

Reading is Fundamental

An Introduction to Reviewing Documents and Identifying Issues

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For U.S. Bank:



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LENDER

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Agenda

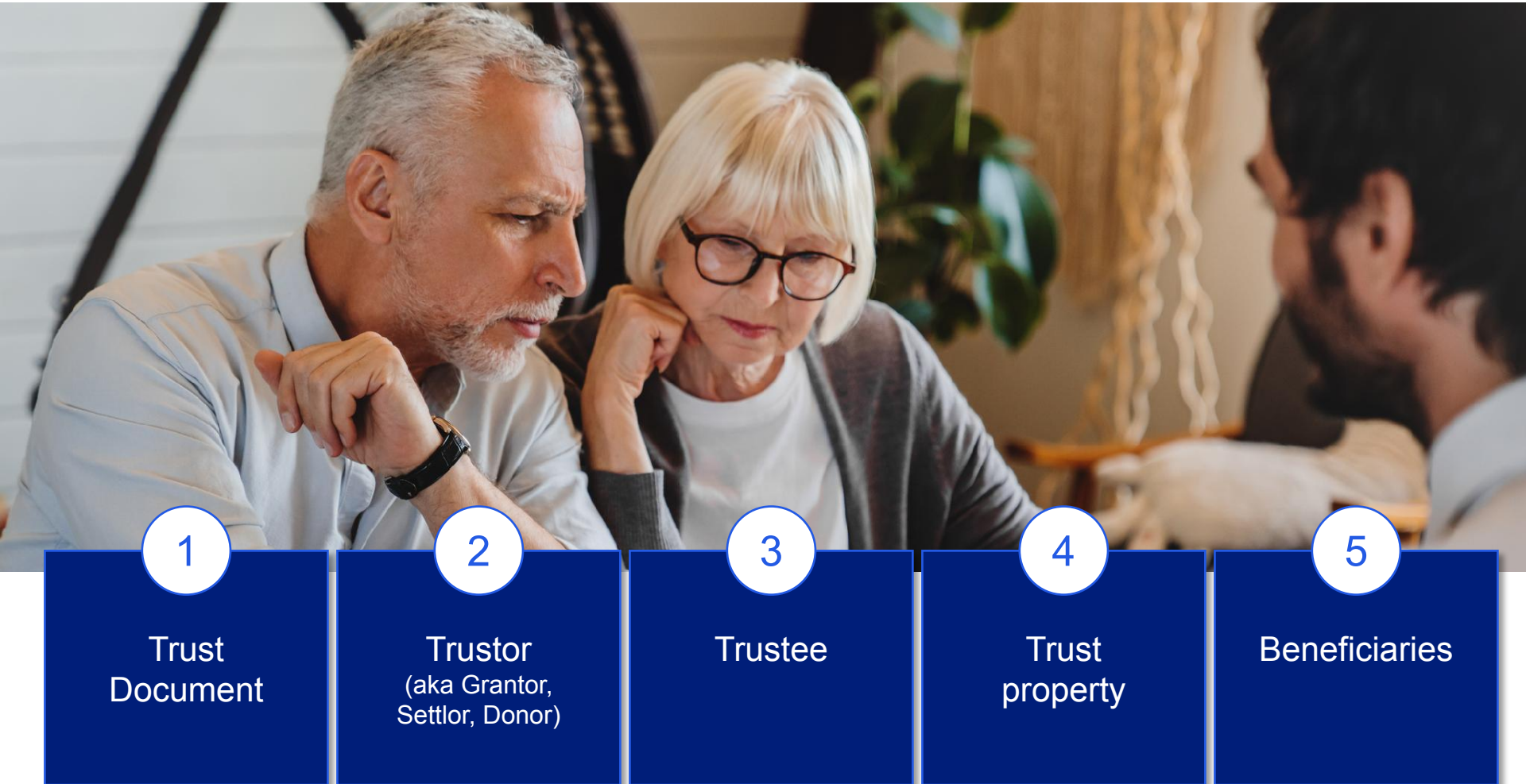
1. Planned Giving Done Safely + Know Your Policies
2. Elements of a Trust
3. Staying Organized
4. Estate Distribution Practice
5. Charitable Remainder Trust Practice
 - Trustee provisions
 - Exculpatory language
 - Charitable beneficiary provisions
 - Payout rates & timing
 - Flip language
6. Tons of Examples (time allowing)



