

**SOUTHERN ILLINOIS UNIVERSITY
EDWARDSVILLE FOUNDATION
REAL ESTATE GIFT ACCEPTANCE POLICY**

As Adopted February 28, 2002,

With Revisions dated March 26, 2002

**Southern Illinois University Edwardsville Foundation
Real Estate Gift Acceptance Policy**

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**Southern Illinois University Edwardsville Foundation
Real Estate Gift Acceptance Policy**

1. Overview

1.1. Purpose. This policy sets forth the requirements and guidelines governing acceptance of real estate gifts by Southern Illinois University Edwardsville Foundation ("Foundation"). This policy does not set forth the requirements and guidelines relating to the post-gift sale of real estate. Among other things, this policy:

1.1.1. Sets forth the policy aspects regarding the evaluation, approval and acceptance of proposed real estate gifts.

1.1.2. Establishes requirements for and restrictions on the Foundation's acceptance of proposed real estate gifts;

1.1.3. Provides letters, forms and checklists to help assure timely communication with donors and meaningful evaluation of proposed real estate gifts;

1.1.4. Outlines the real estate evaluation, approval and acceptance related responsibilities of the Foundation Staff;

1.1.5. Outlines the real estate gift accounting-related responsibilities of the Foundation Staff; and

1.1.6. Outlines the real estate gift investment-related responsibilities of the Investment Committee and Foundation Staff.

1.2. Annual Review. This Real Estate Gift Acceptance Policy shall be reviewed annually by the Major Gifts Committee to ensure the relevance of its contents to donor relations and the Foundation's needs and focus, except that the real estate gift investment and accounting related aspects of this Policy shall be reviewed annually by the Investment Committee. Recommendations for changes shall be submitted to the Executive Committee for its review and action.

1.3. Specific Real Estate Gift Requirements and Restrictions. The requirements and restrictions to be met in connection with the Foundation's approval and acceptance of a real estate gift are set forth in Appendix A.

1.4. Letters, Forms and Checklists. Letters, forms and checklists to help assure timely communication with donors and meaningful evaluation of proposed real estate gifts are set forth in the following Appendices:

1.4.1. Appendix B-1. Real Estate Gift Checklist.

1.4.2. Appendix B-2. Donor Inquiry Response Letter.

1.4.3. Appendix B-3. Real Estate Gift Application.

1.4.4. Appendix B-4. Form of Real Estate Gift Agreement.

1.5. Real Estate Gift Evaluation, Approval and Responsibilities. Real estate gift evaluation, approval and acceptance related responsibilities of the Foundation Staff are set forth in Section 2 below and in Appendices A and B-1.

1.6. Real Estate Gift Acceptance Accounting Guidelines. Real estate gift acceptance accounting related responsibilities of the Foundation Staff are set forth in Appendix C.

1.7. Real Estate Gift Acceptance Investment Guidelines. Real estate gift acceptance investment related responsibilities of the Investment Committee and Foundation Staff are set forth in Appendix D.

2. Policy Aspects.

2.1. Donor Relations. The donor should receive regular communications while the proposed real estate is being evaluated. The donor should feel that the proposed gift is valued and appreciated. The Foundation should be sensitive to the donor's desire to avoid excessive or piecemeal demands and expenses. For example, consideration should be given to deferring certain donor expenses (such as surveys, inspections, appraisals or environmental assessments) until the gift is tentatively approved based upon preliminary information. The Foundation's approval of the gift can then be conditioned upon obtaining the additional satisfactory information at donor's cost prior to the Foundation's acceptance of the gift.

2.2. Investment. Real estate gifts present unique risks and challenges. These risks and challenges are greater if the real estate is held as an asset in the Foundation's portfolio. Accordingly, the Foundation's policy is to sell the property as soon as practicable after the gift is received and is not to be a long-term owner or manager of gifted real estate, except in extraordinary circumstances.

2.3. Liens and Encumbrances. To the greatest extent possible, real estate gifts are to be free and clear of liens and encumbrances that adversely affect the property's marketability or that significantly increase the economic burden of the gift to the Foundation. Exceptions may be made in extraordinary circumstances in consultation with the Foundation's legal counsel in which event the gift shall be evaluated pursuant to the "bargain sale" tax rules.

2.4. Pre-arranged Sales. The Foundation shall not accept a real estate gift that is subject to sale, option, right of first refusal or other legal restriction on the property's transfer by the Foundation, except in extraordinary circumstances in consultation with the Foundation's legal counsel. The donor should cease all sale negotiations, if any, regarding real estate that is the subject of a potential gift to the Foundation.

2.5. Gifts from Related Parties. The relationship between a donor (or a donor's family member) and the Foundation is subject to additional scrutiny to help avoid adverse consequences to both the donor and the Foundation (for example, to avoid excise taxes under "excess benefit" tax rules). The Foundation, in consultation with its legal counsel, shall endeavor to minimize any additional inconvenience to the donor in such circumstances.

2.6. Testamentary Gifts. Testamentary gifts of real estate (that is, gifts upon the death of a person whether pursuant to a trust arrangement or to a probate proceeding) shall be evaluated for acceptance in the same manner and with the same considerations as if the donor were alive.

