

SECTION 16
TRUST FOUNDATION

The Organization and Creation of the Trust Foundation-

The trust foundation is a natural element of the equity trust operation. It is not a required element nor would it be necessary in the proper operation of any trust, but since tax-exempt, non-profit operations and benefits are highly desirable, then certainly we should have the trust make use of these procedures in the same way that you as an individual have made use of these procedures.

The trustees of an equity trust would take advantage of their ability to operate within the defined limits of a constitutional citizen. All constitutional citizens may create foundations or business entities to accomplish their activities. The trust would create a foundation under a trust indenture or agreement which would be executed and signed by the trustees.

This trust agreement is similar to the agreement that originally created the parent trust. The language of the trust foundation agreement, however, will vary considerably from that of the parent. The trust foundation agreement will set out in detail those elements of a tax-exempt organization under Section 501(c)(3) of the Internal Revenue