

Dear East Legacy Season Ticket Holder:

In accordance with IRS regulations, Brigham Young University (BYU) is providing to you this good faith estimate of the value of goods and services which you were entitled to receive in connection with your purchase of East Legacy Chair Seats at LaVell Edwards Stadium for the 2017 football season.

As indicated in the enclosed Cougar Club Tax Disclosure Statement, your payments to Cougar Club during 2017 may be tax-deductible only to the extent that you did not receive a valuable benefit, or the right to receive such a benefit, in return. Further, Section 170(*I*) of the Internal Revenue Code provides that 80% of a payment made to an institution of higher education "shall be treated as a charitable contribution" if "such amount would be allowable as a deduction but for the fact that the taxpayer receives (directly or indirectly) as a result of paying such amount the right to purchase tickets for seating at an athletic event in an athletic stadium of such institution." Please be aware that new tax legislation was recently enacted and that the information in this document applies only to 2017.

Cougar Club Membership Dues

Cougar Club members must make a \$1,250.00 contribution to BYU Athletics in order to be eligible to purchase tickets in the East Legacy Chair seating area. Under the IRS 80% rule, only **\$1,000.00** of your Cougar Club Membership may be tax-deductible. That \$1,000 amount may be further reduced if you received, or had the right to receive, additional Cougar Club benefits (such as Club luncheons, press almanacs, membership gifts, etc.); the fair market values for such Cougar Club benefits are detailed in the enclosed Cougar Club Tax Disclosure Statement.

East Legacy Chair Season Tickets

Further, Cougar Club members like you, who chose to purchase tickets in the East Legacy Chair seating area, paid \$1,800 for each season ticket they purchased. In return, in 2017 they received benefits valued at **\$1,240** for each \$1,800 payment, itemized as follows:

| | |
|--|--------------|
| East Legacy Chair Tickets (6) with a total fair market value of | \$ 900 |
| Legacy Tent Meals, Half-time Food, and Hospitality Items (\$55/game) | \$ 330 |
| Gifts, Game Programs, and Promotional Items | <u>\$ 10</u> |
| | \$1,240 |

Therefore, \$560 of the \$1,800 you paid for each season ticket may be considered a charitable donation, an amount which is further reduced because this payment was required to purchase East Legacy Chair tickets. Under the IRS 80% rule, only **\$448.00** of this \$560 is tax-deductible; this is the maximum amount that may be claimed as a charitable contribution for each East Legacy Chair season ticket you purchased.

Additional Contributions

Any payments you made to BYU Athletics beyond the first \$1,250 of your Cougar Club membership donation and your payment for season tickets, as explained above, may be 100% tax deductible. We remind you that there may be other limitations that apply to any such contributions, as well as to the tax-deductible amounts specified above. We urge you to consult with your tax advisor in calculating your charitable deductions and determining the applicable IRS regulations related to this and all other gifts to BYU Athletics.

We are deeply grateful for your participation in the East Legacy Chair program. Your support is vital to the athletic success BYU has achieved and to our progress towards becoming the athletic program we want to be in the future.