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Superior Court of California  
County of San Joaquin  
2024-10-07 09:25:25  
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Trust Hearing  
2024-11-25 8:30AM in 11A

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN JOAQUIN

In the Matter of the:

RESTATED REVOCABLE TRUST  
AGREEMENT OF KARIN T. MEYER DATED  
NOVEMBER 20, 2003, AS AMENDED

Case No.: STK-PR-TR-2022-1534

PETITION FOR AUTHORITY TO  
PURCHASE REPLACEMENT  
REAL PROPERTY IN A 1031  
EXCHANGE [Probate Code, § 17200  
et seq.]

Date:  
Time: 8:30 a.m.  
Dept.: 11A

PETITION FOR AUTHORITY TO PURCHASE REPLACEMENT REAL PROPERTY IN A  
1031 EXCHANGE  
[Probate Code Section 17200 et seq.]

Petitioner BANK OF STOCKTON, Successor Trustee of the RESTATED REVOCABLE  
TRUST AGREEMENT OF KARIN T. MEYER DATED NOVEMBER 20, 2003, AS  
AMENDED ("Petitioner" or "Trustee"), alleges as follows:

1. Standing. Petitioner is the current acting Successor Trustee of the RESTATED  
REVOCABLE TRUST AGREEMENT OF KARIN T. MEYER DATED NOVEMBER 20,  
2003, AS AMENDED, appointed by the Court on January 24, 2023. A true and correct copy of  
the Order Appointing Successor Trustee is attached hereto as Exhibit "A."

2. Background Information. On November 20, 2003, KARIN T. MEYER ("Ms.  
Meyer"), as Settlor and Trustee, created the RESTATED REVOCABLE TRUST AGREEMENT

1 OF KARIN T. MEYER DATED NOVEMBER 20, 2003, and thereafter allegedly amended said  
2 Trust in that First Amendment to Restated Revocable Trust Agreement of Karin T. Meyer on  
3 July 15, 2016, and in that Second Amendment to the Restated Revocable Trust of Karin T.  
4 Meyer on July 7, 2022 (collectively referred to as "Trust" herein). A true and correct copy of the  
5 Trust and the alleged amendments thereto are attached hereto as Exhibit "B." Ms. Meyer,  
6 currently age 97, is the sole beneficiary of the Trust during her lifetime and under a  
7 conservatorship with San Joaquin County Public Conservator serving as conservator of the  
8 person and estate of Ms. Meyer.

10 3. Trust Beneficiaries. Ms. Meyer is the current and sole beneficiary of the Trust during  
11 her lifetime. It is unclear who are the contingent beneficiaries of the Trust. In light of Ms.  
12 Meyer being subject to a conservatorship with the San Joaquin County Public Conservator  
13 serving as conservator, Ms. Meyer's ability to amend the Trust is uncertain. Provided Ms.  
14 Meyer has capacity, the Trust provides that Ms. Meyer has the right to amend the Trust and  
15 change the beneficiaries of the Trust until her incapacity or passing such that Ms. Meyer is the  
16 only vested beneficiary of the Trust. This issue may be addressed further in a separate petition.

18 4. Background. In accordance with four separate Notices of Proposed Action mailed to  
19 the beneficiaries, Trustee has sold or will be selling the Trust's real properties located at 1209  
20 Williamson Road, Manteca, California (APN: 21-250-31) in accordance with a Notice of  
21 Proposed Action mailed June 18, 2024 ("Williamson Property"), 425-427 Greenbrier Avenue,  
22 Manteca, California (APN: 217-091-31) in accordance with a Notice of Proposed Action mailed  
23 June 20, 2024 ("Greenbrier Property"), 324 Eva Court, Manteca, California (APN: 216-350-23)  
24 in accordance with a Notice of Proposed Action mailed July 9, 2024 ("Eva Property"), and 629  
25 Oregon Street, Manteca, California (APN: 219-290-23) in accordance with a Notice of Proposed  
26 Action mailed August 28, 2024 ("Oregon Street Property") (The Williamson Property,  
27 Greenbrier Property, Eva Property and Oregon Street Property are collectively referred to as the  
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1 “Rental Homes”. Trustee is also contemplating the sale of a lot located in Lee County, Florida  
2 (APN: 11-44-23-C3-02583.0380) (the “Florida Lot”) at or around \$90,000 and a lot located in  
3 Lake County, Oregon (APN: 27S16E160002700) (the “Oregon Lot”) at or around \$16,000 and  
4 will send associated notices of proposed action when Trustee has received offers acceptable to  
5 Trustee. With the Oregon Street Property, absent an objection, set to close on or before October  
6 13, 2024, the estimated total sales price of the Rental Homes is \$1,224,900.00. In the event that  
7 the Florida Lot and Oregon Lot are sold, on or before the closing of the purchase of any  
8 Replacement Property by the Trust (the “Replacement Property Closing”), the total sales price of  
9 the above six real properties is estimated to be around \$1,330,900. In order to defer significant  
10 capital gains taxes on said sales of the Rental Homes estimated to be approximately \$328,433.00,  
11 and of the six real properties estimated to be approximately \$350,000, the properties having very  
12 low bases, Petitioner’s information and belief is that the purchase of one or more like-kind  
13 replacement real property for the Trust in an exchange or exchanges under Section 1031 of the  
14 Internal Revenue Code (“1031 Exchange”) using the proceeds from the sales of the Rental  
15 Homes, and the proceeds from the Florida Lot and Oregon Lot, if sold on or before the  
16 Replacement Property Closing, will allow for the deferral of the significant capital gains taxes  
17 owed by the Trust and be in the best interest of Ms. Meyer and the Trust. If the Florida Lot and  
18 Oregon Lot are not sold prior to the closing of the purchase of any Replacement Property, the  
19 Trustee intends to proceed with the 1031 Exchange with the proceeds from the sales of the  
20 Rental Homes alone, so as to preserve the deferral of capital gain on at least \$328,433.00. If the  
21 Florida Lot and/or Oregon Lot are sold after the Replacement Property Closing, given the  
22 anticipated collective sales price of \$106,000.00, the Trustee does not contemplate entering into  
23 a 1031 exchange for the Florida Lot and/or Oregon Lot alone.

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27 On September 20, 2024, Petitioner identified three (3) real properties from which it  
28 intends to select one or more properties to purchase as like-kind replacement property in the

1 1031 Exchange and accordingly, on October 4, 2024, Petitioner mailed that Notice of Proposed  
2 Action attached hereto as Exhibit “C” wherein Petitioner identified said three (3) real properties  
3 from which it would select one or more properties to purchase as a like-kind replacement  
4 property in the 1031 Exchange (“Notice of Proposed Action”). It is Petitioner’s information and  
5 belief that neither Ms. Meyer nor the San Joaquin County Public Conservator will object to this  
6 Petition and Petitioner’s request to purchase like-kind replacement property in the 1031  
7 Exchange with the proceeds from the sales of the Rental Homes, and from the sales of the  
8 Florida Lot and the Oregon Lot to the extent sold on or before Replacement Property Closing, so  
9 that capital gains taxes can be deferred.  
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11 Petitioner brings this Petition seeking authority from this Court to purchase one or more  
12 like-kind replacement real properties in a 1031 Exchange with the proceeds from the sales of the  
13 real properties set forth herein so that capital gains taxes can be deferred, purchases which  
14 Petitioner believes will be in the best interest of the Trust and in turn Ms. Meyer.  
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16 5. Petition for Instructions. The Trust authorizes the Trustee to take any action to  
17 minimize tax liabilities of the Trust and its beneficiaries, as well as to exchange and lease real  
18 property. Section 8(d) of the Trust provides that the Trustee may “manage, control, grant options  
19 on, sell (for cash or on deferred payments), convey, exchange, partition, divide, improve, and  
20 repair trust property.” (emphasis added). Additionally, Section (e) provides that the Trustee may  
21 “lease trust property for terms within or beyond the term of the trust for any purpose...”  
22 Importantly, Section 8(o) of the Trust provides the Trustee may “take any action and to make  
23 any election, in the trustee’s discretion, in order to minimize the tax liabilities of this trust and its  
24 beneficiaries.” While Section 8(a) of the Trust provides that the power of the Trustee to “invest  
25 and reinvest funds in every kind of property, real, personal, or mixed” is limited to the Settlor, it  
26 would appear that the Trust did not address the current situation where Ms. Meyer is alive but  
27 not serving as Trustee. It is Petitioner’s information and belief that Ms. Meyer would want to  
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1 purchase a replacement property so that she could maintain her real estate holdings, maximize  
2 annual income to the Trust, and defer payment of capital gains taxes to a later time.

3         Probate Code sections 17200(a) and (b) authorize a trustee of a trust to petition the Court  
4 concerning the internal affairs of a trust including, among other things, for the Court's  
5 instructions and granting of powers to the trustee. Prob. Code, §§ 17200(b)(6), (b)(8). The  
6 requested power to purchase one or more like-kind replacement real properties in a 1031  
7 Exchange is not inconsistent with the terms of the Trust. Prob. Code, §§ 16000, 16200. The  
8 Trustee is authorized by the Trust to exchange real property, and importantly to minimize tax  
9 liabilities of the Trust and beneficiaries.  
10

11         It is Petitioner's information and belief that the purchase of like-kind replacement  
12 property in a 1031 Exchange to defer the payment of capital gains taxes is in the best interest of  
13 the Trust and Ms. Meyer. As set forth in the September 18, 2024 analysis by the Trustee's  
14 accountants Bowman & Company ("September 18 Bowman Analysis"), a copy of which is  
15 attached hereto as Exhibit "D" without all attachments, if the Trust does not purchase like-kind  
16 replacement property in a 1031 Exchange related to its sales of the first four (4) real properties  
17 set forth herein at an estimated total net sales price of \$1,142,020, the Trust will be required to  
18 pay an estimated \$328,433 in capital gains taxes (provided once the two lots are also sold the  
19 total estimated sales price is \$1,330,900 which would result in the Trust being required to pay an  
20 estimated \$350,180 in capital gains taxes), which is or will be around 28.7% of the total net sales  
21 price received for the four (4) properties that have been or will be sold by the Trust (and around  
22 27.4% of the total net sales price received once all six (6) properties have been sold). If the Trust  
23 timely purchases like-kind replacement property in the 1031 Exchange, the capital gains taxes  
24 will be deferred to a later date. As set forth in the June 26, 2024 analysis by the Trustee's  
25 accountants Bowman & Company ("June 26 Bowman Analysis"), a copy of which is attached  
26 hereto as Exhibit "E," the proposed purchase of like-kind replacement property in the 1031  
27  
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1 Exchange “would be ideal” as it would result in a non-taxable transaction and save up to an  
2 estimated approximate \$328,433 associated with the Rental Homes, and up to \$350,000 for the  
3 Trust once and if the six (6) real properties (including the Florida Lot and Oregon Lot) set forth  
4 herein are sold.

5  
6 It is Petitioner’s information and belief that the purchase of any of the three (3) identified  
7 real properties, detailed below not in any particular order, would result in maximum benefit to  
8 the Trust versus the Trust paying the capital gains taxes associated with the sales of the real  
9 properties and not completing the 1031 Exchange.

10 (a) 1480 Knickerbocker Road, San Angelo, Texas 76904. The first identified real  
11 property is located at 1480 Knickerbocker Road, San Angelo, Texas 76904 (“Knickerbocker  
12 Property”) with a list price of \$1,658,500 for 0.94 acres underlying a new 510 square foot Seven  
13 Brew Coffee store, built in 2023, subject to a 15-year lease with multiple five-year extensions  
14 and guaranteed by 7Crew Enterprises, LLC. The lessee 7Crew Enterprises, LLC will pay all  
15 costs associated with the property, including real property taxes, insurance, and maintenance  
16 such that the Trust will not have to actively manage the property. The Trust will receive around  
17 the sum of \$102,000 annually for the first five years (without having to pay any costs associated  
18 with the property) with a 6.15% rate of return, and thereafter the annual rent will increase 10%  
19 every five years. Trustee has not yet entered negotiations to purchase the real property such that  
20 additional terms of sale may be added provided the Trustee would not purchase the real property  
21 for less than the list price and basic lease terms provided here.

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24 (b) 4001 Grandview Avenue, Odessa, Texas 79762. The second identified real property  
25 is located at 4001 Grandview Avenue, Odessa, Texas 79762 (“Grandview Property”) with a list  
26 price of \$1,642,000 for 0.51 acres underlying a new 510 square foot Seven Brew store, built in  
27 2023, subject to a 15-year lease with multiple five-year extensions and guaranteed by 7Crew  
28 Enterprises, LLC. The lessee 7Crew Enterprises, LLC will pay all costs associated with the

1 property, including real property taxes, insurance, and maintenance such that the Trust will not  
2 have to actively manage the property. The Trust will receive around the sum of \$98,500  
3 annually for the first five years (without having to pay any costs associated with the property)  
4 with a 6% rate of return, and thereafter the annual rent will increase 10% every five years.  
5 Trustee has not yet entered into negotiations to purchase the real property such that additional  
6 terms of sale may be added provided the Trustee would not purchase the real property for less  
7 than the list price and basic lease terms provided here.  
8

9 (c) 3838 Andrews Hwy, Odessa, Texas 79762. The third identified real property is  
10 located at 3838 Andrews Highway, Odessa, Texas 79762 (“Andrews Property”) with a list price  
11 of \$1,750,000 for 0.55 acres underlying a new 510 square foot Seven Brew store, built in 2023,  
12 subject to a 15-year lease with multiple five-year extensions and guaranteed by 7Crew  
13 Enterprises, LLC. The lessee 7Crew Enterprises, LLC will pay all costs associated with the  
14 property, including real property taxes, insurance, and maintenance such that the Trust will not  
15 have to actively manage the property. The Trust will receive around the sum of \$105,000  
16 annually for the first five years (without having to pay any costs associated with the property)  
17 with a 6% rate of return, and thereafter the annual rent will increase 10% every five years.  
18 Trustee has not yet entered into negotiations to purchase the real property such that additional  
19 terms of sale may be added provided the Trustee would not purchase the real property for less  
20 than the list price and basic lease terms provided here.  
21  
22

23 The Knickerbocker Property, Grandview Property, and Adams Property are referred to  
24 individually as a “Replacement Property” and collectively as the “Replacement Properties”.

25 According to the September 18 Bowman Analysis, if Petitioner does not participate in the  
26 1031 Exchange and like-kind replacement properties are not purchased, there would be at least  
27 an estimated \$328,000 capital gains taxes (likely more once the additional two (2) lots are sold).  
28 Said payment of the capital gains estate tax would result in a permanent reduction in trust value

1 such that if Ms. Meyer passed within a short time, there would not be sufficient time to make-up  
2 the reduction in value. The September 18 Bowman Analysis further provides that it would then  
3 take the Trust earning 10.2% on a sustained basis just to equal income of \$83,000 (or more if one  
4 of identified properties herein is purchased) that the exchange proceeds could potential earn by  
5 purchasing a replacement property, plus the Trust would need to earn substantially more over  
6 time to recover the approximately \$328,000 tax that was paid. Moreover, if the net proceeds  
7 from the sale of the real properties (after the payment of capital gains taxes and costs) of  
8 approximately \$814,587 were deposited into a savings account with an estimated interest rate of  
9 5%, the estimated annual return would only be around \$40,729.35. It would take approximately  
10 eight years to recover just the amount paid for the capital gains taxes. If replacement rental or  
11 leased real properties are purchased in a 1031 Exchange, it is Petitioner's information and belief  
12 that there will be higher returns to the Trust for the benefit of Ms. Meyer and other trust  
13 beneficiaries through rent and lease income. Moreover, with the uncertainty in the political and  
14 economic climate and potential changes to current tax laws, interest rates, and numerous other  
15 possibilities, it is Petitioner's information and belief that the completion of a 1031 Exchange  
16 would best benefit Ms. Meyer and the Trust.

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19 The projected taxes and future estimated tax projections set forth herein are based on  
20 numbers prepared by the Trustee's accountant Bowman & Company. All projections set forth  
21 herein are purely estimates and intended solely for the purpose of illustrative projections to  
22 facilitate analysis and are not guaranteed by the Trustee and are not intended to serve as a  
23 guaranteed return on investment by the Trustee.