Remember: Planned giving done safely

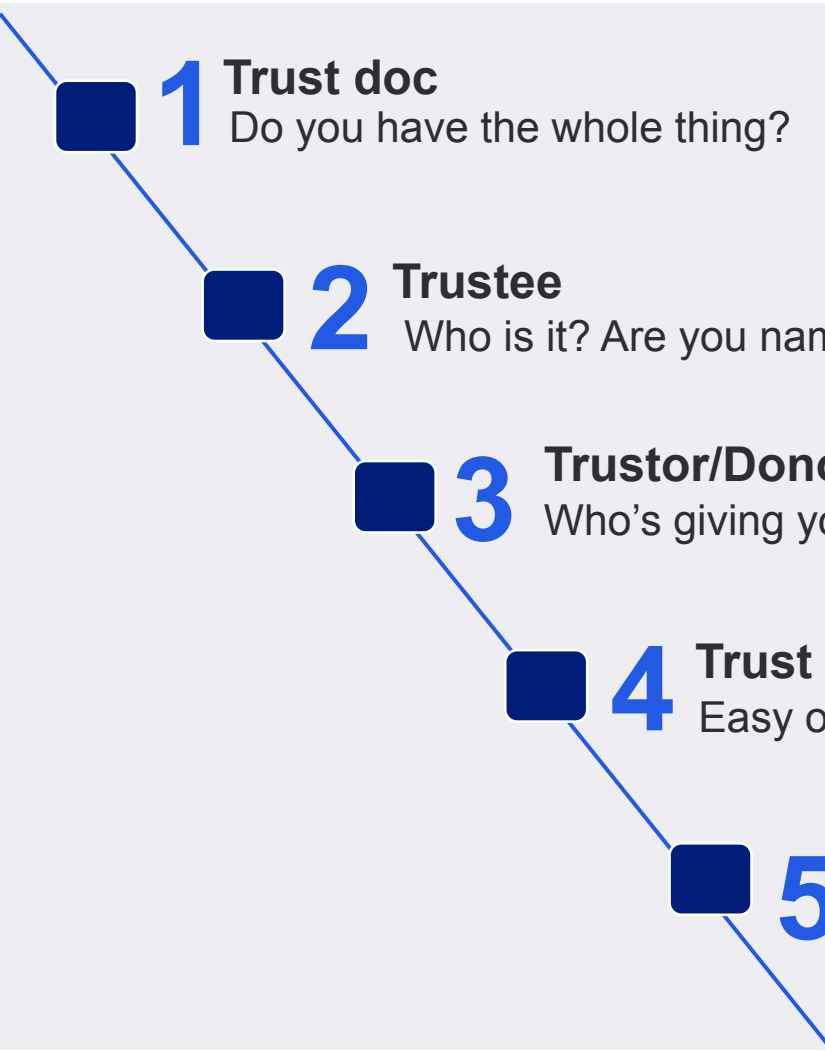
- Never offer tax or financial advice
- Never guess
- Offer to follow-up when you don't know an answer
- Bring in other staff/resources
- Make sure your policies are in place:
 - Serve as Trustee of a trust?
 - Offer CGAs?
 - Real estate gifts and due diligence
 - Named funds/Restricted gifts
 - Review every few years with Board or committee

Elements of a Trust



* Fictitious nonprofit organization for purposes of illustration.

How to Stay Organized

- 
- 1 Trust doc**
Do you have the whole thing?
 - 2 Trustee**
Who is it? Are you named? Would you? Could you?
 - 3 Trustor/Donor/Grantor/Settlor**
Who's giving you what (if anything)?
 - 4 Trust property**
Easy or hard?
 - 5 Charitable distribution/beneficiary**
What are you getting? Is it revocable? When?