- 2.7. Donor's Costs and Expenses.** The Foundation will not pay for the donor's legal expenses, appraisals or other services, except in extraordinary circumstances.
- 2.8. Qualified Appraisal.** The Donor is responsible for obtaining a qualified appraisal (as defined under the tax rules) to support the donor's charitable deduction. The Foundation may undertake its own valuation analysis of the property for marketability and other purposes. The donor should be made aware that the donor's valuation for deduction purposes may differ from the sales price at which the property is sold by the Foundation.
- 2.9. Approval and Acceptance; Real Estate Gift Agreement.** The Foundation's approval and acceptance of a real estate gift does not occur until (a) the Foundation and donor sign the Real Estate Gift Agreement ("REGA"), (b) the donor satisfies the Foundation's acceptance terms and conditions as set forth in the REGA, (c) the donor delivers the deed to the Foundation and (d) the Foundation accepts delivery of the deed. The REGA is intended to legally obligate the donor (and the donor's personal representative, heirs, legatees, successors and assigns) to make the gift. The REGA, however, is not intended to obligate the Foundation to accept the gift.
- 2.10. Revisions; Administrative Fees and Costs.** The Executive Committee may from time to time revise this Real Estate Gift Acceptance Policy, including making provisions for an "acceptance fee" payable by donors to help defray the Foundation's costs incurred in evaluating, approving and accepting the gift.

Appendix A

Real Estate Gift Approval and Acceptance

This Appendix sets forth the requirements and restrictions to be met in connection with the Foundation's approval and acceptance of a gift of real estate.

1. Minimum Transfer Value. The real estate shall have a minimum value of \$35,000 as determined by appraisal or market analysis.

2. Donor Ownership Interest. The donor shall own 100% of the real estate in fee simple immediately prior to the gift.

3. Foundation Checklist. The Real Estate Gift Checklist (Appendix B-1) shall have been completed and filed in the Foundation records.

4. Letter to Donor. The Donor Inquiry Response Letter (Appendix B-2) shall have been delivered to the donor.

5. Donor's Real Estate Gift Application. The Real Estate Gift Application (Appendix B-3) shall have been completed by the donor and delivered to the Foundation, along with appropriate documentation.

6. Evaluation. Other aspects of the Foundation's Real Estate Gift Acceptance Policy shall have been considered and satisfied prior to approval and acceptance of the gift.

7. Approval; Authorized Foundation Representatives. Only certain Authorized Foundation Representatives (as identified in this section) may approve a real estate gift. All of the terms and conditions of the approved gift shall be set forth in a Real Estate Gift Agreement ("REGA") (Appendix B-4) to be delivered to and signed by the donor.

(a) **Real Estate Value less than \$250,000.** If the property is determined to be marketable for a price less than \$250,000 and no extraordinary circumstances exist, the REGA shall be approved by the Foundation's President or Chief Executive Officer. If extraordinary circumstances exist (as defined in subsection (c) below), the REGA shall be approved by the Foundation's President or Vice President. A Foundation officer may, in his or her discretion, first present the REGA to the Foundation's Executive Committee for its review and approval.

(b) **Real Estate Value \$250,000 or More.** If the property is determined to be marketable for a price of \$250,000 or more, the REGA shall be approved by the Foundation's President or Vice President, who may, in such officer's discretion, first present the REGA to the Foundation's Executive Committee for its review and approval.

(c) **Extraordinary Circumstances.** Extraordinary circumstances for purposes of this section means any one or more of the following items that the Foundation's Chief Executive Officer reasonably believes is likely to be involved with the real estate gift:

(i) The Foundation's management of property as a landlord (excluding farm crop leases);

(ii) A marketing period of more than twelve months to sell the property;

(iii) An aggregate net cash burden to the Foundation of greater than 20% of the property's value (excluding Foundation legal fees and realtor commissions);

(iv) Liens or encumbrances remaining after the Foundation's receipt of the property (other than (y) accrued and unpaid real estate taxes and homeowner's association assessments and (z) encumbrances that do not adversely affect the property's marketability);

(v) A donor's close connections to the Foundation that may trigger potentially adverse tax consequences to the donor or to the Foundation if the gift is not made properly; and

(vi) A "pre-arranged" sale, option, right of first refusal, or other restriction that is placed on the Foundation's sale of the property or that may potentially trigger adverse tax consequences to the donor or to the Foundation if the gift is not made properly.

8. Authorized Foundation Representatives; Subsequent Sale. Upon receiving an approved Real Estate Gift Agreement ("REGA") signed by the donor, the Foundation's President, Chief Executive Officer and Director of Planned Giving, individually or in any combination of them, are authorized to sign the REGA and to sign any and all other documents, and to take such further actions, as may be necessary or appropriate to complete the real estate gift transaction in a manner that is consistent with the REGA. This authorization shall not extend to the marketing or sale of the real estate on the Foundation's behalf. Any subsequent marketing or sale is subject to the Foundation's Sale of Real Estate Policy (if no such policy then exists, then the Foundation's Executive Committee shall establish the authority and parameters of any subsequent marketing and sale of the real estate).

