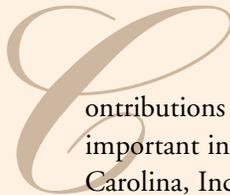


Gifts of Real Estate for Preservation North Carolina



Building North Carolina's Future by Saving Its Past



Contributions of real estate, both residential and commercial, have been very important in aiding the work of the Historic Preservation Foundation of North Carolina, Inc. (Preservation North Carolina). In some cases, PNC has been able to use the proceeds of sales of donated properties for special preservation projects, operations or endowment. In other cases, only through gifts of property interests has it been feasible for PNC to preserve difficult properties (such as extremely deteriorated structures or historic properties with high land values).

Making a gift of property to Preservation North Carolina enables you to preserve your home, give a lasting gift to your community, and participate directly in the preservation of North Carolina's cultural and architectural heritage.



David A. Barnes House, Murfreesboro — The long-vacant Barnes House was donated to PNC in 1999. This highly significant 1870s house has been beautifully restored for private residential use. Proceeds from its sale have helped fund additional preservation projects statewide.

The mission of Preservation North Carolina is to protect and promote buildings, sites and landscapes important to the diverse heritage of North Carolina.

Protecting the Irreplaceable™ in North Carolina since 1939



Gifts of Real Estate: Invaluable Support for Historic Preservation

Overview: Gifts of Appreciated Real Estate

When a historic property is donated to Preservation North Carolina, legally binding preservation covenants or easements are attached permanently to the property's deed to protect it against undesirable demolition, development or alteration. (Gifts of non-historic properties are also welcomed by Preservation North Carolina, though we cannot ensure their future protection through preservation covenants or easements.) PNC then assumes all carrying costs including insurance. PNC seeks potential buyers who are preservation-minded, and who will understand the terms and restrictions of the covenants.

Proceeds from the sale of donated properties are first used to cover the operating costs incurred while holding the property. The remaining funds are placed either in the Endangered Properties Fund to assist with saving future endangered historic properties, or in an endowment fund to support Preservation North Carolina's work for generations to come. If desired, the donor of a gift of real estate can designate the use of the proceeds from its sale for a specific purpose.

Methods of Donation

Once the decision is made to donate a property to Preservation North Carolina, you should consider the type of gift that best accommodates your needs. You may deed a gift of real estate to PNC in the following ways, all of which remove the value of the property from your estate for estate tax purposes:

Outright Gift — the donor transfers ownership of the property to PNC immediately. PNC takes full possession of and responsibility for the property until it is sold. Tax benefits may be realized immediately.

Partial Donation or "Bargain Sale" — the donor sells the property to PNC at a deeply discounted price. The donor can then take a charitable tax deduction of the difference between the appraised value and the sales price. PNC has saved a number of endangered historic properties in this way.

Deed of Gift Retaining a Life Estate — the property is donated subject to a life estate so the donor (and his or her spouse or heirs) has full use of the property for life. The donor takes an immediate

charitable tax deduction, and a partial interest in the property passes irrevocably to PNC at the time of the donation. The donor (or beneficiary) remains responsible for all taxes, insurance and maintenance of the property while holding the life estate.

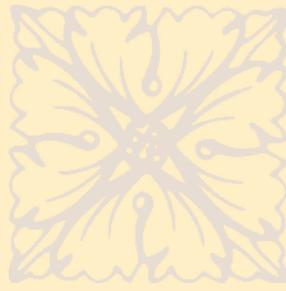
Asset to Fund a Charitable Remainder Trust — the property is sold with protective covenants and the proceeds are put into a trust to generate a fixed source of income for the donor and/or the donor's beneficiary. The donor or designated beneficiary will receive a regular payment from the CRT throughout their lives or a designated number of years. At the expiration of the CRT, the remainder is transferred to PNC.

Bequest — the donor leaves the property to Preservation North Carolina in his or her will. PNC can supply you with sample language to make including us in your will a simple process.