Estate Gift Practice





A note on today's examples

- Actual examples from estate and trust documents
- Names have been changed and fictionalized
 - Donor will always be Larry Cook
 - Planned giving officer will always work at Lear College
 - Fact patterns will change from one example to the next
 - Some examples will be repeated for different objectives

Types of estate gifts

- In an estate document, identify the trustee or personal representative
- Look for sections where your organization is listed
- Consider diagramming a flowchart that shows any testamentary gifts for your organization

Type of Gift	Examples
Pecuniary	Specific dollar amount
Asset	“My house and its contents” or “My tuba collection”
Percentage	i.e. “25% of my estate”

If/When	Examples
Outright	_____ receives _____
Residual	What remains after expenses and outright distributions
Contingent	If _____ happens, then _____.

Estate gift practice



4. Disbursement of all investments, bank accounts, money funds, and belongings in the home, workshop, shed, barn, fallout shelter, or garage, that are not otherwise distributed as listed under the **GIFTS** noted below, shall be valued or sold, and that the resulting total revenue of my estate shall be divided among those beneficiaries listed on pages three, four, and five of this Last Will. All remaining items are to be donated to the Salvation Army or to the Assistance League Thrift Shop of Stockton. Prior to establishing the value of the estate, and prior to converting any properties, investments or other belongings into cash, specific belongings are to be designated for or distributed to the following 21 individuals, groups, institutions, organizations, and/or business beneficiaries:

Identifying Types of Estate Distributions

4. Disbursement of all bank accounts, investments, money funds, and belongings in the home, shed, workshop, barn, fallout shelter, or garage that are otherwise distributed as listed under the **GIFTS** listed below, shall be valued or sold, and that the resulting total revenue of my estate shall be divided among those beneficiaries listed on pages three, four, and five of this LAST WILL. All remaining items are to be donated to the Salvation Army or to the Assistance League Thrift Shop of Zebulon County. Prior to establishing the value of the estate, and prior to converting any properties, investments, or other belongings into cash, specific belongings are to be designated for or distributed to the following 21 individuals, groups, institutions, organizations, and/or business beneficiaries:

GIFTS:

- a. To Lear College of Zebulon County, Iowa. All tubas and tuba cases, and music stands.
- b. To the Zebulon County Public Library. All books, videos, tapes, and CD's.
- c. To the Children's Home of Zebulon County. All bicycles, tandem bicycles, sports equipment, and games.

Outright bequests of specific assets.

- 5. a. In addition to the other specific items left to the Zebulon County Public Library, I leave \$10,000 (Ten Thousand Dollars), which may be used as the executive director feels is needed or appropriate at the time.

Outright bequest of a specific amount (or pecuniary amount).

Identifying Types of Estate Distributions

SECTION 4.03 DISTRIBUTION UPON DEATH OF TRUSTOR.

Upon the death of the Trustor, the Successor Trustee shall, after paying or reserving all amounts then payable as provided herein above, distribute the then remaining balance of the Trust Estate as follows:

1. I give my home real estate and all improvements thereon (including two lots and large garage) to Ginny Cook Smith; and, if she should predecease me, then to her children, share and share alike.

Outright bequest of a specific asset.

2. The remainder of my estate shall be divided equally among the following named persons.

In the event that any of the following-named persons should die before me, his or her share lapse and shall be divided equally among the other persons named. The persons to receive said equal share are Rose Cook Lewis, Ty Smith, Pete Lewis, Jess Clark, Harold Clark, and Loren Clark.

Residual bequest divided into percentages or parts.

Identifying Types of Estate Distributions

SAME DOCUMENT, CONTINUED...

SECTION 4.03 DISTRIBUTION UPON DEATH OF TRUSTOR.

...

1. I give my home real estate and all improvements
2. The remainder of my estate shall be divided equally among the following named persons...
3. I am not unmindful of other relatives, including but not limited to Caroline Cook Rasmussen and Frank Rasmussen; for reasons personal to me and known to them, they are not to receive a share.
4. In the event that all of the persons named in 4.03.2 should die before me, their shares shall lapse and be distributed entirely to Lear College, an Iowa Corporation.

Contingent bequest.

Practice: Identifying Estate Gifts

ARTICLE II: DISTRIBUTION OF INCOME AND PRINCIPAL

...

3.C. The residue of the Trust estate, including any failed or lapsed gifts, shall be divided into two equal shares and distributed as follows:

1. One share shall be distributed to Lear College, an Iowa Corporation, to establish an Endowment Fund in my name.
2. One share shall be distributed to the Rotary Club of Zebulon County to establish an Endowment Fund in my name.

