

For calendar year 2016, or tax year beginning 10-01-2016, and ending 09-30-2017

Name of foundation Frank JB & Emma S Varallo Foundation		A Employer identification number 62-6225565	
Number and street (or P O box number if mail is not delivered to street address) 629 Market Street Suite 100		Room/suite	B Telephone number (see instructions) (423) 265-9510
City or town, state or province, country, and ZIP or foreign postal code Chattanooga, TN 37402		C If exemption application is pending, check here ☐	
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐	
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐	
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 21,122,204	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	20,559,949			
	2 Check ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	11,486	11,486		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	58,362			
	b Gross sales price for all assets on line 6a _____ 510,818				
	7 Capital gain net income (from Part IV, line 2)		58,362		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances _____				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	20,629,797	69,848		
	13 Compensation of officers, directors, trustees, etc	0	0		0
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	20,241	12,145		8,096
	c Other professional fees (attach schedule)	13,494	13,494		0
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	33,735	25,639		8,096
	25 Contributions, gifts, grants paid	98,250			98,250
	26 Total expenses and disbursements. Add lines 24 and 25	131,985	25,639		106,346
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	20,497,812			
	b Net investment income (if negative, enter -0-)		44,209		
c Adjusted net income (if negative, enter -0-)					

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)			
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	33,310	425,314	425,314
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4	Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)	0	699,650	699,077
	b	Investments—corporate stock (attach schedule)	86,808	112,746	206,480
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	287,305	19,667,525	19,791,333
	14	Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
15	Other assets (describe ▶ _____)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	407,423	20,905,235	21,122,204	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable.			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule).			
	22	Other liabilities (describe ▶ _____)			
	23	Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	622,206	622,206	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund	0	0	
	29	Retained earnings, accumulated income, endowment, or other funds	-214,783	20,283,029	
	30	Total net assets or fund balances (see instructions)	407,423	20,905,235	
31	Total liabilities and net assets/fund balances (see instructions) .	407,423	20,905,235		

Part III Analysis of Changes in Net Assets or Fund Balances			
1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	407,423
2	Enter amount from Part I, line 27a	2	20,497,812
3	Other increases not included in line 2 (itemize) ▶ _____	3	0
4	Add lines 1, 2, and 3	4	20,905,235
5	Decreases not included in line 2 (itemize) ▶ _____	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	20,905,235

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a See Additional Data Table			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a See Additional Data Table			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a See Additional Data Table			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	58,362
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2015	58,168	681,448	0 085359
2014	105,440	705,966	0 149356
2013	79,408	671,937	0 118178
2012	92,181	549,492	0 167757
2011	103,050	626,281	0 164543

2 Total of line 1, column (d)	2	0 685193
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 137039
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	1,747,344
5 Multiply line 4 by line 3	5	239,454
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	442
7 Add lines 5 and 6	7	239,896
8 Enter qualifying distributions from Part XII, line 4	8	106,346

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1	884
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2.	3	884
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	884
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	657
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d.	7	657
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	227
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2017 estimated tax ☐ Refunded ☐	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)? If the answer is "Yes" to 1a or 1b , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities	1b	No
c Did the foundation file Form 1120-POL for this year?	1c	No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ☐ \$ _____ 0 (2) On foundation managers ☐ \$ _____ 0		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ _____ 0		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2	No
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3	No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	No
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5	No
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	Yes
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ TN		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation .	8b	Yes
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? If "Yes," complete Part XIV	9	No
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	No

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	Yes	
14	The books are in care of R FREDERICK DECOSIMO Telephone no (423) 756-7100			

Located at **629 MARKET STREET SUITE 100 CHATTANOOGA TN**ZIP+4 **37402**

15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here ☐ and enter the amount of tax-exempt interest received or accrued during the year 15			
16	At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ▶	16	Yes	No

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.**

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? ☐ 1b		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016? ☐ 1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? ☐ Yes ☒ No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions). ☐ 2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2016 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2016). ☐ Yes ☒ No 3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016? 4b		No

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (Continued)