24  
25 It is Petitioner's information and belief that the purchase of one (1) or more of the three  
26 (3) identified like-kind replacement properties in a 1031 Exchange with the proceeds from the  
27 sales of the real properties set forth herein should result in the highest return on the proceeds  
28 from said sales and defer the payment of the associated estimated approximately \$328,000 to



1 \$350,180 in capital gains taxes by the Trust so that the maximum benefit is achieved for Ms.  
2 Meyer and for the Trust's eventual beneficiaries. The Court is authorized to instruct Petitioner  
3 accordingly as the Court has broad discretion to make any orders and take any action necessary  
4 or proper. Prob. Code, § 17206. By authorizing the Trustee to purchase one or more like-kind  
5 replacement real properties in a 1031 Exchange so that capital gains taxes can be deferred,  
6 judicial economy can be maximized by eliminating the need for the Trustee to again petition the  
7 Court for instructions related to the purchase of specific like-kind replacement real properties,  
8 assuming there is sufficient time to complete the 1031 Exchange, to benefit Ms. Meyer and the  
9 Trust. Prob. Code, § 17209 (noting that the administration of trusts are intended to proceed  
10 expeditiously and free of judicial intervention). In fact, this Court previously approved the  
11 Trustee's purchase of like-kind replacement real property in a 1031 exchange in unrelated sales  
12 earlier this year.  
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15 6. Notice. This Petition will be served not only on Ms. Meyer, the sole beneficiary of  
16 the Trust during her lifetime, but also the San Joaquin County Public Conservator, all potential  
17 beneficiaries named in the Trust, and others. The term potential beneficiaries is used herein  
18 because Ms. Meyer has the right to amend the Trust during her lifetime. Assuming Ms. Meyer  
19 has capacity, she could amend the Trust up to her passing. Thus, the contingent beneficiaries of  
20 the Trust are not known and will not be known until Ms. Meyer is determined not to have the  
21 ability to amend the Trust, or is deceased. A separate petition may be brought seeking  
22 instructions as to whom Petitioner is required to give notice in light of Ms. Meyer's uncertain  
23 capacity and thus uncertain power to revoke and Probate Code section 15800. Nevertheless, one  
24 position is that only Ms. Meyer and/or the San Joaquin County Public Conservator have the right  
25 to notice of this petition and right to object, but they do not object to the Notices of Proposed  
26 Action sent hereunder and it is Petitioner's information and belief that they do not object to the  
27 Trustee's purchase of like-kind replacement real property in a 1031 Exchange for which  
28

1 authority from this Court is sought herein. In light of the lack of certainty with respect to who is  
2 entitled to Notice, Petitioner brings this Petition seeking the Court's instruction and authority to  
3 purchase like-kind replacement real property in a 1031 Exchange to defer the capital gains  
4 payable on the sales of the real properties identified herein for the benefit of Ms. Meyer and the  
5 Trust.  
6

7 7. Venue and Jurisdiction. The Trust was and continues to be administered in San  
8 Joaquin County, California. The principal place of administration of the Trust is in San Joaquin  
9 County.

10 8. Names, Addresses, Ages, and Relationship to Beneficiaries. The names, addresses,  
11 and ages of the beneficiaries, potential beneficiaries, or interested parties of the Trust:

<u>NAME:</u>	<u>AGE:</u>	<u>ADDRESS:</u>
KARIN T. MEYER (CURRENT SOLE BENEFICIARY OF TRUST)	ADULT	ADDRESS OF MS. MEYER IS CONFIDENTIAL PER COURT ORDER
SYLVIA A. MEYER (DECEASED CHILD OF KARIN T. MEYER)		DATE OF DEATH: 01/07/2020
JOHANN FUERMETZ (DECEASED BROTHER OF KARIN T. MEYER)		DATE OF DEATH: 12/18/2016
INGEBORG PAULINE FUERMETZ (SURVIVING SPOUSE OF JOHANN FUERMETZ AND SISTER-IN-LAW OF KARIN T. MEYER)	ADULT	BEETHOVENSTR. 21 85591 VATERSTETTEN GERMANY
DANIELA RISPINA FALTSHAUSER (DAUGHTER OF JOHANN FUERMETZ, DECEASED BROTHER OF KARIN T. MEYER)		DATE OF DEATH: 10/28/00
MIRIAM FALTSHAUSER (NIECE OF KARIN T. MEYER, DAUGHTER OF DANIELA RISPIINA FALTSHAUSER GEB. FUERMETZ (DECEASED SISTER OF KARIN T. MEYER); POTENTIAL BENEFICIARY OF TRUST)	ADULT	KOLONIESTRABE 2 85614 KIRCHSEEON GERMANY
FLORIAN FALTSHAUSER (NIECE OF KARIN T. MEYER, DAUGHTER OF DANIELA RISPIINA FALTSHAUSER GEB. FUERMETZ (DECEASED SISTER OF KARIN T. MEYER); POTENTIAL BENEFICIARY OF TRUST)	ADULT	ANZINGER STRASSE 43 85604 PORING, GERMANY
HARALD FURMETZ (NEPHEW OF KARIN T. MEYER; POTENTIAL BENEFICIARY OF TRUST)	ADULT	RAPPENSEESTRASSE 11 81379 MUNICH, GERMANY
MARTINA SANDRA FUERMETZ (DAUGHTER OF HARALD FUERMETZ;	ADULT	BRUDERHOFSTR. 39 81371 MUNICH, GERMANY

POTENTIAL BENEFICIARY OF TRUST)		
THOMAS MAXIMILIAN FUERMETZ (SON OF HARALD FUERMETZ; POTENTIAL BENEFICIARY OF TRUST)	ADULT	RAPPENSEESTRASSE 11 81379 MUNICH, GERMANY
ELFRIDE KRAUßE (SISTER OF KARIN T. MEYER; POTENTIAL BENEFICIARY OF TRUST)	ADULT	SEESTRASSE #4 82449 UFFING, BAVARIA, GERMANY
HANS-HEINZ KRAUßE (BROTHER-IN- LAW OF KARIN T. MEYER; POTENTIAL BENEFICIARY OF TRUST)	ADULT	SEESTRASSE #4 82449 UFFING, BAVARIA, GERMANY
CHRISTEL DEURRANWANGER (POTENTIAL BENEFICIARY OF TRUST)	ADULT	WIRSUNG STR. 4, 86154 AUGSBURG, GERMANY
ERIKA NAGEL (SISTER OF KARIN T. MEYER; POTENTIAL BENEFICIARY OF TRUST)	ADULT	ERICH-KAESTNER-WEG 2 85551 KIRCHHEIM, GERMANY
BRIGITTE NAGL (NIECE OF KARIN T. MEYER; POTENTIAL BENEFICIARY OF TRUST)	ADULT	ERICH KAESTNERWEG 56, 85551 AUGSBURG, GERMANY
KONRAD BRAUM (DECEASED BROTHER OF KARIN T. MEYER)		DOD 10/27/06
ANNETTE ZETTL (NIECE OF KARIN T. MEYER, DAUGHTER OF KONRAD BRAUM (DECEASED BROTHER OF KARIN T. MEYER)	ADULT	BIRBURGER STR.8 86482 AYSTETTEN, GERMANY
ANDREAS NAGL (NIECE OF KARIN T. MEYER; POTENTIAL BENEFICIARY OF TRUST)	ADULT	ERICH KAESTNERWEG 56 85551 AUGSBURG, GERMANY
GEORGE FUERMETZ (DECEASED BROTHER OF KARIN T. MEYER)		DOD NOT KNOWN
ELFRIED PETER (POTENTIAL BENEFICIARY OF TRUST)	ADULT	8905 WEST GERMANY
IAN BARKLEY, SAN JOAQUIN COUNTY PUBLIC CONSERVATOR (TEMPORARY CONSERVATOR OF THE PERSON AND ESTATE OF KARIN T. MEYER)		1212 N. CALIFORNIA STREET STOCKTON, CALIFORNIA 95202
LISA S. RIBEIRO, DEPUTY COUNTY COUNSEL (ATTORNEY FOR SAN JOAQUIN COUNTY PUBLIC CONSERVATOR)		POST OFFICE BOX 201063 STOCKTON, CALIFORNIA 95201
SCOTT BEATTIE, ESQ. (ATTORNEY FOR ELFRIED KRAUßE AND HANS-HEINZ KRAUßE)		3443 DEER PARK DRIVE, SUITE A STOCKTON, CALIFORNIA 95219
PERRY W. KNIGHT (ATTORNEY FOR KARIN T. MEYER)		8139 SUNSET AVE #168 FAIR OAKS, CALIFORNIA 95628-5131

WHEREFORE, Petitioner prays for an Order of this Court:

1. That BANK OF STOCKTON, Successor Trustee of the RESTATED REVOCABLE TRUST AGREEMENT OF KARIN T. MEYER DATED NOVEMBER 20, 2003, AS AMENDED, be authorized to purchase one or more of the three (3) identified like-kind

1 replacement real properties, namely either that real property located at (a) 1480 Knickerbocker  
2 Road, San Angelo, Texas 76904, (b) 4001 N. Grandview Avenue, Odessa, Texas 79762, or (c)  
3 3838 Andrews Highway, Odessa, Texas 79762 in one (1) or more 1031 exchanges using the  
4 proceeds from the sales of the 1209 Williamson Road, Manteca, California (APN: 21-250-31),  
5 425-427 Greenbrier Avenue, Manteca, California (APN: 217-091-31), 324 Eva Court, Manteca,  
6 California (APN: 216-350-23), and 629 Oregon Street, Manteca, California (APN: 219-290-23).

7 2. That BANK OF STOCKTON, Successor Trustee of the RESTATED REVOCABLE  
8 TRUST AGREEMENT OF KARIN T. MEYER DATED NOVEMBER 20, 2003, AS  
9 AMENDED, is authorized, in the event that the lot located in Lee County, Florida (APN: 11-44-  
10 23-C3-02583.0380)(the "Florida Lot"), and/or the lot located in Lake County, Oregon (APN:  
11 27S16E160002700) (the "Oregon Lot"), is sold on or before the Replacement Property Closing,  
12 to deposit the sales proceeds from the sale of the Florida Lot and/or Oregon Lot, into one or  
13 more 1031 exchanges identified in Paragraph 1 immediately above, in order to defer the payment  
14 of capital gains taxes on said sales; and

15 3. For such further orders as the Court deems proper.

17 Dated: Oct. 4, 2024

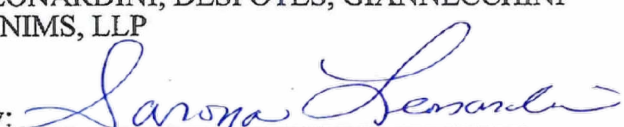
BANK OF STOCKTON

19 BY:

  
JULIE M. WATTS, AVP TRUST  
ADMINISTRATIVE OFFICER

20 LEONARDINI, DESPOTES, GIANNECCHINI  
21 & NIMS, LLP

22 By:

  
SAROYA J. LEONARDINI  
Attorneys for Successor Trustee,  
BANK OF STOCKTON

VERIFICATION

I, the undersigned, declare:

I have read the foregoing PETITION FOR AUTHORITY TO PURCHASE  
REPLACEMENT REAL PROPERTY IN A 1031 EXCHANGE and know its contents. It is true  
of my own knowledge, except as to the matters that are stated in it on my information or belief,  
and as to those matters, I believe it to be true.

I declare under penalty of perjury under the laws of the State of California that the  
foregoing is true and correct.

Executed on Oct. 4, 2024 at Stockton, California.

  
\_\_\_\_\_  
JULIE M. WATTS, AVP TRUST  
ADMINISTRATIVE OFFICER

**EXHIBIT A**

1 OFFICE OF THE COUNTY COUNSEL  
2 County of San Joaquin  
3 LISA S. RIBEIRO, CSB#215644  
4 Deputy County Counsel  
44 N. San Joaquin St., Suite 679  
Stockton, California 95202  
Telephone: (209) 468-2980

5 Attorneys for SJC Public Conservator

Filed JAN 24 2023  
BRANDON E. RILEY, CLERK

By  DEPUTY

6  
7 SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN JOAQUIN  
8 STOCKTON BRANCH

9 In the Matter of the:

10 RESTATED REVOCABLE TRUST  
11 AGREEMENT OF KARIN T. MEYER

12 Dated November 20, 2003

CASE NO. STK-PR-TR-2022-1534

ORDER AFTER HEARING ON:

PETITION TO APPOINT  
SUCCESSOR TRUSTEE

Date: January 24, 2023  
Time: 8:30 a.m.  
Dept: 11A  
Judge: Carter Holly


15 The Public Conservator's Petition to Appoint Successor Trustee, came on for regular  
16 hearing on January 24, 2023. DPG Jaelyn Siken, was present via telephone on behalf of the San  
17 Joaquin County Public Conservator, and was represented by Deputy County Counsel, Lisa S.  
18 Ribeiro. Proposed successor trustee, Bank of Stockton, by and through Julie Watts, AVP/Trust  
19 Administrator, was present, and represented by counsel, Saroya Leonardini. Jaime Burciaga, and  
20 his counsel, Nini Lee, were present by telephone. After reviewing the petition, the declination to act  
21 signed by Jaime Burciaga, the acceptance of appointment, other documentary and oral evidence,  
22 hearing and considering the matter, the Court hereby finds that:

- 23 1. All notices have been given as required by law; and  
24 2. Good cause exists to make the following order;

25 IT IS ORDERED THAT:

- 26 1. The BANK OF STOCKTON, is appointed the successor trustee of the Restated  
27 Revocable Trust Agreement of Karin T. Meyer, dated November 20, 2003, as amended.

28 Date: JAN 24 2023

 CARTER HOLLY  
JUDGE OF THE SUPERIOR COURT

## EXHIBIT B



**RESTATED**  
**REVOCABLE TRUST AGREEMENT**  
**BETWEEN**  
**KARIN T. MEYER**  
**OF MANTECA, CALIFORNIA, SETTLOR**  
**AND**  
**KARIN T. MEYER**  
**OF MANTECA, CALIFORNIA, TRUSTEE**

The settlor hereby amend and fully restate the Revocable Trust established on March 25, 1992. This restated trust instrument fully replaces and restates and is in full substitution and amendment of all provisions contained in said trust instrument dated March 25, 1992, and all of said subsequent amendments thereto. The settlor hereby transfer and assign to the trustees the property described in Schedule A, attached hereto and by this reference made a part hereof. All such property and any other property held in the name of the trust or as hereafter added to the trust shall be known as the trust fund.

Trustees acknowledge receipt of the trust fund and shall hold same in trust under the following terms, conditions, and provisions.

**DEFINITIONS**

Settlor is unmarried and has one child now living, namely: SYLVIA A. MEYER.

Unless otherwise specifically provided herein, the settlor, acting as trustee, shall have the full capacity, power and authority to deal, manage, convey, encumber and otherwise dispose of trust property on her signature. Immediately upon the death of the settlor/trustee, the successor trustee herein named shall, if not already acting as trustee, immediately become the trustee of the trust created hereunder, with full authority as such upon notice that said successor trustee has succeeded to the trusteeship as provided herein.

beneficiary, or the appointment or substitution of a trustee residing or doing business in another state.

13. The trustee is authorized to abandon any trust property or interest in property belonging to the trust when, in the trustee's discretion, such abandonment is in the best interest of the trust and its beneficiaries.

14. The successor trustee, in the successor trustee's discretion, may be compensated at the prevailing rate of a corporate trustee for administering trusts of the same size, kind and character as created hereunder and as this trust is then constituted. If any successor trustee has made trust related expenditures from their personal funds, reimbursement shall be made from this trust.

15. If any provision of this trust instrument is unenforceable, the remaining provisions shall nevertheless be carried into effect.

16. Except as otherwise provided in this instrument, the settlor has intentionally and with full knowledge omitted to provide for her heirs. In the event any beneficiary under this trust shall, singly or in conjunction with any other person or persons, contest in any court the validity of this trust or of the settlor's last Will or shall seek to obtain an adjudication in any proceeding in any court that this trust or any of its provisions or that such Will or any of its provisions, is void, or seek otherwise to void, nullify, or set aside this trust or any of its provisions then the right of that person to take any interest given to him by this trust shall be determined as it would have been determined had the person predeceased the execution of this Declaration of Trust.

17. If at any time either in the trustee's discretion, or as certified in writing by two licensed physicians, settlor, if settlor is acting as trustee, has become physically and/or mentally incapacitated, or unable to manage her own affairs, whether or not a court of competent jurisdiction has declared settlor incompetent, mentally ill, or in need of a conservator, the successor trustees herein named shall immediately assume control and management of the trust estate, and shall pay to settlor or apply for her benefit the amount of income and principal necessary for the proper health, comfort and maintenance of settlor until the incapacitated settlor, either in the trustees' discretion, or as certified by two licensed physicians, is again able to manage her own affairs, or until the death of said incapacitated settlor.

