



Real Estate Opportunities That Work for You

As a homeowner, you know that real estate often has a way of increasing in value over time. Significant appreciation, however, also heightens the potential tax problems associated with real estate ownership when the time comes to dispose of it, whether in life or from an estate.

Before you sell your property, consider a new option. If you'd like to make an impact at Texas A&M University, your property opens the door to a unique giving opportunity: donate the property to the Texas A&M Foundation. You can give the property outright, place it in trust, retain the use of it for life or give it by will. All of these methods will enable you to enjoy personal financial benefits while supporting A&M in a meaningful way.

What Are the Benefits?

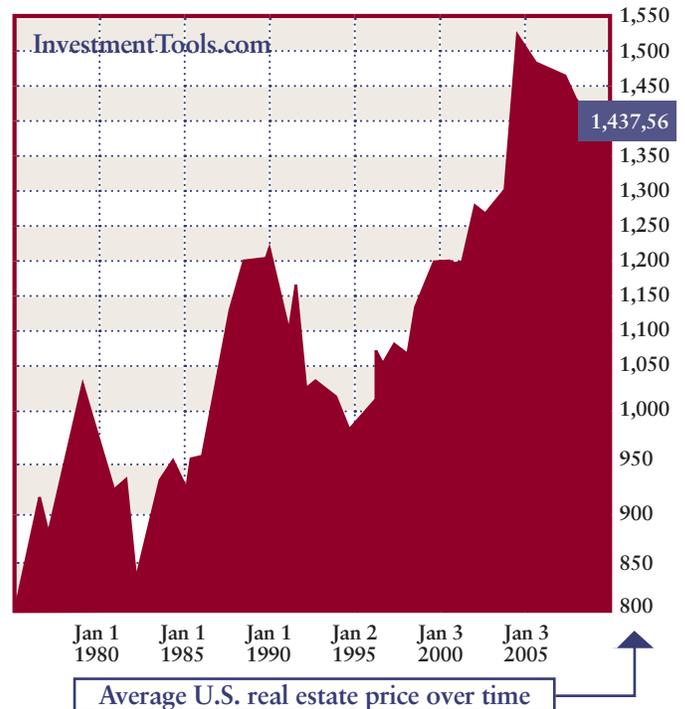
There are many ways to use all types of real estate to enjoy financial advantages. You may use several planning options to achieve your charitable goals. The chart on Page 2 shows possible options, each with certain benefits, depending on your personal and financial priorities.

An Excellent Choice to Fund a Charitable Gift

Many real estate investors with significant charitable objectives will find that their real estate is the best asset to give. One of the most important benefits of using appreciated real estate to fund charitable gifts is the ability to reduce or even eliminate the capital-gain tax that will be due if the property is sold.

In addition to tax benefits, a gift of real estate relieves an owner of the burdens of ownership—insurance costs, rent collection, maintenance, yard work, etc.

Now Is the Best Time to Donate Real Estate



In the long run, a gift of real estate also addresses issues of estate liquidity: you may preserve your cash and those assets readily converted to cash, such as stocks and bonds, to address liquidity needs that may arise during estate administration.

Make an Outright Gift

The Texas A&M Foundation credits you with a gift equal to the fair-market value of the real estate. This value is determined by a fair-market value appraisal, which is the donor's responsibility to obtain. You are eligible for a charitable income-tax deduction for the appraised value, and you avoid any capital-gain tax for which you might have been liable had you sold the property.

The Benefits of Real Estate Gifts

TYPE OF GIFT	TAXES	INCOME	CASH	RETAINED CONTROL
OUTRIGHT	****	—	—	—
GIFT UNDER YOUR WILL	(*)	—	—	****
LIFE ESTATE	**	—	—	***
UNITRUST FOR FAIR-MARKET VALUE	***	***	—	—

Benefit Key: **** Maximum *** Good
 ** Medium * Minor (*) Varies — None

Make a Gift Under Your Will

You can transfer your real estate to the Foundation through your will by designating that change of ownership as a bequest. Compared to an outright gift, there is no charitable income-tax benefit or income benefit to you in a bequest arrangement; but your estate may benefit from the charitable deduction if the value of your estate exceeds exemption limits. You do, however, retain total control over your property while you are living; and you may continue to utilize it for as long as you wish.

Make a Gift and Retain Possession

Perhaps you would like the Texas A&M Foundation to have your residence, farm or ranch when you are gone, but you want to continue to live there for the rest of your life.

You may choose to leave your home to the Foundation in your will as one way of carrying out your plan, but that does not create any current income-tax benefit for you as a homeowner. However, with a gift of a *remainder interest with a retained life estate*, you can retain the right to both live in your home for life and receive a valuable charitable deduction by transferring it to the Foundation, subject to your right to live there for life.

Receive a Stream of Income

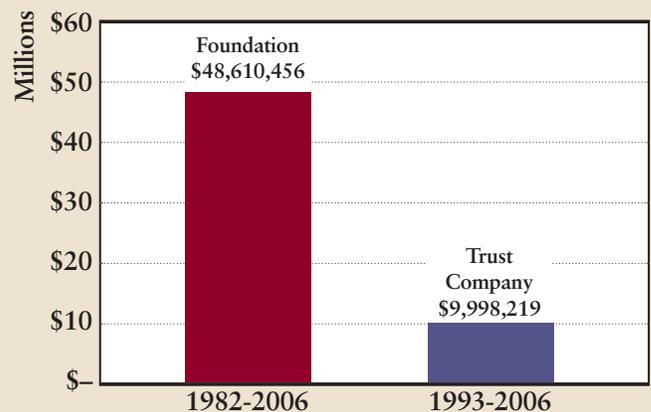
Real estate is an excellent asset to fund a special planning vehicle known as a *charitable remainder trust*, which makes payments for life or for a

specified number of years (up to 20) to one or more designated beneficiaries. These payments are based on the value of the trust's assets. At the end of the trust term or at the death of the last beneficiary, the remaining assets pass to a designated charity. The value of this "charitable remainder" qualifies for a charitable deduction.

