

Subject: Re: Rotary Note & related materials (Corrected Note To 36 months Version)
From: Steven Henderson <n8571v@gmail.com>
Date: 5/19/2015 3:34 PM
To: "Thomas P. House" <tomhouse@attorneyhouse.com>

Tom,

This is background information on the names Watsonville Rotary Endowment and Watsonville Rotary Foundation.

First came the Cronin Endowment and the Bob & Bessie Bowen Endowment, I'm not sure in what order. At some point it became a legal entity, i.e. The Watsonville Rotary Endowment (WRE). A Federal ID# was issued to that entity and it was designated a 501(c)(3) not for profit corp. That name and number is still used for all tax filings. In the beginning that was the legal name and an accurate description of its structure.

During my tenure as Treasurer, it was determined that the club's other not-for-profit event fund raisers (Mine Marty, Lewisburger, etc) needed to be under a 501(c)(3) umbrella, rather than the club's 501(c)(7) structure, in order for contributions to be deductible by donors. For convenience, we moved all such activities to the WRE, rather than create another 501(c)(3) entity. All tax filings for WRE now include all financial activity of all fundraising fund balances (Mine Marty, Lewisburger, etc.) and both endowments (Cronin & Bowen). Each fund is separately accounted for, but combined for the tax filings.

With these other funds in the WRE, it is more accurate to call the overall entity a foundation, since only a part of it is an endowment. We considered legally renaming the entity the Watsonville Rotary Foundation, but decided to not bother. We just need to keep straight in our own minds that the Cronin & Bowen funds are endowments, and the other funds are not; and everything together is commonly known as our foundation, i.e. Watsonville Rotary Foundation.

Should we change anything or do you think we're OK? I see our options as, 1-status quo, 2-change entity name to WRF, or 3-create a separate legal entity called WRF for our event fundraisers only.



ROTARY CLUB OF WATSONVILLE

No. 2598

P. O. Box 282

WATSONVILLE, CALIFORNIA 95077-0282

May 28, 2006

Richard H. Lambie, Trustee &
Patrick A. Kohlmann, Esq.
Temmerman & Cilley, LLP
2502 Stevens Creek Blvd.
San Jose, CA 95128-1654
Email: www.tc-lawfirm.com

RE: Estate and Trust of Leo J. Cronin
Your File No.: T-3798

Dear Trustee Lambie and Attorney Kohlmann:

I am the President of the Rotary Club of Watsonville and the Watsonville Rotary Endowment. I am responding to Mr. Kohlmann's letter of March 31, 2006 addressed to the Watsonville Rotary Endowment C/O Steven D. Henderson, Treasurer.

Leo Cronin was a long time member of the Rotary Club of Watsonville. He joined on June 27, 1958 and remained until his death in 1999. After being a member for 20 years, in 1978, Leo expressed a desire to institute an endowment fund in which the principal would be preserved and the income would be perpetually used for charitable, religious, educational and scientific purposes. He was instrumental in organizing the Watsonville Rotary Endowment for this purpose and was its founding president and a founding trustee. Leo was instrumental in not only funding the Endowment, but encouraging others to do likewise. Today the Endowment started by Leo has grown to a fund with a principal balance of \$ 240,206.00. This year nine scholarships will be awarded to graduating seniors from four local high schools thanks to the combined Cronin and other Watsonville Rotary Endowments. We remember Leo for his zealous support of the Endowment, although many believe it took second place to his zeal for playing horseshoes.

We have had a member of the Rotary Club who is an attorney look over the documents which accompanied Mr. Kohlmann's letter, including the Second Amendment To Cronin Living Trust indicating an intent for the trustee to distribute an appropriate sum to the Watsonville Rotary Endowment. It is my

understanding that a quick review of the court file in this matter shows that there has been long and costly court proceedings involving the family at quite some hardship to the family. The Watsonville Rotary Club and the Watsonville Rotary Endowment do not wish to in any way add to the legal problems for Leo's family and will be making no claim to any gift from the Trust or the Estate of Leo Cronin. However, if all the family members see fit to have the Trustee make a donation to the Watsonville Rotary Endowment from the Trust, such a gift would be graciously accepted in Leo's memory.

We wish the Cronin family all the best, and thank them for sharing Leo with us for so many years.