Appendix B-1

Real Estate Gift Checklist

This Appendix sets forth the actions and investigations to be taken in connection with the evaluation, approval and acceptance of a proposed real estate gift. Some of the actions may be taken on more than one occasion. For example, a donor may be contacted for additional information from time to time as the need arises.

Some of the Foundation’s evaluative actions do not need to be taken in the order presented. For example, it may be appropriate to order further physical inspections of the property pending receipt and review of a title commitment. Also, it may be desirable in some instances to visit the property with a real estate broker who is performing a market analysis of the property.

A file shall be maintained at the Foundation’s offices for each proposed real estate gift. All correspondence, internal memoranda, conversation notes and documents relating to the proposed gift shall be kept in that file. An explanation of each action taken, or of a decision to take no further action, shall also be included in the file.

Given the unique nature of real estate and the varying circumstances of each gift, the checklist below is not intended to be exhaustive and the Foundation’s Chief Executive Officer is given discretion to evaluate the property in a manner that is in the best interests of the Foundation. For example, the title commitment may be ordered prior to receiving a market analysis of the property if the Chief Executive Officer has no reason to believe that the property is not marketable.

Legend – Responsible Persons

D	Donor
FCEO	Foundation CEO
FDPG	Foundation Director of Planned Giving
FExC	Foundation Executive Committee
FLC	Foundation Legal Counsel
FP	Foundation President
FR	Foundation Representative (any person designated by the Foundation President or Chief Executive Officer)

Action	Responsible Person	Date Completed	Initials of FR logging action
1. Deliver Donor Inquiry Response Letter (Appendix B-2) to potential donor, along with Real Estate Gift Application (Appendix B-3). 2. Review completed Real Estate Gift Application (and related documents) received from Donor and note further questions and areas to investigate. If no additional questions, then note such in the file (FCEO, FDPG and FLC all to review.)	FR	_____	_____
	FCEO	_____	_____
	FDPG	_____	_____
	FLC	_____	_____

<p>3. Visit the property to confirm the information provided on the Real Estate Gift Application (“Application”), to determine whether any potential problems exist that were not identified on the Application and to assess the scope of any problem identified on the Application. Note observations about the property and recommend whether an independent inspection (whether mechanical, structural, electrical, plumbing or environmental) is recommended. (FCEO, FDPG or other FR to visit.)</p>	FCEO or FDPG or FR	_____	_____
<p>4. Obtain a market analysis of the property from one or two real estate brokers in the market where the property is located (Two market analyses shall be required if the expected sales price of the property is at least \$250,000). The market analysis shall identify current zoning, recent sales history of comparable local properties, a suggested listing price, an expected sales price and the period the property is estimated to be on the market before sale. The FCEO shall identify the broker(s) and, in the FCEO’s discretion, may provide each broker with a copy of the Application.</p> <p>FCEO’s identification of real estate broker(s):</p> <p style="margin-left: 40px;">Broker #1: _____</p> <p style="margin-left: 40px;">Broker #2: _____ (if applicable)</p> <p>Contact and order Market Analysis from:</p> <p style="margin-left: 40px;">Broker #1</p> <p style="margin-left: 40px;">Broker #2 (if applicable)</p> <p>Receive and review market analysis from:</p> <p style="margin-left: 40px;">Broker #1</p> <p style="margin-left: 40px;">Broker #2 (if applicable)</p>	FCEO	_____	_____
	FCEO	_____	_____
	FR	_____	_____
	FR	_____	_____
	FCEO	_____	_____
	FCEO	_____	_____
<p>5. If it appears that the real estate gift is marketable (or is to be retained as an investment asset or for use by the Foundation or SIUE), direct the Foundation’s legal counsel to order a title commitment in the minimum amount of insurance.</p>	FCEO or FDPG	_____	_____
<p>6. Order the title commitment in the minimum amount of insurance from a nationally recognized underwriter with offices in the county in which the real estate is located. Order a copy of each of the</p>	FLC	_____	_____

<p>exception documents.</p> <p>7. Review the title commitment and each of the exception documents. Deliver the same to the Foundation’s Chief Executive Officer, along with a preliminary title opinion regarding the suitability of title (based upon the title commitment and exception documents) for Foundation purposes.</p> <p>8. Determine whether further inspection of or information about the property is needed (including a Phase I environmental assessment, or Phase II environmental testing, of the property).</p> <p>9. If additional costs of evaluating the property are indicated, consider whether to contact the donor about paying such costs. Consider whether extraordinary circumstances are involved (see Appendix B-1). Consider whether to review the current status of the gift evaluation with the Foundation President or the Executive Committee. Consider consultation with the Foundation’s legal counsel about extraordinary circumstances and potential terms and conditions of the Foundation’s approval and acceptance.</p> <p>10. If appropriate, contact the donor about paying additional evaluative costs and about any tentative conditions for approval or acceptance of the gift. Determine whether the donor is willing to satisfy such conditions or whether some other arrangement can be reached. For example, whether the donor willing to pay real estate taxes that are accrued through the date of the gift and whether a related cash gift is required to fund any ongoing expenses pending the Foundation’s sale of the property.</p> <p>11. Order additional inspections, if needed (if donor has agreed to pay, also make appropriate payment arrangements).</p> <p>12. Evaluate additional inspection results, if any.</p> <p>13. Determine the terms and conditions for gift acceptance and prepare a draft Real Estate Gift Agreement (“REGA”) (Appendix B-4). Consider making satisfactory inspections, environmental assessments, surveys and other matters to be paid by the donor a condition of the Foundation’s acceptance, instead of asking the donor to pay for these items on a piecemeal basis prior to approval of the REGA.</p> <p>14. Review the draft Real Estate Gift Agreement:</p> <p style="padding-left: 40px;">Foundation Chief Executive Officer</p> <p style="padding-left: 40px;">Foundation Legal Counsel</p>	<p style="text-align: center;">FLC</p> <p style="text-align: center;">FCEO</p> <p style="text-align: center;">FCEO</p> <p style="text-align: center;">FCEO or FDPG</p> <p style="text-align: center;">FR</p> <p style="text-align: center;">FCEO</p> <p style="text-align: center;">FR</p> <p style="text-align: center;">FCEO</p> <p style="text-align: center;">FLC</p>	<p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p>	<p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p>
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Appendix B-2