Irrevocable Trust Practice



Charitable Remainder Trusts

- Irrevocable Trust
- Current income to non-charitable beneficiaries
- Remainder to charitable beneficiaries
- Tax exempt
- Deduction on funding for value of remainder interest
- IRS requires 10% remainder value
- Common for charities to serve as Trustee

Identifying Key Information

Initial Trustee:

Successor Trustee:

Exculpatory Language:

Trustor(s)/Donor(s):

Trust Period/Term: Lives and/or a term of years:

Trust Property:

Income Beneficiary or Beneficiaries:

Type of Trust (CRUT vs CRAT vs NICRUT vs NIMCRUT) and Payout Formula:

Charitable Beneficiary or Beneficiaries:

Examining Trustee Provisions

Trust 1: Identifying the Trustee

IRREVOCABLE TRUST AGREEMENT

(Larry Cook Charitable Remainder Unitrust)

THIS AGREEMENT is entered into the _____ day of _____, 2025, **between LARRY COOK, as TRUSTOR, and LEAR COLLEGE, as TRUSTEE,** for the purpose of creating a charitable remainder unitrust (within the meaning of Internal Revenue Code section 664(d)) for the lifetime benefit of Trustor, and his daughters GINNY COOK SMITH and ROSE COOK LEWIS. The trust created in this agreement shall be known as the “Larry Cook Charitable Remainder Unitrust.”

Trust 3: Identifying the Trustee

**CHARITABLE REMAINDER UNITRUST
BETWEEN
LARRY COOK, GRANTOR,
AND
LEAR COLLEGE AND LARRY COOK, CO-TRUSTEES**

This irrevocable agreement is made and entered into by and between Larry Cook of Zebulon County, Iowa (“Grantor”), and Lear College, an Iowa Corporation, and Larry Cook, Co-Trustees (hereinafter “Trustee”), as of the date that this Agreement is duly executed on behalf of the Trustees as hereinafter set forth.

Practice: Identifying the Trustee

IRREVOCABLE TRUST AGREEMENT

(Larry Cook Charitable Remainder Unitrust)

THIS AGREEMENT is entered into the ____ day of _____, 2025, between **Larry Cook, as Trustor and Trustee**, for the purpose of creating a charitable remainder unitrust (within the meaning of Internal Revenue Code 664(d)) for the lifetime benefit of the Trustor. The trust created in this agreement shall be known as the “Larry Cook Charitable Remainder Unitrust.”

On the next slide, please identify the following:

Initial Trustee: Larry Cook

Successor Trustee:

(Bonus): How and when is the successor trustee appointed?

Practice: Identifying the Trustee

Larry Cook Charitable Remainder Unitrust...continued

SECTION 4 TRUSTEE PROVISIONS

4.4 Resignation. Trustee or any successor trustee may, without court approval, resign at any time.

4.5 Removal. Trustor may remove any trustee by an instrument in writing (other than a will) signed by Trustor and delivered during the Trustor's lifetime to the trustee being removed.

4.6 Successor Trustee. In the event of the resignation, removal, death, or disability of Trustee or any successor trustee, Trustor may appoint a new trustee by an instrument in writing (other than a will) signed by Trustor and delivered to the appointee. If the Trustor is deceased or fails effectively to appoint a new trustee within 30 days of the resignation, removal, death, or disability, Lear College shall serve as trustee. If at any time there is no trustee entitled to serve, then any interested person may take appropriate steps to have a new trustee appointed by a court of competent jurisdiction.

Practice: Identifying the Trustee

1

Initial Trustee

—
Larry Cook

2

Successor Trustee

—
To be appointed
by Trustor; if
none identified,
then Lear College

3

Bonus

—
How and when is the
successor trustee
appointed?

In writing during
lifetime of Trustor

Exculpatory Language Examples

1



4.7 Powers and Liabilities of Successor Trustee. Any successor trustee, or any corporate successor by consolidation, merger, transfer of trust business, or otherwise, shall have all the powers and authority conferred upon Trustee under this agreement. No successor trustee shall be under any duty to examine, verify, or audit the books and records of any predecessor, and no successor trustee shall be liable in any way for any acts or omissions of any predecessor.