5a During the year did the foundation pay or incur any amount to (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions). ☐ Yes ☒ No (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No Organizations relying on a current notice regarding disaster assistance check here. ☐ Yes ☒ No	5b		
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No If "Yes," attach the statement required by Regulations section 53.4945–5(d)			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No If "Yes" to 6b, file Form 8870	6b		No
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No	7b		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).				
(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
JOSEPH F DECOSIMO 629 MARKET STREET SUITE 100 CHATTANOOGA, TN 37402	CHAIRMAN 0 25	0	0	0
ROBERT F DECOSIMO 629 MARKET STREET SUITE 100 CHATTANOOGA, TN 37402	SECRETARY 0 25	0	0	0
ROBERT W MASON 1950 GUNBARREL ROAD CHATTANOOGA, TN 37421	TRUSTEE 0 25	0	0	0
2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."				
(a) Name and address of each employee paid more than \$50,000	Title, and average hours per week (b) devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
NONE				
Total number of other employees paid over \$50,000. ☐ Yes ☒ No				0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)
3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services. ►		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ►	0

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities.	1a	1,432,415
b	Average of monthly cash balances.	1b	341,538
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	1,773,953
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	0
2	Acquisition indebtedness applicable to line 1 assets.	2	0
3	Subtract line 2 from line 1d.	3	1,773,953
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	26,609
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	1,747,344
6	Minimum investment return. Enter 5% of line 5.	6	87,367

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6.	1	87,367
2a	Tax on investment income for 2016 from Part VI, line 5.	2a	884
b	Income tax for 2016 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	884
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	86,483
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	86,483
6	Deduction from distributable amount (see instructions).	6	0
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	86,483

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26.	1a	106,346
b	Program-related investments—total from Part IX-B.	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	
b	Cash distribution test (attach the required schedule).	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4.	4	106,346
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions).	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	106,346

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				86,483
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only.			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2016				
a From 2011.	71,736			
b From 2012.	64,706			
c From 2013.	46,509			
d From 2014.	70,142			
e From 2015.	24,101			
f Total of lines 3a through e.	277,194			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ 106,346				
a Applied to 2015, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see instructions).		0		
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2016 distributable amount.				86,483
e Remaining amount distributed out of corpus	19,863			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))	0			0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	297,057			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.		0		
d Subtract line 6c from line 6b Taxable amount—see instructions		0		
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions).	0			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions).	71,736			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	225,321			
10 Analysis of line 9				
a Excess from 2012.	64,706			
b Excess from 2013.	46,509			
c Excess from 2014.	70,142			
d Excess from 2015.	24,101			
e Excess from 2016.	19,863			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling. ▶					
b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)					
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.					
c "Support" alternative test—enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

JOSEPH F DECOSIMO

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed

THE VARALLO FOUNDATION CO ELLIOTT D
629 MARKET STREET SUITE 100
CHATTANOOGA, TN 37402
(423) 756-7100

b The form in which applications should be submitted and information and materials they should include

FOR THOSE WISHING TO BRING A PROJECT TO THE ATTENTION OF THE FOUNDATION, A WRITTEN SUMMARY OF NOT MORE THAN TWO PAGES SHOULD BE SENT TO THE ABOVE ADDRESS. THE REQUEST SHOULD BE SUBMITTED IN TRIPPLICATE PRIOR TO DECEMBER 1ST EACH YEAR

c Any submission deadlines

DECEMBER 1ST

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

NONE

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i> See Additional Data Table				
Total			3a	98,250
b <i>Approved for future payment</i>				
Total			3b	0

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities. . . .			14	11,486	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			18	58,362	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal Add columns (b), (d), and (e). .		0		69,848	0
13 Total. Add line 12, columns (b), (d), and (e).			13		69,848

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

Part XVII

- | | Yes | No |
|-------|-----|----|
| 1a(1) | | No |
| 1a(2) | | No |
| 1b(1) | | No |
| 1b(2) | | No |
| 1b(3) | | No |
| 1b(4) | | No |
| 1b(5) | | No |
| 1b(6) | | No |
| 1c | | No |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

- b** If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Print/Type preparer's name Shelton Chambers	Preparer's Signature	Date 2018-08-15	Check if self-employed ▶ ☐	PTIN P01479354
Firm's name ▶ Elliott Davis LLCPLLC				Firm's EIN ▶ 57-0381582
Firm's address ▶ 629 Market Street Suite 100 Chattanooga, TN 37402				Phone no (423) 756-7100

