

# THE JEWISH COMMUNITY FOUNDATION

## GUIDELINES FOR ACCEPTANCE OF CONTRIBUTIONS OF REAL PROPERTY

### A. General Policies

1. The Jewish Community Foundation (the "Foundation") welcomes and appreciates all donations, whether in the form of cash, securities, personal or real property. However, in light of the potential toxic and other liabilities arising from the ownership of real properties, the fiduciary duties of the Foundation require it to carefully consider the acceptance of each donation of real property on an individual basis.

2. Whenever the Foundation receives notice that a donor wishes to make a contribution of real property (including undivided interests in real property and interests in partnerships owning real estate) by inter vivos gift, by distribution from a trust or an estate or otherwise, to the Foundation (whether to the general fund, a philanthropic fund or a restricted fund), the Board of Directors of the Foundation (the "Board") shall determine whether to accept the gift or whether, in light of potential liabilities or other problems related to the property, to reject the gift.

3. Every reasonable effort shall be made by the Board of Directors to reduce or eliminate the potential for liability in the acceptance and future ownership by the Foundation of any real property or interest in real property. To assist the Board in meeting its responsibilities, the donor shall be requested to provide information regarding the ownership, uses, income, expenses and liabilities of the property.

4. Donors shall be encouraged to submit their requests no later than October 1 of the year of the gift that determination of acceptance of the gift is required prior to the end of the calendar year.

5. To minimize the risks and management responsibilities related to real property ownership, prospective donors shall be encouraged to make gifts of real property or interests in real property which are readily salable.

6. Real property shall be held after acceptance by the Foundation only if it cannot be sold for fair market value due to the nature of property or market conditions at the time of the gift or if there are strong extenuating circumstances mitigating in favor of retention of the real property.

7. Properties shall be marketed under normal merchandising efforts to an unrelated third party. In no case shall the Endowment Foundation sell back to a donor real property or interests in real property contributed by that individual.

8. All costs of operating and marketing a property shall be assessed to the fund to which it is contributed: Unrestricted, Restricted or Philanthropic. Expenses may include but not be limited to taxes, insurance, maintenance, capital improvements, management, advertising, appraisals, closing costs and legal fees. If the real property or interest in real property being offered to the Foundation is not readily salable and operating expenses exceed operating income from the property, the Board of Directors shall request the donor to provide a cash gift to the Foundation in an amount sufficient to pay for the anticipated expenses related to the ownership of the real property during the period prior to the time it can be readily sold. The donor shall be advised of and be in agreement with this policy prior to Endowment Foundation acceptance of the gift.

B. Procedures

1. Upon learning of the intended donation, the Executive Director of the Foundation (the "Director"), or designate shall send to the prospective donor a letter in the form of Exhibit A, requesting from the donor the information set forth therein as well as the information on Exhibit B.

2. Utilizing information provided by the donor the Director or designate shall conduct an on-site examination of the property.

3. The Director or designate shall obtain a Phase I Environmental Report. If sampling and/or testing is recommended by the Phase I Environmental Report, supplemental environmental reports shall be obtained. The Director or designate shall establish with the donor the manner in which the donor will cover the cost of environmental reports. An explanation of the different types of environmental assessments is set forth in Exhibit C.

4. The Director or designate shall report the findings to the Non-Cash Assets Acceptance Committee of the Foundation (the "Committee") with a recommendation.

5. The Committee shall review each request and shall make a recommendation to the Board as to whether or not to accept the proposed gift. The Board, in its sole discretion, shall make the final determination as to whether to accept or reject the proposed gift and as to what conditions, if any, to attach to acceptance of the gift.

6. If the Board decides to accept the gift, the Director or designate shall send to the donor a letter in the form of Exhibit D and obtain from the donor an letter executed by the donor in the form of Exhibit E.