

THE GREATER KANAWHA VALLEY FOUNDATION

POLICY FOR GIFTS OF REAL ESTATE

Adopted by the Board of Trustees 1998

The following guidelines will be followed if a donor expresses the desire to donate a gift of real estate to the Foundation, TGKVF, Inc. or any other affiliate of the Foundation:

Qualifying Gifts of Real Property

- ❑ Real property generally will be accepted as a gift only if the Foundation is free to do whatever it chooses with the property and only if there is a reasonable certainty that the property will be sold within one (1) year.
- ❑ Real property from which minerals have been extracted generally will not be accepted.
- ❑ Real property that is encumbered by a trust deed loan or mortgage will be accepted only in exceptional circumstances and upon advice from the Foundation's legal counsel.

Payment of Costs Associated with Real Property

- ❑ Before acceptance of real property as a gift to the Foundation, in most cases, the Foundation and donor will agree in writing on arrangements for paying expenses associated with the property, such as commissions, transfer taxes and assessments, insurance, closing costs, appraisal fees and environmental evaluations.
- ❑ The standard Foundation administrative fees will be assessed and deducted from any income generated from the property, or if such income is insufficient, such fees will be netted from the sales proceeds of the property when sold.

Procedure for Acceptance of Real Property

- ❑ Gifts of real property generally will only be accepted into TGKVF, Inc. or another supporting organization of the Foundation.
- ❑ The fair market value of real property will be established by at least one qualified appraisal in accordance with all federal tax law requirements.
- ❑ The Foundation generally will require a title report, opinion, policy or other evidence of title in form and substance acceptable to the Foundation. In those instances deemed necessary, the Foundation will also require a survey of the proposed gift of real property in form and substance acceptable to the Foundation.

- ❓ A Phase I environmental impact audit addressed to the Foundation will generally be required for all proposed gifts of real property and assets relating to real property (such as real estate held by a limited partnership). The Foundation will require such other environmental assessments as deemed appropriate in the particular circumstances.
- ❓ Before acceptance of real property as a gift to the Foundation, the Foundation will evaluate the costs associated with ownership of the property, including carrying costs (insurance, taxes, etc.), existing liabilities and contracts, contingent liabilities and the unrelated business income tax, to determine whether acceptance of the gift is in the best interests of the Foundation.
- ❓ Gifts of real property will be transferred by a general warranty deed or such other deed as is acceptable to the Foundation. Such deed or other appropriate document shall contain environmental indemnification provisions in those instances in which it is deemed necessary or appropriate by the Foundation and its legal counsel. The Foundation may also require such other documentation as it deems necessary in connection with such transfer, including without limitation, a release of all liens and an affidavit of the owner that there are no mechanics' liens or parties in possession.
- ❓ Every proposed gift of real estate (including any real estate devised to the Foundation or any gift made through a Trustee Bank) will be reviewed and evaluated in accordance with these guidelines by the appropriate Foundation staff, Chairperson of the Legal Services Committee, and Foundation legal counsel prior to presentation to the Board of Trustees for acceptance or refusal of said gift.

**The Greater Kanawha Valley Foundation
Real Property Disclosure Checklist**

- I.** Owner(s) _____ Phone: _____
Address: _____
Address of potential donation: _____
Land Area (acres or sq. ft.) _____
Building Area (sq. ft. each floor) _____
Zoning: _____
Replacement of cost of building: _____
Current property insurance coverage: _____
Date of acquisition/form of acquisition: _____
Current cost basis (includes improvements) _____
Principal balance of mortgage: _____ Current fair market value: _____
Term of remaining mortgage: _____ Is the mortgage assumable: _____
Interest Rate: _____ Assessed value for real estate taxes: _____
Fiscal tax year: _____ Real estate taxes: _____
Land value: _____ Building value: _____
Most recent appraisal date: _____ Appraisal value: _____
Appraiser: _____
Occupancy status after transfer of title to charity: _____

- Vacant (building has no personal property & no occupants)
- Unoccupied (building has personal property but no occupants)
- Occupied (building has personal property with occupants)

Please indicate by checking "yes" your awareness of any condition or problem that may affect the title or marketability of the property. Use Section VIII to provide additional information. Please mark N/A for any items that are not applicable.

- | II. Title/Zoning | Yes | No |
|--|------------|-----------|
| A. Title | | |
| B. Zoning variances, violations or special permits | | |
| C. Zoning violations | | |
| D. Restrictions or easements | | |
| E. Survey not available | | |

Yes

No

III. Building

- A. Foundation/slab
- B. Basement water/dampness/sump pump
- C. Roof leaks
- D. General structural
- E. UFFI (formaldehyde insulation)
- F. Asbestos
- G. Lead paints
- H. Termites/ants/pests
- I. Wood/coal stove
- J. Swimming pool
- K. Radon
- L. Building systems
 - 1. Plumbing
 - 2. Electrical
 - 3. Heating
 - 4. Air conditioning
 - 5. Hot water
 - 6. Water supply
 - 7. Sewage
 - 8. Other fixtures

IV. Rental/Condominium/Cooperative

- A. Rent Control
- B. Building systems
 - 1. Leases
 - 2. Rental arrears
 - 3. Last month's rent or security deposit
- C. Common area fees in arrears
- D. Building or sanitary code violations
- E. Operating/capital budget

Yes

No

V. Environmental

A. History of property

1. Property has prior or current use for industrial, commercial, agricultural, manufacturing, waste disposal or any other non-residential purposes

B. Conditions of property

1. Stressed or denuded vegetation or unusual barren areas
2. Discoloration, oil sheens, or foul/unusual odors in water
3. Storage drums
4. Above or underground storage tanks; vent or filler pipes
5. Evidence of oil or other chemicals in soil
6. Evidence of PCB's
7. Evidence of toxic air emissions

C. Adjacent properties

1. Properties adjacent or close to subject have conditions requiring "yes" answer to any questions in (A) or (B) above

D. Flood plan/wetlands/drainage

E. Endangered plants or wildlife

Are you aware of any other information concerning any part of the land or buildings which might affect the decision of a buyer to buy or affect value of property or affect use by buyer?

VII. Property Maintenance Budget

To hold this property as a Foundation asset the following income & expenses are anticipated:

A. Income

Annual

1. Rent
2. Other

Total Income

B. Expenses

1. Real estate taxes
2. Utilities
 - Gas
 - Electric
 - Water/sewer

- Other
- 3. Services
 - Caretaker/property manager
 - Landscaping

Annual

- Heating/cooling service contract
- Snow removal
- Pool services
- Common area charge (condominium)
- Security
- Other
- 4. Maintenance/repairs
- 5. Insurance
- Total Expenses**
- Net Income (Loss)**

IX. Deed

Please attach a copy of the deed or will pursuant to which owner(s) obtained title to the real property.

X. Acknowledgments

Owner(s) hereby acknowledge that the information set forth above is true and accurate to the best of my (our) knowledge.

Owner

Date

Owner

Date

**Please return to: Becky Cain, President & CEO
 The Greater Kanawha Valley Foundation
 900 Lee Street, East
 1600 Huntington Square
 Charleston, WV 25301**