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

List and describe the kind(s) of property sold (e g , real estate, (a) 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
Ishares 1-3 Year TreasuryBond ETF	P	2017-02-21	2017-05-05
MIMEDX GROUP INC	P	2017-08-07	2017-08-11
Vangaurd Index Funds	P		2016-11-28
Vangaurd Index Funds	P		2017-02-08
Advisorshares TR	P		2017-05-01
Vanguard Index Funds	P		2017-05-18
Capital Gains Dividends	P		

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
300,054		300,297	-243
46,644		43,281	3,363
22,115		12,895	9,220
20,342		11,284	9,058
22,182		33,117	-10,935
99,465		51,582	47,883
16			16

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			-243
			3,363
			9,220
			9,058
			-10,935
			47,883
			16

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
ARTSBUILD 406 FRAZIER AVENUE CHATTANOOGA, TN 37405	NONE	PC	OPERATING FUNDS	3,250
AVA 30 FRAZIER AVENUE CHATTANOOGA, TN 37405	NONE	PC	OPERATING FUNDS	1,000
BETHEL BIBLE VILLAGE 3001 HAMILL ROAD HIXSON, TN 37343	NONE	PC	OPERATING FUNDS	2,500
BIBLE IN THE SCHOOLS 535 CHESTNUT STREET SUITE 209 CHATTANOOGA, TN 37402	NONE	PC	OPERATING FUNDS	4,000
CATHOLIC CHARITIES OF EAST TENNESSEE 859 MCCALLIE AVENUE CHATTANOOGA, TN 37403	NONE	PC	OPERATING FUNDS	3,500
Total ▶ 3a				98,250

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
CHEROKEE AREA COUNCIL 6031 LEE HIGHWAY CHATTANOOGA, TN 37421	NONE	PC	OPERATING FUNDS	5,000
CHILD EVANGELISM FELLOWSHIP INC 1807 BAILEY AVENUE CHATTANOOGA, TN 37404	NONE	PC	OPERATING FUNDS	2,500
CHILDREN'S NUTRITION PROGRAM OF HAITI 1918 UNION AVENUE CHATTANOOGA, TN 37404	NONE	PC	OPERATING FUNDS	2,500
COMMON CENTS PO BOX 4564 CHATTANOOGA, TN 37405	NONE	PC	OPERATING FUNDS	2,500
KIDS AND PROS PO BOX 2093 BUFORD, GA 30515	NONE	PC	OPERATING FUNDS	2,500
Total ▶ 3a				98,250

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
PARTNERSHIP ENTERPRISING FAMILIES 1800 MCCALLIE AVE CHATTANOOGA, TN 37404	NONE	PC	OPERATING FUNDS	2,500
THE BEACON CENTER OF TENNESSEE 201 4TH AVENUE N NASHVILLE, TN 37219	NONE	PC	OPERATING FUNDS	2,500
UC FDN - Student Success Center 629 MARKET STREET SUITE 100 CHATTANOOGA, TN 37402	NONE	PC	OPERATING FUNDS	10,000
UCF FUND FOR VETERAN 629 MARKET STREET SUITE 100 CHATTANOOGA, TN 37402	NONE	PC	OPERATING FUNDS	7,000
UNITED WAY 630 MARKET STREET CHATTANOOGA, TN 37402	NONE	PC	OPERATING FUNDS	16,000
Total ▶ 3a				98,250

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
YMCA 301 WEST 6TH STREET CHATTANOOGA, TN 37402	NONE	PC	STRONG KIDS	5,000
Children's Hospital at Erlanger 910 Blackford St ChatTANOOGA, TN 37403	NONE	PC	Believe Campaign	25,000
Young Life 516 Cherokee Blvd Ste A Chattanooga, TN 37405	NONE	PC	Operating Funds	1,000
Total ▶ 3a				98,250

TY 2016 Accounting Fees Schedule**Name:** Frank JB & Emma S Varallo Foundation**EIN:** 62-6225565

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING & ADMINISTRATIVE FEES	20,241	12,145		8,096

TY 2016 Investments Corporate Stock Schedule**Name:** Frank JB & Emma S Varallo Foundation**EIN:** 62-6225565

Name of Stock	End of Year Book Value	End of Year Fair Market Value
5000 SHS MIMEDX GROUP	32,950	59,400
625 SHS ADVISORSHARES TR	0	0
16000 SHS NANTKWEST	20,741	87,680
5000 SHS MIMEDX GROUP	59,055	59,400