**Donor Inquiry Response Letter
[on Foundation Letterhead]**

[Donor(s)' Name(s) and Address(es)]

Dear [Name(s) of Donor(s)]:

Thank you for your interest in making a real estate gift that will benefit you and SIUE. This letter provides you with some background about how SIUEF evaluates and accepts real estate gifts. The unique nature of real estate requires a thorough review to assure your gift's suitability for Foundation purposes. Depending upon the results of this review, certain requests may be made of you in connection with your gift. We pledge to evaluate your gift as soon as practicable.

Our first request is that you please complete and return to us the enclosed Real Estate Gift Application, along with a copy of each of the documents requested in the Application. Upon our receipt, we can begin evaluating your property and determining additional requirements, if any. Typically, our evaluation lasts only a month or two, but may take longer depending upon the circumstances.

Generally, we accept only real estate that has no liens or encumbrances that adversely affect the marketability of the property or that cause the Foundation to incur any economic obligations. For example, any mortgages must be released prior to your transfer of the real estate to us. Also, we generally accept only property that we can expect to sell within twelve months after our receipt.

Importantly, we generally do not accept real estate that is subject to a pre-arranged sale, option, right of first refusal or other potential restriction on our subsequent sale of the property. A pre-arranged sale can jeopardize your charitable deduction. To help preserve your charitable deduction, you should not negotiate with anyone about selling the property. However, please let us know of anyone who has expressed an interest. We will be pleased to contact them about purchasing the property from us on our terms and conditions.

You should consult with your income tax advisor about the pre-arranged sale rules and all other income tax aspects of your gift. We are available as a source of information, but do not provide tax advice to donors. Accordingly, you should rely upon your income tax advisor, and not us, about the consequences of your gift.

After receiving your Real Estate Gift Application (and the related documents), our evaluation then addresses matters including an on-site review of the property, the status of title, marketability, and environmental, historical and archeological matters. Our evaluation needs vary dramatically from property to property and may be identified only as the evaluation progresses.

After our evaluation is completed, we will communicate our approval or disapproval of your gift. Our approval may have additional terms or actions that need to be taken before the gift is finally accepted, but at least at this point you will know what additional actions would be required before we can accept the gift. (For example, we may require that a mortgage be released before the property is transferred, or that a satisfactory environmental assessment be undertaken.)

Our terms and conditions for acceptance of the gift will be set forth in a Real Estate Gift Agreement ("REGA") to be delivered to you for your review and signature. We encourage you and your legal counsel or other gift advisor to review the REGA before you sign it because the REGA legally obligates

you (and your heirs and legatees) to make the gift pursuant to the terms and conditions of the REGA. The enforceable nature of your promise to make the gift as set forth in the REGA, in part, permits us to rely upon your gift promise in our planning and operations, assists us in our accounting for your gift and assures us that your gift can be made even if you should die before conveying the real estate to us.

The REGA does not legally obligate the Foundation to accept the gift. Events or reasons can occur after the REGA is signed that may cause us to subsequently decline your gift. Many of these events and reasons are not foreseeable or known at the time the REGA is signed (for example, unsatisfactory changes in the property's condition, marketability, value or expected use). Accordingly, the Foundation is not bound by the REGA to accept the gift. However, after we accept delivery of your deed at closing, your gift will be finally accepted and the property's ownership will have been transferred to us.

Donor is responsible for obtaining a qualified appraisal complying with Treasury Regulations to substantiate the value of your gift for federal income tax purposes, including the preparation of Form 8283 ("Noncash Charitable Contributions"). Our sale of the property may be for a fair market value price that is different than your appraisal value (for example, differences may be attributable to changing market conditions).

Your patience and understanding during our evaluation process is appreciated. Please call me even if you believe your proposed gift may not meet some of the requirements stated in this letter (an exception may be available). Also, please call me with any questions you may have about completing the Application, about our real estate gift evaluation, approval and acceptance process or about other giving opportunities.

