafted a petition that will be filed July 28, 2016 with the Monterey County court. The petition will ask to clarify Lillian King's intent, as to whether the CFMC is a successor trustee to the King Foundation. The petition also asks the court to require the King Foundation to confirm their internal affairs documents and 990 filing are up to date and accurate.

#### **2016 Pres/CEO goals progress report**

Dan summarized the mid-year progress of his 2016 goals.

#### **Tom Forbath Promissory Note**

Dan reviewed the Tom Forbath Promissory Note established December 15, 2006, between William T. Kiepora and Thomas Forbath for the First National Bank (FNB) Building (also known as the Timmerman Building), a historic high-rise in Andalusia, Alabama. The original note was for \$217,000. The principle balance due 6/30/2016 was \$181,000. Mr. Forbath owes \$8000 on the note for 2016.

Mr. Forbath is seeking to sell the historic FNB building to the city of Andalusia, Alabama and is requesting CFMC to lower the note principle balance from \$181,000 to \$125,000.

The committee discussed various options should the property sell for more than anticipated, but did not reach a decision. Dan Baldwin recommends CFMC lower the note balance to \$125,000. The Executive Committee agreed that Greg Chilton and Dan Baldwin continue working on a solution for the promissory note balance in the best interest of the CFMC.

**Motion: to lower the balance of the promissory note balance between William T. Kiepura Fund and Thomas Forbath for the First National Bank Building to \$125,000, and authorize Greg Chilton and Dan Baldwin to negotiate details that would allow the CFMC to capture additional amounts, should the property sell for more than is anticipated.**

**Ken Petersen / Gail Delorey second. Motion carried unanimously.**

Having no further business, the meeting was adjourned by Greg Chilton at 5:45 and the committee went immediately in to an Executive Session.

**Next Executive Committee Meeting is:**

- **Tuesday, September 27, 2016 in the Monterey office**

Minutes prepared by:

---

Julie Conrad, Administrative Services Manager

Approved by:

---

Ken Wright, Secretary of the Board of Directors



**Finance Committee Minutes  
June 28, 2016**

**Present:** Gail Delorey, Committee Chair, Teri Belli, Greg Chilton, Stephen Dart and Ken Wright

**Staff:** Dan Baldwin, Phil Carey and Diane Nonella

The meeting of the Finance Committee of the Community Foundation for Monterey County was called to order by Gail Delorey at 2:05PM on June 28, 2016.

Gail Delorey welcomed Teri Belli to the committee.

**Minutes**

On a motion by Greg Chilton, seconded by Ken Wright, the minutes of the April 26, 2016 meeting were accepted as written.

**Financial Statement Review**

Gail Delorey reviewed the complete financial statement for April 2016.

On a motion by Ken Wright, seconded by Greg Chilton, the committee approved the April 2016 financial statement.

Gail then reviewed the complete financial statement for May 2016.

On a motion by Greg Chilton, seconded by Ken Wright, the committee approved the May 2016 financial statement.

**Operating Reserve recommendations for Board Action Item**

Dan Baldwin reviewed the Operating Reserve Policy changes, and the recommendation to establish an operating reserve stewardship fund.

The committee fully discussed the recommendations.

On a motion by Greg Chilton, seconded by Ken Wright, the committee approved recommending increasing the operating reserve to \$500,000.

On a motion by Greg Chilton, seconded by Ken Wright, the committee approved recommending establishing an operating reserve stewardship fund.

On a motion by Greg Chilton, seconded by Ken Wright, the committee approved recommending the operating cash on hand policy be reduced to 3-6 months of the current year's operating budget.

**Information Items**

Diane Nonella informed the committee earthquake insurance has been purchased for the Monterey office. The policy coverage includes a 5% deductible, per occurrence.

Having no further business, the meeting was adjourned at 2:56PM.

**Minutes prepared by:**

**Approved by:**

---

Diane R. Nonella  
Director of Finance and HR

---

Gail Delorey  
Finance Committee Chair



**Investment Committee Minutes  
August 8, 2016**

**Present:** Ken Petersen, Committee Chair, David Benjamin, Craig Johnson, Rick Kennifer, Steve McGowan and Bill Sharpe

**Absent:** Greg Chilton, Stephen Dart, Bill Doolittle and Gail Delorey

**Staff:** Dan Baldwin and Diane Nonella

**Also Attending:** Anne Westreich, Verus and Damon Whelchel, Kaspick & Company

The meeting of the Investment Committee of the Community Foundation for Monterey County was called to order by Ken Petersen at 3:06PM on August 8, 2016.

**Kaspick & Company Annual Review**

Damon Whelchel, Senior Director, Investment Management, for Kaspick & Company, reviewed the Kaspick report for the period ending June 30, 2016, and the holdings in the CRT and CGA portfolios managed by Kaspick.

**Minutes**

On a motion by Steve McGowan, seconded by Rick Kennifer, the minutes of the May 9, 2016 meeting were accepted as written.

**Verus**

Anne reviewed the second quarter 2016 results. The market value of the portfolio at 6/30/2016 was \$151,055,916. The YTD returns were 3.3% compared to the policy benchmark of 4.6%.

Anne next reviewed the benchmark performance comparison. The committee discussed the presentation and asked Anne to provide report examples. Anne will include the reports in the November meeting report.

**Environmental, Social & Governance (ESG) IPS Addendum recommendation for Board Action Item**

On a motion by Rick Kennifer, seconded by Steve McGowan, the committee approved submitting the ESG IPS Addendum to the board for approval.

**ESG Portfolio Asset Allocation and Manager recommendation for Board Action Item**

Anne reviewed asset allocation and manager recommendations for the ESG portfolio. The committee discussed the recommendations. At the conclusion of their discussion, on a motion by Bill Sharpe, seconded by Steve McGowan, the committee approved recommending the asset allocation and manager recommendations to the board for approval.

**Verus Consulting Fee recommendation for Board Action Item**

Anne submitted a request for an increase in consulting fees. The current fee is \$101,000 per year, and has not been increased since the relationship began in 2012. At inception, the fee was .10% of the portfolio value; the fee is currently .067% of the portfolio value.

Based on the current value of the portfolio, the annual fee would be \$147,980. Anne has submitted a discounted fee of \$129,000 per year, beginning September 1, 2016 for a three-year period, which is .085% of the current portfolio value. The fee is paid by the funds in the investment pool.

The committee discussed the fee increase, and on a motion by Steve McGowan, seconded by Bill Sharpe, the committee approved recommending the fee increase to the board for approval.

**Remaining 2016 meeting dates:**

Monday, November 14, 2016, **3:00 - 5:30PM**

Having no further business, the meeting was adjourned by Ken Petersen at 5:04PM.

**Minutes prepared by:**

---

Diane R. Nonella, Director of Finance and HR

**Approved by:**

---

Ken Petersen, Investment Committee Chair

CFMC Investment Committee  
Amendment to Investment Policy Statement Approved April 24, 2012  
Environmental, Social and Governance Investment Pool  
August 2016

The Investment Policy Statement (IPS) approved by the Board of Directors (the Board) of the Community Foundation for Monterey County (the Foundation) on April 24, 2012 states in Section IV, Investment Objectives: “The achievement of investment objectives will be viewed in a long-term context, recognizing that rates of return may be volatile on a year-by-year basis and that achievement of the investment objectives will not progress uniformly over time.”

The Investment Committee has recognized that some donors seek both long term growth and positive social or environmental impact in a diversified investment portfolio. The Environmental, Social and Governance Investment Pool is intended to accommodate those donors by establishing a portfolio separate from the Endowment Fund.

This Amendment to the IPS establishes the Environmental, Social and Governance Investment Pool and amends the IPS only as set forth herein. The Environmental, Social and Governance Investment Pool shall be managed in a manner consistent with the IPS and in conformance with the Uniform Management of Institutional Funds Act (UPMIFA).

The Environmental, Social and Governance Investment Pool will emphasize Socially Responsible Investing (SRI) and be considerate of the standards of Environmental, Social and Governance (ESG) criteria.

**Environmental, Social and Governance Investment Pool Performance Objectives** – The objective of the portfolio is to earn a favorable long-term total return that reflects the investment performance of the underlying asset allocation while giving special consideration to certain social criteria.

**Environmental, Social and Governance Investment Pool Asset Allocation** – The assets shall be invested in diversified asset segments, the performance of which shall be measured against the indices specified in the IPS with an understanding that the social criteria may impact performance relative to more broadly based segments.

The Environmental, Social and Governance Investment Pool’s assets will be invested in equities and fixed income investments as set forth in the Target Asset Allocation section on page 2 herein. The blended allocation has historic performance characteristics that are in line with portfolios with long-term objectives. This pool will have a risk of loss.

The asset allocation of the portfolio shall be reviewed at least quarterly to insure that the target allocation is in compliance with the following guidelines.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Minimum</u>	<u>Maximum</u>
<b><u>Equity</u></b>	<b>60%</b>	<b>50%</b>	<b>70%</b>
Large Cap Domestic Equity		20%	40%
Small/MidCap Equity		0%	15%
International Equity – Dev.		15%	35%
Emerging Markets		0%	5%
<b><u>Fixed Income</u></b>	<b>40%</b>	<b>30%</b>	<b>50%</b>
Core/ Core Plus Fixed Income		25%	45%
TIPS		0%	10%
High Yield Fixed Income		0%	10%
Short Term Fixed Income		0%	10%
Global Fixed Income		0%	10%
Emerging Market Debt		0%	0%
<b><u>Alternative Asset Classes</u></b>	<b>0%</b>	<b>0%</b>	<b>10%</b>
REITS		0%	10%
Liquid Alternatives		0%	10%
<b><u>Cash Equivalents</u></b>	<b>0%</b>	<b>0%</b>	<b>10%</b>
	<b>100%</b>		

Rapid and significant market movements may cause the Environmental, Social and Governance Investment Pool's actual asset mix to fall outside the policy range.