2



5.3 Any successor Trustee under this Agreement shall have and exercise all rights, powers and duties as provided for the Trustee in this Agreement. No successor Trustee shall be liable or responsible in any way for the acts or defaults of any predecessor Trustee nor for any loss or expense from or occasioned by anything done or neglected to be done by any predecessor Trustee, but said successor Trustee shall be liable only for the successor Trustee's own acts and defaults with respect to property actually received by the successor Trustee as such Trustee. No successor Trustee shall be under any duty to examine, verify, question or audit the books, records, accounts or transactions of any preceding Trustee.

Unitrust Amounts, Terms, and Beneficiary Provisions



Trust 1: Getting Started

IRREVOCABLE TRUST AGREEMENT

(Larry Cook Charitable Remainder Unitrust)

THIS AGREEMENT is entered into the _____ day of _____, 2025, **between LARRY COOK, as TRUSTOR, and LEAR COLLEGE, as TRUSTEE,** for the purpose of creating a charitable remainder unitrust (within the meaning of Internal Revenue Code section 664(d)) for the **lifetime benefit of Trustor, and his daughters GINNY COOK SMITH and ROSE COOK LEWIS.** The trust created in this agreement shall be known as the “Larry Cook Charitable Remainder Unitrust.”

Trustor/Donor: Larry Cook

Trustee: Lear College

Income Beneficiaries: Larry, Ginny, and Rose

Trust 1: Unitrust Period, Amount, and Beneficiaries

Section 2

Distribution of Income and Principal

2.1 Unitrust Term. Subject to the provisions of Section 2.5, payment of the “Unitrust Amount” pursuant to this agreement shall continue for a term (the “Unitrust Term”) beginning on the initial transfer of assets to the Trustees under this agreement and continuing for (a) the lifetime of the Trustor, plus (b) an additional period extending until the earlier of (i) 12 years after the death of the Trustor or (ii) the last survivor of Ginny and Rose.

2.2 Distributions to the Trustor. Trustees shall pay to or apply for the benefit of Trustor an amount (the “Unitrust Amount”) equal to 8 percent of the net fair market value of the trust assets (as finally determined for federal tax purposes, and taking into account all principal and all accrued and accumulated income), valued as the first business day of each taxable year of the trust.

2.4 Distributions to the Trustor’s Daughters. If Ginny or Rose survive the Trustor, then after death of the Trustor and until expiration of the Unitrust Term, Trustees shall pay or apply the Unitrust Amount to or for the benefit of Ginny or Rose in equal shares or (if one of them dies during the Unitrust Term) all to the survivor of them.

Trust 1: Determining the Unitrust Period

Section 2

Distribution of Income and Principal

2.1 Unitrust Term. Subject to the provisions of Section 2.5, payment of the “Unitrust Amount” pursuant to this agreement shall continue for a term (the “Unitrust Term”) **beginning on the initial transfer of assets** to the Trustee under this agreement and continuing for **(a) the lifetime of the Trustor, plus (b) an additional period** extending until the **earlier of (i) 12 years** after the death of the Trustor **or (ii) the last survivor** of Ginny and Rose.

Unitrust Term Begins: Transfer of Assets (Funding of Trust)

Unitrust Period Ends: Lifetime of Trustor (Larry) + lesser of 12 years or lives of Ginny and Rose

Trust 1: Determining the Unitrust Amount

Section 2

Distribution of Income and Principal

2.2 Distributions to the Trustor. Trustees shall pay to or apply for the benefit of Trustor an amount (the “Unitrust Amount”) equal to **8 percent of the net fair market value of the trust assets** (as finally determined for federal tax purposes, and taking into account all principal and all accrued and accumulated income), valued as the first business day of each taxable year of the trust.

Unitrust Amount: 8% CRUT

Trust 1: Identifying the Income Beneficiaries

IRREVOCABLE TRUST AGREEMENT

(Larry Cook Charitable Remainder Unitrust)

THIS AGREEMENT is entered into the _____ day of _____, 2025, between LARRY COOK, as TRUSTOR, and LEAR COLLEGE, as TRUSTEE, for the purpose of creating a charitable remainder unitrust (within the meaning of Internal Revenue Code section 664(d)) for the lifetime benefit of Trustor, and his daughters GINNY COOK SMITH and ROSE COOK LEWIS. The trust created in this agreement shall be known as the “Larry Cook Charitable Remainder Unitrust.”

