



# CONTRIBUTION SCENARIOS

## INDIVIDUALS/REVOCABLE OWNERS

Property is owned by a husband and wife, or their revocable grantor and all titleholders wish to exchange the property without recognizing a taxable gain.

### SCENARIO

The titleholders can contribute the property to the fund in exchange for units. This scenario will typically only work if the land has less than 25% debt to value. If the property is secured by a mortgage that is not assignable, the fund would loan the contributors the money required to pay off the existing debt (to secure this loan, the contributors would pledge their units in the fund).

This loan would remain in place until the contributors fully repaid the note. Until then, the note would accrue interest, which would be paid by the contributors' quarterly distributions.