#### ***ADOPTION OF AMENDMENT TO INVESTMENT POLICY STATEMENT***

*The Community Foundation for Monterey County has reviewed, approved and adopted this Amendment to the Investment Policy Statement.*

*Signature* \_\_\_\_\_ *Date* \_\_\_\_\_



**Community Foundation**  
for Monterey County  
Resource Development Summary  
July-16

Current Activity Report Number of Meetings/Contacts July 2016								
Month	Professional Advisor	Prospects	Current Fund Holders	Presentations		Events		Newsletters Crescendo eBlasts
January	4	11	6	1	*See below	11	*See below	4
February	7	20	11	3	*See below	5	*See below	6
March	8	29	7	1	*See below	4	*See below	6
April	7	15	4	4	See below	11	*See below	6
May	3	12	5	0		6	*See below	6
June	9	15	9	3	*See below	6	*See below	6
July	6	16	4	5	*See below	4	*See below	6
August								
September								
October								
November								
December								
<b>Total Activity</b>	<b>44</b>	<b>118</b>	<b>46</b>	<b>17</b>		<b>47</b>		<b>40</b>
<b>January Events:</b> Rotary Reception, Staff Retreat, Arts Council: Champion of the Arts, NCPG San Francisco, Monterey Bay Business Hall of Fame, Roe V Wade, IMPOWER Luncheon, Noteware, Bright Futures Core Conveners, SMFC meeting-King City, CHISPA Annual Celebration, AFP Board Meeting, Palma High School								
<b>February Events:</b> Carmel Realty/ AT&T Pro Am event, Successful Thinkers, Chinatown Strategies Convening, VNA Investment Committee, Cal GRIP, CHOMP Luncheon, McGives Check Ceremony, Salinas Valley Chamber Awards								
<b>March Events:</b> CFMC Legacy Luncheon, Real Cost/ Packard Foundation, Chinatown Strategies Convening, Jazz Festival, AFP Board Meeting								
<b>April Events:</b> Disaster Resiliency Summit, Natividad Hero's Award, College Futures Foundation Convening, MPC dedication, Bright Futures Leadership Forum, MBEP Regional Economic Summit, Chip Hooper Memorial, Panetta Institute, Chinatown Convening, Ciao Cioppino Dinner, AFP, Church of the Forest Board, Donor Education Event								
<b>May Events:</b> Women's Fund Luncheon, Panetta Institute, AFP Board, North County Affiliate Fund Dinner, Community Homeless Solutions Event								
<b>June Events:</b> Merienda BBQ, CFMC Past Chairs Lunch, Funders Lunch, NGP Awards Ceremony, CPE Forum, Sigma Chi, AFP Summer Summit, United Way								
<b>*On-going: Salinas &amp; Monterey Rotary Clubs</b>								
<b>July Events:</b> Carmel Rotary, Legal Services for Seniors, North County Fund, CFMC Professional Advisors, Salinas Rotary BBQ, Women's Fund Convening, Carmel Bach Festival, AFP Board Meeting								

Planned Gifts		
New Legacy Society Members for the Month:		0
Expectancy Additions Year to Date:		\$8,845,000
Legacy Society Members to Date:		201
Total Expectancies to Date:		\$175,262,316
New Funds Created 2016		
Type of Fund	Number of Funds	Establishing Gift
<b>Affiliate Fund</b>		
North Monterey County Fund	1	\$ -
<b>Donor Advised</b>		
Bright Futures Fund	1	\$ 20,000.00
Chip Hooper Foundation	1	\$ 100.00
Barbara Paul and Tom Lafaille Fund	1	\$ 100,000.00
Lehman Family Fund	1	\$ 24,405.00
Pagnillo Family Fund	1	\$ -
Nicholas M. Pasculli Fund	1	\$ 1,250.00
Dr. James Valentine Fund	1	\$ 500,000.00
<b>Agency/Stewardship</b>		
Big Sur Land Trust Carmel River FREE Stewardship Fund	1	\$ 50,000.00
CHISPA Stewardship Fund		\$ 100,000.00
Friends of Laguna Seca Capital Campaign	1	\$ 50,000.00
Gathering for Women Capital Campaign Fund	1	
Salinas Valley Memorial Hospital Foundation Stewardship Fund	1	\$ 1,000,000.00
<b>Scholarship</b>		
Bonnie Hutcheon Scholarship Fund	1	\$ 5,789.52
CHISPA Scholarship Fund	1	\$ 10,000.00
Church Brothers-True Leaf Farms Scholarship Fund	1	\$ 100,000.00
College Futures Foundation Fund	1	\$ -
GHGH Scholarship Fund	1	
Hugo and Dolores Tottino Family Scholarship Fund	1	\$ 98,128.80
Jack Van Zander Cal Alumni Memorial Scholarship Fund	1	
<b>General Endowment</b>	1	
Evelyn Torres Fund	1	\$ 395,128.43
<b>Field of Interest</b>		
Shirley I. Thackara Fund	1	\$ 115,617.46
Soberanes Fire Fund	1	\$ -
<b>Designated Fund</b>		
King City Recreation Commission Forden Park Playground Fund	1	\$ 890.00
<b>New Funds Created Total:</b>	<b>24</b>	<b>\$ 2,571,309.21</b>
Total Contributions		
Year 2016 - YTD	\$	5,465,847
August 2, 2016 Transfer	\$	4,200,000
Year 2015 - YTD	\$	8,847,245



*Here for Good*

**Community Foundation**  
for Monterey County

## **FINANCIAL STATEMENT**

**For the Six Months Ended June 30, 2016**

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY  
FINANCIAL REPORTS  
For the Six Months Ended June 30, 2016**

**TABLE OF CONTENTS**

Notes to Financial Statements

Statement of Financial Position

Statement of Activities

Comparisons of Actual to Budget - Operating Fund

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
For the Six Months Ended June 30, 2016**

**Assets**

Total Assets through 6/30/2016 are **\$181,180,369** a **1.17%** decrease since June 2015, and a **.28%** decrease since December 2015.

**Operating Fund**

Total revenue was \$123,513 less than the budget, and total expenses were \$43,235 less than the budget. The actual net operating deficit is \$64,736 compared to a budgeted surplus of \$15,543.

Note: The Expendable Operating Cash-on-Hand is at 5.3 months, excluding the operating reserve of \$500,000 and the building reserve of \$150,000.

**Gifts, Pledges, Bequests, Future Funds Greater than \$25,000, and Grants**

Total new contributions for the month were \$845,198, including \$108,129 from the Pebble Beach Company for the Del Monte Forest Conservancy Fund; \$92,000 from the College Futures Foundation to establish the College Futures Foundation Fund; \$50,000 from the Big Sur Land Trust to establish the Big Sur Land Trust Carmel River FREE Stewardship Fund; stock valued at \$124,023 from Peter and Jackie Henning for the Peter and Jackie Henning Fund; \$75,000 from the Monterey Peninsula Foundation for the Girls' Health in Girls' Hands Fund; \$66,000 from an anonymous donor for the Women's Fund Endowment; and \$50,000 each from Canepa Designs, Ross and Lauren Merrill and Jonathan Feiber for the Friends of Laguna Seca Capital Campaign Fund.

Grants to agencies for the month totaling \$357,310 were approved and recorded.

Interfund activity for the month totaled \$66,240

**Contribution/Bequest Receivables**

We recorded a contribution receivable in the amount of \$588,000, from the College Futures Foundation to be paid in 2017 and 2018, for the College Futures Foundation program.

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**CONSOLIDATED - ALL FUNDS**  
For the Six Months Ended June 30, 2016 and June 30, 2015

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL June 30, 2016</u>	<u>TOTAL June 30, 2015</u>
<b>ASSETS</b>							
<b>Cash:</b>							
Cash & Cash Equivalents	1,730,759	1,184,846	199,815	3,954,293	0	7,069,713	7,068,957
Investments - Long Term Fund Portfolio	0	0	121,557,775	28,806,268	0	150,364,043	147,545,454
Investments - Medium Term Fund Portfolio	500,000	0	0	30,280	0	530,280	0
Separately Invested Funds	0	0	0	23,736	0	23,736	71,765
<b>Total Cash &amp; Investments</b>	<b>2,230,759</b>	<b>1,184,846</b>	<b>121,757,590</b>	<b>32,814,576</b>	<b>0</b>	<b>157,987,771</b>	<b>154,686,175</b>
<b>Accounts Receivable:</b>							
Admin Fees & Misc Receivables	0	0	0	0	0	0	0
Pledges & Contributions Receivable	0	0	4,000	12,750	613,000	629,750	16,750
Note Receivable	0	0	181,413	0	0	181,413	185,672
Bequests & Remainder Interest	0	0	0	0	300,418	300,418	3,773,143
Due from OPER	0	0	1,383,005	0	0	1,383,005	1,426,549
Investment in an LLC	0	0	23,903	0	0	23,903	38,781
Charitable Remainder Trusts	0	0	0	0	18,610,974	18,610,974	21,260,564
Charitable Gift Annuities	0	0	0	0	330,003	330,003	208,373
<b>Total Accounts Receivable</b>	<b>0</b>	<b>0</b>	<b>1,592,321</b>	<b>12,750</b>	<b>19,854,395</b>	<b>21,459,466</b>	<b>26,909,832</b>
<b>Other Assets:</b>							
Prepaid Expenses	264	0	0	0	0	264	2,045
Property-Net of Depreciation	1,732,869	0	0	0	0	1,732,869	1,736,360
<b>Total Other Assets</b>	<b>1,733,132</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,733,132</b>	<b>1,738,405</b>
<b>TOTAL ASSETS</b>	<b>3,963,891</b>	<b>1,184,846</b>	<b>123,349,911</b>	<b>32,827,326</b>	<b>19,854,395</b>	<b>181,180,369</b>	<b>183,334,413</b>

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**CONSOLIDATED - ALL FUNDS**  
For the Six Months Ended June 30, 2016 and June 30, 2015

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL June 30, 2016</u>	<u>TOTAL June 30, 2015</u>
<b>LIABILITIES &amp; NET ASSETS</b>							
<b>Liabilities:</b>							
Grants Payable	0	18,953	242,600	139,100	0	400,653	868,833
Administrative Fees Payable	0	0	0	0	0	0	0
Contingent Liabilities	0	0	0	0	11,485,737	11,485,737	13,180,126
Funds held as Agency Endowments	0	0	3,892,099	0	0	3,892,099	4,141,296
Funds held as Stewardship Funds	0	0	0	12,277,600	0	12,277,600	9,680,534
Payroll, Misc. and Accts Payable	1,468,054	982	0	12,500	0	1,481,536	1,501,876
<b>Total Liabilities</b>	<b>1,468,054</b>	<b>19,935</b>	<b>4,134,699</b>	<b>12,429,200</b>	<b>11,485,737</b>	<b>29,537,625</b>	<b>29,372,665</b>
<b>Net Assets:</b>							
Net Assets-Beginning Balance	2,560,574	966,173	117,179,184	20,791,536	9,083,321	150,580,788	149,710,128
Change in Net Assets -							
Current Year	(64,737)	198,737	2,036,028	(393,410)	(714,663)	1,061,956	4,251,620
<b>Total Net Assets</b>	<b>2,495,837</b>	<b>1,164,911</b>	<b>119,215,212</b>	<b>20,398,126</b>	<b>8,368,658</b>	<b>151,642,744</b>	<b>153,961,748</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>3,963,891</b>	<b>1,184,846</b>	<b>123,349,911</b>	<b>32,827,326</b>	<b>19,854,395</b>	<b>181,180,369</b>	<b>183,334,413</b>

