



1,861,938 1,861,938

REALTY GIFT FUND

CASH SALE vs. BARGAIN SALE

SELLER/DONOR: PROFORMA

COMPARISON OF OUTCOMES

	CASH SALE		BARGAIN SALE
Seller Assumptions			
Qualified Appraisal		100.0%	3,500,000
Property Donation from Seller		82.9%	2,900,000
Cash Payment to Seller	2,466,120	17.1% ¹	600,000
Adjusted Tax Basis ("Book Value")	835,000	17.1% ¹	143,143 ²
Accumulated Depreciation ("Recapture")	180,000	17.1% ¹	30,857 ³
Income Tax Rates:			
Federal Capital Gain Rate	20.0%		
Federal Recapture Rate	25.0%		
Federal Ordinary Income Rate	39.6%		
State Rate	5.0%		
Affordable Care Act Rate	3.8%		

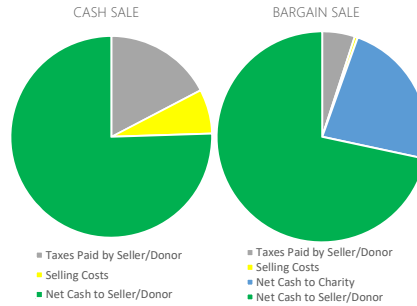


CHART DATA

Cash Sale	
1 Taxes Paid by Seller/Donor	428,031
2 Selling Costs	176,151
3 Net Cash to Seller/Donor	1,861,938
	<u>2,466,120</u>
Bargain Sale	
1 Taxes Paid by Seller/Donor	129,662
2 Selling Costs	12,000
3 Net Cash to Charity	594,575
4 Net Cash to Seller/Donor	1,861,938
	<u>2,598,175</u>

Step 1. Seller/Donor Sells:	To Third Party	To RGF
Cash Payment	2,466,120	600,000
Broker Fee	6.0% (147,967)	0.0% -
Closing Costs	1.1% (28,184)	2.0% (12,000)
Gross Proceeds	2,289,969	588,000
Adjusted Tax Basis	(835,000)	(143,143) ²
Taxable Gain	1,454,969	444,857
Subject to Depreciation Recapture Tax Rate	180,000	30,857 ³
Subject to Capital Gain Tax Rate	1,274,969	414,000
Gross Proceeds	2,289,969	588,000
Recapture Tax (Fed, State & ACA)	33.8% (60,840)	(10,430)
Capital Gain Tax (Fed, State & ACA)	28.8% (367,191)	(119,232)
After Tax Proceeds	1,861,938	458,338
Cash Value of Donation (Fed, State & ACA)	48.4%	1,403,600
Net Cash to Seller/Donor	1,861,938	1,861,938
Maximum Benefit Period	6 Years	233,933
Annual Income Required	30.0% Per Year	779,778

Step 2. RGF Sells:	To Third Party
Cash Payment	1,550,000
Broker Fee	6.0% (93,000)
Closing Costs	1.0% (15,500)
Gross Proceeds	1,441,500
Capital	
Purchase Cost	(600,000)
Due Diligence Costs	0.3% (5,000)
Broker Fee	6.0% (36,000)
Holding Costs	(45,000)
Improvements	(14,000)
Cost of Capital - Interest	6 Mos 12.0% (42,000)
Net Proceeds	699,500
Other Fees	0.0% -
Cost of Capital - Participation	15.0% (104,925)
Excess Cash to RGF	594,575
Administration	25.0% 148,644
Grants	75.0% 445,931

PROPERTY DATA

	Purchase	Purchase	NNN		
	NLA	Price	\$/SF	Rent	Return
	23,800	1,550,000	\$ 65.13	\$ 12.00	18.4%

Depreciation and Adjusted Tax Basis

Date of Purchase		04/01/08	
Date of Sale		05/14/16	
Years of Ownership		8.1	
Purchase Price		1,000,000	1,000,000
Land Allocation	15.0%	(150,000)	
Additions		15,000	15,000
Net Depreciable Value		865,000	
Net Cost Value			1,015,000
Depreciation Annual	39.0	(22,179)	
DEPRECIATION TOTAL			(180,000)
ADJUSTED TAX BASIS			835,000

Reconciliation of Gross Proceeds

Capital Partner	58.8%	846,925
Other Fees	0.0%	-
Net Cash to RGF	41.2%	594,575
TOTAL	100.0%	1,441,500

Reconciliation of Total Price

Broker Fee	6.0%	93,000
Closing Costs	1.0%	15,500
Capital Partner	54.6%	846,925
Other Fees	0.0%	-
Net Cash to RGF	38.4%	594,575
TOTAL	100.0%	1,550,000