18. If KARIN T. MEYER shall for any reason be unable or unwilling to act or cease to act as trustee, then ~~INGEBORG WRIGHT shall serve as successor trustee in that vacancy. If she shall be unable to serve, then the RUBEN SEPULVEDA shall serve as successor trustee.~~

19. 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 here, for the faithful performance of his duties as trustee.

20. Where it is provided in this Declaration that a beneficiary hereunder must survive in order to receive his or her share, such beneficiary shall be deemed to have predeceased settlor unless he or she survives settlor for a period of thirty (30) days.

21. The trust created by this instrument may be referred to as THE TRUST OF KARIN T. MEYER.

I CERTIFY that I have read the foregoing Declaration of Trust and that it correctly states the terms and conditions under which the trust estate is to be held managed and distributed, and with my approval, I request that the trustee execute this Declaration of Trust.

Executed at Stockton, California, on the 20th day of November, 2008.

SETTLOR

  
KARIN T. MEYER

TRUSTEE


  
KARIN T. MEYER

STATE OF CALIFORNIA

COUNTY OF SAN JOAQUIN

On November 20, 2003, before me, Linda Mulaly Masten, Notary Public, personally appeared KARIN T. MEYER personally known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same in her authorized capacities, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

  
Signature of Notary



**FIRST AMENDMENT TO  
RESTATED REVOCABLE TRUST AGREEMENT  
OF KARIN T. MEYER**

Preamble. Karin T. Meyer is the settlor and trustee of the revocable trust established on March 25, 1992, and wholly amended and restated in the "Restated Revocable Trust Agreement Between Karin T. Meyer Of Manteca, California, Settlor, and Karin T. Meyer of Manteca, California, Trustee," dated November 20, 2003. In paragraph 6 of that restated revocable trust agreement, the settlor reserved the right to amend the trust, in the following language:

6. The settlor may at any time during her lifetime amend any of the terms of this instrument by an instrument in writing signed by settlor.

The settlor now wishes to exercise her right of amendment and, to that end, does hereby amend that restated revocable trust agreement in the terms stated below, and as trustee hereby consents to the terms of this amendment.

1. The settlor hereby deletes Paragraph 3, Section(d)(2) in its entirety and replaces said Paragraph 3, Section (d)(2) of the aforesaid restated revocable trust agreement with the following paragraph:

[REDACTED]

2. The settlor hereby deletes Paragraph 3, Section (d)(2)(e) in its entirety and replaces said Paragraph 3, Section (d)(2)(e) of the aforesaid restated revocable trust agreement with the following paragraph:

The sum of  
to settlor's

[REDACTED]

3. The settlor hereby deletes Paragraph 3, Section (d)(2)(f) in its entirety and replaces said Paragraph 3, Section (d)(2)(f) of the aforesaid restated revocable trust agreement with the following paragraph:

The sum of  
to settlor's

[REDACTED] shall be distributed  
[REDACTED]

4. The settlor hereby deletes Paragraph 3, Section (d)(2)(g) in its entirety and replaces said Paragraph 3, Section (d)(2)(g) of the aforesaid restated revocable trust agreement with the following paragraph:

The sum of  
to settlor's

[REDACTED] shall be distributed  
[REDACTED]

5. The settlor hereby deletes Paragraph 3, Section (d)(2)(h) in its entirety.
6. The settlor hereby deletes Paragraph 3, Section (d)(2)(i) in its entirety.
7. The settlor hereby deletes Paragraph 3, Section (d)(2)(j) in its entirety.
8. The settlor hereby deletes Paragraph 3, Section (d)(2)(k) in its entirety and replaces said Paragraph 3, Section (d)(2)(k) of the aforesaid restated revocable trust agreement with the following paragraph:

The sum of [REDACTED] shall be distributed to settlor's [REDACTED]

9. The settlor hereby deletes Paragraph 3, Section (d)(2)(l) in its entirety.
10. The settlor hereby deletes Paragraph 3, Section (d)(2)(m) in its entirety and replaces said Paragraph 3, Section (d)(2)(m) of the aforesaid restated revocable trust agreement with the following paragraph:

The sum of [REDACTED] shall be distributed to settlor's [REDACTED]

11. The settlor hereby deletes Paragraph 3, Section (d)(2)(n) in its entirety and replaces said Paragraph 3, Section (d)(2)(n) of the aforesaid restated revocable trust agreement with the following paragraph:

The sum of [REDACTED] shall be distributed to settlor's [REDACTED]

12. The settlor hereby deletes Paragraph 18 in its entirety and replaces said Paragraph 18 of the aforesaid restated revocable trust agreement with the following paragraph:

IF KARIN T. MEYER shall for any reason be unable or unwilling to act, or cease to act, as trustee, then CHAD J. WOOD, ESQ. shall serve as successor trustee.

13. Ratification of Other Terms of Trust. In every other respect, the settlor confirms and ratifies the terms of the aforesaid restated revocable trust dated November 20, 2003.

**SECOND AMENDMENT TO THE  
RESTATED REVOCABLE TRUST  
OF  
KARIN T. MEYER  
dated March 25, 1992**

THIS SECOND AMENDMENT TO THE RESTATED REVOCABLE TRUST OF KARIN T. MEYER dated March 25, 1992 ("Second Amendment") is made by and between KARIN T. MEYER, as Settlor and Trustee, and is effective as of the date signed.

**W H E R E A S:**

A. KARIN T. MEYER established the Revocable Living Trust of Karin T. Meyer on March 25, 1992 (the "Trust Agreement"), which was restated on November 20, 2003;

B. Pursuant to page 6 of the Restated Trust Agreement, KARIN T. MEYER reserved the right to amend the Restate Trust Agreement;

C. The Settlor amended the Restated Trust Agreement on July 15, 2016 (the "First Amendment"); and

D. The Settlor desires to again amend the Restated Trust Agreement in the manner hereafter set forth.

NOW, THEREFORE, KARIN T. MEYER, as Settlor, hereby amends the Restated Trust Agreement as follows:

1. Amendment. The Settlor hereby deletes Paragraph 18 in its entirety and replaces said Paragraph 18 of the aforesaid restated revocable trust with the following paragraph:

If KARIN T. MEYER shall for any reason be unable or unwilling to act, or cease to act, as trustee, then JAIME G. BURCIAGA shall serve as successor Trustee.

2. No-Contest Clause. If any person attempts to contest or oppose the validity of this Second Amendment, the First Amendment, or the Restated Trust Agreement, or commences, continues, or prosecutes any legal proceedings to set any of them aside, then that person will forfeit his or her share, cease to have any right or interest in the Trust Estate, and will be considered to have predeceased the Settlor for purposes of this instrument.

But during any period in which the laws of the State of California govern the applicability or validity of this provision, California Probate Code Section 21311 will apply, and the Trustee may only enforce this provision against any of these types of contests:

a direct contest brought by any beneficiary without probable cause;

a pleading by any beneficiary to challenge a property transfer on the grounds that the transferor did not own the property at the transfer time; and

any filing of a creditor's claim or prosecution of any action based on the filing of a claim of this kind.

The terms *direct contest*, and *pleading* have the same meanings as set forth in California Probate Code Section 21310. The Trust Agreement, First Amendment and this Second Amendment are *protected instruments* as provided in California Probate Code Section 21310(e).

EXCEPT as hereinabove expressly altered and amended, the terms of the Trust of KARIN T. MEYER as set forth in the Restated Trust Agreement and First Amendment are ratified and affirmed.

Executed at Modesto, California, on July 7, 2022.

SETTLOR:

Karin T. Meyer  
KARIN T. MEYER

TRUSTEE:

Karin T. Meyer  
KARIN T. MEYER

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 )

COUNTY OF STANISLAUS ) ss

On July 7, 2022, before me, Elizabeth L. Long, Notary Public, personally appeared KARIN T. MEYER, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

Elizabeth L. Long  
Notary Public





**EXHIBIT C**

**NOTICE OF PROPOSED ACTION**  
(Probate Code section 16500 et seq.)

**TO THE BENEFICIARIES OF THE  
RESTATED REVOCABLE TRUST AGREEMENT OF  
KARIN T. MEYER DATED NOVEMBER 20, 2003**

Pursuant to Probate Code sections 16500 et seq., Bank of Stockton, Successor Trustee (the "Trustee") of the RESTATED REVOCABLE TRUST AGREEMENT OF KARIN T. MEYER DATED NOVEMBER 20, 2003 (referred to herein as "Trust"), hereby gives notice to all beneficiaries and possible contingent beneficiaries of the Trust that the Successor Trustee intends to utilize all or a portion of the proceeds from the sale of the Trust's real properties located at 1209 Williamson Road, Manteca, California (APN: 21-250-31), 425-427 Greenbrier Avenue, Manteca, California (APN: 217-091-31), 324 Eva Court, Manteca, California (APN: 216-350-23), and 629 Oregon Street, Manteca, California (APN: 219-290-23) (collectively the "Rental Homes") to purchase replacement real property in an exchange or exchanges under Section 1031 of the Internal Revenue Code in order to defer the capital gains tax normally due on the sale of investment real estate or real estate held for productive use in a trade or business. The Trustee is also considering the potential sale of a lot located in Lee County, Florida (APN: 11-44-23-C3-02583.0380) (the "Florida Lot"), and a lot located in Lake County, Oregon (APN: 27S16E160002700) (the "Oregon Lot") (hereinafter the Florida Lot and the Oregon Lot referred to separately as the "Lot" and collectively as the "Lots"). If the Trustee sells the Lot or Lots on or before the closing of the purchase of the replacement property, the Trustee intends to use the net sales proceeds from the sale of the Lot or Lots, to add to the proceeds from the sale of the Rental Homes for the purchase of replacement real property in a 1031 exchange as described below.

**NOTICE**

THIS NOTICE IS BEING GIVEN PURSUANT TO PROBATE CODE SECTION 16502. If you do not object in writing or do not obtain a court order preventing the action described herein, you will be treated as if you consented to this proposed action and you may not object after the proposed action is taken. If the Trustee receives a written objection within the applicable period, either the Trustee or a beneficiary may petition the court to have the proposed action taken as proposed, taken with modifications, or denied. Probate Code section 16501(d) lists certain actions for which this notice may not be used.

On or after **November 20, 2024**, the Successor Trustee Bank of Stockton ("Trustee") will take the following action:

Trustee intends to utilize all or a portion of the net sales proceeds from the sales of the Trust's real properties located at 1209 Williamson Road, Manteca, California (APN: 21-250-31) ("Williamson"), 425-427 Greenbrier Avenue, Manteca, California (APN: 217-091-31) ("Greenbrier"), 324 Eva Court, Manteca, California (APN: 216-350-23) ("Eva"), and 629 Oregon Street, Manteca, California (APN: 219-290-23) ("Oregon Street") pursuant to those Notices of Proposed Action mailed on June 18, 2024, June 20, 2024, July 9, 2024, and August 28, 2024, respectively, and to the extent sold on or before the closing of the Replacement Property, of a lot located in Lee County, Florida (APN: 11-44-23-C3-02583.0380) ("Lee County Lot") and a lot located in Lake County, Oregon (APN: 27S16E160002700) ("Lake County Lot") for which separate associated Notices of Proposed Action will be mailed, to purchase replacement real property for the Trust in an exchange or exchanges under Section 1031 of the Internal Revenue Code ("Section 1031"). There are three (3) properties that have been identified as potential replacement real property for an exchange or exchanges under Section 1031, namely:

(1) a 0.94 acre parcel located at 1480 Knickerbocker Road, San Angelo, Texas listed at \$1,658,500 with 510 square foot building leased to Seven Brew Coffee for a 15-year term with scheduled rent increases and options to extend lease;

(2) a 0.51 acre parcel located at 4001 N. Grandview Avenue, Odessa, Texas listed at \$1,642,000 with 510 square foot building leased to Seven Brew for a 15-year term with scheduled rent increases and options to extend lease; and

(3) a 0.55 acre parcel located at 3838 Andrews Highway, Odessa Texas listed at \$1,750,000 with 510 square foot building leased to Seven Brew for a 15-year term with scheduled rent increases and options to extend lease.

Each (1) (2) and (3) above individually referred to as a "Replacement Property" and collectively as the "Replacement Properties").

The spreadsheet and additional information related to each identified potential Replacement Property attached hereto as Exhibit "A" more particularly details each such Replacement Property. Each identified potential Replacement Property is real property subject to an absolute net lease, such that the tenant is responsible for all, or most, of property costs related to the property, including insurance, property taxes, building maintenance, and repairs. The Trustee intends to enter into an exchange or exchanges for any of the three (3) identified Replacement Property or Properties, for a purchase price not to exceed the list price for each Replacement Property listed in this Notice. The purchase of replacement real property as set forth herein will help allow for deferral of capital gains taxes by the Trust associated with the Trust's sale of the Williamson, Greenbrier, Eva, and Oregon Street properties, as well as the Lee County Lot and/or Lake County Lot if said lots are sold on time.

Please note, if Trustee receives signed consents to this Notice for the exchange or exchange under Section 1031 as set forth herein from all Trust beneficiaries, **the exchange or exchanges may occur sooner than November 20, 2024.**

1. The name, address, and electronic address of the Successor Trustee:

Bank of Stockton, Wealth Department  
Julie Watts – AVP Administrative Trust Officer (jwatts@bankofstockton.com)  
c/o Leonardini, Despotes, Giannecchini & Nims LLP  
3414 Brookside Road, Suite 300, Stockton, California 95219

2. If you need additional information concerning the proposed action, please contact:

Saroya Leonardini, Attorney for Bank of Stockton  
3414 Brookside Road, Suite 300, Stockton, California 95219  
Phone: (209) 518-2000; Email: sleonardini@ldgnlaw.com

Dated: October 3, 2024

  
BANK OF STOCKTON, Successor Trustee  
By: Julie M. Watts, AVP Trust Administrative Officer

3. IF YOU OBJECT OR CONSENT TO THE ABOVE-DESCRIBED ACTIONS OF THE SUCCESSOR TRUSTEE, YOU MAY INDICATE YOUR OBJECTION OR CONSENT BY SIGNING AND RETURNING THIS FORM TO THE TRUSTEE AT THE ADDRESS LISTED IN ITEM 1 ABOVE NO LATER THAN **NOVEMBER 20, 2024.**

YOU MAY SEND YOUR OWN WRITTEN OBJECTION OR CONSENT TO THE ADDRESS LISTED IN ITEM 1 ABOVE, INSTEAD OF SIGNING AND RETURNING THIS FORM. BE SURE TO IDENTIFY THE PROPOSED ACTION AND STATE THAT YOU OBJECT OR CONSENT TO IT. YOUR WRITTEN OBJECTION MUST BE RECEIVED BY THE SUCCESSOR TRUSTEE ON OR BEFORE **NOVEMBER 20, 2024**.

---

### **CONSENT TO PROPOSED ACTION**

\_\_\_\_\_ I **CONSENT** to the above-described actions by the Successor Trustee.

**NOTICE:** You may indicate your consent by signing and returning this Notice (all pages) to the Successor Trustee at the address in Item 1. If you do not object or obtain a court order before the date specified above, you will be treated as if you consented to the proposed action.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

### **OBJECTION TO PROPOSED ACTION**

\_\_\_\_\_ I **OBJECT** to the above-described actions by the Successor Trustee.

**NOTICE:** You may return this form (all pages) to the Successor Trustee at the address in Item 1 OR you may apply to the court for an order that the proposed action be taken with modifications or denied. You must return the form or obtain a court order before the date specified above.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**PROOF OF SERVICE**

I am over the age of 18 years, and not a party to this action. My business address is 3414 Brookside Road, Suite 300, Stockton, California 95219, which is located in the county where the mailing described below took place.

I am readily familiar with the business practice at my place of business for collection and processing of correspondence for mailing. On the date listed below, at my place of business a copy of:

**NOTICE OF PROPOSED ACTION  
(Probate Code section 16500 et seq.)**

was placed for deposit following ordinary course of business as follows:

☒ BY U.S. MAIL with the United States Postal Service in a sealed envelope, with postage thereon fully prepaid. [CCP §§1013a, 2015.5]. The envelope was addressed as follows:

SEE ATTACHED	
--------------	--

☐ BY FEDERAL EXPRESS/OVERNIGHT MAIL in a sealed envelope, with postage thereon fully prepaid. [C.C.P. §§1013(c), 2015.5]

☐ By FACSIMILE TRANSMISSION) in accordance with Code of Civil Procedure section 1013(e), by transmitting said document(s) from our office s by facsimile machine (209) 518-2000 to facsimile number show below. Following transmission, I received a transmission report from our fax machine indicating that the transmission had been transmitted without error.