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF ACTIVITIES**  
**CONSOLIDATED - ALL FUNDS**  
For the Six Months Ended June 30, 2016 and June 30, 2015

	<b><u>COMBINED OPERATING</u></b>	<b><u>SPECIAL PROGRAMS</u></b>	<b><u>ENDOWMENT</u></b>	<b><u>NON ENDOWED</u></b>	<b><u>BEQUEST, CRT RECEIVABLES</u></b>	<b><u>TOTAL June 30, 2016</u></b>	<b><u>TOTAL June 30, 2015</u></b>
<b>SUPPORT AND REVENUE:</b>							
Contributions	3,835	317,000	395,740	2,789,891	588,000	4,094,467	4,859,834
Interfund Gifts	41,389	0	63,912	465,728	0	571,029	544,732
Pledge Payments Received	0	0	25,000	200,000	0	225,000	559,332
Future Contributions-A/R-Pledge-Bequests-CRT	0	0	0	0	34,740	34,740	0
Contributions Received via Bequest	28,868	0	1,283,984	0	0	1,312,852	3,660,396
In Kind Contributions	0	0	0	0	0	0	0
Change in Value, Split Interest Trusts, Future Assets	0	0	0	0	225,654	225,654	0
Gain/Loss on Sale of Property	0	0	0	0	0	0	0
Interest & Dividend Income	6,622	221	1,195,247	275,932	0	1,478,022	1,174,279
Administrative Fees	1,104,403	0	0	0	0	1,104,403	1,208,974
Fees from Special Projects	39,218	0	0	0	0	39,218	27,667
Workshop and Contract Service Income	12,141	0	0	0	0	12,141	29,101
Misc Income/Returned Grants	36,707	0	0	0	0	36,707	40,866
<b>Total Support and Revenue</b>	<b>1,273,184</b>	<b>317,221</b>	<b>2,963,883</b>	<b>3,731,552</b>	<b>848,394</b>	<b>9,134,234</b>	<b>12,105,180</b>
<b>EXPENSES:</b>							
<b>Operating Expenses and Distributions:</b>							
Salaries & Benefits	912,803	9,943	0	0	0	922,746	868,050
Administrative Costs	234,098	84,606	0	15,640	0	334,344	329,278
Occupancy Costs	93,183	0	0	0	0	93,183	91,283
Development Expenses	95,179	10,953	0	0	0	106,132	118,434
Board & Committee Expenses	2,658	0	0	0	0	2,658	1,670
In Kind Expenses	0	0	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>1,337,920</b>	<b>105,503</b>	<b>0</b>	<b>15,640</b>	<b>0</b>	<b>1,459,063</b>	<b>1,408,715</b>

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF ACTIVITIES**  
**CONSOLIDATED - ALL FUNDS**  
For the Six Months Ended June 30, 2016 and June 30, 2015

	<b><u>COMBINED OPERATING</u></b>	<b><u>SPECIAL PROGRAMS</u></b>	<b><u>ENDOWMENT</u></b>	<b><u>NON ENDOWED</u></b>	<b><u>BEQUEST, CRT RECEIVABLES</u></b>	<b><u>TOTAL June 30, 2016</u></b>	<b><u>TOTAL June 30, 2015</u></b>
<b>Grants and Grant Related Expenses:</b>							
Grants	0	12,981	1,311,318	5,032,373	0	6,356,672	4,355,310
Interfund Grants	0	0	200,229	370,800	0	571,029	544,732
Pledge Payments Paid	0	0	0	0	225,000	225,000	559,332
Bequests Payments/Transfers	0	0	0	0	1,321,866	1,321,866	460,434
Other Expenses	0	0	0	60,669	0	60,669	767
Other Payments/Transfers	0	0	983,420	(983,420)	0	0	0
Grant Related Expenses	0	0	0	0	0	0	0
Administrative Fees	0	0	873,388	214,825	16,191	1,104,403	1,208,974
Fees to Managers	0	0	66,365	15,011	0	81,376	72,077
<b>Total Grants and Grant Related Expenses</b>	<b>0</b>	<b>12,981</b>	<b>3,434,720</b>	<b>4,710,258</b>	<b>1,563,057</b>	<b>9,721,016</b>	<b>7,201,626</b>
<b>Total Expenses and Grants</b>	<b>1,337,920</b>	<b>118,484</b>	<b>3,434,720</b>	<b>4,725,898</b>	<b>1,563,057</b>	<b>11,180,079</b>	<b>8,610,341</b>
<b>Excess of Revenues (Expenses)</b>							
Before Gains on Investments & Transfers	(64,737)	198,737	(470,837)	(994,346)	(714,663)	(2,045,845)	3,494,840
<b>GAINS(LOSS) ON INVESTMENTS:</b>							
Realized-Gain (Loss)	0	0	(1,701,085)	(389,044)	0	(2,090,129)	8,500
Unrealized-Gain(Loss)	0	0	4,207,950	989,980	0	5,197,929	748,281
<b>Total Gain/(Loss) on Investments</b>	<b>0</b>	<b>0</b>	<b>2,506,865</b>	<b>600,936</b>	<b>0</b>	<b>3,107,801</b>	<b>756,781</b>
<b>Change in Net Assets</b>	<b>(64,737)</b>	<b>198,737</b>	<b>2,036,028</b>	<b>(393,410)</b>	<b>(714,663)</b>	<b>1,061,956</b>	<b>4,251,620</b>
<b>Net Assets Beginning of Year</b>	<b>2,560,574</b>	<b>966,173</b>	<b>117,179,184</b>	<b>20,791,536</b>	<b>9,083,321</b>	<b>150,580,788</b>	<b>149,710,128</b>
<b>Net Assets, End of Period</b>	<b>2,495,837</b>	<b>1,164,911</b>	<b>119,215,212</b>	<b>20,398,126</b>	<b>8,368,658</b>	<b>151,642,744</b>	<b>153,961,748</b>

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**Combined Operating Fund Budget vs. Actual**  
**For the Six Months Ended June 30, 2016 and June 30, 2015**

	Year-To-Date			YTD Actual 6/30/2015
	Actual	Budget	Variance	
<b>REVENUE</b>				
Contributions - Foundations	0	18,750	(18,750)	52,500
Contributions - Indiv/Corp	3,835	27,000	(23,165)	15,346
Contributions - Interfund	41,389	35,539	5,850	37,190
Contributions - New Pledges	0	0	0	0
Pledge Payments Received	0	0	0	0
Bequests Received	28,868	31,000	(2,132)	15,209
In Kind Contributions	0	0	0	0
Admin & Special Project Fees	1,143,622	1,232,798	(89,176)	1,236,641
Workshops/Contracts	12,141	9,810	2,331	29,101
Miscellaneous Income	36,707	35,800	907	33,990
Interest and Dividends	6,622	6,000	622	5,999
Realized Gains/(Losses)	0	0	0	0
<b>Total Revenue</b>	<b>1,273,184</b>	<b>1,396,697</b>	<b>(123,513)</b>	<b>1,425,975</b>
<b>EXPENSE</b>				
<b>Personnel</b>				
Salaries and Wages	707,071	732,898	(25,827)	650,485
Payroll Taxes	61,348	54,037	7,311	56,829
Insurance and Other Benefits	144,384	150,229	(5,845)	127,786
<b>Sub-total</b>	<b>912,803</b>	<b>937,164</b>	<b>(24,361)</b>	<b>835,100</b>
<b>Administrative</b>				
Supplies	11,845	12,125	(280)	13,755
Equip / Computer Maintenance	65,351	65,386	(35)	52,282
Bank Charges	2,302	2,100	202	1,793
Printing	3,843	5,350	(1,507)	7,183
Postage / Freight	7,400	8,738	(1,338)	5,931
Dues/Subscriptions	15,232	15,096	136	23,366
Services (legal, acct, consult)	61,343	58,810	2,533	76,740
D&O Insurance	4,358	4,500	(142)	4,010
Telecommunications	8,560	8,673	(113)	7,619
Conferences & Training	9,148	8,884	264	16,533
Miscellaneous	225	178	47	5,951
Depreciation	44,490	44,490	0	45,990
<b>Sub-total</b>	<b>234,097</b>	<b>234,330</b>	<b>(233)</b>	<b>261,154</b>
<b>Facilities</b>				
Property / Liability Insurance	11,156	8,700	2,456	8,458
Maintenance / Repairs	2,732	6,810	(4,078)	3,266
Janitorial & Landscaping	11,100	9,750	1,350	11,134
Rent	23,356	24,631	(1,275)	21,618
Mortgage, Interest & Property Taxes	27,926	27,926	0	28,770
Utilities	16,912	16,748	164	18,037
<b>Sub-total</b>	<b>93,183</b>	<b>94,565</b>	<b>(1,382)</b>	<b>91,283</b>
<b>Development, Program &amp; Staff</b>				
Donor Development	49,643	52,650	(3,007)	49,337
In Kind Expenses	0	0	0	0
Advertising & Promotion	15,937	19,569	(3,632)	4,931
Mileage, Meals & Meetings	3,978	5,982	(2,004)	3,663
Workshops	17,443	25,098	(7,655)	16,781
Annual Meetings	214	214	0	0
Annual Report	4,675	5,000	(325)	0
Staff Recognition Expenses	3,288	3,874	(586)	3,401
Board & Committee Expenses	2,658	2,708	(50)	1,670
<b>Sub-total</b>	<b>97,837</b>	<b>115,095</b>	<b>(17,258)</b>	<b>79,785</b>
<b>Total Expenses</b>	<b>1,337,920</b>	<b>1,381,154</b>	<b>(43,235)</b>	<b>1,267,321</b>
<b>Net Income / (Loss)</b>	<b>(64,736)</b>	<b>15,543</b>	<b>(80,279)</b>	<b>158,654</b>



*Here for Good*

**Community Foundation**  
for Monterey County

## **FINANCIAL STATEMENT**

**For the Seven Months Ended July 31, 2016**

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY  
FINANCIAL REPORTS  
For the Seven Months Ended July 31, 2016**

**TABLE OF CONTENTS**

Notes to Financial Statements

Statement of Financial Position

Statement of Activities

Comparisons of Actual to Budget - Operating Fund

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Seven Months Ended July 31, 2016**

**Assets**

Total Assets through 7/31/2016 are **\$184,988,737** a **.84%** increase since June 2015, and a **1.81%** increase since December 2015.

