



1. PURPOSE

The primary reason for the Victor Valley College Foundation to seek and obtain donated property is to raise money for the benefit and development of the Victor Valley Community College District. The prompt sale of such property is, therefore, the usual objective, and the realization of financial advantage in the near term- as distinguished from long term speculation-is essential. If the donated property may be used for instructional or display purposes by the college, it shall be offered to the college before offered for sale.

2. POLICY / PROCEDURE

- 2.1. RIGHT OF REFUSAL: The Foundation reserves the right to make the appropriate judgment whether or not to accept the donation.
- 2.2. RIGHT OF REJECTION/RETURN: The Foundation reserves the right, for a period of 90 days after acceptance of personal property or a period of one year after acceptance of real or mixed property, to reject and return any donation which, in the reasonable judgment of the Foundation, created an actual or potential liability to the foundation. Upon exercising said right the Foundation shall return title and possession of the contributed asset to the donor.
- 2.3. CONFLICT OF INTEREST: Any member of the Foundation Board shall have no vested interest in any transaction that could result in personal gain unless the conflict is fully disclose and a approved by the Board of Directors.
- 2.4. GIFT VALUATION: Value of Gifts, other than Real Estate, will be determined by the donor. The Foundation will not value gifts.
- 2.5. GUIDELINES FOR REAL PROPERTY:
 - 2.5.1. Selection of a broker is at the discretion of the Investment/Finance Committee.
 - 2.5.2. Property will be accepted only when there is high probability that it would be sold at its established value within one year. Prior to the acceptance of property, the following must occur.
 - preliminary title report must be complete showing no major clouds upon the title to the property,
 - an independent appraisal by a qualified licensed real estate appraiser shall be obtained by the donor to ascertain the current value or, in the case of property with a probable value of more than \$5,000 (payable by the donor, unless waived by the Finance Committee),
 - a physical inspection of the property will be made by the Finance Committee.
 - 2.5.3. Cash sale are preferred. In any case, the anticipated immediate proceeds from the sale of offered property must substantially exceed the Foundation's related costs.
 - 2.5.4. Prior to acquisition, taxes and other encumbrances (e.g. improvement district bonds) shall be paid current (unless waived by the Finance Committee).
 - 2.5.5. Properties with liens (e.g. trust deeds) will require special analysis before acceptance to determine cash flow and net equity after projected costs. Such offers must be reviewed on a case-by-case basis.

2.5.6. Commissions: In cases in which the property is acquired an/or sold through the active participation of Realtors, commissions will be paid as follows.

- Acquisition, paid upon recording of deed in name of the Foundation: Vacant Land 6%; Improved Property 4%
- Sale by Foundation, paid upon close of escrow: Vacant Land 6%; Improved Property 4%
- Finder's Fee/Commission: When a donation is obtained through the efforts of a Realtor, that person is eligible for a finder's fee/commission, payable at the time of closing of the acquisition escrow, at the rate of 4% (for improved property) or 6% (for vacant land) of the acquisition value, as determined by formal appraisal or comparative market analysis, as appropriate. When market condition cause serious doubt about eh accuracy of the formal appraisal, payment of the finder's fee/commission may be delayed until the property is sold, the selling price then becoming the basis for the payment. If such a delay is anticipated, the broker will be so advised.