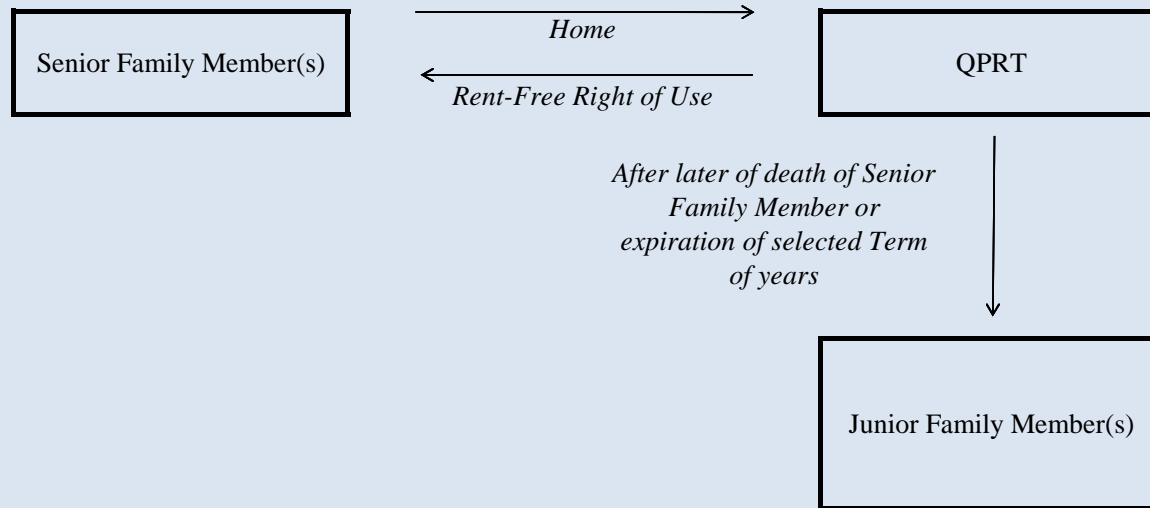


Qualified Personal Residence Trust "QPRT" Technique*



Common Objectives

- Transfer appreciation in value of personal residence free of estate and gift tax to children

Common Steps to Implement

- Client establishes an irrevocable trust naming children as beneficiaries
- Client selects a Term of years during which client will have the rent-free right to use the home and after which the personal residence will belong to the beneficiaries (the longer the Term, the smaller the taxable gift upon transfer of the residence to the Trust)
- Client signs a deed to transfer personal residence (or portion of residence) to the Trust
- At the end of the Term the residence belongs to the beneficiaries; the Client can still use the residence, but must pay a fair rental to the new owners (this also can be a favorable result from a tax-planning standpoint)

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

TODD A. STEWART, P.A.

Todd A. Stewart, Attorney-at-Law and Certified Public Accountant
Board Certified Specialist In Estate Planning and Probate Law
SouthPark Towers • 6100 Fairview Road • Suite 510 • Charlotte, North Carolina 28210
(704) 552-5160 • www.tstewartlaw.com