Swindell's Cash Store, Bath (top) — this 1905 landmark commercial building in downtown Bath was donated to PNC in 2004. It will be restored for residential use upstairs and business use downstairs. Proceeds from its sale will help fund future work of the Endangered Properties Program statewide.

Old Grainger High School, Kinston (bottom) — Fine 1920s Colonial Revival school complex donated to PNC by Hillco, Ltd. in 1999. The net proceeds from its sale were divided among general operations, the Endangered Properties Fund, and endowment. The property was renovated for elderly housing and a performing arts center.



Anonymous gift: the owners of this historic house plan to donate their home to Preservation North Carolina by bequest.

Tax Advantages

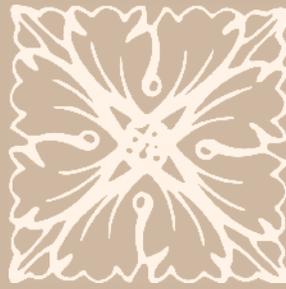
Regardless of the method you choose, making a gift of property to PNC may offer substantial tax benefits, including:

- Avoiding capital gains tax on the property's appreciated value.
- Receiving a charitable deduction from income taxes.
- Removing the value of the property from your estate for estate tax purposes.

Planned giving is a component of overall financial and estate planning. The information provided in this brochure is general and not intended to be comprehensive. Preservation North Carolina recommends that you consult your own professional advisors before entering into a planned gift arrangement.



Edenton Cotton Mill and Mill Village, Chowan County — In 1995, Unifi, Inc. of Greensboro donated the 1899 mill and 57 structures to PNC. The property provided Unifi with good public relations and a substantial deduction; Edenton with a new measure of economic development; and PNC with the proceeds to establish an endowment for a regional property office in northeastern North Carolina. Ten years later, the highly successful project has netted more than \$1.2 million for PNC, much of which has been placed in permanent endowment for continued work in the region.



Coolmore Plantation, Tarboro — Donated to PNC through the will of Joseph C. Powell, this exceptional property is a masterpiece like no other in North Carolina. Members of the Powell family have made planned gifts for its endowment through the North Carolina Community Foundation.

Stewardship Properties

In a few very special cases, Preservation North Carolina has accepted donations of property for permanent stewardship. These architectural landmarks of the highest caliber will be permanently cared for by PNC to ensure their protection.

Since 1991, Preservation North Carolina has become the steward of four of North Carolina's most important historic homes: the Bellamy Mansion in Wilmington (one of the state's most prominent antebellum townhouses), the Banker's House in Shelby (one of the state's finest Second Empire-style houses), Coolmore Plantation near Tarboro (perhaps the state's most important and intact antebellum plantation complex), and El Nido in Shelby (arguably the most significant bungalow in North Carolina).

The Bellamy Mansion has been extensively restored by Preservation NC and is operated as a museum of North Carolina history and design arts, open to the public for tours and lectures, and special events. A local board has been established to help set policy, raise funds, oversee the

budget, and promote the site. The other three properties will be donated to PNC through planned gift arrangements and are still occupied by family members. Coolmore is open to the public for tours by appointment only.

In each case, before accepting the property for permanent stewardship, PNC's board of directors measured carefully the duties and responsibilities associated with the proposed gift. Additionally, some form of long-term funding for maintenance and upkeep has been made for each property.

If you plan to donate your property to Preservation North Carolina, we would greatly appreciate your talking with us about your wishes so that we may clearly understand your intentions and honor them with certainty, as well as properly thank you and acknowledge your gift during your lifetime. For more information, contact Shannon Phillips, Director of Resource Development, at 919-832-3652 or sphillips@presnc.org.



Banker's House, Shelby — Donated with an endowment by George and Nancy Blanton to Preservation North Carolina subject to life estate, this fine Second Empire mansion has benefited from the Blantons' careful stewardship since 1937. Preservation NC will provide for long-term care of the property.

Preservation North Carolina

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