These leases, generally speaking, are leases which run for more than 5 years on property which is subject to a debt incurred in its purchase.

Question #20: SINCE THE TRUST IS A FOR-PROFIT STRUCTURE, HOW IS IT THAT ASSETS ARE NOT TAXABLE, AND ARE INSURANCE PROCEEDS TAX FREE?

The Trust is a taxable entity. It may however, avoid its tax burden through the device of its 100% "charitable" deductions. Thus, any taxable income which might accrue to the Trust can be set off by a deduction of a like amount. This deduction may be either for "charitable" contributions or for distribution to beneficiaries.

It is the general rule that death benefits paid on an insurance policy do not constitute taxable income.

Question #21: PREPARE A SAMPLE EMPLOYMENT CONTRACT. DO WE NEED EMPLOYMENT CONTRACTS FOR OUR TRUST?

We do not have a sample employment contract, but it would be a simple matter for you and your counsel to draw one up, in light of your individual circumstances and desires.

Question #22: WHAT ARE CALIFORNIA LAWS FOR STATE OR INDIVIDUALS TO DISSOLVE THE FOUNDATION OR TRUST?

See Associate Counsel.

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