

Dear Courtside Season Ticket Holder,

In accordance with IRS regulations, Brigham Young University (BYU) is providing you with this good faith estimate of the value of goods and services which you were entitled to receive in connection with your payment of \$7,500 for each Courtside Cougar Seat (located on the front row) that you purchased at the Marriott Center for the 2016–2017 basketball season.

As indicated in the enclosed Cougar Club Tax Disclosure Statement, your payments to Cougar Club in 2016 are 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(l) of the Internal Revenue Code provides that only 80% of a payment made to an institution of higher education “shall be treated as a charitable contribution” if “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.”

Cougar Club Membership Dues

Cougar Club members must make a \$1,500 contribution to BYU Athletics in order to be eligible to purchase tickets in the Courtside Cougar seating area. Under the IRS 80% rule, only **\$1,200** of this amount is tax-deductible. That \$1,200 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.

Courtside Cougar Season Tickets

Further, Cougar Club members like you, who choose to purchase tickets in the Courtside Cougar seating area, pay \$7,500 for each season ticket (located on the front row) that they purchase. In return, they receive benefits valued at \$1,400 for each \$7,500 payment, itemized as follows:

Courtside Cougar Tickets (20) each with a value of \$42.50	\$ 850
Pregame Meals and Half-time Hospitality (20 games @ \$25/game)	\$ 500
Gifts, Game Programs, and Promotional Items	<u>\$ 50</u>
Total	\$1,400

Therefore, \$6,100 of the \$7,500 you paid for each season ticket may be considered a charitable donation. However, under the IRS 80% rule, only **\$4,880.00** of this \$6,100 is tax-deductible; this is the maximum amount that can be claimed for each Courtside Cougar season ticket that you purchased.

Additional Contributions

Any payments you made to BYU Athletics beyond the \$1,500 annual contribution and your payment for Courtside 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 Courtside Cougar 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.