**Charitable Remainder Trusts (CRT) and Charitable Gift Annuities (CGA)**

The CRT and CGA funds have been adjusted to reflect the activity and balances per Kaspick & Company and the third party account balances as of December 31, 2015. (p. 3)

**Operating Fund**

Total revenue was \$108,783 less than the budget, and total expenses were \$70,495 less than the budget. The actual net operating deficit is \$300,730 compared to a budgeted deficit of \$38,288.

Note: The Expendable Operating Cash-on-Hand is at 4.6 months, excluding the operating reserve of \$500,000 and the building reserve of \$150,000.

**Gifts, Pledges, Bequests, Future Funds Greater than \$25,000, and Grants**

Total new contributions for the month were \$1,120,000, including \$100,000 from CHISPA to establish the CHISPA Stewardship Fund; \$59,400 from the Claire Giannini Fund for the General Endowment, to fund the Next Steps small grants program; \$500,000 from James Valentine to establish the Dr. James Valentine Fund; \$50,000 from Nancy Ausonio for the North County Affiliate Fund; and \$50,000 each from Tom W. Minnich, Ned and Carol Spieker, Landmark Development Group and the Camusi Family Foundation for the Friends of Laguna Seca Capital Campaign Fund.

Grants to agencies for the month totaling \$2,525,106 were approved and recorded.

Interfund activity for the month totaled \$2,000.

**Contribution/Bequest Receivables**

We received payment on a bequest receivable in the amount of \$94,175, from the estate of June Sheppard to establish the June P. Sheppard Fund for the Performing Arts. \$35,803 was the previously recorded receivable, and \$58,372 was recorded as new contribution revenue.

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**CONSOLIDATED - ALL FUNDS**  
For the Seven Months Ended July 31, 2016 and July 31, 2015

	<b><u>COMBINED OPERATING</u></b>	<b><u>SPECIAL PROGRAMS</u></b>	<b><u>ENDOWMENT</u></b>	<b><u>NON ENDOWED</u></b>	<b><u>BEQUEST, CRT RECEIVABLES</u></b>	<b><u>TOTAL July 31, 2016</u></b>	<b><u>TOTAL July 31, 2015</u></b>
<b>ASSETS</b>							
<b>Cash:</b>							
Cash & Cash Equivalents	1,482,463	577,340	199,878	3,941,105	0	6,200,785	6,739,353
Investments - Long Term Fund Portfolio	0	0	124,776,145	30,299,379	0	155,075,523	147,791,248
Investments - Medium Term Fund Portfolio	511,108	0	0	30,953	0	542,060	0
Separately Invested Funds	0	0	0	23,739	0	23,739	51,115
<b>Total Cash &amp; Investments</b>	<b>1,993,570</b>	<b>577,340</b>	<b>124,976,023</b>	<b>34,295,175</b>	<b>0</b>	<b>161,842,108</b>	<b>154,581,717</b>
<b>Accounts Receivable:</b>							
Admin Fees & Misc Receivables	0	0	0	0	0	0	0
Pledges & Contributions Receivable	0	0	4,000	12,750	613,000	629,750	216,750
Note Receivable	0	0	181,413	0	0	181,413	185,672
Bequests & Remainder Interest	0	0	0	0	264,615	264,615	3,773,143
Due from OPER	0	0	1,379,173	0	0	1,379,173	1,423,108
Investment in an LLC	0	0	23,903	0	0	23,903	38,781
Charitable Remainder Trusts	0	0	0	0	18,610,974	18,610,974	21,260,028
Charitable Gift Annuities	0	0	0	0	330,003	330,003	208,373
<b>Total Accounts Receivable</b>	<b>0</b>	<b>0</b>	<b>1,588,489</b>	<b>12,750</b>	<b>19,818,592</b>	<b>21,419,831</b>	<b>27,105,856</b>
<b>Other Assets:</b>							
Prepaid Expenses	1,345	0	0	0	0	1,345	2,045
Property-Net of Depreciation	1,725,454	0	0	0	0	1,725,454	1,756,926
<b>Total Other Assets</b>	<b>1,726,799</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,726,799</b>	<b>1,758,971</b>
<b>TOTAL ASSETS</b>	<b>3,720,369</b>	<b>577,340</b>	<b>126,564,512</b>	<b>34,307,925</b>	<b>19,818,592</b>	<b>184,988,737</b>	<b>183,446,543</b>

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**CONSOLIDATED - ALL FUNDS**  
For the Seven Months Ended July 31, 2016 and July 31, 2015

	<b><u>COMBINED OPERATING</u></b>	<b><u>SPECIAL PROGRAMS</u></b>	<b><u>ENDOWMENT</u></b>	<b><u>NON ENDOWED</u></b>	<b><u>BEQUEST, CRT RECEIVABLES</u></b>	<b><u>TOTAL July 31, 2016</u></b>	<b><u>TOTAL July 31, 2015</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>							
<b>Liabilities:</b>							
Grants Payable	0	216,953	291,600	463,100	0	971,653	705,183
Administrative Fees Payable	0	0	0	0	0	0	0
Contingent Liabilities	0	0	0	0	11,485,737	11,485,737	13,180,126
Funds held as Agency Endowments	0	0	3,892,099	0	0	3,892,099	4,141,296
Funds held as Stewardship Funds	0	0	0	12,277,600	0	12,277,600	9,680,534
Payroll, Misc. and Accts Payable	1,460,525	3,297	0	0	0	1,463,822	1,505,945
<b>Total Liabilities</b>	<b>1,460,525</b>	<b>220,250</b>	<b>4,183,699</b>	<b>12,740,700</b>	<b>11,485,737</b>	<b>30,090,911</b>	<b>29,213,083</b>
<b>Net Assets:</b>							
Net Assets-Beginning Balance	2,560,574	966,173	117,179,184	20,791,536	9,083,321	150,580,788	149,710,128
Change in Net Assets - Current Year	(300,730)	(609,084)	5,201,629	775,689	(750,466)	4,317,039	4,523,332
<b>Total Net Assets</b>	<b>2,259,844</b>	<b>357,090</b>	<b>122,380,813</b>	<b>21,567,225</b>	<b>8,332,855</b>	<b>154,897,827</b>	<b>154,233,460</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>3,720,369</b>	<b>577,340</b>	<b>126,564,512</b>	<b>34,307,925</b>	<b>19,818,592</b>	<b>184,988,737</b>	<b>183,446,543</b>

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF ACTIVITIES**  
**CONSOLIDATED - ALL FUNDS**  
For the Seven Months Ended July 31, 2016 and July 31, 2015

	<b><u>COMBINED OPERATING</u></b>	<b><u>SPECIAL PROGRAMS</u></b>	<b><u>ENDOWMENT</u></b>	<b><u>NON ENDOWED</u></b>	<b><u>BEQUEST, CRT RECEIVABLES</u></b>	<b><u>TOTAL July 31, 2016</u></b>	<b><u>TOTAL July 31, 2015</u></b>
<b>SUPPORT AND REVENUE:</b>							
Contributions	5,091	317,000	540,379	3,763,996	588,000	5,214,467	5,447,283
Interfund Gifts	41,389	0	63,912	467,728	0	573,029	545,232
Pledge Payments Received	0	0	25,000	200,000	0	225,000	559,332
Future Contributions-A/R-Pledge-Bequests-CRT	0	0	0	0	34,740	34,740	200,000
Contributions Received via Bequest	30,751	0	1,317,903	0	0	1,348,655	3,660,396
In Kind Contributions	0	0	0	0	0	0	0
Change in Value, Split Interest Trusts, Future Assets	0	0	0	0	225,654	225,654	0
Interest & Dividend Income	7,470	261	1,301,920	301,642	0	1,611,294	1,322,091
Administrative Fees	1,107,903	0	0	0	0	1,107,903	1,209,510
Fees from Special Projects	42,851	0	0	0	0	42,851	32,744
Workshop and Contract Service Income	15,490	0	0	0	0	15,490	33,321
Misc Income/Returned Grants	37,887	0	0	0	0	37,887	41,365
<b>Total Support and Revenue</b>	<b>1,288,833</b>	<b>317,261</b>	<b>3,249,115</b>	<b>4,733,367</b>	<b>848,394</b>	<b>10,436,970</b>	<b>13,051,273</b>
<b>EXPENSES:</b>							
<b>Operating Expenses and Distributions:</b>							
Salaries & Benefits	1,113,092	9,943	0	0	0	1,123,035	1,059,760
Administrative Costs	270,273	91,471	0	15,640	0	377,384	365,581
Occupancy Costs	105,663	0	0	0	0	105,663	108,279
Development Expenses	108,832	15,093	0	0	0	123,925	130,943
Board & Committee Expenses	2,810	0	0	0	0	2,810	1,746
<b>Total Operating Expenses</b>	<b>1,600,670</b>	<b>116,508</b>	<b>0</b>	<b>15,640</b>	<b>0</b>	<b>1,732,818</b>	<b>1,666,309</b>

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF ACTIVITIES**  
**CONSOLIDATED - ALL FUNDS**  
For the Seven Months Ended July 31, 2016 and July 31, 2015

	<b><u>COMBINED OPERATING</u></b>	<b><u>SPECIAL PROGRAMS</u></b>	<b><u>ENDOWMENT</u></b>	<b><u>NON ENDOWED</u></b>	<b><u>BEQUEST, CRT RECEIVABLES</u></b>	<b><u>TOTAL July 31, 2016</u></b>	<b><u>TOTAL July 31, 2015</u></b>
<b>Grants and Grant Related Expenses:</b>							
Grants	0	809,837	2,290,968	5,780,973	0	8,881,778	5,505,175
Interfund Grants	0	0	200,229	372,800	0	573,029	545,232
Pledge Payments Paid	0	0	0	0	225,000	225,000	559,332
Bequests Payments/Transfers	0	0	0	0	1,357,669	1,357,669	460,434
Other Expenses	0	0	0	60,669	0	60,669	4,517
Other Payments/Transfers	0	0	983,420	(983,420)	0	0	0
Grant Related Expenses	0	0	0	0	0	0	0
Administrative Fees	0	0	873,388	218,325	16,191	1,107,903	1,209,510
Fees to Managers	0	0	90,066	20,665	0	110,731	91,212
<b>Total Grants and Grant Related Expenses</b>	<b>0</b>	<b>809,837</b>	<b>4,438,071</b>	<b>5,470,011</b>	<b>1,598,860</b>	<b>12,316,780</b>	<b>8,375,412</b>
<b>Total Expenses and Grants</b>	<b>1,600,670</b>	<b>926,345</b>	<b>4,438,071</b>	<b>5,485,651</b>	<b>1,598,860</b>	<b>14,049,598</b>	<b>10,041,721</b>
<b>Excess of Revenues (Expenses)</b>							
Before Gains on Investments & Transfers	(311,837)	(609,084)	(1,188,956)	(752,284)	(750,466)	(3,612,627)	3,009,552
<b>GAINS(LOSS) ON INVESTMENTS:</b>							
Realized-Gain (Loss)	380	0	(1,701,085)	(389,021)	0	(2,089,726)	8,410
Unrealized-Gain(Loss)	10,727	0	8,091,670	1,916,994	0	10,019,391	1,505,369
<b>Total Gain/(Loss) on Investments</b>	<b>11,108</b>	<b>0</b>	<b>6,390,585</b>	<b>1,527,973</b>	<b>0</b>	<b>7,929,666</b>	<b>1,513,779</b>
<b>Change in Net Assets</b>	<b>(300,730)</b>	<b>(609,084)</b>	<b>5,201,629</b>	<b>775,689</b>	<b>(750,466)</b>	<b>4,317,039</b>	<b>4,523,332</b>
<b>Net Assets Beginning of Year</b>	<b>2,560,574</b>	<b>966,173</b>	<b>117,179,184</b>	<b>20,791,536</b>	<b>9,083,321</b>	<b>150,580,788</b>	<b>149,710,128</b>
<b>Net Assets, End of Period</b>	<b>2,259,844</b>	<b>357,090</b>	<b>122,380,813</b>	<b>21,567,225</b>	<b>8,332,855</b>	<b>154,897,827</b>	<b>154,233,460</b>

