

Question #20: WHAT CAN BE DONE WITH PRESENT INCOME PROPERTY AND HOW DO YOU SUGGEST CONVEYANCE - BY DEED, BY GRANT OR SALE TO THE TRUST OR FOUNDATION? ON INCOME PROPERTY, WHICH IS HELD FOR THE BENEFIT OF THE FOUNDATION - WHICH FOR THE TRUST?

The not-for-profit corporate foundation serves its highest and best use creating and generating cash flow! The Trust on the other hand is the ideal legal instrument to own property - which may be conveyed by deed in Trust, Grant, gift, etc! Of course the Trust can and may have a foundation within its framework.

Question #21: EXHIBIT 9, PAGE 3, ITEMS 3 AND 4. CHARITABLE CONTRIBUTIONS MEANS CONTRIBUTIONS TO OUR FOUNDATION? AND IS PROPERTY REFERRED TO IN ITEM 3 INCOME PROPERTY THAT THE DONOR WISHES THE FOUNDATION TO HOLD? WOULDN'T IT BE BETTER PLACED IN THE TRUST?

"Charitable contributions" is that contribution to any organization where contributions may be legally deductible from your income tax, that includes, foundations, churches, schools, hospitals, etc., and you or your Trust can make contributions to any of these entities.

No, by "property which the tax-payer sells in the course of his trade or business", we mean inventory.

No, inventory is not usually placed in the Trust.

Question #22: EXPLAIN CONVEYANCE OF ENCUMBERED PROPERTY ON EXHIBIT 11, PAGE 2 WHERE YOU SAY "CERTAIN TYPES OF LEASES?"

Page 2 of Exhibit 11, refers to the so called "business lease." These are leases, the income of which is not entirely tax exempt.