TY 2016 Investments Government Obligations Schedule**Name:** Frank JB & Emma S Varallo Foundation**EIN:** 62-6225565**US Government Securities - End
of Year Book Value:**

699,650

**US Government Securities - End
of Year Fair Market Value:**

699,077

**State & Local Government
Securities - End of Year Book
Value:**

0

**State & Local Government
Securities - End of Year Fair
Market Value:**

0

TY 2016 Investments - Other Schedule

Name: Frank JB & Emma S Varallo Foundation
EIN: 62-6225565

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
1050 SHS OF VANGUARD SHORT-TERM BOND	FMV	84,273	83,811
1825 SHS VANGUARD INDEX FUND	FMV	127,271	242,269
823 Vangard Growth ETF	FMV	99,981	109,253
430 E Packwood Partners, LP - 5.262% interest	FMV	820,000	820,000
Bay Capital Partners - 4.735% interest	FMV	200,000	200,000
Compass Property Partners Intl - 0.569% interest	FMV	250,000	250,000
Harpers Point Land Partnership, LP - 12.579% interest	FMV	315,000	315,000
Hunters Creek Apartments, LP - 1.875% interest	FMV	110,000	110,000
Marsh Point, LP - 1.366% interest	FMV	115,000	115,000
Oak Crest Cotswold Properties - 12.3024% interest	FMV	1,900,000	1,900,000
Packwood Financial Partners, LLC - 5.882% interest	FMV	13,500	13,500
Pavilion Land Partnership, LP - 26.738% interest	FMV	700,000	700,000
Peaks MS, LLC - 4.480% interest	FMV	125,000	125,000
Pendleton Square Holdings, LLC	FMV	150,000	150,000
Regency/W.H., LP - 3.099% interest	FMV	200,000	200,000
Riverhouse/ML_BWP, LP - 3.859% interest	FMV	300,000	300,000
SLC Land Investment Fund, LLC - 6.684% interest	FMV	2,500	2,500
SLC McKinney Partners, LP - Class A - 3.196% interest	FMV	150,000	150,000
Treybrooke Cotswold Properties - 4.877% interest	FMV	705,000	705,000
TSTAR 600	FMV	250,000	250,000
Westhaven Partners, LLC - 4.105% interest	FMV	1,500,000	1,500,000
Westhaven Partners, LLC - Class C - 3.744% interest	FMV	2,500,000	2,500,000
Westhaven Partners, LLC - Class D - 3.744% interest	FMV	8,000,000	8,000,000
White Palm/RP-CP-AC, LP - 5.509% interest	FMV	800,000	800,000
Windsor Lake/LP-WM, LP (FKA Lexington Place) - 2.772% interest	FMV	250,000	250,000

TY 2016 Other Professional Fees Schedule**Name:** Frank JB & Emma S Varallo Foundation**EIN:** 62-6225565

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Investment Expenses	13,494	13,494		0

Schedule B (Form 990, 990-EZ, or 990-PF) Department of the Treasury Internal Revenue Service	Schedule of Contributors ▶ Attach to Form 990, 990-EZ, or 990-PF ▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at <u>www.irs.gov/form990</u>	OMB No 1545-0047 2016
	Name of the organization Frank JB & Emma S Varallo Foundation	Employer identification number 62-6225565

Organization type (check one)

Filers of:	Section:
Form 990 or 990-EZ	☐ 501(c)() (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or other property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33¹/₃% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization Frank JB & Emma S Varallo Foundation	Employer identification number 62-6225565
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Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed			
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ESTATE OF FRANK JB VARALLO	\$ 20,559,949	Person ☒
	629 MARKET STREET SUITE 100		Payroll ☐
	CHATTANOOGA, TN 37402		Noncash ☒
(Complete Part II for noncash contributions)			
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-		\$	Person ☐
			Payroll ☐
			Noncash ☐
(Complete Part II for noncash contributions)			
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-		\$	Person ☐
			Payroll ☐
			Noncash ☐
(Complete Part II for noncash contributions)			
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-		\$	Person ☐
			Payroll ☐
			Noncash ☐
(Complete Part II for noncash contributions)			
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-		\$	Person ☐
			Payroll ☐
			Noncash ☐
(Complete Part II for noncash contributions)			
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-		\$	Person ☐
			Payroll ☐
			Noncash ☐
(Complete Part II for noncash contributions)			
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-		\$	Person ☐
			Payroll ☐
			Noncash ☐
(Complete Part II for noncash contributions)			