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**Combined Operating Fund Budget vs. Actual**  
**For the Seven Months Ended July 31, 2016 and July 31, 2015**

	Year-To-Date			YTD Actual
	Actual	Budget	Variance	7/31/2015
<b>REVENUE</b>				
Contributions - Foundations	0	21,875	(21,875)	52,500
Contributions - Indiv/Corp	5,091	31,500	(26,409)	16,371
Contributions - Interfund	41,389	35,539	5,850	37,190
Contributions - New Pledges	0	0	0	0
Pledge Payments Received	0	0	0	0
Bequests Received	30,751	31,000	(249)	15,209
In Kind Contributions	0	0	0	0
Admin & Special Project Fees	1,150,755	1,235,249	(84,494)	1,242,253
Workshops/Contracts	15,490	10,760	4,730	29,337
Miscellaneous Income	37,887	35,800	2,087	34,489
Interest and Dividends	7,470	7,000	470	7,071
Realized Gains/(Losses)	380	0	380	0
Unrealized Gains/(Losses)	10,727	0	10,727	0
<b>Total Revenue</b>	<b>1,299,940</b>	<b>1,408,723</b>	<b>(108,783)</b>	<b>1,434,420</b>
<b>EXPENSE</b>				
<b>Personnel</b>				
Salaries and Wages	868,485	902,029	(33,544)	803,179
Payroll Taxes	72,132	66,084	6,048	67,097
Insurance and Other Benefits	172,475	177,923	(5,448)	153,886
<b>Sub-total</b>	<b>1,113,092</b>	<b>1,146,036</b>	<b>(32,944)</b>	<b>1,024,163</b>
<b>Administrative</b>				
Supplies	13,265	13,550	(285)	14,623
Equip / Computer Maintenance	67,278	70,867	(3,589)	59,431
Bank Charges	2,450	2,400	50	1,986
Printing	6,184	10,566	(4,382)	7,183
Postage / Freight	8,023	9,338	(1,315)	6,377
Dues/Subscriptions	17,317	16,049	1,268	23,719
Services (legal, acct, consult)	73,028	73,960	(932)	71,304
D&O Insurance	4,358	4,500	(142)	4,010
Telecommunications	9,972	10,081	(109)	8,990
Conferences & Training	9,309	9,434	(125)	18,115
Miscellaneous	7,183	13,178	(5,995)	5,951
Depreciation	51,905	51,905	0	53,655
<b>Sub-total</b>	<b>270,273</b>	<b>285,828</b>	<b>(15,555)</b>	<b>275,346</b>
<b>Facilities</b>				
Property / Liability Insurance	11,156	8,700	2,456	8,458
Maintenance / Repairs	2,956	7,732	(4,776)	3,678
Janitorial & Landscaping	12,545	11,375	1,170	12,579
Rent	27,212	28,737	(1,525)	29,102
Mortgage, Interest & Property Taxes	32,536	32,536	0	33,525
Utilities	19,257	19,540	(283)	20,937
<b>Sub-total</b>	<b>105,663</b>	<b>108,620</b>	<b>(2,957)</b>	<b>108,279</b>
<b>Development, Program &amp; Staff</b>				
Donor Development	52,612	56,650	(4,038)	50,905
In Kind Expenses	0	0	0	0
Advertising & Promotion	17,649	20,215	(2,566)	5,617
Mileage, Meals & Meetings	4,874	6,934	(2,060)	4,585
Workshops	19,969	29,181	(9,212)	20,265
Annual Meetings	1,178	2,000	(822)	39
Annual Report	8,840	8,850	(10)	3,790
Staff Recognition Expenses	3,710	3,935	(226)	3,495
Board & Committee Expenses	2,810	2,916	(106)	1,746
<b>Sub-total</b>	<b>111,642</b>	<b>130,681</b>	<b>(19,039)</b>	<b>90,443</b>
<b>Total Expenses</b>	<b>1,600,670</b>	<b>1,671,165</b>	<b>(70,495)</b>	<b>1,498,230</b>
<b>Net Income / (Loss)</b>	<b>(300,730)</b>	<b>(262,442)</b>	<b>(38,288)</b>	<b>(63,811)</b>

## **BOARD ACTION ITEMS: GRANTS AND PROGRAMS**

- 1. Ratify Grant Awards, June 1 – July 31, 2016.** The Community Foundation awarded **176 grants totaling \$2,824,571** since the last board report. (See list of grants since the last Board meeting.)
- 2. Approve Donor Advised Grants of \$50,000+**
  - a. DeWitt Donor Advised Fund
    - i. \$100,000 - the Humane Society Veterinary Medical Association, to support their Rural Area Veterinary Services program in Felton
    - ii. \$100,000 - the American Horse Council Foundation, to support the Unwanted Horse Coalition's Operation Gelding.
- 3. Approve** recommendation to eliminate the five-year consecutive funding limit for Community Impact (CI) grantees. (See the memo for details).
- 4. Approve** grant guidelines for the Soberanes Fire Fund (see memo for details).
- 5. Approve** grant to support the priorities developed for Salinas Chinatown revitalization: \$20,000 to CSUMB/Chinatown Learning Center for Limited Day Storage Pilot Program.

**Community Foundation for Monterey County**  
**Grants - June 1, 2016 - July 31, 2016**

<b>Awards</b>					
Anthony Nicholas Narigi Memorial Baseball Endowment	Alpha Project	20161009		350	Joey Pinto for incorporating sports skillwork into a weight-training program
Anthony Nicholas Narigi Memorial Baseball Endowment	Cypress Sports Gators Baseball Softball Academy	20160871		1,000	Brandon Dydasco for summer travel ball
Anthony Nicholas Narigi Memorial Baseball Endowment	Cypress Sports Gators Baseball Softball Academy	20161008		650	Joey Pinto for the summer traveling team
Anthony Nicholas Narigi Memorial Baseball Endowment	Monterey Waves Baseball	20160868		1,000	Yitzhak Garcia for summer travel ball
Anthony Nicholas Narigi Memorial Baseball Endowment	Monterey Waves Baseball	20160869		800	Cole Brushert
Anthony Nicholas Narigi Memorial Baseball Endowment	Mr. Vincent T. Herring and Ms. Sheri A. Ruggeri-Herring	20160870		200	Cole Brushert
		<b>Total</b>		<b>4,000</b>	
<b>Scholarships</b>					
Alan and Rita Shugart Scholarship Fund	Monterey Peninsula College	20161000		4,000	Esteban Barajas
Charles Joseph Watts Scholarship Fund	UC Davis Cashier's Office	20161119		1,500	Anthony Andrade
Church Brothers-True Leaf Farms Scholarship Fund	CSU Monterey Bay	20161039		2,500	Itati Monique Sanchez
Church Brothers-True Leaf Farms Scholarship Fund	Fashion Insitute of Design & Merchandising	20161002		2,500	Adeline Martinez
Church Brothers-True Leaf Farms Scholarship Fund	Gavilan College - Financial Aid	20161005		2,500	Michael Allen Yarbrough, Jr.
Church Brothers-True Leaf Farms Scholarship Fund	Medical College of Wisconsin - Financial Aid	20161006		2,500	Oluwatosin Stephanie Adenuga
Church Brothers-True Leaf Farms Scholarship Fund	Mission Trails Regional Occupational Program	20161028		1,200	Joseph Christopher Newman
Church Brothers-True Leaf Farms Scholarship Fund	Northern Arizona University	20161043		2,500	Matthew Joseph Dias
Church Brothers-True Leaf Farms Scholarship Fund	Oregon State University - Financial Aid	20161037		2,500	Ernest-James Blaine Albaugh
Church Brothers-True Leaf Farms Scholarship Fund	Sonoma State University -- Financial Aid Office	20161007		2,500	Paola Lopez
Church Brothers-True Leaf Farms Scholarship Fund	UC Riverside -- Financial Aid Office	20161038		2,500	Omolara Regina Adenuga
Church Brothers-True Leaf Farms Scholarship Fund	University of California Santa Cruz-Financial Aid Office	20161003		2,500	David Solorio Herrera
Church Brothers-True Leaf Farms Scholarship Fund	University of California Santa Cruz-Financial Aid Office	20161004		2,500	Gabriela Neovith Rubio
David L. Ferguson Scholarship Fund	Clemson University	20161036		1,250	Mackinley Hunter
Dr. Roger and Kate Bartels Memorial Scholarship Fund	Sonoma State University -- Scholarship office	20161113		500	Brenda Cruz Santiago
GHGH Scholarship Fund	CSU Chico	20160875		2,500	Vanessa Retamoza
GHGH Scholarship Fund	CSU Monterey Bay	20160877		2,500	Francisca Frieda Rios
GHGH Scholarship Fund	Hartnell College -- Financial Aid	20161044		2,500	Mallely De La Cruz
GHGH Scholarship Fund	Hartnell College -- Financial Aid	20160880		1,250	Kayla Crocker
GHGH Scholarship Fund	Hartnell College -- Financial Aid	20160999		1,250	Carly Cuevas
GHGH Scholarship Fund	Hartnell College -- Financial Aid	20160878		1,250	Jacqueline Guzman
GHGH Scholarship Fund	Monterey Peninsula College	20160879		1,250	Jasmin Vargas
GHGH Scholarship Fund	Monterey Peninsula College	20160876		1,250	Joanna Guerra
GHGH Scholarship Fund	University of California, Berkeley -- Financial Aid Office	20161040		2,500	Holly Whittaker