Sincerely,

By: _____
[Name of SIUEF Authorized Representative]

Enclosure: Real Estate Gift Application

As adopted 2/28/02 with draft

Schedule B-3

Real Estate Gift Application

Please complete, date, sign and return this Application, along with complete copies of requested documents to:

Harold Melser, Director of Planned Giving
Southern Illinois University Edwardsville Foundation
Campus Box 1082
30 Circle Drive
Edwardsville, Illinois 62026-1082

Please continue any explanations on an attached sheet of paper if there is not sufficient room on this Application.

DONOR INFORMATION		
Donor Legal Name(s) and Social Security Number(s):		
Residential Address:		
Telephone (home):	Telephone (business):	Fax:
E-mail address::		

GENERAL PROPERTY INFORMATION						
Property Address:				County:	State:	
Directions from nearest City, Town or Village:						
Ownership:	<input type="checkbox"/> Sole Ownership	<input type="checkbox"/> Multiple Owners	<input type="checkbox"/> Trustee	<input type="checkbox"/> Corporation	<input type="checkbox"/> Partnership	<input type="checkbox"/> Estate
Type:	<input type="checkbox"/> Residential	<input type="checkbox"/> Vacant Lot(s)	<input type="checkbox"/> Agricultural	<input type="checkbox"/> Commercial	<input type="checkbox"/> Apartment Building	<input type="checkbox"/> Duplex
	<input type="checkbox"/> Condo	<input type="checkbox"/> Coop Apartment	<input type="checkbox"/> Vacation	<input type="checkbox"/> Other:		

Approximate Value, Size or Acreage, and Dimensions of the Property:						
Improvements (Residence, Buildings, Garage, Swimming Pool, Tennis Court, Roads, etc.) and Approximate Age of Each:						
Utilities, Services and Systems:	<input type="checkbox"/> City Water	<input type="checkbox"/> Well Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Septic System	<input type="checkbox"/> Natural Gas	<input type="checkbox"/> Propane Gas
	<input type="checkbox"/> Electricity	<input type="checkbox"/> Gas Heat	<input type="checkbox"/> Electric Heat	<input type="checkbox"/> Air Condition'g	<input type="checkbox"/> Other:	
Description of Amount and Frequency of Recurring Fees and Assessments, if any (Homeowner's Association, Condominium Association, Lake, Common Road Maintenance, etc.):						
Description of All Known Insurance Claims, if any, Regarding the Property and Approximate Date of Each:						
Description of Past, Current or Potential Lawsuits or Claims, if any, Regarding the Property, and the Approximate Date and Current Status of Each:						
Is the property located in a municipality (city, village or town)? If so, which municipality:					<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the property currently or expected to be subject to annexation or condemnation? If so, please describe.					<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the property subject to any agreement with any person granting that person a right to purchase or use the property (for example, pursuant to a contract, option, right of first refusal, easement, hunting or fishing agreement, lease or other understanding)? If so, please identify the person and the nature of the understanding:						
How is the property zoned? Please describe current zoning violations, if any. Please describe applicable zoning variances and permits, if any.						

GENERAL DISCLOSURES

Please indicate whether **you are aware of or believe that any of the following conditions or statements apply or may apply to any or all of the property**. Please provide an explanation on an attached sheet of paper for each item to which a “yes” answer is made. Please also attach any related documentation that is relevant to your explanation.

1. Lake, pond or waterway on or next to the property.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
2. Flooding or recurring leakage in basement or crawlspace.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
3. Location in or near a flood plain, wetland or sensitive ecological area.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
4. Defects in the basement or foundation.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
5. Leaks or defects in the roof, ceilings or chimney.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
6. Defects in the walls or floors.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
7. Defects in the electrical system.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
8. Defects in the plumbing system (including water heater, sump pump, water treatment system, sprinkler system and swimming pool).	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
9. Defects in the well or well system.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
10. Unsafe conditions in the drinking water.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
11. Defects in the heating, air conditioning or ventilating systems.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
12. Defects in the fireplace or wood burning stove.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
13. Defects in the septic, sanitary sewer or other disposal system.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
14. Unsafe concentrations of radon.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
15. Past or current presence of asbestos or products containing asbestos.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
16. Past or current presence of lead (including lead paint, lead water pipes, lead plumbing pipes and lead in the soil).	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
17. Mine subsidence, underground pits, settlement, sliding, upheaval or other earth stability defects.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
18. Past or current infestations or presence of termites, other wood boring insects, ladybugs or other insects or animals.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
19. Structural defects (whether due to termites or other cause).	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
20. Past or current presence of fuel storage tanks (whether above ground or underground).	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
21. Past or current boundary or lot line disputes.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
22. Past or current disputes about access to or across the property.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