☐ BY PERSONAL SERVICE/HAND DELIVERY.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: October 4, 2024

  
\_\_\_\_\_  
VERONICA STEWART

INGEBORG PAULING  
FUERMETZ  
BEETHOVESTR.21  
85521 VETERSTETTEN

Erika Nagl  
Erich-Kaestner-Weg 26  
85551 Kirchheim Germany

Martina Sandra Fuermetz  
Bruderhofstr.39  
81371 Munich Germany

Elfried Peter  
8905 West Germany

Christel Deurranwanger  
Wirsung Str.4  
86154 Augsburg Germany

Perry W. Knight  
Attorney for Karin T. Meyer  
8139 Sun set Avenue #168  
Fair Oaks CA 95628-5131

Harald Fuermetz  
Rappenseestrasse 11  
81379 Munich Germany

Andreas Nagl  
Erich Kaistnerweg 56  
85551 Augsburg Germany

Hans-Heinz Krause  
Seestrasse #4  
82449 Uffing, Bavaria Germany

Florian Faltlhauser  
Anzinger Straassy.43  
85604 Porting Germany

Annette Zettl  
BergstraBe 22  
86482 Aystetten Germany

Scott Beattie, Esq.  
3443 Deer Park Drive, Suite A  
Stockton, CA 95219

Karin Meyer  
(Address Withheld)

Elfride Krause  
Seestrasse #4  
82449 Uffing Bavaria Germany

Miriam Faltlhauser  
Koloniestrabe 2  
85614 Kirchseeon Germany

Brigitte Nagl  
Erich Kaestner Weg 56  
85551 Augsburg Germany

Thomas Maximilian Furmetz  
Heimeranstrasse 61  
80339 Munich Germany

Lisa Ribeiro, Deputy County  
Counsel  
44 N San Joaquin Street  
Stockton, CA 95202

Ian Barkley  
SJ County Public Conservator  
P O Box 201063  
Stockton, CA 95201

**EXHIBIT A**



Karim T. Meyer Trust  
1031 Exchange Identified Replacement Properties

State	City	Address	Tenant	Price	CAP. Rate	Net Operating Income	Term (Yrs)	Rent Increases	Options	Guarantee	Lease Type	Age of Construction	Ownership	Availability	Open	Per Acre Price (AC)	Bldg Size (SF)
TX	Odessa	3608 Andrews Highway	Seven Bros	\$1,750,000	6.00%	\$105,000.00	15	10% every 5 Years	4 Five Year Options	Corporate	Absolute Net	2023	Ground Lease	Yes	Yes	0.66	510
TX	Odessa	4001 Grandview Avenue	Seven Bros	\$1,642,000	6.00%	\$98,500.00	15	10% every 5 Years	4 Five Year Options	Corporate	Absolute Net	2023	Ground Lease	Yes	Yes	0.81	510
TX	San Angelo	1480 Knickerbocker Road	Seven Bros	\$1,658,500	6.15%	\$102,000.00	15	10% every 5 Years	5 Five Year Options	Corporate	Absolute Net	2023	Ground Lease	Yes	Yes	0.84	510

SECURE  
NET LEASE



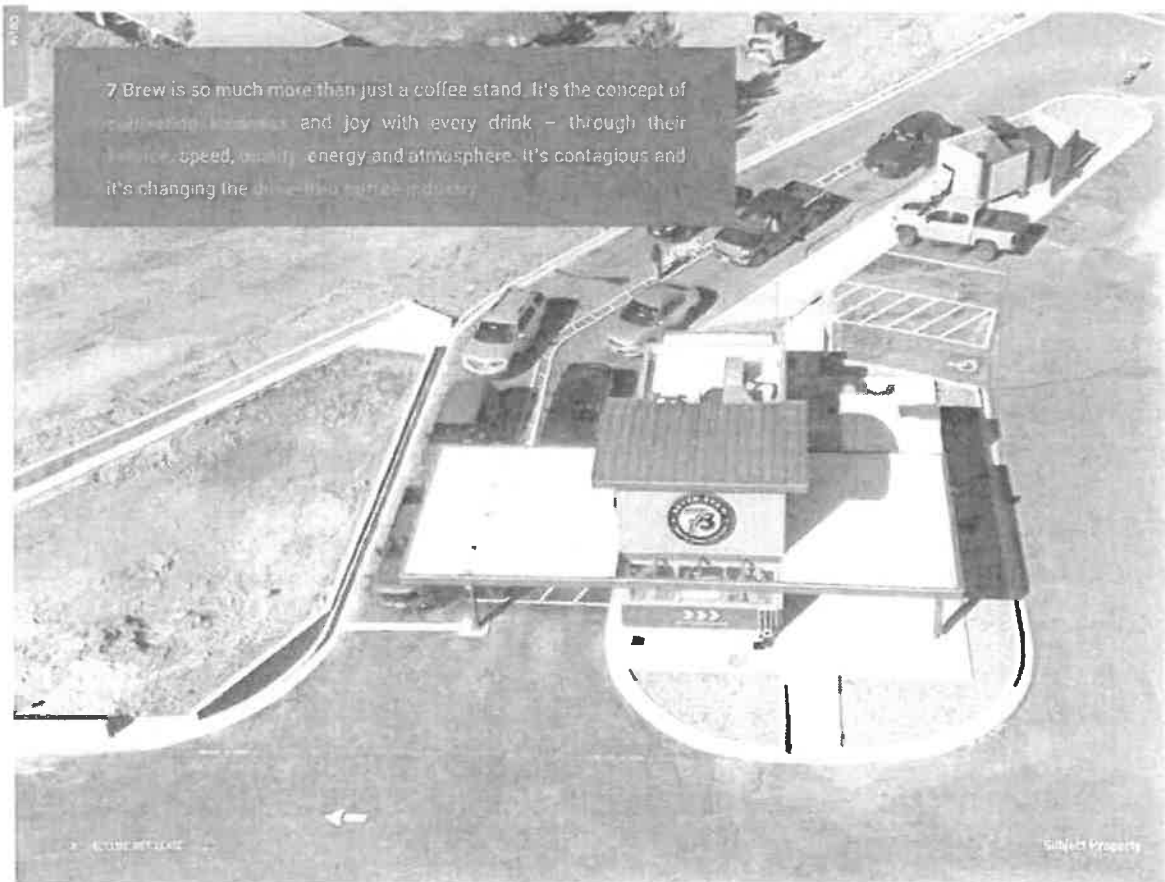
## 7 Brew Coffee

Rare College Campus Location

**\$1,658,500 | 6.15% CAP**

1480 Knickerbocker Blvd, San Angelo, Texas 76904

- Brand New 15-Yr Ground Lease With 1% Rent Increases Every 5-years
- Strategically Located Adjacent to Angelo State University (10,000+ Students)
- Located on a High Growth and Performance Retail Corridor (See Page 9) off Knickerbocker Rd (29,550+ VPD)
- Affluent Demographics - Average Household Income within the 3 and 5 Mile Radius is Over \$88,000
- Within Walking Distance of 1,000+ Units of Student Housing Providing a Strong and Consistent Consumer Base



7 Brew is so much more than just a coffee stand. It's the concept of cultivating happiness and joy with every drink – through their service, speed, quality, energy and atmosphere. It's contagious and it's changing the drive-thru coffee industry.

SECURE NET LEASE

Subject Property



# INVESTMENT OVERVIEW

— 7 BREW COFFEE SAN ANGELO, TX



## CONTACT FOR DETAILS

**Kyle Varni**  
Vice President  
(469) 694-4189  
kvarni@securenetlease.com

**Bob Moorhead**  
Managing Partner  
(214) 522-7210  
bob@securenetlease.com

**\$1,658,500**  
6.15% CAP

NOI
\$102,000
Building Area
±510 SF
Land Area
±0.94 ACRES
Year Built
2023
Lease Type
Ground Lease
Occupancy
100%

- Brand New 15-Yr Ground Lease with 10% rent escalator, 5% renewal and 15% tenant improvement allowance.
- Subject Property location is off Highway 171, 17122 PMB 100, San Antonio, TX 78238. 1500 sq ft building with 1000 sq ft parking lot. 1500 sq ft building with 1000 sq ft parking lot.
- San Antonio, TX Home of the Alamo. San Antonio is a vibrant city with a rich history and a growing economy. The city is home to the Alamo, the Bunker Hotel, and the San Antonio River Valley. The city is also home to the San Antonio Zoo, the San Antonio Botanical Garden, and the San Antonio Mission.
- Unlike most Coffee Chains, 7 Brew is a Unique Business Model. Customers enjoy the drive-thru and walk-up business, and the 7 Brew Coffee is a unique business model. The 7 Brew Coffee is a unique business model.
- 7 Brew Coffee Franchise is a Unique Coffee Stand in Rogers, Arkansas. The 7 Brew Coffee Franchise is a unique coffee stand in Rogers, Arkansas. The 7 Brew Coffee Franchise is a unique coffee stand in Rogers, Arkansas.

Investment in this property is subject to the terms and conditions of the lease agreement. The lease agreement is a legal document that governs the relationship between the landlord and the tenant. The lease agreement is a legal document that governs the relationship between the landlord and the tenant.

**SECURE**  
NET LEASE

# TENANT OVERVIEW

— 7 BREW COFFEE SAN ANGELO, TX

## 7 Brew Coffee

Lessee: 7CREW ENTERPRISES, LLC  
Guarantor: 7CREW ENTERPRISES, LLC

AVERAGE UNIT  
VOLUME  
**\$2.4 M**  
LOCATIONS  
**190+**



[7brew.com](http://7brew.com)

7 Brew was born from a desire to change drive-thru coffee into a fun, mind-blowing experience for everyone. The dream came alive with their first "stand" in Rogers, AR in 2017 and their 7 original coffees.

Today, they serve a wide array of specialty coffees, smoothies, chasers, teas, and exclusive 7 Energy, a premium energy drink that can be infused with over 20,000 flavor combinations. 7 Brew cultivates madness and joy with every drink – through their service, speed, quality, energy and atmosphere.

7-Brew is a drive-through coffee concept that offers no interior seating. Customers typically order from their vehicles – face to face with the order taker. Some locations with high pedestrian traffic areas have walk-up windows. The product is amazing and customizable, but the real attraction to this brand is the way these units are operated, and the people working there.

File Photo



## IN THE NEWS

— 7 BREW COFFEE SAN ANGELO, TX

### Blackstone Announces Growth Investment in 7 Brew

FEBRUARY 14, 2024 (BLACKSTONE)

Blackstone (NYSE:BK) today announced that Blackstone Growth and affiliated funds (collectively "Blackstone") have made a growth equity investment in 7 Brew Coffee, the next generation drive-thru beverage business. Blackstone's investment seeks to help enable 7 Brew to accelerate its already-rapid expansion across the U.S., in collaboration with its premier franchise partners.

Since 7 Brew began operating its first coffee "stand" in Rogers, Arkansas in 2017, the company has been committed to serving custom drinks (more than 20,000 different combinations) while cultivating kindness and joy with every drink. Today, 7 Brew is a leading franchisor recognized as QSR Magazine's "Breakout Brand of 2023."

John Davidson, CEO of 7 Brew, said, "We are on a strong growth trajectory thanks to our outstanding team, the Brew Crew, and are so excited to have found in Blackstone a true partner who understands our culture and whose global reach and incredible resources will enable us to reach this next stage of growth. Blackstone brings everything we are looking for to help serve our customers and support our franchisees - industry and market knowledge, franchisee relationships, data science, operational and real estate expertise."

Todd Hirsch and Katie Storer of Blackstone said, "7 Brew's impressive growth to date is a testament to its strong team and franchisee partnerships. We are excited to partner with this business that is redefining the out-of-home coffee experience, by marrying a personal, human-centric customer service experience with premium products and exceptional efficiency."

Brian Corryn of Blackstone said, "This investment illustrates Blackstone's thematic focus on investing in strong franchise businesses alongside highly skilled operators. We are proud to bring Blackstone's experience and global resources to fuel 7 Brew's next stage of growth."

LEARN MORE

7 SECURE NET LEASE

### Emerging Franchise 7 Brew Wants to Change the Drive-thru Coffee Experience

LAURA MICHAELS, FEBRUARY 14, 2023 (FRANCHISE TIMES)

Larry Wilson summed up how 7 Brew stands out from its giant coffee company competitors this way: "It's Chick-fil-A marrying Starbucks and having a child."

"It's the kindness of Chick-fil-A and ordering and delivering directly to the vehicle. We're physically bringing the coffee to you," he continued. "That service and what he said is tangible positive energy, coupled with an almost singular focus on beverages (the only food items are muffin tops), sold him on the model in a big way."

"We believe the drive-thru category is ripe for reinvention and rapid growth and we're well-positioned to disrupt and lead," Lauth said in a statement at the time.

Wilson, also the founder of healthy fast-casual franchise CoreLife Eatery, and business partner Brandon Sebold plan to develop 212 locations of the drive-thru coffee concept under their Brew Crew LLC. The franchisees have 11 stores open in Arkansas, Missouri, Kentucky and Tennessee, and Sebold said they're opening a new unit every two weeks on average, with the expectation of 26 total this year.

"I knew from day one as a customer it was special," said Sebold, who lives in Fayetteville, Arkansas, where 7 Brew is based. "Then I got behind the curtain. You see the positive energy, which is hard to find today, that positive customer experience. The minute I stepped into a stand, I called Larry and said, you've gotta get in on this."

LEARN MORE

## LEASE OVERVIEW

— 7 BREW COFFEE SAN ANGELO, TX

Initial Lease Term	15-Years, Plus (5), 5-Year Options to Renew
Rent Commencement	Upon Closing
Estimated Lease Expiration	15-Years after Rent Commencement
Lease Type	Ground Lease
Rent Increases	10% Every 5-Years
Annual Rent YRS 1-5	\$102,000.00
Annual Rent YRS 6-10	\$112,200.00
Annual Rent YRS 11-15	\$120,420.00
Option 1	\$135,762.00
Option 2	\$149,388.20
Option 3	\$164,272.02
Option 4	\$180,699.22
Option 5	\$198,769.14

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

7 SECURE NET LEASE







## SITE OVERVIEW

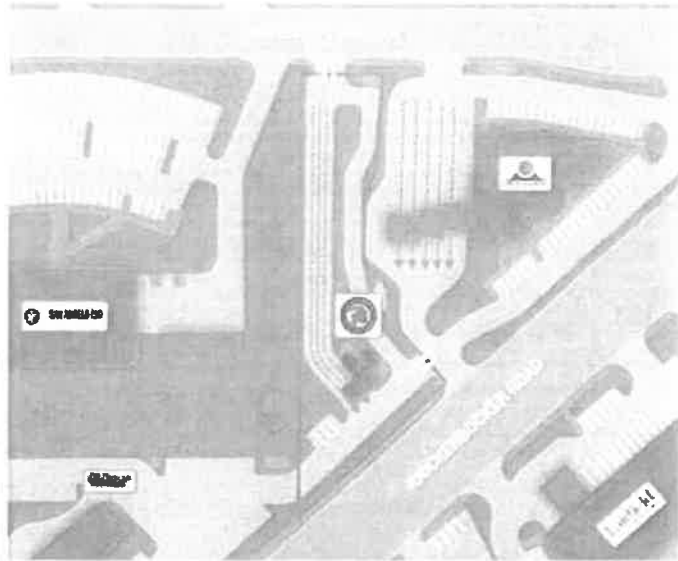
7 BREW COFFEE SAN ANGELO, TX

- Year Built | 2023
- Building Area | ±510 SF
- Land Area | ±0.94 AC

### NEIGHBORING RETAILERS

- Walmart Supercenter
- H-E-B
- Dollar Tree
- AutoZone Auto Parts
- Planet Fitness
- Bealls
- CAJO Fashion
- O'Reilly Auto Parts
- CVS
- Firestone Complete Auto Care

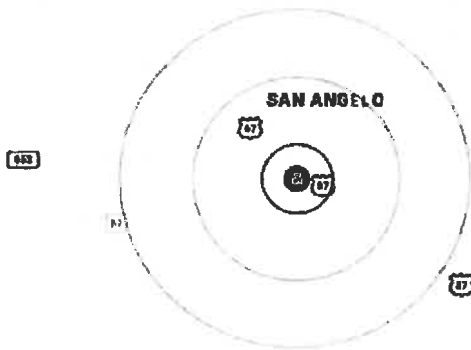
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File Photo

## LOCATION OVERVIEW

7 BREW COFFEE SAN ANGELO, TX



Demographics	1 Mile	3 Mile	5 Mile
Population	6,533	47,109	97,451
Households	2,567	24,312	38,558
Average Household Income	\$48,931	\$58,974	\$68,009
Total Household Expenditure	\$152,881,000	\$1,671,818,000	\$2,311,618,000

### ECONOMIC DRIVERS (NUMBER OF EMPLOYEES)

- Good fellow Air Force Base (5,333)
- Shannon Health System (4,149)
- San Angelo Independent School District (1,934)
- Angelo State University (1,658)
- City of San Angelo (977)
- San Angelo State Supported Living Center (950)
- Tom Green County (670)
- Ethicon (Johnson & Johnson) (655)
- Time Clock Plus (637)
- Blue Cross Blue Shield of Texas (406)

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## LOCATION OVERVIEW

7 BREW COFFEE SAN ANGELO, TX



San Angelo lies in the midst of West Texas ranching country, almost in the center of Texas, and is home to over 100,000 friendly people.