**Community Foundation for Monterey County**  
**Grants - June 1, 2016 - July 31, 2016**

James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	George Fox University	20161114	1,000	Elise Momberger
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20161115	1,000	Steven Deatherage
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20161106	1,000	Paula Caetano
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20160996	1,000	Einav Avital
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20160995	1,000	Lindsey Mauldin
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20160993	1,000	Adriana Borrelli
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20160991	1,000	Chelsea Culbertson
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20160992	1,000	Elizabeth Veitenheimer
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20160998	1,000	Elias Cruz
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20160994	1,000	Jeannia Ryerson
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20161035	1,000	Kaitlyn Wilkin
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20161034	1,000	Claudia Esparza Mendez
James Bliss & Annette Sward Forestry & Nursing Scholarship Fund	Monterey Peninsula College	20160997	1,000	Julia Ferguson
Joseph and Betty Spradling Scholarship Fund	UC Davis Cashier's Office	20160881	2,000	Melanie Velasquez
Margaret and Seba Bronson Scholarship Fund	UC Davis Cashier's Office	20161121	20,000	Lila Cardenas Dorado
Matthew Paul Finnigan Memorial Scholarship Fund	Stanbridge College	20161116	1,500	Kelly Londenber
Monica Abbott Scholarship Fund	Warner Pacific College	20160874	1,000	Delilah Houck
The Morse Foundation Scholarship Fund	CSU Fresno	20161117	2,500	Uriel Jacuinde Arroyo
The Morse Foundation Scholarship Fund	CSU Monterey Bay	20161118	5,000	Jeelene Luna Jimenez
The Morse Foundation Scholarship Fund	CSU Monterey Bay	20161042	5,000	Shelby Marcuson
The Morse Foundation Scholarship Fund	CSU Monterey Bay	20160872	5,000	Jacob Calderon
The Morse Foundation Scholarship Fund	Monterey Peninsula College	20160873	2,500	Christine Cantillas
The Morse Foundation Scholarship Fund	Sonoma State University -- Financial Aid Office	20161041	5,000	Michelle Bernier
The Morse Foundation Scholarship Fund	UC Davis Cashier's Office	20160917	5,000	Megan Zoller
The Morse Foundation Scholarship Fund	Universal Technical Institute - Sacramento Campus	20161011	5,000	Martin Zavala-Jacuinde
Wilbur H. and Maxine D. Stevens Scholarship Fund	Hartnell College -- Financial Aid	20161001	750	Angel Vasquez
		<b>Total</b>	<b>122,950</b>	

**Community Impact**

**Community Foundation for Monterey County**  
**Grants - June 1, 2016 - July 31, 2016**

Cislini Fund #2 - 15% Discretionary	City of Greenfield	20160970		24,000	Greenfield CSW, an after school science drop-in and daytime school enrichment program
Doolittle Fund	Partners for Peace	20160967		20,000	Evidence-based family and parenting skills programs in Salinas and South County
Doolittle Fund	Restorative Justice Partners, Inc.	20160969		20,000	Restorative Justice in the Schools, a collaborative alternative school discipline approach
Dr. Frank Pye Smith Medical Facilities Fund	Door to Hope	20160899		35,000	Implementation of Electronic Health Record System for MCSTART Infant & Children/Es Clinic
Dr. Frank Pye Smith Medical Facilities Fund	Natividad Medical Foundation	20160889		20,000	5 Steps to Prevent Diabetes, a nutrition and physical activity program in Salinas and Salinas Valley
Dr. George & Sam Kih Thorngate Family Fund	Big Sur Health Center	20160897		30,000	Increased access to healthcare services for un- and under-insured
Evelyn and Spencer Thompson Fund to Help Feed the Hungry	Food Bank for Monterey County	20160904		40,000	General operating support to provide emergency supplemental food
<b>Fund for the Environment</b>	<b>Monterey Bay Fisheries Trust</b>	<b>20160940</b>	①	<b>54,000</b>	<b>General operating support and organizational strengthening (3-year grant)</b>
<b>General Endowment - Opportunity Fund</b>	<b>Big Sur Education Council</b>	<b>20160946</b>	①	<b>54,000</b>	<b>General operating support and organizational strengthening (3-year grant)</b>
<b>General Endowment - Opportunity Fund</b>	<b>Gathering for Women-Monterey</b>	<b>20160942</b>	①	<b>54,000</b>	<b>General operating support and organizational strengthening (3-year grant)</b>
<b>General Endowment - Opportunity Fund</b>	<b>Hope, Horses and Kids</b>	<b>20160944</b>	①	<b>54,000</b>	<b>General operating support and organizational strengthening (3-year grant)</b>
<b>General Endowment - Opportunity Fund</b>	<b>Interagency Autism Consortium</b>	<b>20160943</b>	①	<b>54,000</b>	<b>General operating support and organizational strengthening (3-year grant)</b>
<b>General Endowment - Opportunity Fund</b>	<b>Monterey County Pops!</b>	<b>20160938</b>	①	<b>54,000</b>	<b>General operating support and organizational strengthening (3-year grant)</b>
<b>General Endowment - Opportunity Fund</b>	<b>Multiple Sclerosis Quality of Life Project</b>	<b>20160941</b>	①	<b>54,000</b>	<b>General operating support and organizational strengthening (3-year grant)</b>
<b>General Endowment - Opportunity Fund</b>	<b>Orchestra in the Schools</b>	<b>20160939</b>	①	<b>54,000</b>	<b>General operating support and organizational strengthening (3-year grant)</b>
<b>General Endowment - Opportunity Fund</b>	<b>The Parenting Connection of Monterey County</b>	<b>20160945</b>	①	<b>54,000</b>	<b>General operating support and organizational strengthening (3-year grant)</b>
General Endowment Fund of the Community Foundation	Salud Para La Gente, Inc.	20160895		25,000	Children's dental disease prevention and treatment program in North Monterey County and Salinas
Kathleen and Austin Barrows Fund	Central Coast YMCA	20160976		30,000	After school academic and enrichment program
Kathleen and Austin Barrows Fund	Girl Scouts of California's Central Coast (GSCCC)	20160977		30,000	Leadership Experience Program, project-based after-school programs to promote developmental assets
Kathleen and Austin Barrows Fund	Harmony at Home	20160966		20,000	Olweus Bullying Prevention, a school and community wide program in Salinas Elementary Schools.
Kathleen and Austin Barrows Fund	Hartnell College Foundation	20160973		25,000	STEM K-12 enrichment programs at Hartnell College
Kathleen and Austin Barrows Fund	The Epicenter	20160962		15,000	The Epicenter, a youth-led community center serving transition-age foster youth
Ken and Gundy DuVall Fund	Coalition of Homeless Services Providers	20160885		17,000	General operating support for the coordination of Monterey County's homeless service system
Lauralie and J. Irvine Fund	Boys & Girls Clubs of Monterey County	20160975		30,000	Teen Pathways, a dropout prevention and workforce readiness program
Marcia F. DeVoe Fund	Alzheimer's Disease and Related Disorders Association	20160886		20,000	General operating support for education, care and support services in Monterey County

**Community Foundation for Monterey County**  
**Grants - June 1, 2016 - July 31, 2016**

Marcia F. DeVoe Fund	Franciscan Workers of Junipero Serra	20160900	35,000	Dorothy's Drop-In Center, case management and medical/dental care to chronically homeless
Marcia F. DeVoe Fund	Legal Services for Seniors	20160884	15,000	No-cost legal services to Monterey County seniors
Marcia F. DeVoe Fund	Meals on Wheels of the Salinas Valley, Inc.	20160898	30,000	Home-Delivered Meal program for seniors
Marcia F. DeVoe Fund	Read to Me Project	20160968	20,000	An family literacy, kindergarten readiness program for underserved children
Margaret L. Musser Field of Interest Fund	Alliance on Aging	20160902	40,000	General operating support towards the independence and well-being of seniors
Margaret L. Musser Field of Interest Fund	CASA Monterey County dba Voices for Children	20160901	35,000	General operating support to recruit, train and supervise volunteer advocates
Margaret L. Musser Field of Interest Fund	Health Projects Center	20160883	15,000	Del Mar Caregiver Resource Center - Helping family caregivers care for loved ones and themselves
Margaret L. Musser Field of Interest Fund	Housing Resource Center	20160888	20,000	General operating support towards the new Finance Director position
Margaret L. Musser Field of Interest Fund	Interim, Inc.	20160905	40,000	Manzanita Monterey, a residential crisis center for people with a psychiatric disability in Monterey
Margaret L. Musser Field of Interest Fund	Meals on Wheels of the Monterey Peninsula	20160893	25,000	Home Delivered Meals (2.5 daily meals to frail, elderly & disabled adults on Monterey Peninsula)
Margaret L. Musser Field of Interest Fund	United Way Monterey County	20160896	25,000	2-1-1 Monterey County Information and Referral Services
Mary Jane Drummond Fund	Raising A Reader	20160963	15,000	Early childhood family literacy program
Mary Jane Drummond Fund	Village Project, Inc.	20160964	15,000	An after-school education and cultural enrichment prevention and early intervention program
Rudy E. Futer Fund for Human & Humane Needs	Big Sur International Marathon	20160882	10,000	Just Run, youth fitness program, in Monterey County
Rudy E. Futer Fund for Human & Humane Needs	Community Partnership for Youth	20160971	25,000	An after school mentor/tutor prevention program
Rudy E. Futer Fund for Human & Humane Needs	Girls Inc. of the Central Coast	20160978	30,000	Girls Inc. Leadership Programs, after-school empowerment and leadership programs in South County
Rudy E. Futer Fund for Human & Humane Needs	Independent Transportation Network Monterey County	20160892	25,000	Transportation for seniors and the visually impaired on the Monterey Peninsula and Salinas
Stephen and Madeleine Conran Fund	Easter Seals Central California	20160965	20,000	A parent education and engagement program for parents of special needs children
Stephen and Madeleine Conran Fund	Family Service Agency of the Central Coast	20160887	20,000	Suicide prevention and intervention program serving Monterey County
Stephen and Madeleine Conran Fund	Monterey County Rape Crisis Center	20160894	25,000	Child abuse prevention education program for K to 6th grade at public schools in Monterey County
Stephen and Madeleine Conran Fund	Pajaro Valley Unified School District	20160890	20,000	Healthy Start Pajaro Family Resource Center, linking families to services
Stephen and Madeleine Conran Fund	Seniors Council of Santa Cruz & San Benito Counties	20160974	25,000	Foster Grandparent Program, tutoring program connecting elementary students with senior citizens
The Barbara and Joseph Lee Fund	Sun Street Centers	20160891	20,000	Prevention of drinking and tobacco use in minors through STEPS in Seaside, Salinas and Soledad
The James M. and Marjorie E. Sturgeon Fund	Community Human Services	20160903	40,000	Safe Place, an emergency overnight shelter for runaway and homeless youth, located in Monterey
The John & Mary Dawson Learning Fund	Foundation for Monterey County Free Libraries	20160972	25,000	Free After-School Homework Centers serving all of Monterey County
		<b>Total</b>	<b>1,502,000</b>	