23. Past or current disputes about use of the property (whether easement, trespass, unauthorized hunting or other use).	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
24. Any violation of federal, state or local laws relating to the property itself or to any use on or about the property.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
25. Past or current presence of formaldehyde-based insulation.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
26. Past or current presence of transformers or capacitors containing PCBs.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
27. Any past or current activities on the property or at adjacent businesses or properties that could pose potential environmental risks.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
28. Any chemicals, oils, paints, solvents or fuels used on the property or adjacent properties.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
29. Any barrels, drums, fragments, paint cans, abandoned vehicles, trash or debris accumulations or other waste dumping on the property or adjacent properties.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
30. Any evidence of stressed soil or vegetation (different coloration, stunted growth, bare spots, etc.).	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
31. Any oil wells, oil storage facilities or salt water use?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
32. Past or current use of the property or adjacent properties for a landfill or as part of a mining operation (including undermining of the property).	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
33. Any possible sources of spilled oil, gasoline, solvents or other chemicals on the property or adjacent properties.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
34. Any historical or architectural significance regarding the property or adjoining properties.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
35. Any endangered plants or wildlife on the property or adjacent properties.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
36. Any poor or undesirable drainage on or to the property.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
37. Any archeological significance regarding the property or adjacent properties (including American Indian camps and burial grounds).	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
38. Any person other than yourself using or occupying the property (whether authorized or unauthorized).	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
39. All licenses and permits necessary for the conduct of current activities on the property have been obtained and are in-force.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
40. Are you aware of any other information concerning or relating to any use or part of the property (including its buildings, roads and other improvements) that might (a) affect the decision of a buyer, (b) adversely affect the property's value, or (c) be a potential obligation or liability of the Foundation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Explanation of "yes" answers to the above items:

DOCUMENT REQUEST

Please provide a **complete and legible copy of each of the documents requested below that relates to or affects the property or activities conducted on the property.** Some of the documents requested may not exist or apply to your property. Others may exist (such as certain recorded easements), but are not readily available to you. At this time, please provide to us only the documents that currently exist and are readily available to you.

1. The deed by which you received the property (or other conveyance document, such as a Notice of Probate and Release of Estate's Interest).	<input type="checkbox"/>
2. If you later sold or transferred part of the property identified on the deed in Item 1, then please provide a copy of each deed relating to each such subsequent sale or transfer.	<input type="checkbox"/>
3. Most recent real estate tax bill and any subsequent Notice of Assessment.	<input type="checkbox"/>
4. Most recent title insurance policy (or abstract if a title insurance policy is not available).	<input type="checkbox"/>
5. Surveys and plats (preferably also identifying all structures and easements)	<input type="checkbox"/>
6. Covenants and Restrictions	<input type="checkbox"/>
7. Easements	<input type="checkbox"/>
8. Licenses	<input type="checkbox"/>
9. Options to Purchase, Sell or Lease	<input type="checkbox"/>
10. Rights of First Refusal	<input type="checkbox"/>
11. Leases	<input type="checkbox"/>
12. Other agreements affecting possession or use of the property.	<input type="checkbox"/>
13. Notices of violations federal, state or local laws, statutes, regulations, rules and ordinances that have not been resolved.	<input type="checkbox"/>
14. Annexation agreement.	<input type="checkbox"/>
15. Condemnation documents.	<input type="checkbox"/>
16. Past inspection reports of any kind (including structural, termite, radon and mechanical).	<input type="checkbox"/>
17. Environmental Reports and Notices (including Phase I, Phase II and Phase III environmental reports)	<input type="checkbox"/>
18. Permits and business licenses.	<input type="checkbox"/>
19. Historical register designation, historical renovation grants and other documents relating to the property's recognized historical significance.	<input type="checkbox"/>
21. Archeological studies (whether by private entities, educational institutions or governmental agencies).	<input type="checkbox"/>

As adopted 2/28/02 with draft

22. Mortgages or other security interests.	<input type="checkbox"/>
23. Judgment liens.	<input type="checkbox"/>
24. Management and Vendor Contracts.	<input type="checkbox"/>
25. Most recent appraisal or market analysis of the property.	<input type="checkbox"/>
26. Most recent 12 months electricity, gas, and water bills.	<input type="checkbox"/>
27. Most recent insurance premium bill.	<input type="checkbox"/>
28. All other agreements and contracts relating to the property not requested above (if oral, then please explain the terms and conditions of the agreement).	<input type="checkbox"/>
29. Any other documents not requested above that concern or relate to any use or part of the property (including its buildings, roads and other improvements) that might (a) affect the decision of a buyer, (b) adversely affect the property's value, (c) be of relevance to the Foundation in its evaluation whether to accept the property or (d) become a potential obligation or liability of the Foundation.	<input type="checkbox"/>

DONOR WISHES

Please describe the use or recognition you desire in connection with your gift of the property:

The undersigned owner(s) hereby acknowledge that the information provided by the undersigned in this Real Estate Gift Application is true, complete and accurate to the best of the undersigned's knowledge and belief.

Name: _____

Date: _____

Name: _____

Date: _____

Appendix B-4

**Form of
Real Estate Gift Agreement**

Note: This agreement should be tailored to the specific facts and expectations regarding the gift. The form below sets forth only some of the probable essential terms and conditions of the gift.

Real Estate Gift Agreement

This Agreement is entered into as of _____, 200__, by and between ___[insert name(s) and address(es) of donor(s)]___ ([individually and collectively], “Donor”) and Southern Illinois University Edwardsville Foundation, an Illinois not for profit corporation, with its principal offices located at 30 Circle Drive, Edwardsville, Illinois 62026-1082 (“Foundation”).

