

GIFT ACCEPTANCE POLICY

I. GENERAL GUIDELINES

Hillcrest Trails, Inc. (the “Corporation”) welcomes commitments and gifts of financial support from any interest person or organization. The Corporation is pleased to meet with prospective donors and their advisors to explore their interests, the needs of the Corporation, the various gift options and the related tax consequences. The Corporation will advise all donors to seek their own tax and legal counsel and will in no event render tax, legal or financial advice.

As a general rule, current gifts are encouraged in favor of deferred gifts. Similarly, the Corporation encourages unrestricted gifts, but recognizes the importance of restrictions to some donors in ensuring that their particular interests are supported or funded. Restricted gifts are therefore welcome, but only at specified funding levels and with the express understanding that the Corporation may use the funds as it deems appropriate if the donor’s particular interest is no longer viable.

II. CURRENT GIFT OPTIONS

A. Cash

1. Any amount is encouraged and welcome.
2. While unrestricted contributions are encouraged, any donor has the option to restrict some or all of his or her gift to a specific program or use when the gift exceeds \$1,500.
3. The donor will be credited with the full amount of his or her cash gift.

B. Marketable Securities

1. Any amount is encouraged and welcome.
2. While unrestricted contributions are encouraged, any donor has the option to restrict some or all of his or her gift to a specific program, project or use when the fair market value of the stock exceeds \$1,500.
3. The donor will be credited with the fair market value of the stock, determined by taking the mean of the highest and lowest selling price on the date of the gift.
4. If an endorsed stock certificate, or an unendorsed stock certificate with a stock power, is mailed to the Corporation or the Corporation’s agent, the gift date is the date of mailing. If it is hand delivered to the Corporation, the date of the gift is the date of delivery. If the donor delivers his stock certificate to his or her bank or broker, or to the issuing corporation, for transfer into the Corporation’s name, the date of the gift is the date on which the transfer is made on the corporation’s books.
5. Donors whose gifts are matched by a company will receive credit for the matching amount.
6. If donor is an officer or director of the issuing corporation, the Corporation should inquire as to whether any Securities and Exchange

Commission (SEC) Rule 144 restrictions apply which limit the Corporation's ability to sell the donated securities.

C. Closely-Held Stock

1. Any amount is welcome, provided the stock may be readily sold or is likely to be redeemed.
2. While unrestricted contributions are encouraged, any donor has the option to restrict some or all of his or her gift to a specific program, project or use when the fair market value of the securities exceeds \$1,500.
3. The donor will be credited with the appraised fair market value of the stock, or an estimated value if an appraisal is not available.
4. The Corporation should be aware that a qualified appraisal is required for all gifts of closely-held stock valued in excess of \$10,000. Such gifts must be reported on Section B of Form 8283 which is filed with the donor's federal income tax return.
5. If a Form 8283 is required, a Form 8282 will be filed by the Corporation if the stock is sold within two years of receipt.

D. Insurance

1. The assignment of an existing life insurance policy in any amount is welcome, as is naming the Corporation as the irrevocable beneficiary of the policy or purchasing a policy in the name of the Corporation.
2. If the face amount of the policy exceeds \$1,500, the donor may specify that all or a portion of the proceeds be restricted to a specific program, project or use. This restriction shall be made in a separate letter of understanding between the Corporation and the donor.
3. For income tax purposes, the donor's deduction is limited to the lesser of the donor's cost basis in the policy (i.e., the gross amount of premiums paid, less dividends and any outstanding loans on the policy) and the policy's value.
4. Fully paid or functionally equivalent life insurance policies which are assigned to the Corporation will be credited at the net cash surrender value of the policy as irrevocable gifts.
5. The assignment of a policy which is not paid up ordinarily will be credited at the net cash value of the policy; subsequent premium payments will be added to the value credited.
6. The Corporation should remind donors that they must obtain an appraisal for gifts of insurance valued in excess of \$5,000 and Section B of Form 8283 must be completed and filed with their federal income tax returns.
7. If a Form 8283 is required, a Form 8282 will be filed by the Corporation if the insurance is surrendered for its cash value within two years of receipt.

E. Tangible Personal Property

1. Gifts of tangible personal property, such as artwork, books and antiques, are welcome, provided their estimated value exceeds \$1,500, and they may be used, or readily sold, by the Corporation.
2. If a gift of appreciated tangible personal property relates to the Corporation's exempt purposes and will be used by the Corporation, the donor can deduct the full fair market value of the property. If the gift is for an unrelated use, or for a related use but is sold immediately, the donor's deduction is limited to his or her cost basis.
3. A donor may provide that a gift of tangible personal property be used by the Corporation for its exempt purposes. If the Corporation accepts the gift, it will provide the donor with a written acknowledgment that the property will not be put to an unrelated use.
4. Gifts of tangible personal property will be credited and recognized at the current appraised value of the property at the time it is transferred to the Corporation. If the property has not been appraised, an estimated value will be used.
5. If the gift is valued in excess of \$5,000, donors will be required to complete Section B of Form 8283 and to file it with their federal income tax returns.
6. If a Form 8283 is required, a Form 8282 will be filed by the Corporation if the property is sold within two years of receipt.

F. Real Estate

1. Real property gifts will be accepted in the discretion of the Corporation after a review of all relevant factors, including, but not limited to, the resale potential of the property and any environmental concerns or hazards.
2. Because of the complexities and issues involved with real property gifts, they must be carefully considered and, therefore, the Corporation has adopted a separate, detailed set of procedures to be followed. A copy of the Corporation's Real Property Gift Procedures is set forth as Appendix A.
3. Outright gifts of unencumbered real property are preferred, but bargain sales of such property may be acceptable if in the best interest of the Corporation. The gift of a remainder interest in a residence or the use of real property to fund a charitable remainder trust are discussed below in Section III.
4. Appraisals are required for all gifts of real property valued in excess of \$5,000. The donor must complete Section B of Form 8283 and file it with his or her federal income tax return.
5. If a Form 8283 is required, a Form 8282 will be filed by the Corporation if the real property is sold within two years of receipt.

6. Gifts of real property will be credited and recognized at the appraised value of the property at the time it is transferred to the Corporation, less the amount of any outstanding encumbrances on the property.

G. Retirement Benefits

1. The Corporation may be designated as the beneficiary under a donor's Keogh (HR-10) plan, 401(k) plan, 403(b) annuity or individual retirement account (IRA).
2. Generally, the benefits of such plans will be paid out over the life expectancy of the participant (the donor) or over the life expectancies of the participant and a designated individual beneficiary (such as the donor's spouse). Theoretically, there is nothing left upon the death of the participant and any designated individual beneficiary. However, because life does not necessarily correspond with actuarial tables, it is possible that there will be some residue left at the death of the participant and any designated individual beneficiary. It is for this possible residue that the Corporation may be named as beneficiary.
3. Although the Corporation is appreciative of such gifts, donors will not be credited with any value because of the uncertainties involved.