A virtual oasis, San Angelo is home to three lakes, as well as the beautiful Concho River, which runs through the heart of the city.

While San Angelo's culture is proudly rooted in its West Texas ranching heritage, it has become a glimmering community filled with color and excitement.

Today's San Angelo offers a delightful mixture of arts and culture of west Texas, from a sophisticated symphony that showcases artists such as the Vienna Boys

Choir to country and western music, from a civic ballet where students regularly earn spots at top national dance academies to folk dances of Mexico. You can enjoy live theater at the state's longest running theater, Angelo Carlo Theater, and on the Angelo State University campus. The Old Chicken Farm Art Center displays works by visual artists of all media, and the San Angelo Museum of Fine Arts, a world-class museum that received the prestigious National Museum Service Award, houses continually changing exhibits by artists from Texas and around the world.

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## IN THE NEWS

7 BREW COFFEE SAN ANGELO, TX

### SMC Oilfield Celebrates New Facility in San Angelo

WANTS GREEN, NOVEMBER 3, 2022 (SANANGELO.VE.COM)

SMC Oilfield Chemicals, a division of Special Materials Company (SMC Global) has opened a new industrial facility in San Angelo with a ribbon cutting ceremony Thursday.

"The decision to expand and continue to grow in San Angelo is a logical step in our business strategy in the booming Permian Basin," said Kevin Huber, Vice President, Executive and Founder. "We are very happy and thankful to the San Angelo Chamber of Commerce Economic Development Department and its community for helping us with this new opportunity to further increase our operations here."

SAFETY: SMC has 24/7 emergency response and 24-hour distribution in North America and 24-hour global chemical distribution in 2023. Top 100 Chemical Distributors in North America.

SMC Global, founded in 1996 and headquartered in New York City, is a global specialty chemical company with sales of \$185 million specializing in Oilfield Chemicals, Phosphorous Derivatives, EPA registered Biopesticides, Flame Retardants, Solvents for Paints and Coatings, and Pulp and Paper Chemicals.

SMC Global has production sites in Kershaw, SC, Kansas City, KS and San Angelo, TX as well as two manufacturing facilities in China and sales offices in Switzerland, Latin America, and China.

7 BREW COFFEE

### Leading heavy hauling company coming to San Angelo

DUSTY BLAS, MAY 24, 2022 (CONCHO VALLEY)

A statement issued by the Chamber of Commerce discusses the purchase of a facility in San Angelo for one of the lead heavy-hauling and logistics companies in North America, Allen's Transport, Ltd (ATL).

ATL is based out of Leduc, Alberta, Canada, and works with a fleet of trucks, custom trailers, and equipment combinations in order to safely and efficiently service petrochemical, mining, pulp and paper, industrial, refinery and generator stations.

This company has contributed to a wealth of heavy infrastructure in San Angelo and across the Permian Basin. The new facility will be used to store and transport heavy equipment and supply chain products to various industries across the Permian Basin, the Southwest U.S., and other regions.

This company was founded in 1991 and has since expanded into various other oilfield related areas as they provide the equipment for both chemical and acid hauling, complete tank truck services, refined products, waste hauling, flat deck hauling, bed trucks, gravel hauling, hotshots, dust control, complete tank farm rentals, rail freight transloading and rail cargo storage.

The purchase of the facility is located at 1182 Gas Plant Road in San Angelo, Texas. The new terminal is a 24,500 sq ft industrial facility on 10 acres and features 7 high-bays, repair and maintenance areas, equipment cleaning area and operations offices. The property was built in 2014 and will serve as Allen's Transport's US headquarters with services provided throughout Texas, the United States and Canada.

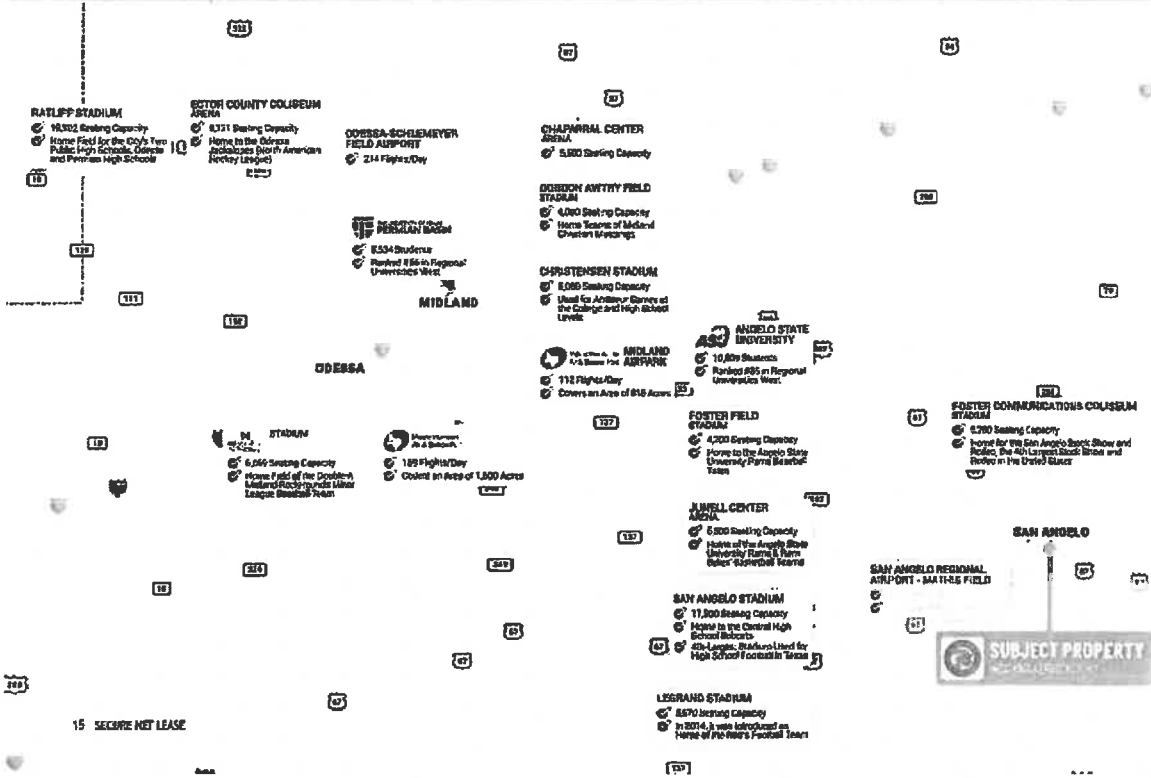
"Allen's Transport acquiring the Gas Plant Road property adds to our position as a city with strong ties as a trucking transportation hub. It solidifies our city as well-positioned to support the needs of the oil and gas industry. As Mayor, I am proud to welcome Allen's Transport to Texas and the San Angelo business community," said Brenda Gunter, Mayor, San Angelo, Texas.

7 BREW COFFEE

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## METRO AREA



## SECURE NET LEASE

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Los Angeles

106073 E Central Expressway  
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 Dallas, TX 75231  
 (214) 832-7200

123 Second Street  
 81 Second St, CA 90243  
 (415) 320-2121

CALL FOR ADDITIONAL INFORMATION

Ryle Vanni  
 Vice President  
 (408) 604-4100  
 ryle@securelease.com

Bob McPherson  
 Managing Director  
 (310) 882-7330  
 bob@securelease.com



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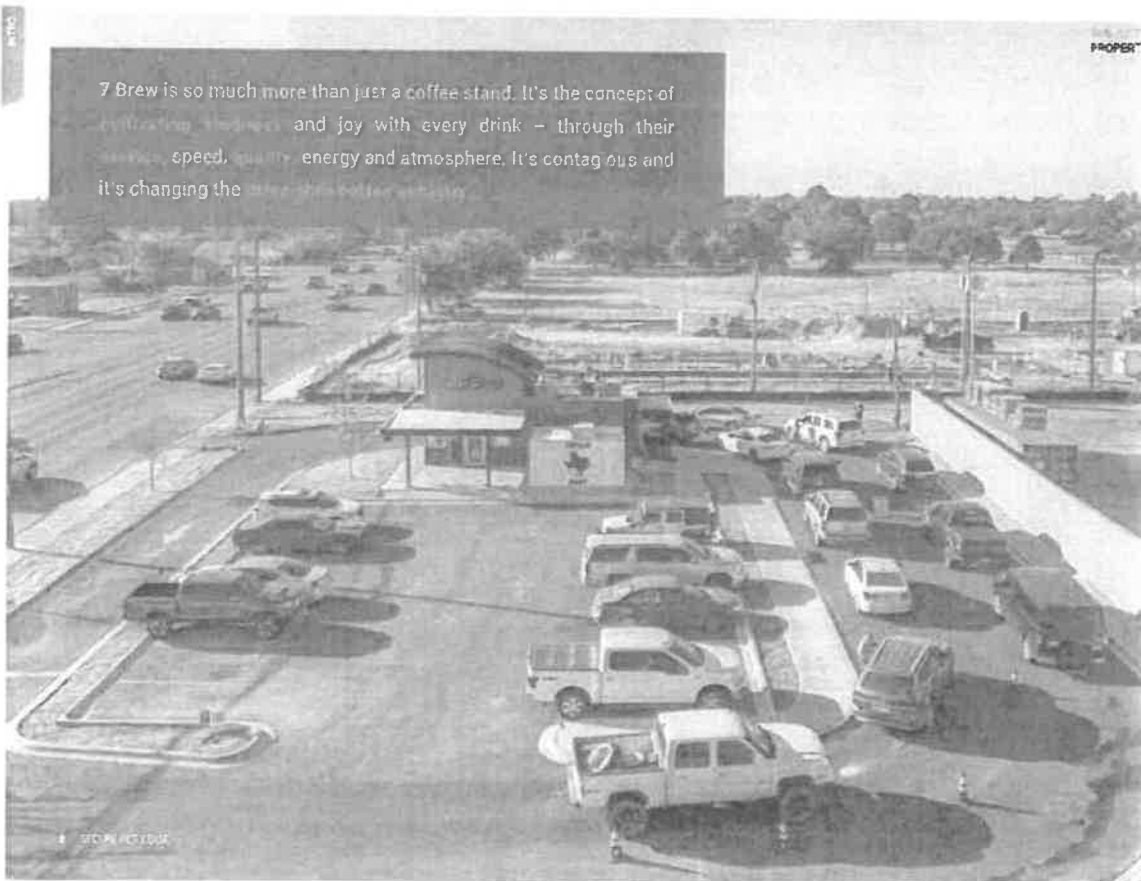
## 7 Brew Coffee

(High Performing Location)

**\$1,642,000 | 6.00% CAP**

4001 N Sandview Ave, Odessa, TX 79762

- New 15-Year Ground Lease with (4) 5-Year options to Renew and 10% Rental Increases Every 5 Years
- Located Near the Major Intersection of E 47<sup>th</sup> Street and JJ Grandview Ave (72,250+ Combined VPD)
- Strong Retail Trade Area: Near National Retailers Including H-E-B, Target, Walmart, and the Music City Mall (150,000+ Sqft of Retail)
- Property is Within Walking Distance from Permian High School, Which Has 3,621 Students and is Featured in the 2004 Film "Friday Night Lights"
- Roughly One Mile from The University of Texas Permian Basin, Which Has 7,000+ Enrolled Students and 140 Faculty Members



7 Brew is so much more than just a coffee stand. It's the concept of cultivating happiness and joy with every drink – through their service, speed, quality, energy and atmosphere. It's contagious and it's changing the drive-thru coffee industry.

PROPERTY

7 BREW COFFEE

## INVESTMENT OVERVIEW

7 BREW COFFEE ODESSA, TX



### CONTACT FOR DETAILS

**Kyle Vami**

Senior Associate

(469) 694-4189

kvari@securenetlease.com

**Bob Moorhead**

Managing Partner

(214) 522-7210

bob@securenetlease.com

# \$1,642,000

## 6.00% CAP

NOI

\$98,500

Building Area

±510 SF

Land Area

±0.51 AC

Year Built

2023

Lease Type

Ground Lease

Occupancy

100%

- Brand New Absolute BRN Ground Lease with 10% Rental Increase Every 5 Years
- Located Near the Major Intersection of 47th Street and Grandview Ave. which runs over 75,000+ Cars per Day
- Within Walking Distance from Permian High School, which has 2,000+ students and is one of the top schools in the Community (Highly Ranked School District)
- Roughly One Mile from The University of Texas Permian Basin, which has 7,000+ enrolled students and 100+ Faculty Members
- Positioned Near Midland International Air & Space Port, which is less than 10 Miles from the property and serves over 100+ flights daily
- Unlike Most Coffee Chains, 7 Brew's Unique Business Model Centers Solely on Franchising Business, with no other retail sales or other commercial operations at this time
- Positioned near National Retailers including Target, Wal-Mart, Costco, CVS, F&N, Wegmans, Perimeter Food Market, Publix, Food City, Super Fresh, Zehrs, HEB, Kroger, etc.

This offering is made by an unaffiliated third party and is not a solicitation of an offer to sell or a recommendation to buy any security. The offering is made by an unaffiliated third party and is not a solicitation of an offer to sell or a recommendation to buy any security. The offering is made by an unaffiliated third party and is not a solicitation of an offer to sell or a recommendation to buy any security.

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NET LEASE





OFFICE

## TENANT OVERVIEW

— 7 BREW COFFEE ODESSA, TX

AVERAGE UNIT  
VOLUME (AUV)  
**\$2.4 M**

LOCATIONS  
**190+**



[7brew.com](http://7brew.com)

## 7 Brew Coffee

Lessee: 7CREW ENTERPRISES, LLC  
Guarantor: 7CREW ENTERPRISES, LLC

7 Brew was born from a desire to change drive-thru coffee into a fun, mind-blowing experience for everyone. The dream came alive with their first "stand" in Rogers, AR in 2017 and their 7 original coffees.

Today, they serve a wide array of specialty coffees, smoothies, chiller teas, and exclusive 7 Energy, a premium energy drink that can be infused with over 20,000 flavor combinations. 7 Brew cultivates kindness and joy with every drink – through their service, speed, quality, energy and atmosphere.

7-Brew is a drive-through coffee concept that offers no interior seating. Customers typically order from their vehicles – face to face with the order taker. Some locations with high pedestrian traffic areas have walk-up windows. The product is amazing and customizable, but the real attraction to this brand is the way these units are operated, and the people working there.