Section 2

Distribution of Income and Principal

2.4 Distributions to the Trustor’s Daughters. If Ginny or Rose survive the Trustor, then after death of the Trustor and until expiration of the Unitrust Term, Trustees shall pay or apply the Unitrust Amount to or for the benefit of Ginny or Rose in equal shares or (if one of them dies during the Unitrust Term) all to the survivor of them.

Income Beneficiaries: Larry, then Ginny and Rose

Trust 2: Getting Started

LARRY COOK CHARITABLE REMAINDER UNITRUST

Dated April 15, 2025

LARRY COOK, of Zebulon County, Iowa, as the donor (“**Donor**”), desires to establish a Charitable Remainder Unitrust within the meaning of Rev. Proc 2005-52 and Sections 664(d)(2) of the Internal Revenue Code of 1986, as amended (“**Code**”), hereby create the **LARRY COOK CHARITABLE REMAINDER UNITRUST** (“**Trust**”), and designate **LEAR COLLEGE**, an Iowa nonprofit corporation and tax-exempt organization under Section 501(c)(3) of the Code, of Zebulon County, Iowa as the trustee (“**Trustee**”).

Donor/Trustor: Larry Cook

Trustee: Lear College

Income Beneficiaries: Too soon to tell!

Trust 2: Determining the Unitrust Period

2. Payment of Unitrust Amount. In each taxable year of the Trust during the unitrust period, the Trustee shall pay to Donor a unitrust amount equal to five percent (5%) of the net fair market value of the assets of the Trust valued as of the first day of each taxable year of the Trust (“**Valuation Date**”). The first day of the unitrust period shall be the date property is first transferred to the Trust and the last day of the unitrust period shall be the date of the Donor’s death. The unitrust amount shall be paid in substantially equal quarterly installments at the end of each calendar quarter (i.e., March 31, June 30, September 30, and December 31) from income and, to the extent income is not sufficient, from principal. Any income of the Trust for a taxable year more than the unitrust amount shall be added to principal. If, for any year, the net fair market value of the Trust assets is incorrectly determined, then within a reasonable period after the correct value is finally determined, the Trustee shall pay to the Donor (in the case of an undervaluation) or receive from the Donor (in the case of an overvaluation) an amount equal to the difference between the unitrust amount properly payable and the unitrust amount actually paid.

Unitrust Period Beginning: Transfer of property (Funding of trust)

Unitrust Period Ending: Death of donor

Trust 2: Determining the Unitrust Amount

2. Payment of Unitrust Amount. In each taxable year of the Trust during the unitrust period, the Trustee shall pay to Donor a unitrust amount equal to five percent (5%) of the net fair market value of the assets of the Trust valued as of the first day of each taxable year of the Trust (“**Valuation Date**”). The first day of the unitrust period shall be the date property is first transferred to the Trust and the last day of the unitrust period shall be the date of the Donor’s death. The unitrust amount shall be paid in substantially equal quarterly installments at the end of each calendar quarter (i.e. March 31, June 30, September 30, and December 31) from income and, to the extent income is not sufficient, from principal. Any income of the Trust for a taxable year in excess of the unitrust amount shall be added to principal. If, for any year, the net fair market value of the Trust assets is incorrectly determined, then within a reasonable period after the correct value is finally determined, the Trustee shall pay to the Donor (in the case of an undervaluation) or receive from the Donor (in the case of an overvaluation) an amount equal to the difference between the unitrust amount properly payable and the unitrust amount actually paid.

Unitrust Amount: 5% CRUT

Trust 2: Identifying the Income Beneficiary

2. Payment of Unitrust Amount. In each taxable year of the Trust during the unitrust period, **the Trustee shall pay to Donor** a unitrust amount equal to five percent (5%) of the net fair market value of the assets of the Trust valued as of the first day of each taxable year of the Trust (“**Valuation Date**”). The first day of the unitrust period shall be the date property is first transferred to the Trust and the last day of the unitrust period shall be the date of the Donor’s death. The unitrust amount shall be paid in substantially equal quarterly installments at the end of each calendar quarter (i.e. March 31, June 30, September 30, and December 31) from income and, to the extent income is not sufficient, from principal. Any income of the Trust for a taxable year in excess of the unitrust amount shall be added to principal. If, for any year, the net fair market value of the Trust assets is incorrectly determined, then within a reasonable period after the correct value is finally determined, the Trustee shall pay to the Donor (in the case of an undervaluation) or receive from the Donor (in the case of an overvaluation) an amount equal to the difference between the unitrust amount properly payable and the unitrust amount actually paid.

