



**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:**

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Diane R. Nonella  
Director of Finance and HR

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Greg Chilton  
Board Chair



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,



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Executive Summary - Centec Project #0516042

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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



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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.



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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, flowing 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 rising 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)



SITE LOCATION

# 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

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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.

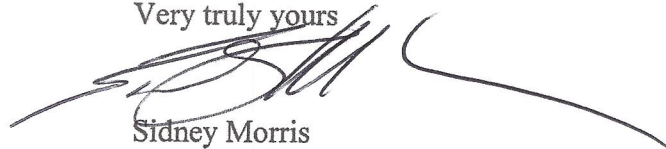
You also asked me to comment on officers' and directors' liability. The California Attorney General has published a handbook as a guide for charitable organizations. The following is quoted from that publication:

"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 dark ink, appearing to be "Sidney Morris", with a long horizontal flourish extending to the right.

Sidney Morris

SMM

**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:	<b>\$7,545,600</b>
Sale Date:	<b>11/23/2015</b>	Status:	<b>Confirmed</b>
Days on Market:	<b>165 days</b>	Building SF:	<b>10,398 SF</b>
Exchange:	<b>No</b>	Price/SF:	<b>\$725.68</b>
Conditions:	-	Pro Forma Cap Rate:	<b>5.56%</b>
Land Area SF:	<b>74,052</b>	Actual Cap Rate:	-
Acres:	<b>1.7</b>	Down Pmnt:	<b>\$2,915,000</b>
\$/SF Land Gross:	<b>\$101.90</b>	Pct Down:	<b>38.6%</b>
Year Built, Age:	<b>1981 Age: 34</b>	Doc No:	<b>0601636</b>
Parking Spaces:	<b>108</b>	Trans Tax:	-
Parking Ratio:	-	Corner:	<b>No</b>
FAR:	<b>0.14</b>	Zoning:	<b>NC</b>
Lot Dimensions:	-	No Tenants:	<b>1</b>
Frontage:	<b>150 feet on W 1st St 186 feet ...</b>	Percent Improved:	<b>24.0%</b>
Tenancy:	-	Submarket:	<b>Parkcenter Area</b>
Comp ID:	<b>3457033</b>	Map Page:	-
		Parcel No:	<b>401-302-08</b>
		Property Type:	<b>Retail</b>

## income expense data

<b>Net Income</b>	Net Operating Income	<b>\$419,535</b>
	- Debt Service	
	- Capital Expenditure	
	Cash Flow	

## Listing Broker

**Marcus & Millichap Inc**  
**4660 La Jolla Village Dr**  
**San Diego, CA 92122**  
**(858) 373-3100**  
**Alvin Mansour, Phil Sambazis**

## Buyer Broker

## financing

**1st Central National Bank and Trust Company of Enid**  
Bal/Pmt: **\$4,630,600**

## prior sale

Date/Doc No: **7/3/2014**  
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

<b>Expenses</b>	- Taxes	<b>\$39,101</b>
	- Operating Expenses	
	Total Expenses	<b>\$39,101</b>
<b>Net Income</b>	Net Operating Income	<b>\$195,720</b>
	- 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:	<b>60 days</b>	Sale Price:	<b>\$18,093,726</b>
Sale Date:	<b>4/19/2016</b>	Status:	<b>Confirmed</b>
Days on Market:	<b>167 days</b>	Building SF:	<b>25,952 SF</b>
Exchange:	<b>No</b>	Price/SF:	<b>\$697.20</b>
Conditions:	<b>Investment Triple Net</b>	Pro Forma Cap Rate:	<b>-</b>
Land Area SF:	<b>106,722</b>	Actual Cap Rate:	<b>4.73%</b>
Acres:	<b>2.45</b>	Down Pmnt:	<b>\$10,593,726</b>
\$/SF Land Gross:	<b>\$169.54</b>	Pct Down:	<b>58.5%</b>
Year Built, Age:	<b>1997 Age: 19</b>	Doc No:	<b>0168623</b>
Parking Spaces:	<b>100</b>	Trans Tax:	<b>\$19,903.40</b>
Parking Ratio:	<b>3.84/1000 SF</b>	Corner:	<b>No</b>
FAR:	<b>0.24</b>	Zoning:	<b>PC-COM, County</b>
Lot Dimensions:	<b>-</b>	No Tenants:	<b>2</b>
Frontage:	<b>146 feet on Aliso Creek Rd ...</b>	Percent Improved:	<b>30.9%</b>
Tenancy:	<b>Single</b>	Submarket:	<b>Laguna Hills/Aliso Viejo</b>
Comp ID:	<b>3573960</b>	Map Page:	<b>Thomas Bros. Guide 921-E5</b>
		Parcel No:	<b>629-321-14</b>
		Property Type:	<b>Retail</b>