## IN THE NEWS

7 BREW COFFEE ODESSA, TX

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7 BREW COFFEE

7 SECURE NET LEASE

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7 BREW COFFEE

## LEASE OVERVIEW

7 BREW COFFEE ODESSA, TX

Initial Lease Term	15-Years, Plus (4), 5-Year Options to renew
Rent Commencement	Upon Closing
Estimated Lease Expiration	15 Years After Closing
Lease Type	Ground Lease
Landlord Responsibilities	None
Rent Increases	10% Every 5 Years
Annual Rent YRS 1-5	\$98,500.00
Annual Rent YRS 6-10	\$108,250.00
Annual Rent YRS 11-15	\$119,185.00
Option 1	\$121,109.50
Option 2	\$144,213.85
Option 3	\$158,685.24
Option 4	\$174,498.76

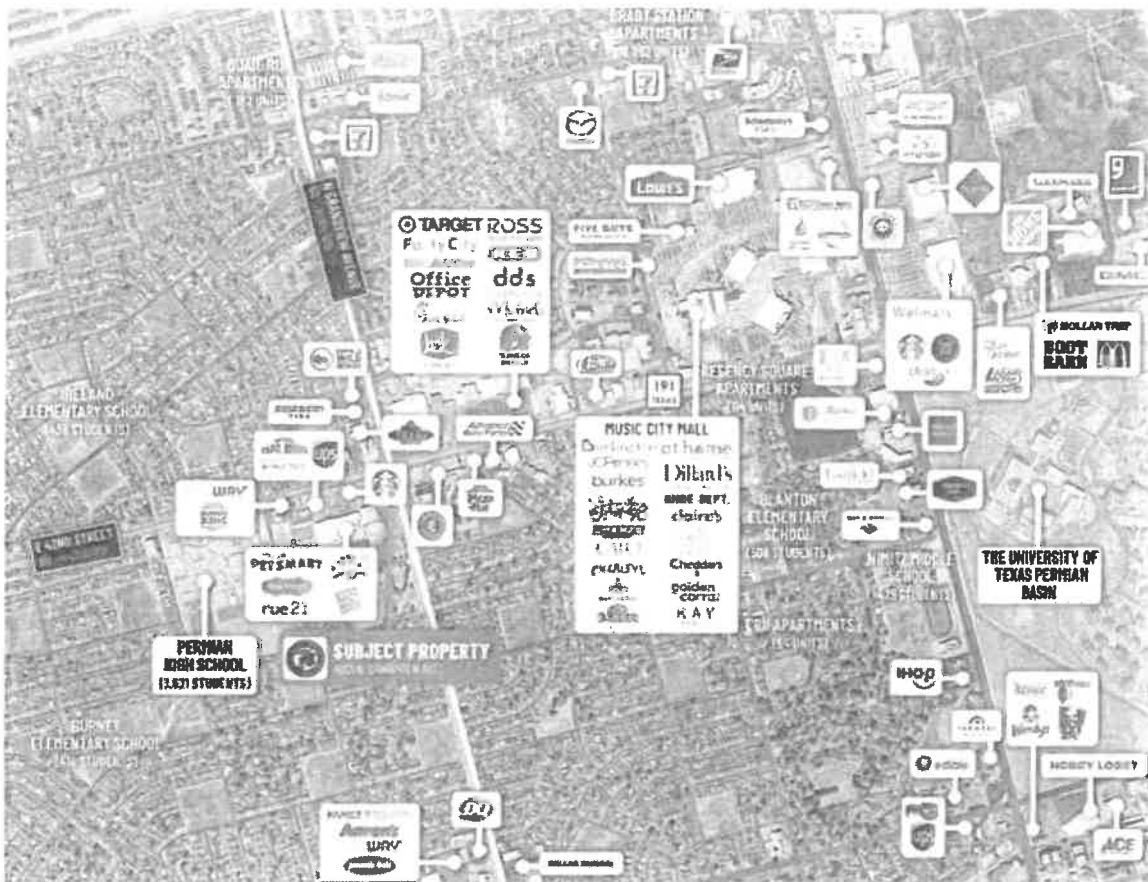
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FILE PHOTO







Overview

## SITE OVERVIEW

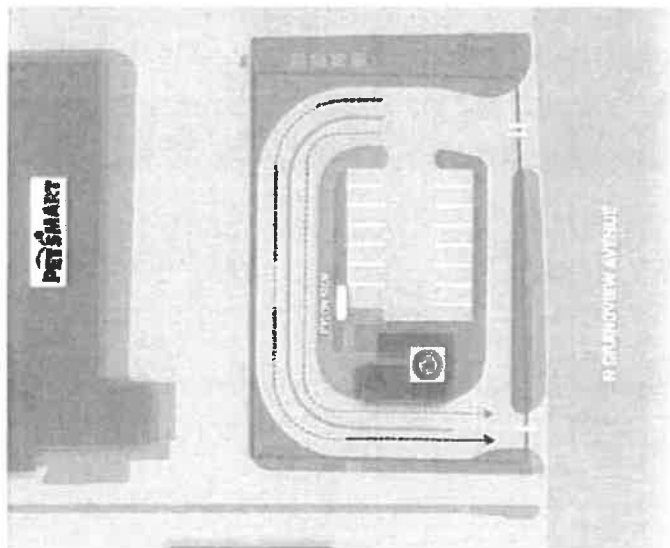
7 BREW COFFEE ODESSA, TX

- 📅 Year Built | 2023
- 🏠 Building Area | ±510 SF
- 📏 Land Area | ±0.51 AC

### NEIGHBORING RETAILERS

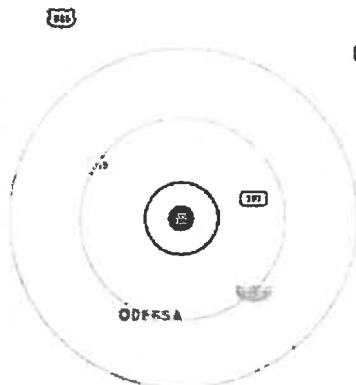
- Walmart Supercenter
- Lowe's
- Target
- H-E-B
- The Home Depot
- Sam's Club
- At Home
- PetSmart
- Dillard's
- Hobby Lobby

12 TRUCKWAY DRIVE



## LOCATION OVERVIEW

7 BREW COFFEE ODESSA, TX



100

Demographics	1 Mile	3 Miles	5 Miles
Population	14,154	66,272	121,137
Households	5,503	24,827	44,179
Average Household Income	\$104,757	\$105,102	\$103,562
Total Household Expenditure	\$415,901,414	\$1.8 B	\$3.2 B

### ECONOMIC DRIVERS (NUMBER OF EMPLOYEES)

1. ECTSD (4,169)
2. Medical Center Hospital (1,977)
3. Haliburton Services (1,400)
4. NextTier (1,142)
5. City of Odessa (900)
6. Sabalbury Companies (874)
7. Odessa Regional Medical Center (800)
8. Ester County (735)
9. HEB (721)
10. University of Texas Permian Basin (619)
11. SECURE NET LEASE

## LOCATION OVERVIEW

7 BREW COFFEE ODESSA, TX



2nd largest oil and gas  
producing region in the world

Permian Basin

Accounts for 40% of U.S.  
oil production

Permian Basin

### Heart of the Permian Basin

Midland and Odessa are sibling cities about 20 miles apart and jointly promoted as "Two Cities, No Limits." Like many other Texas communities, Midland and Odessa began as stations along a railroad—halfway points between Dallas and El Paso along the Texas and Pacific Railway. Early on, the area relied primarily on ranching. Midland became a prominent cattle shipping center for Texas as well as a regional financial hub by 1890.

Today, Midland—Odessa is a thriving community in the heart of the Permian Basin oil region, which is the 2nd largest oil and gas shale in the world. The Permian Basin accounts for 40% of the U.S. oil production and is expected to lead Texas in GDP Growth.

The beginnings of the oil boom in the Permian Basin—which encompasses two counties in New Mexico and 55 counties in West Texas—arrived in the 1920s. Scores of investors and oilfield workers moved to the area, and by 1929, a total of 36 oil companies had established offices in Midland. Demand for oil and petrochemicals rose during World War II, helping transform Odessa into the world's largest inland petrochemical complex.

From that point forward, the area's economy was closely tied to the energy industry, rising with the oil boom and contracting with the busts. After years of decline that began with the 1980s oil bust, the Permian Basin and its economic center, Midland—Odessa, were regenerated by the shale oil boom of the late 2000s. Investment grew in the prolific formation even during periods of soft oil and gas prices, as its infrastructure, industry know-how and technological advancement helped make retrieving energy deposits relatively inexpensive.



## IN THE NEWS

7 BREW COFFEE ODESSA, TX

### Community National Bank announces new Odessa HQ grand opening

MAY 4, 2023 (ODESSA AMERICAN)

Community National Bank announced in a Thursday press release the grand opening of the new CNB Odessa Headquarters from 11:00 a.m. to 7:00 p.m. Monday, May 8, at 8040 E Hwy 191. The CNB team, along with Executive staff, Board Members, customers, and community members will be attending the Grand Opening and Ribbon Cutting ceremony.

Sterling Swack, Odessa Market President, has been with Community National Bank since 2017, and has over 12 years of banking experience.

In October of 2018, Community National Bank acquired 7.7 acres of land with hopes of building a larger facility to better serve Odessa and its residents. On Monday, May 8, CNB will officially open their new 6,000 square foot building. This full service branch will house a full-service center along with the entire Odessa team.

Sterling's focus on his customers and relationship banking embodies Community National Bank's mission. CNB is grateful for this opportunity to expand and looks forward to continuing to serve this community.

13 SECURE NET LEASE

### Odessa Development Corporation approves new General Development Plan

JASON FRUND, AUGUST 10, 2023 (NEWSWEST 9)

Odessa Development Corporation met Thursday and, as part of their agenda, discussed and approved their General Development Plan for the 2023-2024 year.

The General Development Plan is quite simple: expand businesses and help the city of Odessa grow. However, some changes were made to this year's plan to update it.

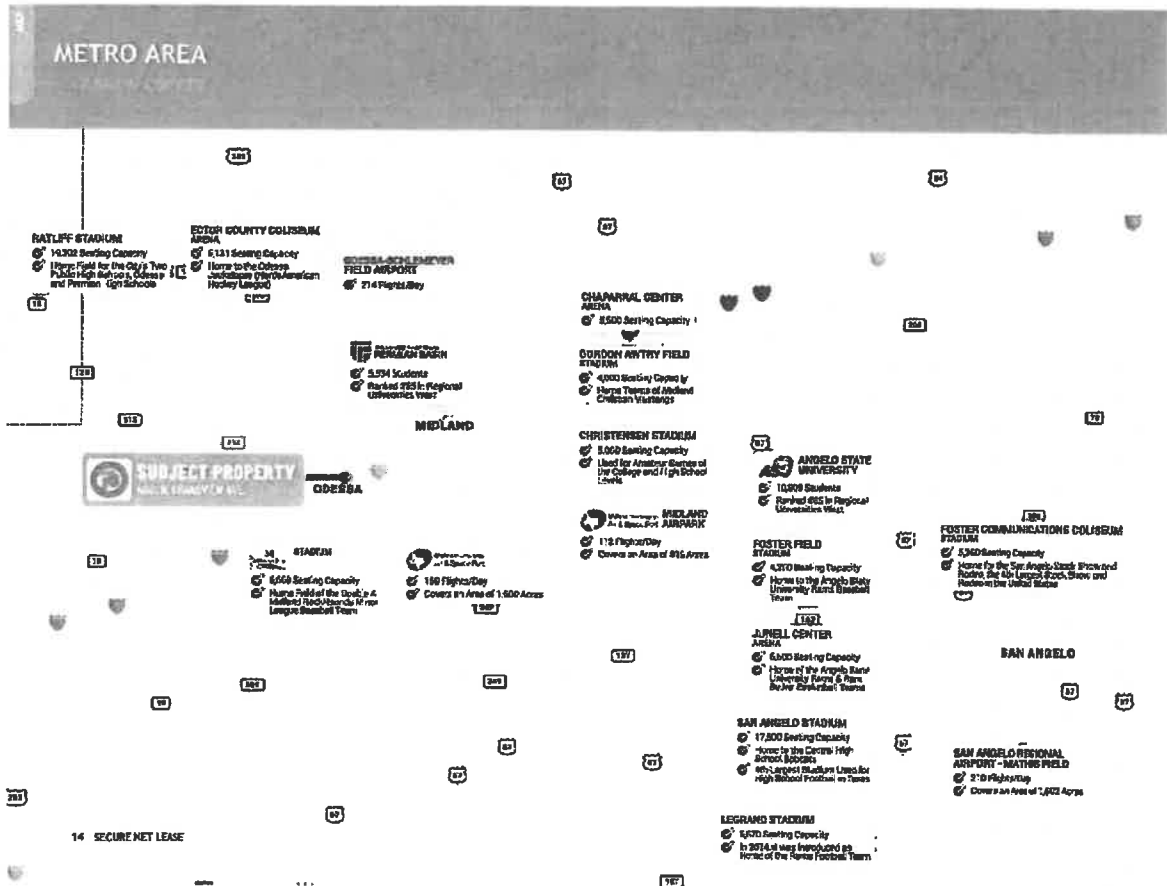
The plan outlines what the city hopes to do to help build jobs and expand businesses.

"All of these things are what we're going to be working on through this General Development Plan," Odessa Development Corporation President Kira Crow said. "So we approved it today, but as Mr. (Jeff) Russell said earlier, we want that to kind of be a living, breathing organism here to where it's able to move, it's able to change, it's able to update with the needs of the city as we move forward."

However, no matter the updates, the plan still has the same goals.

"Our goals are threefold. We want to recruit new employees, we want to retain them, and we want to retire them," Crow said. "One of the things that we found are that, while it's hard to bring new employees in from other areas into Odessa, it's going to be a lot easier to grow our own employees."

14 SECURE NET LEASE



14 SECURE NET LEASE

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## Dallas

## Los Angeles

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If the broker represents the seller:

[illegible]

If the broker represents the buyer

the 1990s, the U.S. economy was in a recession. The unemployment rate rose to 6.7 percent in 1992, and the economy was in a recession. The unemployment rate rose to 6.7 percent in 1992, and the economy was in a recession. The unemployment rate rose to 6.7 percent in 1992, and the economy was in a recession.

There is a growing body of evidence that suggests that the use of a single, standardized, and validated instrument to measure the same construct across different studies is essential for the validity of the results. The use of a single, standardized, and validated instrument to measure the same construct across different studies is essential for the validity of the results. The use of a single, standardized, and validated instrument to measure the same construct across different studies is essential for the validity of the results.

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...the ...

SECURE  
NET LEASE

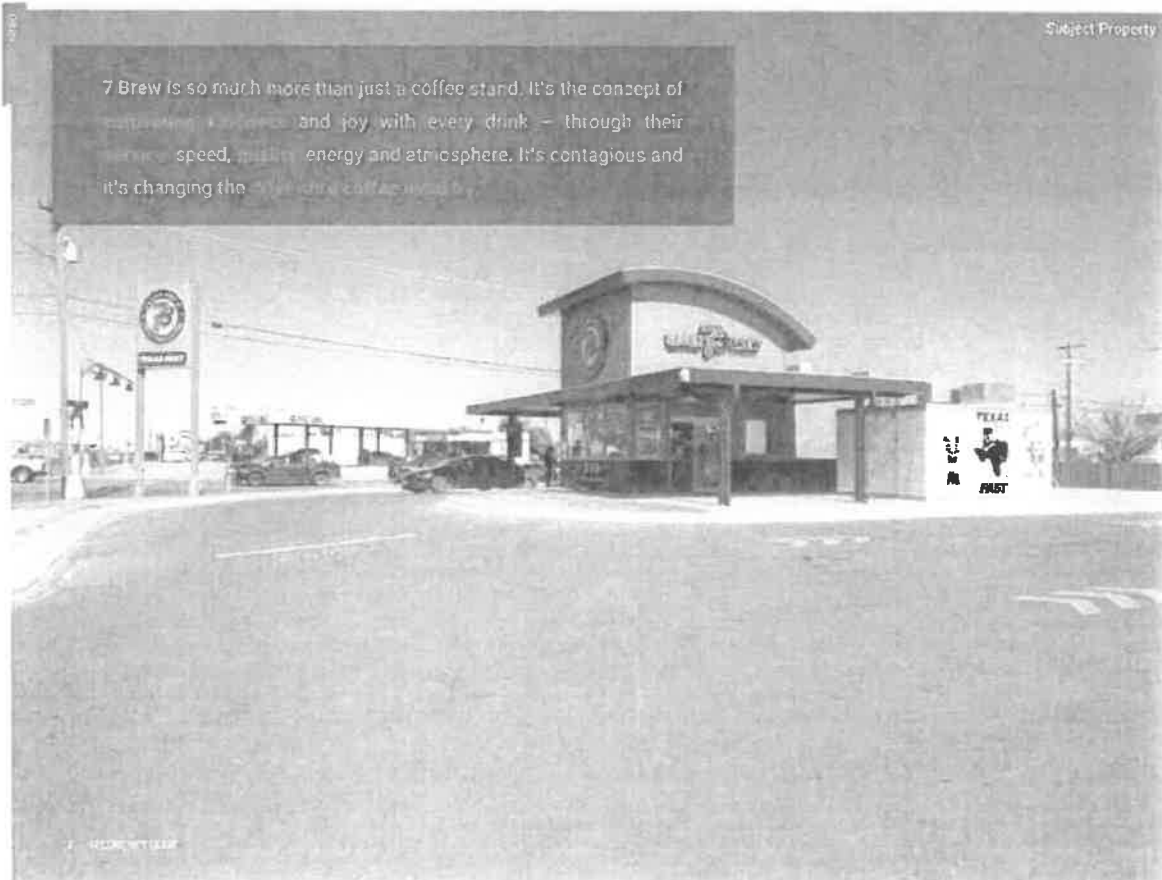


## 7 Brew Coffee

\$1,750,000 | 6.00% CAP

3838 Andrews Hwy, Odessa, Texas 79762

- 15-Year Absolute NNN Ground Lease with 10% Rents Increased Every 5 Years
- High-Traffic Signalized, Hard Corner Location That Sees Over 56,000+ VPD
- Catty-Corner to the Odessa Coliseum, Which is a 5,000+ Seat Stadium that Hosts Various Sporting Events, Concerts, and More
- Affluent and Growing Trade Area (115,000+ Population and \$41,600+ Avg HH Income in a 3.34 sq. Miles)
- Odessa, TX was Ranked the 3rd Fastest Growing Small City in the U.S. by Forbes Magazine



Subject Property

7 Brew is so much more than just a coffee stand. It's the concept of capturing happiness and joy with every drink — through their service, speed, quality, energy and atmosphere. It's contagious and it's changing the way you view coffee in a city.