Whereas, Donor desires to make a legally enforceable gift of real estate to the Foundation pursuant to the terms and conditions set forth in this Agreement;

Whereas, Donor recognizes that the Foundation will rely upon Donor’s promises as set forth in this Agreement in the Foundation’s planning and operations; and

Whereas, the Foundation desires to accept Donor’s gift of real estate on the condition that the Foundation is satisfied in the Foundation’s sole discretion with the gift at closing.

Now, therefore, in consideration of the above recitals and the mutual covenants contained herein, the parties agree as follows:

1. Donor’s Transfer. At the closing, Donor shall convey to the Foundation, by warranty deed, Donor’s gift of real estate, including all related rights and appurtenances and all improvements and fixtures thereon, legally described as follows (collectively, “Property”):

[Insert legal description]

Permanent Parcel Number: _____.

Commonly known as: _____.

2. Closing. The transfer of the Property shall be made at a closing to occur on or before _____, 200__, (“Closing Date”) at the offices of ___[Insert name and address of title company]___ (“Closing Agent”).

3. Donor Deliveries Prior to Closing. At least twenty days prior to the Closing Date, Donor shall deliver to the Foundation in form and substance that is satisfactory to the Foundation:

(a) **Form 8283; Qualified Appraisal.** A copy of the completed Form 8283, Noncash Charitable Contributions (along with Donor’s qualified appraisal as required by Treasury Regulations) to be signed by Donor and the Foundation at the closing.

(b) **Warranty Deed.** A copy of the warranty deed to be signed by Donor at closing to convey the Property to the Foundation, subject only to the following liens, restrictions and encumbrances:

- (i) [Insert acceptable liens, restrictions and encumbrances]
- (ii) [Insert acceptable liens, restrictions and encumbrances]
- (iii) [Insert acceptable liens, restrictions and encumbrances]

4. Foundation's Conditions to Closing. The Foundation's acceptance of the Property is conditioned upon the following matters being satisfied to the Foundation's satisfaction in the Foundation's sole discretion:

- (a) [Insert Foundation's additional conditions, if any, for its acceptance of the real estate. For example, satisfactory inspection results at Donor's cost using an inspector selected by the Foundation.]
- (b) **Donor's Deliveries at Closing.** Donor will deliver the following documents at the closing:
 - (i) **Form 8283; Qualified Appraisal.** The original Form 8283 and attached Qualified Appraisal that is the same as the satisfactory copy that was previously provided to the Foundation.
 - (ii) **Warranty Deed.** The original Warranty Deed (signed by Donor at closing) that is the same as the satisfactory copy that was previously provided to the Foundation.
 - (iii) **Releases.** Such releases as may be necessary to remove any unacceptable encumbrances affecting the Property which are not assumed by the Foundation.
 - (iv) **Miscellaneous.** Any other documents reasonably required by this Agreement or the Closing Agent necessary to close on the transfer of the Property. Also, all keys, padlock combinations, electronic door openers, and warranties, instruction manuals and other documents relating to the property that have not been delivered previously to the Foundation.
- (c) **Other Matters.** Any and all other matters that the Foundation deems relevant on the Closing Date, regardless of whether contemplated in this Agreement, including but not limited to the character or ownership of surrounding properties, concerns about public perceptions, relationships with governmental entities or neighboring landowners, and actual or perceived changes regarding the marketability, condition, use, value or income-producing capacity of the Property

5. Donor's Representations and Warranties. Donor covenants, represents and warrants as follows as of the date of this Agreement and as of the Closing Date:

- (a) **Real Estate Gift Application.** The information and documents provided from time to time by Donor to the Foundation on and in connection with Donor's Real Estate Gift Application are true, complete and accurate to the best of the Donor's knowledge and belief.
- (b) **Mechanics Liens.** No mechanic's liens encumber the Property. No alterations, repairs, or improvements for which a mechanic's lien might attach shall be made by Donor prior to the Closing Date without the written consent of the Foundation.

- (c) **Independent Advice.** Donor has obtained independent legal, financial and tax advice in connection with the gift of the Property and this Real Estate Gift Agreement.

6. Other Agreements. Any covenant in this Agreement that by its terms may survive closing shall survive closing and shall not be merged into the deed or any conveyance document.

- (a) **Donor Recognition.** As soon as practicable after the closing, the Foundation will publicly recognize Donor's gift in the ordinary course of the Foundation's recognition of its donors. Donor's gift will be recognized in the amount of the Qualified Appraisal and will indicate that the purpose of Donor's gift is for _____ [Insert purpose] _____.

- (b) **Closing and Related Expenses.** Donor, at Donor's cost, will cause a title insurance policy to be delivered to the Foundation from a title company satisfactory to the Foundation in an amount of insurance equal to Donor's qualified appraisal's value. The Foundation shall pay any title insurance update cost.

Donor and the Foundation will share the closing agent's closing costs equally. The Foundation will pay for deed recording fees. Donor will pay the recording costs of any documents necessary to clear unsatisfactory title matters.

Each of the Donor and the Foundation will pay their respective legal fees and expenses.