### income expense data

<b>Income</b>	Gross Scheduled Income	<b>\$856,680</b>
	+ Other Income	
	- Vacancy Allowance	
	Effective Gross Income	
<b>Net Income</b>	Net Operating Income	<b>\$855,833</b>
	- 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:	<b>\$9,650,000</b>
Sale Date:	<b>8/21/2015</b>	Status:	<b>Confirmed</b>
Days on Market:	<b>85 days</b>	Building SF:	<b>22,000 SF</b>
Exchange:	<b>No</b>	Price/SF:	<b>\$438.64</b>
Conditions:	-	Pro Forma Cap Rate:	-
Land Area SF:	<b>74,052</b>	Actual Cap Rate:	<b>5.50%</b>
Acres:	<b>1.7</b>	Down Pmnt:	<b>\$9,650,000</b>
\$/SF Land Gross:	<b>\$130.31</b>	Pct Down:	<b>100.0%</b>
Year Built, Age:	<b>1993 Age: 22</b>	Doc No:	<b>0435686</b>
Parking Spaces:	<b>109</b>	Trans Tax:	-
Parking Ratio:	<b>4.95/1000 SF</b>	Corner:	<b>No</b>
FAR:	<b>0.30</b>	Zoning:	<b>TC, Rncho Sta. Marg.</b>
Lot Dimensions:	-	No Tenants:	<b>1</b>
Frontage:	-	Percent Improved:	<b>85.0%</b>
Tenancy:	<b>Single</b>	Submarket:	<b>Lake Forest/Foothill Ranc</b>
Comp ID:	<b>3373797</b>	Map Page:	<b>Thomas Bros. Guide 893-B3</b>
		Parcel No:	<b>814-171-07</b>
		Property Type:	<b>Retail</b>

income expense data

<b>Expenses</b>	- Taxes	<b>\$72,553</b>
	- Operating Expenses	
	Total Expenses	<b>\$72,553</b>
<b>Net Income</b>	Net Operating Income	<b>\$530,767</b>
	- 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:	<b>6/9/2005</b>
Sale Price:	<b>\$7,200,000</b>
CompID:	<b>1030997</b>

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

income expense data

<b>Expenses</b>	- Taxes	<b>\$44,834</b>
	- Operating Expenses	
	Total Expenses	<b>\$44,834</b>

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:	<b>7/25/2014</b>
Sale Price:	-
CompID:	<b>3087938</b>

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

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

**income expense data**

<b>Net Income</b>	Net Operating Income	<b>\$473,340</b>
	- 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:	<b>\$2,211,000</b>
Sale Date:	<b>1/28/2016</b>	Status:	<b>Confirmed</b>
Days on Market:	<b>15 days</b>	Building SF:	<b>10,080 SF</b>
Exchange:	<b>No</b>	Price/SF:	<b>\$219.35</b>
Conditions:	-	Pro Forma Cap Rate:	-
Land Area SF:	<b>26,114</b>	Actual Cap Rate:	<b>5.00%</b>
Acres:	<b>0.6</b>	Down Pmnt:	<b>\$771,000</b>
\$/SF Land Gross:	<b>\$84.67</b>	Pct Down:	<b>34.9%</b>
Year Built, Age:	<b>1964 Age: 52</b>	Doc No:	<b>0039112</b>
Parking Spaces:	<b>14</b>	Trans Tax:	<b>\$2,432.10</b>
Parking Ratio:	<b>1.43/1000 SF</b>	Corner:	<b>No</b>
FAR:	<b>0.39</b>	Zoning:	<b>C2, Tustin</b>
Lot Dimensions:	<b>97x268</b>	No Tenants:	<b>1</b>
Frontage:	-	Percent Improved:	<b>22.1%</b>
Tenancy:	<b>Multi</b>	Submarket:	<b>East Orange</b>
Comp ID:	<b>3512580</b>	Map Page:	<b>Thomas Bros. Guide 799-J2</b>
		Parcel No:	<b>386-301-07</b>
		Property Type:	<b>Retail</b>

## income expense data

<b>Net Income</b>	Net Operating Income	<b>\$110,550</b>
	- 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

## prior sale

**1st Orange Cntys Cu**  
 Bal/Pmt: **\$1,440,000**

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

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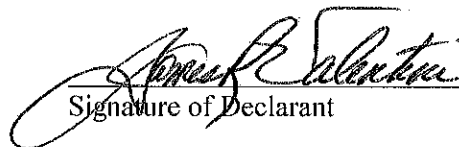
**GRANT DEED**

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**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

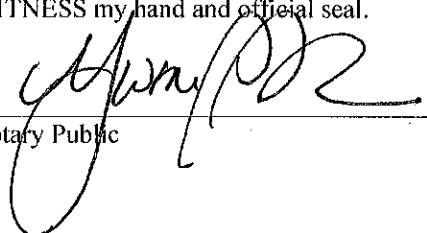
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

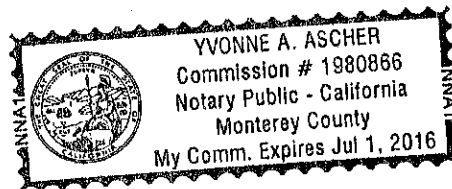
STATE OF CALIFORNIA       )  
  ) ss.  
COUNTY OF MONTEREY     )

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 )

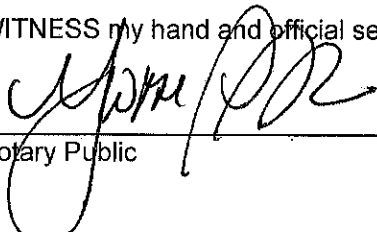
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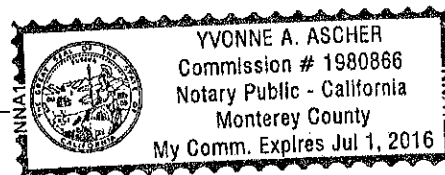
COUNTY OF MONTEREY )

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