7 Brew Coffee



## TENANT OVERVIEW

7 BREW COFFEE ODESSA, TX

### 7 Brew Coffee

Lessee: 7 CREW ENTERPRISES, LLC  
Guarantor: 7 CREW ENTERPRISES, LLC

LOCATIONS  
200+  
STATES  
26



[7brew.com](http://7brew.com)

7 Brew was born from a desire to change drive-thru coffee into a fun, mind-blowing experience for everyone. The dream came alive with their first "stand" in Rogers, AR in 2017 and their 7 original coffees.

Today, they serve a wide array of specialty coffees, smoothies, chillers, teas, and exclusive 7 Energy, a premium energy drink that can be infused with over 20,000 flavor combinations. 7 Brew cultivates kindness and joy with every drink – through their service, speed, quality, energy and atmosphere.

7-Brew is a drive-through coffee concept that offers no interior seating. Customers typically order from their vehicles – face to face with the order taker. Some locations with high pedestrian traffic areas have walk-up windows. The product is amazing and customizable, but the real attraction to this brand is the way these units are operated, and the people working there.



5 SECURE NET LEASE

## IN THE NEWS

7 BREW COFFEE ODESSA, TX

### 7 Brew's growth is driven by its culture/capital connection

Alicia Nelson, September 27, 2023 (NATION'S RESTAURANT NEWS)

One of the biggest narratives from this year's Dataessential Top 500 report is the accelerated growth of the coffee segment. Gone are the days when it was Starbucks versus Dunkin' with various QSRs, like McDonald's and Wendy's, vying for a coffee veto vote.

Now, caffeine-seeking consumers have their pick of dozens of coffee-focused startups, all of which are growing at a swift clip. One of those concepts is Arkansas-based 7 Brew Drive-Thru Coffee, which was founded in 2016 and has since surpassed 100 units in 22 states. The company's growth story has plenty of intrigue and is backed by heavyweights, including an acquisition from parent company Brew Culture, formed by a group of entrepreneurs in 2020 and led by CEO John Davidson.

7 Brew, which recently surpassed 100 locations, had about 2,000 development agreements signed at the end of 2022, with 80 and in sight.

A year later, the company received a majority investment from Drink House Holdings, created by Jimmy John's founder Jimmy John Lautaud, and Jamie Outter, Lone Star Steak House founder. Lautaud and 7 Brew have since found themselves in a legal battle over ownership of the rapidly expanding chain, and are seeking to resolve the matter through mediation.

In December, 7 Brew brought on Nicole Miller Regan to serve as its CFO. She had previously spent over 20 years as a Wall Street analyst, most recently as managing director and head of the consumer equity research practice at Piper Sandler. Regan believes 7 Brew's fledgling franchising program is the company's key differentiator in an increasingly crowded segment and it is part of what attracted her to the brand.

7 Brew Coffee

6 SECURE NET LEASE

### 7 Brew lands an investment from Blackstone to accelerate restaurant growth

Alicia Nelson, February 15, 2024 (NATION'S RESTAURANT NEWS)

Arkansas-based drive-thru beverage concept 7 Brew Coffee has received a growth equity investment from Blackstone Growth to accelerate its expansion across the U.S. Terms of the transaction were not disclosed.

7 Brew first opened in 2017 and has since grown to more than 190 locations, generating a more than 185% growth rate from 2021 to 2023, according to Technomic Ignite data. During a recent interview, CFO Nicole Miller Regan said there were approximately 2,000 stands under development agreements at the end of 2022.

Blackstone has over \$1 trillion in assets under management in several sectors.

"The opportunity is just massive, and anything is possible. The whole idea of what we're doing translates across the globe. We want to break sales and development records," she said.

This Blackstone investment will certainly help toward that goal. Blackstone has over \$1 trillion in assets under management in several sectors.

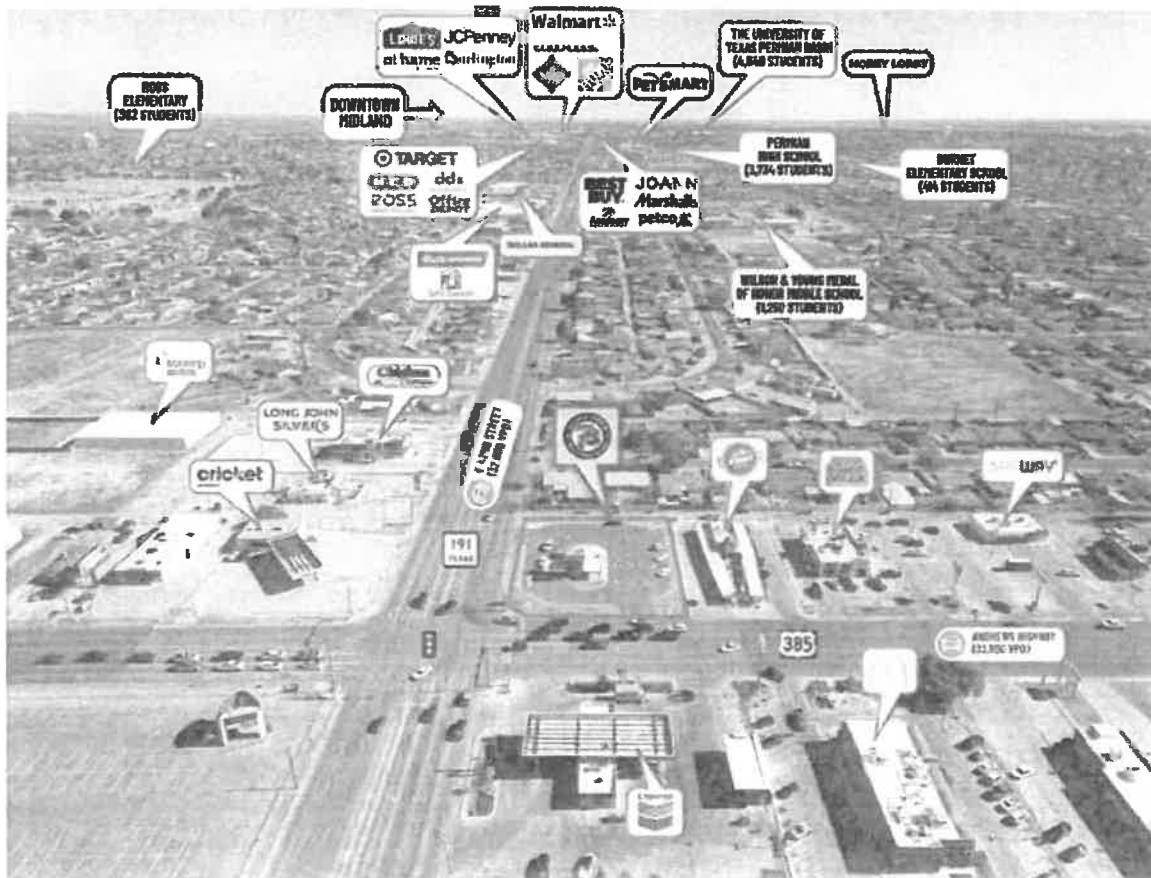
"We are on a strong growth trajectory thanks to our outstanding team, the Brew Crew, and are so excited to have found in Blackstone a true partner who understands our culture and whose global reach and incredible resources will enable us to reach this next stage of growth," 7 Brew CEO John Davidson said in a statement. "Blackstone brings everything we are looking for to help serve our customers and support our franchisees – industry and market knowledge, franchisee relationships, data sciences, operations, and real estate expertise."

7 Brew Coffee

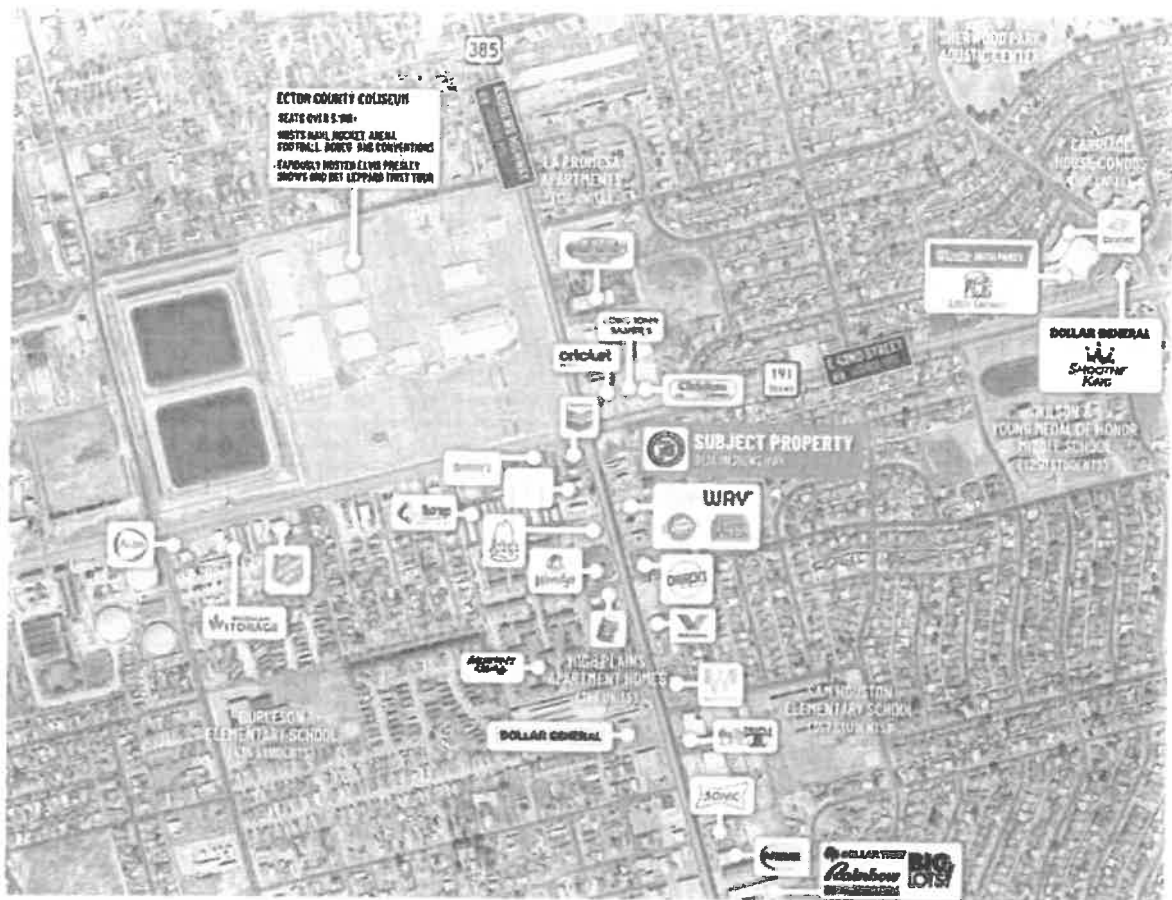
<b>Initial Lease Term</b>	<b>15 years, plus (4) 5 year options to Renew</b>
<b>Rent Commencement</b>	<b>June 2023</b>
<b>Lease Expiration</b>	<b>June 2038</b>
<b>Lease Type</b>	<b>Absolute NNN Ground Lease</b>
<b>Rent Increases</b>	<b>10% Every 5 Years</b>
<b>Annual Rent YRS 1-5</b>	<b>\$105,000.00</b>
<b>Annual Rent YRS 6-10</b>	<b>\$115,500.00</b>
<b>Annual Rent YRS 11-15</b>	<b>\$127,050.00</b>
<b>Option 1</b>	<b>\$139,765.00</b>
<b>Option 2</b>	<b>\$153,730.50</b>
<b>Option 3</b>	<b>\$169,103.55</b>
<b>Option 4</b>	<b>\$186,013.91</b>

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

## 7 SECURE NET LEASE







## SITE OVERVIEW

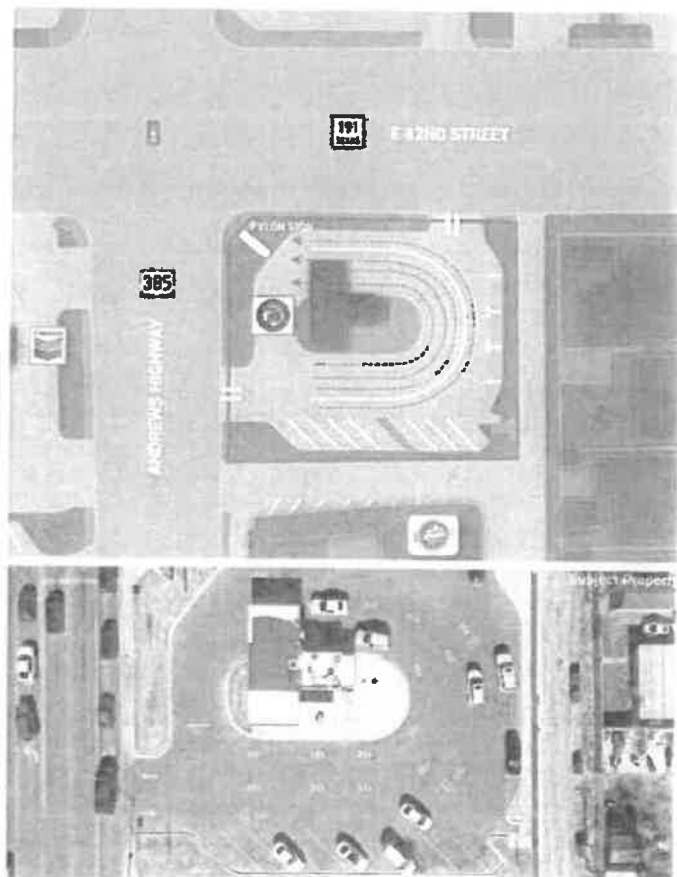
7 BREW COFFEE ODESSA, TX

Year Built	2023
Building Area	±510 SF
Land Area	±0.55 AC

### NEIGHBORING RETAILERS

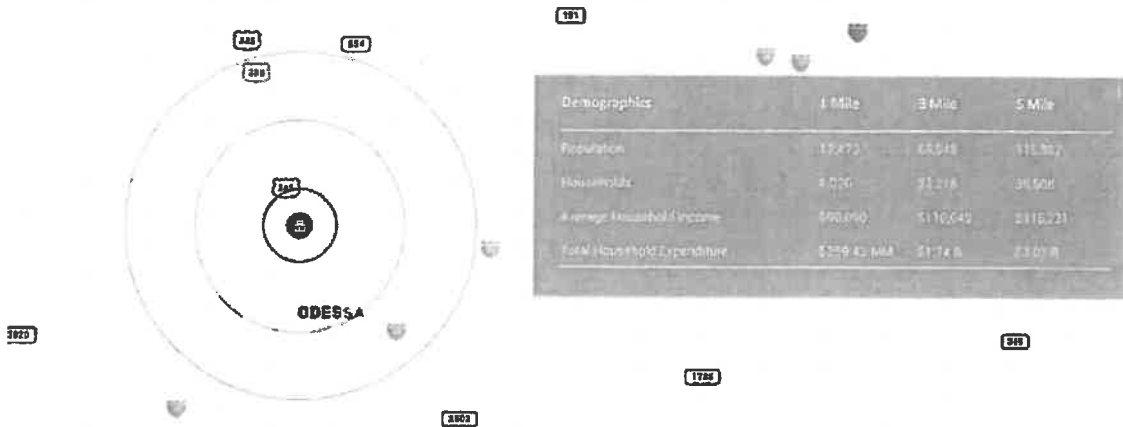
- Dollar General
- O'Reilly Auto Parts
- McDonald's
- Take 5 Oil Change
- Dollar Tree
- Big Lots
- Rainbow
- Arby's
- Whataburger
- Wendy's

1/2" = 50'0" HORIZONTAL



## LOCATION OVERVIEW

7 BREW COFFEE ODESSA, TX



### ECONOMIC DRIVERS (number of employees)

1. ECRSD (4,169)
2. Medical Center Hospital (1,977)
3. Halliburton Services (1,406)
4. NexTier (1,142)
5. City of Odessa (900)
6. Sabal Trail (874)
7. Odessa Regional Medical Center (800)
8. Ector County (735)
9. HES (731)
10. University of Texas Permian Basin (619)

11. SECURE NET LEASE

## LOCATION OVERVIEW

7 BREW COFFEE ODESSA, TX



2nd largest oil and gas basin in the world

**Permian Basin**

second largest oil and gas basin in the world

**Permian Basin**

### Heart of the Permian Basin

Midland and Odessa are sibling cities about 20 miles apart and jointly promoted as "Two Cities, No Limits." Like many other Texas communities, Midland and Odessa began as stations along a railroad—halfway points between Dallas and El Paso along the Texas and Pacific Railway. Early on, the area relied primarily on ranching. Midland became a prominent cattle shipping center for Texas as well as a regional financial hub by 1890.