**Community Foundation for Monterey County**  
**Grants - June 1, 2016 - July 31, 2016**

<b>Board Discretionary</b>					
Out Reach - A Fund for LGBT Life in Monterey County	OneOrlando Fund	20161010		5,000	OneOrlando
		<b>Total</b>		<b>5,000</b>	
<b>Donor Advised</b>					
Anthony and Lary Lynn Muller Fund	Community Hospital Foundation	20160988		1,000	general operating support
Anthony and Lary Lynn Muller Fund	Food Bank for Monterey County	20160986		1,000	general operating support
Anthony and Lary Lynn Muller Fund	Friends of the Pacific Grove Library	20160987		1,000	general operating support
Buchalter/Adler Family Fund	OneOrlando Fund	20161018		500	OneOrlando
Chris's Fund	Ave Maria Convalescent Hospital	20160855		5,000	the music program
Chris's Fund	Forest Hill Manor	20160854		3,000	the music program
F. Robert Nunes Family Fund	Animal Friends Rescue Project	20161030		5,000	general operating support
F. Robert Nunes Family Fund	Cultural Media Services	20161032		5,000	the Birch Bark Foundation in memory of "Stuart"
F. Robert Nunes Family Fund	Franciscan Workers of Junipero Serra	20161031		5,000	general operating support
F. Robert Nunes Family Fund	Salinas Valley Memorial Hospital Foundation	20161033		10,000	general operating support
Farrell/Allen Carmel Rotary Fund	Carl Cherry Center for the Arts	20160931		750	general operating support
Farrell/Allen Carmel Rotary Fund	Carmel Film Festival, Inc.	20160933		1,000	general operating support
Farrell/Allen Carmel Rotary Fund	CASA Monterey County dba Voices for Children	20160932		2,500	general operating support
Farrell/Allen Carmel Rotary Fund	City of Monterey	20160929		580	operating support for Monterey Recreation
Farrell/Allen Carmel Rotary Fund	Monterey County Pops!	20160927		1,000	general operating support
Farrell/Allen Carmel Rotary Fund	Read to Me Project	20160930		500	general operating support
Farrell/Allen Carmel Rotary Fund	SpectorDance	20160928		1,000	general operating support
Farrell/Allen/LaSalle Carmel Rotary Fund	City of Carmel-by-the-Sea	20161027		15,000	the City of Carmel's Centennial Sponsorship
Farrell/Allen/LaSalle Carmel Rotary Fund	Meals on Wheels of the Monterey Peninsula	20161026		3,673	general operating support
Farrell/Allen/LaSalle Carmel Rotary Fund	Salinas Steinbeck Rotary Club Foundation	20160985		3,000	Chinatown Sanitation
Gloria Fund	Community Living Campaign	20161120		500	general operating support
Gloria Fund	In the Heart of Silence	20160984		5,000	general operating support
Harlan and Barbara Hall Fund	Nevada Museum of Art	20161014		2,500	the General Fund
Howard and Karin Evans Fund	Defense Language Institute Foundation	20161012		10,000	general operating support
Jose F. Fernandez Fund	Community Partners FOR The Dinner Party	20161110		10,000	The Dinner Party
Mahoney/Peterson Family Fund	Child Educational Center Caltech Jpl Community	20160865		1,000	general operating support
Ramsey Shirk Fund	Lopez Center for Community and the Arts	20161111		2,000	the Annual High Tea
Ramsey Shirk Fund	Lopez Community Land Trust	20161013		1,000	assistance with the publishing of the book, Bounty.
Ramsey Shirk Fund	Lopez Island Family Resource Center	20161015		3,000	general operating support
Ted Fehring Family/Carmel Host Lions Club #2	Alliance on Aging	20160860		900	general operating support

**Community Foundation for Monterey County**  
**Grants - June 1, 2016 - July 31, 2016**

Ted Fehring Family/Carmel Host Lions Club #2	Carmel Foundation	20160859	900	general operating support
Ted Fehring Family/Carmel Host Lions Club #2	Legal Services for Seniors	20160861	300	general operating support
Ted Fehring Family/Carmel Host Lions Club #2	Meals on Wheels of the Monterey Peninsula	20160858	1,000	general operating support
The Alexander F. Victor Foundation	OneOrlando Fund	20161017	5,000	in honor of Emily Reed and Allison Naylor
The Fred Terman and Nan Borreson Fund	American Discovery Trail Society	20161109	1,000	general operating support
The Fred Terman and Nan Borreson Fund	Lamplighters Music Theatre	20161108	500	general operating support
The James M. Shade Memorial Fund	Rim Ranch Jr Rodeo	20161112	5,000	Rodeo High School
The Landreth Family Fund	Carmel Ideas Foundation	20160857	15,000	support of the Pebble Beach Authors and Ideas Festival
The Peter and Jackie Henning Fund	Boys & Girls Clubs of Monterey County	20160862	1,000	Summer Success
The Peter and Jackie Henning Fund	Carmel Bach Festival	20161029	5,000	the Fund A Need Bach Gala
The Peter and Jackie Henning Fund	Carmel Bach Festival	20160863	600	the "Whiskey Barrel" raffle for the Carmel Bach Festival Gala Dinner
		<b>Total</b>	<b>136,703</b>	
<b>Field of Interest</b>				
Girls Health Initiative	Boys & Girls Clubs of Monterey County	20161024	20,000	Girls Leadership/Smart Girls
Girls Health Initiative	Girls Inc. of the Central Coast	20161022	20,000	The ECHO Mentoring and Leadership and Youth Leaders programs are associated with GHGH
Girls Health Initiative	Monterey County Health Department	20161020	20,000	Postpone Peer Education Program
Girls Health Initiative	Monterey County Rape Crisis Center	20161023	20,000	GHGH Infusion with My Life Program
Girls Health Initiative	Planned Parenthood Mar Monte - Monterey County	20161019	20,000	Planned Parenthood Mar Monte's GHGH Peer Leadership Program for Monterey County
Girls Health Initiative	YWCA Monterey County	20161021	20,000	GHGH Strategic Plan
		<b>Total</b>	<b>120,000</b>	
<b>Opportunity Grants</b>				
General Endowment - Opportunity Fund	Henry Miller Memorial Library	20160920	5,000	Nowhere Is Our Real Home, a series of talks to catalyze conversation around issues like community identity, natural preservation, and affordable housing during this time of profound transformation.
General Endowment - Opportunity Fund	Volunteer Center of Santa Cruz County	20160922	5,000	Service Enterprise Initiative, a volunteer capacity building program for eight Monterey County nonprofits
		<b>Total</b>	<b>10,000</b>	
<b>Organizational Development</b>				
General Endowment - Opportunity Fund	Castroville Coalition	20160918	5,000	facilitated strategic planning process to develop 3-5 year goals and short term priorities
		<b>Total</b>	<b>5,000</b>	

**Community Foundation for Monterey County**  
**Grants - June 1, 2016 - July 31, 2016**

<b>Passthrough Grants</b>					
Pass Thru Fund	Peace of Mind Dog Rescue	20160853		1,033	general operating support
		<b>Total</b>		<b>1,033</b>	

**Restricted Fund Distributions**

<b>Friends of Laguna Seca Capital Campaign</b>	<b>Friends of Laguna Seca</b>	<b>20161105</b>	②	<b>50,000</b>	<b>a distribution as requested on July 5, 2016</b>
<b>Friends of Laguna Seca Capital Campaign</b>	<b>Friends of Laguna Seca</b>	<b>20161122</b>	②	<b>50,000</b>	<b>a distribution as requested on July 19, 2016</b>
<b>Japanese American Citizens League of Monterey Peninsula Stewardship Fund</b>	<b>Japanese American Citizens League of the Monterey Peninsula</b>	<b>20160923</b>	②	<b>50,000</b>	<b>a stewardship fund distribution for building maintenance</b>
Learning Opportunities Endowment Fund for Scottish Fiddlers of California	Scottish Fiddlers of California	20160989		13,453	needs as defined by the camp committees resolution
Monterey Peninsula Sunrise Rotary Club Fund	Monterey Peninsula Sunrise Rotary Foundation	20160990		7,600	the Project Helping Hand program through the 2016-2017 fiscal year
Paul Edward and Gay Delores Rochester Fund	St. Mark's School of Texas	20160856		1,736	general operating support
		<b>Total</b>		<b>172,789</b>	

**Special Projects**

<b>College Futures Foundation Fund</b>	<b>University Corporation at Monterey Bay</b>	<b>20161025</b>	①	<b>222,000</b>	<b>salary, benefits, travel expenses, and workshop materials for the College Readiness Advisor</b>
Community Leadership Project #3	Alisal Center for the Fine Arts	20160926		35,000	participation in the Community Leadership Project over the next three years
Community Leadership Project #3	Big Sur Health Center	20160937		35,000	participation in the Community Leadership Project over the next three years
<b>Community Leadership Project #3</b>	<b>Community Foundation of Santa Cruz County</b>	<b>20160924</b>	①	<b>200,590</b>	<b>Passthrough funding for CLP 3 - regranteeing and program expenses</b>
Community Leadership Project #3	Loaves, Fishes & Computers, Inc.	20160934		35,000	participation in the Community Leadership Project over the next three years
Community Leadership Project #3	Sol Treasures	20160935		35,000	participation in the Community Leadership Project over the next three years
<b>Community Leadership Project #3</b>	<b>The Community Foundation for San Benito County</b>	<b>20160925</b>	①	<b>79,266</b>	<b>Passthrough funding for CLP 3 - regranteeing and program expenses</b>
Community Leadership Project #3	Village Project, Inc.	20160936		35,000	participation in the Community Leadership Project over the next three years
		<b>Total</b>		<b>676,856</b>	

**Interfund Grants**

General Endowment-NGP Grants	Community Foundation for Monterey County	20160867		14,240	GENNG to GEN
<b>The Morse Foundation Stewardship Fund</b>	<b>Community Foundation for Monterey County</b>	<b>20160866</b>	②	<b>51,000</b>	<b>MORSS to MORSE for Spring 2016 Scholarships</b>
Doolittle Fund	Community Foundation for Monterey County	20161107		2,000	DOOL2 to GENOF for Next Steps for Small Nonprofits
Barbara Paul and Tom LaFaille Fund	Community Foundation for Monterey County	20161016		1,000	LAFA to MORSE
		<b>Total</b>		<b>68,240</b>	