Very truly yours,

Ronald Kinninger, President

RK:hg

WYCKOFF, RICHARDSON, SANSON, ALLEN,
LOCKE-PADDON, WELDON & JOHNSON

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H. C. WYCKOFF (1873-1936)

May 24, 1995

BOARD OF DIRECTORS
ROTARY CLUB OF WATSONVILLE
PO BOX 282
WATSONVILLE CA 95076

Re: Robert and Bessie Bowen Scholarship
Criteria for Applicant Review
Our File No. 13250


Dear Members of the Board:

I have thoroughly reviewed the history of Bob's discussions with me in establishing this scholarship. I enclose a copy of my August 4, 1989 letter to then-President Bruce Richardson providing Bob's thoughts regarding criteria. This letter had been reviewed and approved by Bob.

I can add nothing to this letter except to indicate that Bob, while he had a concern to help Pajaro Valley residents, did not specifically say that the applicants had to return to the area following completion of their education. Accordingly, I would give as the primary factors need and potential as described in the August 4, 1989 letter. As a secondary element of lesser importance, the committee could look at whether the person was to return to the area. However, a person cannot be denied the scholarship solely on the grounds that he/she will not return to the area.

Please let me know if you have any questions. I again very much appreciate the support of the club of this scholarship from its inception. It was very important to Bob and I know he would be proud of the Club's continued work.

Best regards,



Stephen A. Weldon

SAW:lmh
Encl.
cc: Daniel Ukestad, CPA

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J. E. GARDNER (1874-1945)
JAMES A. WYCKOFF (1906-1973)
HARRY M. PARKER (1891-1973)
PHILIP T. BOYLE (1910-1978)
HUBERT WYCKOFF (1901-1979)
WILLARD LEE POPE (1909-1982)

June 16, 1993

ROBERT BOWEN
537 QUAIL RUN RD
APTOS CA 95003

Re: Bessie Bowen Scholarship Fund
Our File No.

Dear Bob:

I wanted to followup on my promise to update you on the scholarship fund, which is growing by leaps and bounds.

Larry Cardon was of great assistance in providing me an update and I give all credit to him. He indicated that the principal of the endowment is currently \$55,000; given that interest only is used, approximately \$5,000 is available if the scholarship committee finds a person or persons meeting the criteria. As you and I discussed in the past, you would be very happy to know that the Rotary Club is carefully using your criteria, looking at the critical factor of need, motivation and requiring people to return to the area and not leave. This is not a scholarship which goes to somebody with the top grades, but really focuses in on those criteria that you've developed. I am sending a copy of this letter to Verne Jones who I know has discussed this idea with you over the years.

The account was opened on November 13, 1991 and the following disbursements have been made:

1.	Cabrillo College Foundation	\$1,000	9/92
2.	Darlene Fraga - Scholarship	600	7/92
3.	Cecilia Ortiz	<u>600</u>	12/92
	TOTAL	<u>\$2,200</u>	

The Cabrillo College Foundation money will be used for disadvantaged students from Watsonville attending Cabrillo College; Manuel Onorio is in charge of that scholarship. Darlene Fraga received \$600 and will receive another \$600 for her sophomore year of college. Cecilia was also award \$1,200 for two years but elected to go Heald's Business College and received

ROBERT BOWEN
June 16, 1993
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\$600. All of these cases again were based on need and motivation and all of these people will return to the Watsonville area. .

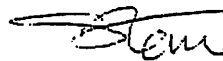
Two more students will be interviewed shortly regarding possible grants of under \$1,000 each. The Chairman of the Scholarship Committee, Kent Webber, will be in charge of setting up those meetings.

For comparison purposes, the Rotary Endowment, which was established 14 years ago, has \$30,000 principal. The response by the club and donors to the ideas of the Bessie Bowen Scholarship Fund has really been exciting; people like your criteria and they think it makes real sense for the community and its future. I am confident that it will draw outside donors who like the concept; of course, the Bowlathon has just again this past year contributed major monies to the fund.

I also enclose Rotary Foundation's PolioPlus Program Award Certificate to you just received today. Congratulations on your generosity.

Please give me a call if you have any questions regarding this informal rundown. You should be very proud of all that you have done in Bessie's memory and know that this scholarship will continue in perpetuity to serve those motivated young people who have a true need.

Best regards,



Stephen A. Weldon

SAW:rr

cc: Rocky Franich
Verne Jones
Larry Cardon
Kent Webber