Name of organization Frank JB & Emma S Varallo Foundation	Employer identification number 62-6225565
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Part II **Noncash Property** (see Instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—	See Additional Data Table	\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—		\$	

Name of organization

Frank JB & Emma S Varallo Foundation

Employer identification number

62-6225565

Part III	Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$ _____ Use duplicate copies of Part III if additional space is needed
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(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4 Relationship of transferor to transferee		
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4 Relationship of transferor to transferee		
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4 Relationship of transferor to transferee		
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4 Relationship of transferor to transferee		
	(e) Transfer of gift		
	Transferee's name, address, and ZIP 4 Relationship of transferor to transferee		

Additional Data

Software ID:
Software Version:
EIN: 62-6225565
Name: Frank JB & Emma S Varallo Foundation

Form 990 Schedule B, Part II - Noncash Property (see Instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
<u>1</u>	430 E Packwood Partners, LP - 5 262% interest	<u>\$ 820,000</u>	<u>2017-01-01</u>
<u>1</u>	Bay Capital Partners - 4 735% interest	<u>\$ 200,000</u>	<u>2017-01-01</u>
<u>1</u>	Compass Property Partners Intl - 0 569% interest	<u>\$ 250,000</u>	<u>2017-01-01</u>
<u>1</u>	Harpers Point Land Partnership, LP - 12 579% interest	<u>\$ 315,000</u>	<u>2017-01-01</u>
<u>1</u>	Hunters Creek Apartments, LP - 1 875% interest	<u>\$ 110,000</u>	<u>2017-01-01</u>
<u>1</u>	Marsh Point, LP - 1 366% interest	<u>\$ 115,000</u>	<u>2017-01-01</u>
<u>1</u>	Oak Crest Cotswold Properties - 12 3024% interest	<u>\$ 1,900,000</u>	<u>2017-01-01</u>
<u>1</u>	Packwood Financial Partners, LLC - 5 882% interest	<u>\$ 13,500</u>	<u>2017-01-01</u>
<u>1</u>	Pavilion Land Partnership, LP - 26 738% interest	<u>\$ 700,000</u>	<u>2017-01-01</u>
<u>1</u>	Peaks MS, LLC - 4 480% interest	<u>\$ 125,000</u>	<u>2017-01-01</u>

Form 990 Schedule B, Part II - Noncash Property (see Instructions) Use duplicate copies of Part II if additional space is needed			
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
<u>1</u>	Pendleton Square Holdings, LLC	<u>\$ 150,000</u>	<u>2017-01-01</u>
<u>1</u>	Regency/W H , LP - 3 099% interest	<u>\$ 200,000</u>	<u>2017-01-01</u>
<u>1</u>	Riverhouse/ML_BWP, LP - 3 859% interest	<u>\$ 300,000</u>	<u>2017-01-01</u>
<u>1</u>	SLC Land Investment Fund, LLC - 6 684% interest	<u>\$ 2,500</u>	<u>2017-01-01</u>
<u>1</u>	SLC McKinney Partners, LP - Class A - 3 196% interest	<u>\$ 150,000</u>	<u>2017-01-01</u>
<u>1</u>	Treybrooke Cotswold Properties - 4 877% interest	<u>\$ 705,000</u>	<u>2017-01-01</u>
<u>1</u>	TSTAR 600	<u>\$ 250,000</u>	<u>2017-01-01</u>
<u>1</u>	Westhaven Partners, LLC - 4 105% interest	<u>\$ 1,500,000</u>	<u>2017-01-01</u>
<u>1</u>	Westhaven Partners, LLC - Class C - 3 744% interest	<u>\$ 2,500,000</u>	<u>2017-01-01</u>
<u>1</u>	Westhaven Partners, LLC - Class D - 3 744% interest	<u>\$ 8,000,000</u>	<u>2017-01-01</u>

Form 990 Schedule B, Part II - Noncash Property (see Instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
<u>1</u>	White Palm/RP-CP-AC, LP - 5 509% interest	<u>\$ 800,000</u>	<u>2017-01-01</u>
<u>1</u>	Windsor Lake/LP-WM, LP (FKA Lexington Place) - 2 772% interest	<u>\$ 250,000</u>	<u>2017-01-01</u>