Income Beneficiary: Donor (Larry Cook)

Practice: Identify Key Elements

COOK CHARITABLE REMAINDER TRUST

THIS TRUST AGREEMENT (the “Agreement”) is entered into between LARRY COOK of Zebulon County, Iowa (the “Settlor”) and LEAR COLLEGE (the “Trustee”). The Settlor desires to establish a charitable remainder unitrust within the meaning of Rev. Proc. 2005-54 and Section 664(d)(2) and (3) of the Internal Revenue Code of 1986 (the “Code”). The trust created under the Agreement shall be named the COOK CHARITABLE REMAINDER TRUST.

PRACTICE – In next section, identify the following:

Unitrust Period:

Income Beneficiaries:

Unitrust Amount:

(Bonus!): What is the “Triggering Event?”

Practice:

Determining Unitrust Period & Amount

2.1 In each taxable year of the trust during the Unitrust Period (as defined below), the Trustee shall pay to LARRY COOK (the “Initial Recipient”) during his lifetime, and thereafter to GINNY COOK SMITH (the “Successor Recipient”) during her lifetime, an amount (the “Unitrust Amount”) equal to the smaller of: (i) the trust income for such taxable year (as defined in Section 643(b) of the Code and the Regulations thereunder); or (ii) seven percent (7%) of the net fair market value of the trust assets, valued as of the first day of such taxable year (the “Valuation Date”). The “Unitrust Period” shall begin on the date that the property described in Schedule A is transferred to the trust, and shall end on the date of death of the survivor of the Initial Recipient and the Successor Recipient. The Initial Recipient and the Successor Recipient are each hereinafter referred to as a “Recipient” and collectively as the “Recipients.”

2.2 Effective as of the beginning of the first taxable year following the year in which the Triggering Event occurs, the Unitrust Amount shall be that amount determined pursuant to Paragraph 2.1(ii) above, and the limitation of Paragraph 2.1(i) shall be without effect. The Triggering Event shall be the close of escrow for the real property listed on Schedule A.

Practice:

Determining Unitrust Period & Amount

Unitrust Period: Date of Funding to Death of Survivor Beneficiary

Income Beneficiaries: Larry Cook (Initial) and Ginny Cook Smith (Successor)

Unitrust Amount: Lesser of Income or 7%

Triggering Event = Flip Date: Year *following* sale of property, then standard 7% CRUT

Trust Property: Schedule A Examples

SCHEDULE A

(Larry Cook Charitable Remainder Unitrust)

18,000 Shares of Class B common stock of NIKE, Inc.

*

SCHEDULE A

(Larry Cook Charitable Remainder Unitrust)

Real property and improvements situated at 123 Old Farm Road, Zebulon
County, Iowa

Extra Practice!!



Bonus Practice: Payment Formula

COOK CHARITABLE REMAINDER ANNUITY TRUST

ARTICLE TWO

Payment of Annuity Amount

2.1 In each taxable year of the Trust during the Annuity Period (defined below), the Trustee shall pay to **Larry Cook and Ginny Cook Smith** (the “**Recipients**”) in equal shares during their joint lifetimes, and after the death of one Recipient, wholly to the surviving Recipient during his or her lifetime, an amount (the “**Annuity Amount**”) equal to **five and one half percent (5.5%)** of the initial fair market value of all property transferred to the trust, valued as of the date of transfer. **The first day of the Annuity Period shall be the date the property is transferred to the trust and the last day of the Annuity Period shall be the date of the surviving Recipient’s death.**