With wise charitable planning you can transform real estate that generates no income into a source of annual payments—without selling and generating taxable capital gain.

Since 1982 and 1993 respectively, the Texas A&M Foundation and the Texas A&M Foundation Trust Company have sold property for a combined total of \$58,608,675. These transactions represented sales of all types of properties, including farm and ranch, recreational, timberland, beachfront, residential, multifamily, commercial, industrial and oil and gas working interest.

Real Estate Sold



Ask the Foundation for Help

A gift of real estate is a powerful planning tool for philanthropically minded people like Lt. Col. Charles Brame '61 (see story Page 3). Giving plans are not complicated, but they do require careful planning.

We want to help any way we can. For a start, we would like to send you a free copy of our booklet, *How to Realize Maximum Benefits from Your Real Estate*. To get your copy, simply return the enclosed card or call our office. ★

Brames Turn Property into Corps of Cadets Investment

Lt. Col. Charles E. Brame '61 sees giving back to Texas A&M as a natural choice. "Attending at Texas A&M was an important step in my life," the retired Air Force pilot said. "It defined my career, my philosophy on life and my friends." Since graduating with his bachelor's degree in industrial technology, Brame and his wife, Dee, have given steadily to Texas A&M for 40-plus years.

During his time at Texas A&M, Brame was a member of Squadrons 8 and 13 of the Corps of Cadets and served on the 2nd Group Staff. Upon graduation, he began a career as an Air Force pilot, serving as a Training Command instructor, a fighter pilot, a Navy Exchange pilot, a NATO staff officer and an advisor to the Air National Guard. He met Dee, an active-duty contracting officer, about halfway through his military career. The day after retiring from the Air Force, Brame began working for Continental Airlines as a commercial airline pilot, retiring from the company after 14 years of service.

While contemplating what to do with an income-generating investment property, Brame was intrigued when a flyer from the Texas A&M Foundation on the benefits of charitable remainder trusts arrived in the mail. When he considered property upkeep and other costs associated with owning the property, Brame felt a charitable remainder trust offered a better rate of return than the real estate provided as a rental property. The trust allows the couple to receive payments at a predetermined percentage each year, providing substantial payments for the rest of their lives.

According to Brame: "By donating the property I was able to eliminate the headaches associated with owning rental property while actually increasing my net income. By placing the property into a charitable remainder trust, I avoided a large capital-gain tax at the time of sale. Instead, I received a significant charitable income-tax deduction based on the value of the single-family dwelling. And, by creating this trust, I was able to make a considerable contribution to the future of Texas A&M while still receiving monthly payments. Utilizing a charitable trust helped to



Dee and Charles Brame '61

solve our problems." Brame is so satisfied with the gift that he is often seen at the San Antonio A&M Club telling others about his trust and encouraging them to give as well.

The Dolores D. and Charles E. Brame '61 Endowed Fund will be used at the discretion of the commandant of the Corps of Cadets. Brame would like to see some funds go towards cadet recruitment; however, he feels that the commandant will know how to best use the funds. "I feel that A&M and the Corps of Cadets could best use whatever gift I was able to give, and the Foundation provided the groundwork for the donation."

Instead of worrying about his property, Brame is now able to spend more time with other interests, like building a plane. His RV-6A aircraft, the most popular kit-plane series ever made, has recently been transported to the local hangar for final assembly; Brame hopes to have it ready to fly by the end of the year. ★

Real Estate Services Is Ready to Help



Tim Walton, Greg Galliher and Suzanne Duke

The Texas A&M Foundation's real estate team assists donors who wish to make charitable gifts of real estate benefiting Texas A&M University.

Tim Walton '90 joined the Foundation in 2002 as director of real estate services. He is well-versed in all aspects of real estate, including residential, commercial and oil and gas development properties.

Greg Galliher, who joined the Foundation in 1999, assists in the sale of inventoried properties by working with real estate brokers. He also manages the Jon L. Hagler Center, home of the Foundation.

Suzanne Duke, a 14-year veteran of the Foundation, assists in the management of real estate, oil and gas royalties and insurance. She has been with the Foundation since 1993.

Contact Tim Walton at 800-392-3310 to learn more about the personal benefits of a gift of real estate.

Log On for Personalized Illustrations

Visit our Web site at <http://giving.tamu.edu/2sharing> to see how various types of real estate can offer you tax benefits and additional payments at attractive rates throughout your lifetime. ★

To discuss your planned gift for Texas A&M or to request a personalized illustration, contact:
Tim Walton, Director of Real Estate Services

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The Texas A&M Foundation has managed major-gift fundraising and asset management in support of academic excellence at Texas A&M University since 1953. Its subsidiary, the Texas A&M Foundation Trust Company, serves as trustee of charitable trusts or executor of estates benefiting Texas A&M University.

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