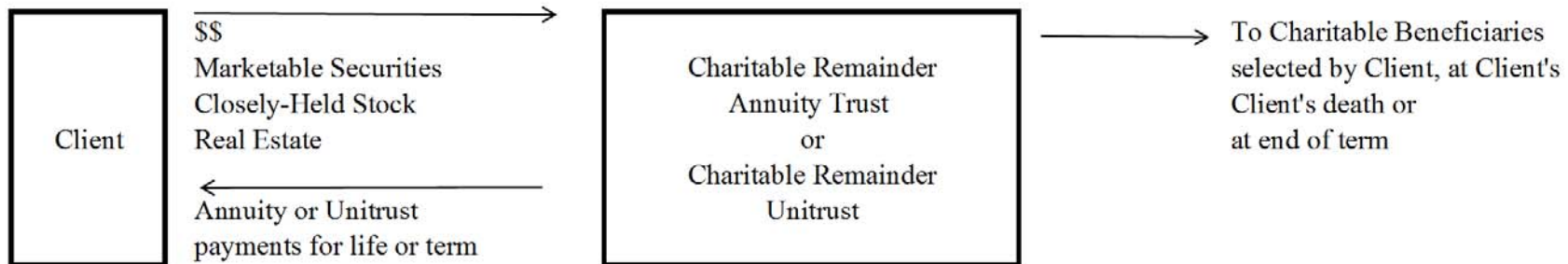


Charitable Remainder Trust ("CRT") Technique*



Common Objectives

- Create income stream for Client (and spouse, if desired) for life or specified term
- Income tax deduction for gift to CRT
- Exclude assets from estate tax
- Avoid capital gains on sale of asset, leaving larger principal balance to generate income for Client
- Benefit charities of Client's choice at end of payment stream to Client

Common Steps to Implement

- Client establishes a charitable remainder annuity trust (or unitrust) naming charitable beneficiaries and Trustee and specifying terms of annuity (or unitrust) to Client (and spouse, if desired)
- Client transfers assets to the trust
- Trustee invests assets for beneficiaries (often sells asset to make more productive; pays no income tax on gain)
- Trustee pays annuity (or unitrust) to Client for term, based on full (untaxed) value of asset
- At Client's death or end of term, Trustee distributes remaining trust property to charitable beneficiaries

**Not intended as legal or tax advice and cannot be relied upon to avoid any federal tax law penalty.*