Income Beneficiaries: Larry Cook and Ginny Cook Smith

Annuity Period: Date of transfer to Death of Survivor

Annuity Amount: 5.5% of FMV of property transferred

Bonus Practice: Identifying Charitable Beneficiary

2.3 TERMINATION OF THE TRUST. Upon the death of Trustor's husband, or upon Trustor's death if Trustor's husband predeceases her or Trustor revokes the life interest of her husband, Trustee shall distribute all the then remaining principal and income of the trust (other than any amount due Trustor, Trustor's husband, or their estates) to LEAR COLLEGE, an Iowa nonprofit corporation ("Lear"), to be added to and become part of its general endowment fund. Notwithstanding the foregoing, Trustor may from time to time may designate different or additional charitable remainder beneficiaries, and may designate shares of principal and income distributable to multiple charitable remainder beneficiaries, by an instrument in writing (other than a will) signed by Trustor and delivered to Trustee during the Trustor's lifetime.

End Date of Trust: Death of Trustor and Trustor's husband

Charitable Beneficiary: Lear College

Other Beneficiaries:

Bonus Practice: Charitable Beneficiary

ARTICLE THREE. RIGHTS AND POWERS OF SETTLOR AND OTHERS

3.1 Trust Irrevocable; Limited Power of Amendment by Trustee

The trust is irrevocable. However, the trustee shall have the power, acting alone, to amend the trust in any manner required for the sole purpose of ensuring that the trust qualifies and continues to qualify as a charitable remainder trust within the meaning of Internal Revenue Code Section 664(d)(2) and the Regulations thereunder.

4.2 Distribution to Charity

At the termination of the unitrust period, the trustee shall distribute all of the principal and income of the trust, other than any amount due to the recipient, **free of trust to Lear College**, an Iowa nonprofit corporation (the “charitable organization”).

Charitable beneficiaries: Lear College
Use restrictions?
Can it be changed?

Bonus Practice:

Testamentary Distribution

FIRST AMENDMENT TO **LARRY COOK** REVOCABLE LIVING TRUST

I, **Larry Cook**, of Zebulon County, Iowa declare that this is the First Amendment to the **Larry Cook** Revocable Living Trust Agreement executed on April 15, 2000.

A. I add the following Article 10 to the trust agreement:

Article 10

Rose Cook Lewis and Ginny Cook Smith Charitable Remainder Unitrust

I intend to create in this instrument a charitable remainder unitrust (within the meaning of Internal Revenue Code section 664(d)(2)) for the benefit of my children **Rose Cook Lewis** and **Ginny Cook Smith**. I further intend to designate my trustee of this charitable remainder unitrust (“unitrust trustee”) as beneficiary to receive the balance at my death of certain annuity contracts. Any and all such contracts or other property received by my unitrust trustee shall be held, applied, and distributed as follows:

Creation of CRUT:

Income Beneficiaries:

Bonus Practice: Trust Term

SECTION 2

DISTRIBUTION OF INCOME AND PRINCIPAL

2.1 Unitrust Term. Payment of the “Unitrust Amount” (as defined in Section 2.2 below) pursuant to this agreement shall continue for a term (the “Unitrust Term”) **beginning on the initial transfer of assets** to Trustee under this agreement and extending for a period of ten years.

2.2 Distributions to Trustor. Trustee shall pay to or apply for the benefit of the Trustor, in each taxable year of the trust during the Unitrust Term, an amount (the “Unitrust Amount”) equal to 7 percent of the net fair market value of the trust assets (as finally determined for federal tax purposes, and taking into account all principal and all accrued and accumulated income), valued as of the first business day of each taxable year of the trust.

2.4 Distributions to Successor Beneficiaries. **If Trustor dies** during the Unitrust Term, then after the death of the Trustor and until expiration of the Unitrust Term, Trustee shall pay or apply the Unitrust Amount in **equal shares to or for the benefit of Trustor’s children** (Rose Cook Lewis and Ginny Cook Smith), or (if a child is deceased at the time of a scheduled payment of the Unitrust Amount) in equal shares to the survivor or survivors of them.

Trust Term: Ten years from initial asset transfer
What happens if Larry (Trustor) dies before end of trust term?



What we covered

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3. Staying Organized
4. Estate Distribution Practice
5. Charitable Remainder Trust Practice
 - Trustee provisions
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 - Charitable beneficiary provisions
 - Payout rates & timing
 - Flip language
6. Tons of Examples (time allowing)