- (c) **Environmental Indemnification and Hold Harmless.** Donor shall indemnify, defend and hold harmless the Foundation from and against any and all environmental liabilities, costs, expenses or requirements that may be imposed upon or incurred by the Foundation that in any way arise from, out of or relate to (1) any and all environmental conditions affecting the Property on or prior to the Closing Date, (2) any and all acts or omissions arising from or relating to ownership of or activities on the Property on or prior to the Closing Date, and (3) the on-site or off-site handling, storage, treatment or disposal of any hazardous materials (as defined under any federal, state or local statute, regulation, rule or ordinance) generated or handled by Donor, or by the past or present owners, tenants, invitees and licensees of the Property on or prior to the Closing Date. The indemnification and hold harmless shall survive the closing.

- (d) [Insert other post-closing agreements, such as donor's promise to pay real estate taxes through the closing date, if the donor does not provide funds on the closing date].

7. Entire Agreement; Merger. All offers, acceptances, oral representations, agreements and writings between the parties heretofore made are merged herein and shall be of no force or effect unless contained in this Agreement. No subsequent alteration, amendment, change, deletion or addition to this Agreement shall be binding upon the parties unless made by a written instrument signed by the parties. The terms and provisions of this Agreement shall not merge into the deed at closing.

8. Joint Preparation of Contract. This Contract shall be construed as if it had been prepared and drafted jointly by the parties.

9. Waiver. Waiver by either party or performance by the other party of any of the provisions of this Agreement shall not be construed as a waiver of any further right to insist upon full performance of the terms of this Agreement. No term or condition of this Agreement will be deemed to have been waived or amended unless expressed in writing, and the waiver of any condition or the breach of any term will not

be a waiver of any preceding or subsequent breach of the same or any other term or condition and shall not be construed as a wavier of any further right to insist upon full performance of the terms of this Agreement. No extension of time for the performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

10. Binding Agreement. The rights and obligations of each party under this Agreement shall inure to the benefit of and be enforceable by, and shall bind and be enforceable against, such party's successors and assigns and, in the case of a Donor who is a natural person, the Donor's heirs, devisees, legatees, executors, administrators and personal representatives.

11. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Illinois, without regard to its conflicts of law provisions.

12. Dates. If any date, time period, or deadline hereunder falls on a weekend or on a state or federal holiday, then such deadline shall be extended to the next occurring business day.

13. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect, impair or render unenforceable any other provision hereof. It is intended that each provision herein that is invalid or unenforceable as written be valid and enforceable to the fullest extent possible.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

15. Facsimile. The parties agree that "facsimile" transmissions of signed documents shall be regarded and accepted as if they bore original signatures. Promptly after such facsimile transmission the original documents bearing the original signatures shall be provided to the other party.

In witness whereof, the parties have signed this Agreement as of the date first set forth above.

DONOR:

[Insert Donor's Name]

[Insert Donor's Name]

FOUNDATION:

**SOUTHERN ILLINOIS UNIVERSITY
EDWARDSVILLE FOUNDATION**

By: _____
[Name and Title of Authorized Representative]

Appendix C

Real Estate Gift Accounting Guidelines

This Appendix sets forth the guidelines for accounting for real estate gifts.

- 1. Receipt of Transferred Property.** After closing, Form 8283, Noncash Charitable Contributions, and the related Qualified Appraisal shall be delivered to the Director of Financial Affairs, along with a copy of the donor's signed deed.
- 2. Gift Acknowledgement.** The Director of Planned Giving shall cause a gift acknowledgement to be timely delivered to the donor and shall cause public recognition of the gift to be made pursuant to the donor's wishes.
- 3. Accounting for the Transferred Real Estate.** The Director of Financial Affairs shall cause the transferred property to be recorded in the Foundation's accounting records in compliance with SFAS 116 and SFAS 117.
- 4. Internal Recognition and Use of the Real Estate.** The Foundation, school or program to benefit by the real estate gift shall be entitled to recognize the amount of the donor's charitable deduction (as evidenced by the donor's Form 8283 qualified appraisal) when the transferred property is received by the Foundation. However, if the real estate is to be sold (and not held as an investment or for use by the Foundation or SIUE), the amount will not be available for expenditure until the real estate is sold. At that time, the amount available for expenditure shall be the net sales proceeds as determined by the Foundation. If the real estate is to be held as an investment, the income generated shall be available for expenditure only in such amounts and at such times as determined by the Foundation.

Appendix D

Real Estate Gift Investment Guidelines

This Appendix sets forth the authority, responsibilities, operating policies and procedures of the Foundation's Investment Committee, Foundation Staff, Investment Managers and other providers retained to assist with asset management.

1. Nature of Real Estate Gifts. Real estate gifts are expected to be either (a) sold, (b) retained as an income producing investment asset or (c) held for use by the Foundation or SIUE.

2. Revision to Existing Investment Policy from Time to Time. The Director of Financial Affairs shall communicate and coordinate with the Investment Committee from time to time to revise the Foundation's Investment Policy to specifically address and make provisions for the unique sale, investment, or use requirements of specific real estate gifts to meet the Foundation's expectations regarding the real estate.

Income producing real estate that is to be held for sale or as an investment by the Foundation presents unique risks and challenges. It is recommended that the Investment Committee, with the assistance of the Director of Financial Affairs, establish specific investment policies and procedures for the Foundation's income producing real estate. Specific provisions in the Foundation's Spending Policy should also be considered.