**Community Foundation for Monterey County**  
**Grants - June 1, 2016 - July 31, 2016**

	<b>Grand Total - 176 Grants, Totaling</b>			<b>2,824,571</b>	
<b>① Grants approved at the June 23, 2016 Board Meeting</b>					
College Futures Foundation Fund	University Corporation at Monterey Bay <i>Note: grant originally approved for the Foundation of CSUMB</i>	20161025	①	222,000	salary, benefits, travel expenses, and workshop materials for the College Readiness Advisor
Community Leadership Project #3	Community Foundation of Santa Cruz County	20160924	①	200,590	Passthrough funding for CLP 3 - regranting and program expenses
Community Leadership Project #3	The Community Foundation for San Benito County	20160925	①	79,266	Passthrough funding for CLP 3 - regranting and program expenses
Fund for the Environment	Monterey Bay Fisheries Trust	20160940	①	54,000	General operating support and organizational strengthening (3-year grant)
General Endowment - Opportunity Fund	Big Sur Education Council	20160946	①	54,000	General operating support and organizational strengthening (3-year grant)
General Endowment - Opportunity Fund	Gathering for Women-Monterey	20160942	①	54,000	General operating support and organizational strengthening (3-year grant)
General Endowment - Opportunity Fund	Hope, Horses and Kids	20160944	①	54,000	General operating support and organizational strengthening (3-year grant)
General Endowment - Opportunity Fund	Interagency Autism Consortium	20160943	①	54,000	General operating support and organizational strengthening (3-year grant)
General Endowment - Opportunity Fund	Monterey County Pops!	20160938	①	54,000	General operating support and organizational strengthening (3-year grant)
General Endowment - Opportunity Fund	Multiple Sclerosis Quality of Life Project	20160941	①	54,000	General operating support and organizational strengthening (3-year grant)
General Endowment - Opportunity Fund	Orchestra in the Schools	20160939	①	54,000	General operating support and organizational strengthening (3-year grant)
General Endowment - Opportunity Fund	The Parenting Connection of Monterey County	20160945	①	54,000	General operating support and organizational strengthening (3-year grant)
<b>② Grants approved by the Executive Committee</b>					
The Morse Foundation Stewardship Fund	Community Foundation for Monterey County	20160866	②	51,000	MORSS to MORSE for Spring 2016 Scholarships
Friends of Laguna Seca Capital Campaign	Friends of Laguna Seca	20161105	②	50,000	a distribution as requested on July 5, 2016
Friends of Laguna Seca Capital Campaign	Friends of Laguna Seca	20161122	②	50,000	a distribution as requested on July 19, 2016
Japanese American Citizens League of Monterey Peninsula Stewardship Fund	Japanese American Citizens League of the Monterey Peninsul	20160923	②	50,000	a stewardship fund distribution for building maintenance

Date: August 11, 2016  
To: Board of Directors  
From: Grants & Programs Committee

**RE: RECOMMENDATION TO ELIMINATE THE COMMUNITY IMPACT FIVE-YEAR CONSECUTIVE FUNDING LIMIT**

This recommends the elimination of the five-year consecutive funding limit for Community Impact (CI) grantees.

The current CI guidelines state:

*Organizations may receive up to five (5) consecutive years of funding through the Community Impact grant program. After the fifth consecutive year of funding, an organization must refrain from applying for one year. Proposals for a fifth year of funding must address how the organization or program will be sustained in year six without a CFMC grant.*

**BACKGROUND**

The CI grant program was implemented in 2012. At that time, a three-year funding limit (for consecutive funding for the same program) was instituted to allow more nonprofits to be considered for CI grants. Also, by mandating a one-year break, grantees would be encouraged to diversify their funding during that period.

In Fall 2014, the CFMC conducted an evaluation of the CI program, and recommended framework and program revisions based on the evaluation's results. One of the revisions was the extension of the three-year consecutive funding limit to five years, beginning with the grantee's first CI grant: "Increase the current funding limit from three to five years in order to allow grantees more time to solidify and diversify revenue sources."

**PURPOSE**

This recommendation continues our ongoing commitment to clarify and simplify the CFMC grant guidelines.

**RATIONALE**

1. The purpose of the original three-year consecutive funding limit was to allow more applicants the opportunity to be considered for a CI grant. Since 2012, the CFMC has developed additional grant application programs that expand the opportunities for nonprofits to be considered for a grant, including:
  - a. CI Small Grants (up to \$12,000)
  - b. Opportunity Grants (up to \$10,000)

- c. Organizational Development Grants (up to \$5,000)
  - d. CFMC Donor Advisor Co-investment
2. Another reason for the funding limit was to encourage grantees to diversify funding during the one-year “gap.” We believe it is unrealistic to expect grantees to diversify funding in a year without capacity building support. Also, the guidelines currently require that grant applicants “*address how the organization or program will be sustained in year six without a CFMC grant.*” This represents another barrier for applicants.

Other thoughts include:

- The CFMC wants to fund organizations that have the greatest impact – a forced funding period “gap” will limit the pool of applicants.
- The “gap year” could result in weaker organizations being considered for funding during that year.
- Eliminating the consecutive funding limit could equalize opportunities in the long term; the number of applicants would not fluctuate over the years.



Date: August 11, 2016  
To: Board of Directors  
From: Laurel Lee-Alexander, Vice President of Grants and Programs  
**RE: SOBERANES FIRE FUND – GUIDELINES**

This provides the Soberanes Fire Fund grant guidelines for your review and approval.

### **Background**

The Soberanes Fire began on July 22, 2016. The CFMC established the Soberanes Fire Fund on 7/25/2106. Its purpose is to award grants for immediate relief, recovery and rebuilding. The CFMC has waived all administrative fees and 100% will be used for grantmaking. We are collaborating with Coast Properties Owners Association (CPOA), American Red Cross, Big Sur Land Trust, Big Sur Health Center and other nonprofit and government agencies. The Fund has awarded one grant (\$10,000) to CPOA on August 4 for immediate relief.

### **Grant Application Process**

We developed a simple, online application process.

1. Applicants submit simple application online
2. The Soberanes Fire Fund Grant Committee reviews summary of applications, amount available to grant, etc. from Program Officer; the Committee can meet by conference call and meetings/calls will be monthly as needed
3. The Grant committee can recommend grants up to \$50,000 to the President/CEO for final approval.
4. For grant recommendations over \$50,000, approval will be requested from the CFMC Board or Executive Committee.

### **Grant Committee**

- Ken Wright
- Sharen Carey, Big Sur Health Center
- Patte Kronlund
- Kirk Gafill, Big Sur business owner
- Kathleen Lee, Monterey County District 5 Staff
- Pam Peck, Palo Colorado resident (tentative)
- Mark Verbonich, CFMC Grant Committee member (and former CFMC Board member)

**Grant Guidelines (see attached).**

# Soberanes Fire Fund GRANT GUIDELINES

## PURPOSE

The Community Foundation for Monterey County (CFMC) established the Soberanes Fire Fund in response to the Soberanes fire that began on July 22, 2016. Grants from this special purpose fund will support nonprofit organizations assisting with relief, recovery and rebuilding efforts for individuals and organizations affected by the fire.

Please contact Lynn Bentaleb, [lynnb@cfmco.org](mailto:lynnb@cfmco.org), 831.375.9712 x111 if you have any questions regarding the Soberanes Fire Fund.

## GRANT CRITERIA

Grants are considered for the following types of activities:

### Relief

Funds may be provided to organizations providing immediate direct relief to individuals impacted from the fire.

Some possible activities might include:

- Support for emergency shelters
- Monetary compensation to those evacuated
- Efforts to support firefighters
- Food and water for evacuees, volunteers and firefighters

### Recovery

Recovery funds can be used for medium term needs of organizations to assist the community as it moves between crisis towards rebuilding.

Examples might include

- Water system restoration
- Waste removal
- Reimbursement of equipment and supplies
- Rehabilitating roads

### Rebuilding

Since the fire is still active, we expect the impact to grow and the recovery period to be long, and expect that funding to go towards more long-term relief efforts. The. Additional opportunities to support the Soberanes Fire Fund include being listed in Monterey County Gives!, the annual community giving campaign conducted by the CFMC and Monterey County Weekly.

Some possible activities might include:

- Assistance to individuals who lost property (items not covered by insurance)
- Environmental projects to repopulate the forest
- Preparedness projects to help the community in case of future emergencies

## SELECTING GRANTS

We expect the needs generated by this fire will exceed the available funds. To assist with the selection of grants, a volunteer grant committee comprised of local residents from the fire-impacted area will review the applications on a monthly basis as needed and make recommendations to the CFMC President/CEO.

## GRANT AWARDS

We expect grants to range in size from \$5,000 to \$50,000. Organizations may apply for more than one grant during the calendar year, as this fund is intended to be responsive to the ongoing needs of the community.

### Eligibility:

- Grants are open to 501(c)3 nonprofit organizations and other public agencies serving the community affected by the Soberanes Fire.
- Businesses and individuals are not eligible at this time. If the fire spreads outside of Big Sur and individuals suffer additional losses, the process may be revised to include individuals.

### Exclusions:

- Activities that are non-secular or promote a religious doctrine
- Academic or medical research
- Funding to schools and public agencies that would supplant tax-supported, mandated services
- Annual fundraising campaigns or events
- Creation of, or addition to, endowment funds
- Payment of debt or legal settlements
- Political or partisan purposes

*CFMC does not support organizations that discriminate in their employment practices, volunteer opportunities, or delivery of programs and services on the basis of race, religion, gender, national origin, age, disability, veteran status, marital status, sexual orientation, or any other characteristics protected by law.*

## SUBMITTING A GRANT PROPOSAL

Soberanes Fire Fund grant applications can be submitted at any time while funds are still available. Grantmaking decisions will typically be made within six weeks of receipt of the proposal.

## EVALUATION

Organizations that are awarded a Soberanes Fire Fund grant are encouraged to stay in close contact with the CFMC on the progress of their efforts. A final grant report will be required to share the impact of the grant.

For questions regarding Soberanes Fire Fund grants, contact Lynn Bentaleb, Program Officer, [lynnb@cfmco.org](mailto:lynnb@cfmco.org) or 831.375.9712 x 111.

**Please visit our website at [www.cfmco.org/apply](http://www.cfmco.org/apply) for the grant application, instructions and all materials needed to submit a proposal.**