Today, Midland-Odessa is a thriving community in the heart of the Permian Basin oil region, which is the 2nd largest oil and gas shale in the world. The Permian Basin accounts for 40% of the U.S. oil production and is expected to lead Texas in GDP Growth.

The beginnings of the oil boom in the Permian Basin—which encompasses two counties in New Mexico and 55 counties in West Texas—arrived in the 1920s. Scores of investors and oilfield workers moved to the area, and by 1925, a total of 35 oil companies had established offices in Midland. Demand for oil and petrochemicals rose during World War II, helping transform Odessa into the world's largest inland petrochemical complex.

From that point forward, the area's economy was closely tied to the energy industry, rising with the oil boom and contracting with the busts. After years of decline that began with the 1980s oil bust, the Permian Basin and its economic center, Midland-Odessa, were regenerated by the shale oil boom of the late 2000s. Investment grew in the prolific formation even during periods of soft oil and gas prices, as its infrastructure, industry know-how and technological advancement helped make renewing energy deposits relatively inexpensive.

12. SECURE NET LEASE



## ODJSA AMERICAN, MAY 4, 2021 60A ONLINE

The CNB team, along with Executive staff, Board Members, customers, and community members will be attending the Grand Opening and Ribbon Cutting ceremony.

On October 1, 2016, Community Historical Park acquired a 7-acre parcel and with hopes of turning a large location to better preserve Olney and its residents. On Monday, May 1, CRP will officially open their new 8,000 square foot building. They will serve by providing issue a mortgage, rental along with the various other services.

Sterling Swack, Odessa Market President, has been with Community National Bank since 2017, and has over 12 years of banking experience. Sterling's focus on his customers and relationship banking embodies Community National Bank's mission. CNB is grateful for this opportunity to expand and looks forward to continuing to serve this community.

JASON FRELAND, AUGUST 10, 2021 NEWS WEST 9

"All of these things are what we're going to be working on through this General Development Plan," Odessa Development Corporation President Kris Grow said. "So we approved it today, but as Mr. (Jeff) Russell said earlier, we want that to kind of be a living, breathing organism here to where it's able to move, it's able to change, it's able to update with the needs of the city as we move forward."

The plan outlines what the city hopes to do to help build jobs and expand businesses.

However, no matter the updates, the plan still has the same goals:

"Our goals are threefold. We want to recruit new employees, we want to retain them, and we want to retire them," Crow said. "One of the things that we found are that, while it's hard to bring new employees in from other areas into Odessa, it's going to be a lot easier to train our own employees."

"Maybe we work with ECISD, maybe we work with Odessa College, maybe we work with UTPB and show these kids, hey, if you want to be a contractor, maybe if you want to be a machinist, maybe if you want to be an engineer, maybe there's a way that economic development can help carve that path for you," Crow said. "Then give you that career path about working with ECISD, OC or UTPB to help them from a financial side to get them to that end result."

1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 26

**TEXAS**

**HOUSTON**

- ★ **Space Shuttle Launch**
- ✈ 233 Flights/Day
- ✈ 1th Bushnell Airport in Texas

**DALLAS**

**TEXAS TECH UNIVERSITY**

- ✈ 41,376 Students
- ✈ Ranked #229 in National Universities

**J. PAULSON STADIUM**

- ✈ 44,500 Seating Capacity
- ✈ Home Field of the Texas Tech Red Raiders Football Team of the Big 12 Conference

**PIE SHOTWELL STADIUM**

- ✈ 15,076 Seating Capacity
- ✈ Home Field of Abilene High School and Cooper High School

**ABILENE PERSONAL AIRPORT**

- ✈ 114 Flights/Day
- ✈ Covers an Area of 1,644 Acres

**MIDLAND AIRPORT INTERNATIONAL AIRPORT**

- ✈ 112 Flights/Day
- ✈ Covers an Area of 515 Acres

**ASTOUND BROADBAND STADIUM**

- ✈ 18,000 Seating Capacity
- ✈ Home to the American Football and Soccer Teams for both Legacy High School and Midland High School

**PERMAN BASIN PETROLEUM MUSEUM**

- ✈ It has 40 Acres Outdoor Exhibit Area of Oilfield History and Petroleum Geology in the Largest Collection of its type in the World
- ✈ Collections are housed in a 10,000 Square-Foot With Large Oil-Field Machinery

**SHANNON HOSPITAL**

- ✈ 6000 Beds Facility
- ✈ Recognized as 1 of 100 US Hospitals awarded in the 2014 "Great Community Hospitals" list

**ANGLO STATE UNIVERSITY**

- ✈ 10,023 Students
- ✈ Ranked #12 in Regional Universities West

**RAM ANGELO REGIONAL AIRPORT**

- ✈ 216 Flights/Day
- ✈ Covers an Area of 1,917 Acres

**RAVENS**

- ✈ 17,337 Seating Capacity
- ✈ Home Game Venue for the University of Texas at the Permian Basin(Ravens) FC
- ✈ Features Football Team

**PERMAN BASIN**

- ✈ 1,800 Students
- ✈ Ranked #102 in Regional Universities West

**RAVENS STADIUM**

- ✈ 17,337 Seating Capacity
- ✈ Home Game Venue for the University of Texas at the Permian Basin(Ravens) FC
- ✈ Features Football Team

**TEXAS**

**HOUSTON**

**DALLAS**

**AUSTIN**

**SAN ANTONIO**

**EL PASO**

**LOS ANGELES**

**PHOENIX**

**PORTLAND**

**SEATTLE**

**MINNEAPOLIS**

**CHICAGO**

**NEW YORK**

**BOSTON**

**ATLANTA**

**MIAMI**

**LAKE CHARLES**

**HOUMA**

**SLIDERS**

**MOBILE**

**HOUSTON**

**DALLAS**

**AUSTIN**

**SAN ANTONIO**

**EL PASO**

**LOS ANGELES**

**PHOENIX**

**PORTLAND**

**SEATTLE**

**MINNEAPOLIS**

**CHICAGO**

**NEW YORK**

**BOSTON**

**ATLANTA**

**MIAMI**

**LAKE CHARLES**

**HOUMA**

**SLIDERS**

**MOBILE**

14 SECURE METACASE



**EXHIBIT D**

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September 18, 2024

Julie Watts, Trustee  
555 West Benjamin Holt Drive, Bldg. A  
Stockton, CA 95207

**Re: Karin Meyer**

Dear Julie,

You have asked that we provide additional guidance with respect to the tax situation regarding Karin Meyer and the property sales that she has completed in 2024.

My understanding of the situation is that the real estate on the attached schedule was determined by the Trustee to be unacceptable assets due to their condition—they needed significant repairs and upgrades to make them inhabitable. The Trustee sought the advice of the trust beneficiaries and the conservator's office and determined that a sale was prudent to minimize liability from unforeseen circumstances and to generate investable cash. Three sales have taken place already, and a fourth (629 Oregon St.) is expected to close soon.

The question of what to do with the sales proceeds is thus at hand. There are three alternatives that have been presented for consideration: "do nothing" and pay the tax, complete a Section 1031 exchange into California-only properties, or complete a Section 1031 exchange into suitable replacement property that is not restricted as to location. If any Section 1031 exchange is being considered, the replacement property needs to be identified by Friday September 20 in order to keep the exchange qualified. Thus, time is of the essence.

You have provided me with a list of available properties that are under consideration as acceptable by the Bank as replacement properties. For the purposes of this discussion, we will assume this as the universe of all available properties. The lowest price on a non-CA property that has been deemed acceptable by the Bank is \$1,383,333 for a Seven Brew coffee restaurant in San Angelo, TX. Currently the Trustee has \$818,720 to invest and will have \$1,143,020 when the final property closes (expected October 2024). Therefore, if the intent is to exchange, the Trustee will need to raise an additional \$240,000 to purchase the Texas property, or an additional \$1,079,000 to purchase the lowest-priced California property (Del Taco in Temecula). In order to raise funds, we anticipate that the Bank would need to liquidate assets out of the stock portfolio, which would generate further capital gains.

Under current law (which is so beneficial that it is being considered for repeal by a future President Harris), investors are allowed to exchange their real estate holdings on a tax deferred basis, and then liquidate them upon the death of the taxpayer. By deferring the tax past the death of Ms. Meyer, the Trust would be able to save the anticipated tax on sale of \$328,433. We would expect this to be a permanent savings, not a deferral because the death of the taxpayer revalues properties to their current values at date of death. To my understanding, Ms. Meyer is in good health for a woman of 94 years. The IRS life expectancy table for a 94-year-old is 9.1 years, which means that her death is by no means imminent (according to the averages).

Since the most economical investment (from a cash outlay perspective) is the Texas investment, we will use that as a baseline for our analysis. To purchase the Texas property, the Trust will need to raise \$240,000, net of tax. I will consider that a sunk cost. The Net Operating Income on Texas is \$83,000 per year, so the trust would earn \$83,000 per year on a \$1,383,333 investment for a 6% rate of return. Future appreciation/depreciation of the underlying property between now and the date of death has been disregarded.

If the Trust were to purchase a California property, the trustee would need to liquidate an additional \$839,000 (net) above the purchase price of the Texas property. The \$2,222,000 Del Taco investment produces 4.5%, or \$100,000 per year. Therefore, the investment of an additional \$839,000 is going to yield only \$17,000 additional NOI dollars, which is a 2% return on the additional investment. Further discouraging this alternative is the tax that would be incurred to generate \$839,000. That further depletes the return on investment of this tranche of funds.

If the trust were to do nothing, and to pay the tax on the real estate sales, the tax would be \$328,000. This tax is a permanent reduction in the trust value. If Ms. Meyer were to die within a short period of time, there would likely not be sufficient time to make up this loss. The after-tax proceeds of \$814,587 would need to earn 10.2% on a sustained basis just to equal the \$83,000 that the exchange proceeds could potentially earn in Texas, plus it would need to earn substantially more over time to recover the \$328,000 tax that was paid.

My conclusions:

From my vantage point, the purchase of the California property appears to be providing inferior returns to the properties in other states, plus they are significantly more expensive. I would rule out a reinvestment in California on that basis.


Whether the Trustee views real estate as a worthy investment for Ms. Meyer is subject to interpretation. The rate of return on the diminished principal in the stock market to make up the \$328,000 tax plus \$83,000 per year that could be earned by purchasing the Texas parcel is going to require an incredible rate of return on the after-tax proceeds. Unless there is a compelling reason to not consider out-of-state properties, it seems like the most advantageous solution is to purchase the Texas property as it saves principal, produces a 6% yield, and has appreciation potential.

This analysis does not take into account other factors such as the future value of any of the three alternatives upon the death of Ms. Meyer.

Julie, I am happy to discuss this analysis with you or your team. Please don't hesitate to contact me if you have any questions.

Sincerely,

Bowman & Company, LLP

  
Daryl Petrick, CPA, Partner  
[dpetrick@cptabowman.com](mailto:dpetrick@cptabowman.com)

DRP/ms



Karin Meyer  
Estimated Gains  
2024 Property Sales

	Estimated gains				sale anticipated	
	425/427 Greenbrier	1209 Williamson	324 Eva Court	Subtotal—closed transactions	629 Oregon St	2024 Total
Sales price						
Less commissions	399,950	130,000	349,950	879,900	345,000	1,224,900
Less selling expenses - assuming immaterial	(24,301)	(8,231)	(19,849)	(52,381)	(17,250)	(69,631)
Less bank fee	(4,000)	(1,300)	(3,500)	(8,799)	(3,450)	(12,249)
Net sales price	371,650	120,469	326,602	818,720	324,300	1,143,020
Estimated basis						
Land	6,000	37,700	42,000	85,700	44,550	130,250
Building	33,526	92,300	83,600	209,426	120,450	329,876
Less Acc. Depreciation	(26,293)	(77,613)	(79,130)	(183,036)	(88,516)	(271,552)
Net basis	13,233	52,387	46,470	112,090	76,484	188,574
Taxable gain on sale	358,417	68,082	280,132	706,630	247,816	954,446
Section 1250 unrecaptured gain	26,293	18,113	79,130	123,536	88,516	212,052
Section 1231 gain	332,124	49,969	201,002	583,094	159,300	742,394
25% tax on Sec 1250 unrec. Gain	6,573	4,528	19,783	-	22,129	53,013
20% tax on Sec. 1231 gain	66,425	9,994	40,200	116,619	31,860	148,479
est CA tax at 13.3%	47,669	9,055	37,257	93,982	32,960	126,941
total tax	120,667	23,577	97,240	241,485	86,949	328,433
Effective tax rate						
Net proceeds after tax	250,982	96,892	229,361	577,235	237,351	814,587

\*assuming able to claim exemption from net investment income tax of 3.8% as a real estate professional

## EXHIBIT E



June 26, 2024

Julie Watts  
Bank of Stockton  
555 West Benjamin Holt Drive, Bldg. A  
Stockton, CA 95207

Dear Julie:


We've prepared and enclosed our calculation of the estimated gains and tax liability for the sale of four rental properties and two vacant lots.

The total gains from the sale of all properties are approximately \$1,010,000 and the total tax is \$350,000, federal and California combined. The net proceeds after tax would be roughly \$850,000.

If a section 1031 exchange is possible, that would be ideal as it would obviously result in a non-taxable transaction and save \$350,000 in tax. However, we do not believe a reverse 1031 exchange would be a viable option due to the tight timelines that are required.

The other option of holding these properties until Karin passes would result in a step-up in basis to the Fair Market Value at date of death which would significantly reduce, if not eliminate, any taxable gains.

Sincerely,  
Bowman & Company, LLP

  
Daryl R. Petrick, CPA, Partner  
Dpetrick@cpabowman.com



Karin Meyer  
Estimated Gains  
2024 Property Sales

	Estimated gains						Total
	425/427 Greenbrier	629 Oregon St	1209 Williamson	324 Eva Court	Oregon - vacant lot	Florida - vacant lot	
Sales price	399,950	360,000	75,000	335,000	16,000	90,000	1,275,950
Less commissions	(19,998)	(18,000)	(3,750)	(16,750)	(800)	(4,500)	(63,798)
Less selling expenses - assuming immaterial							
Less bank fee	(4,000)	(3,600)	(750)	(3,350)	(160)	(900)	(12,760)
Net sales price	375,953	338,400	70,500	314,900	15,040	84,600	1,199,393
Estimated basis							
Land	6,000	44,350	37,700	42,000			130,250
Building	33,526	120,450	92,300	83,600			329,876
Less Acc. Depreciation	(26,293)	(80,516)	(77,613)	(79,130)			(271,552)
Net basis	13,233	76,484	52,387	46,470	-	-	188,574
Taxable gain on sale	362,720	261,916	18,113	268,430	15,040	84,600	1,010,819
Section 1250 unreaptured gain	26,293	88,516	18,113	79,130	-	-	271,552
Section 1231 gain	336,427	173,400	-	189,300	15,040	84,600	739,267
25% tax on Sec 1250 unrec. Gain	6,573	22,129	4,528	19,783	-	-	67,888
20% tax on Sec. 1231 gain	67,285	34,680	-	37,860	3,008	16,920	147,853
est CA tax at 13.3%	48,242	34,835	2,409	35,701	2,000	11,252	134,439
total tax	122,100	91,644	6,937	93,344	5,008	28,172	350,180
Effective tax rate							29.2%
Net proceeds after tax	253,853	246,756	63,563	221,556	10,032	56,428	852,188

\* assuming able to claim exemption from net investment income tax of 3.8% as a real estate professional