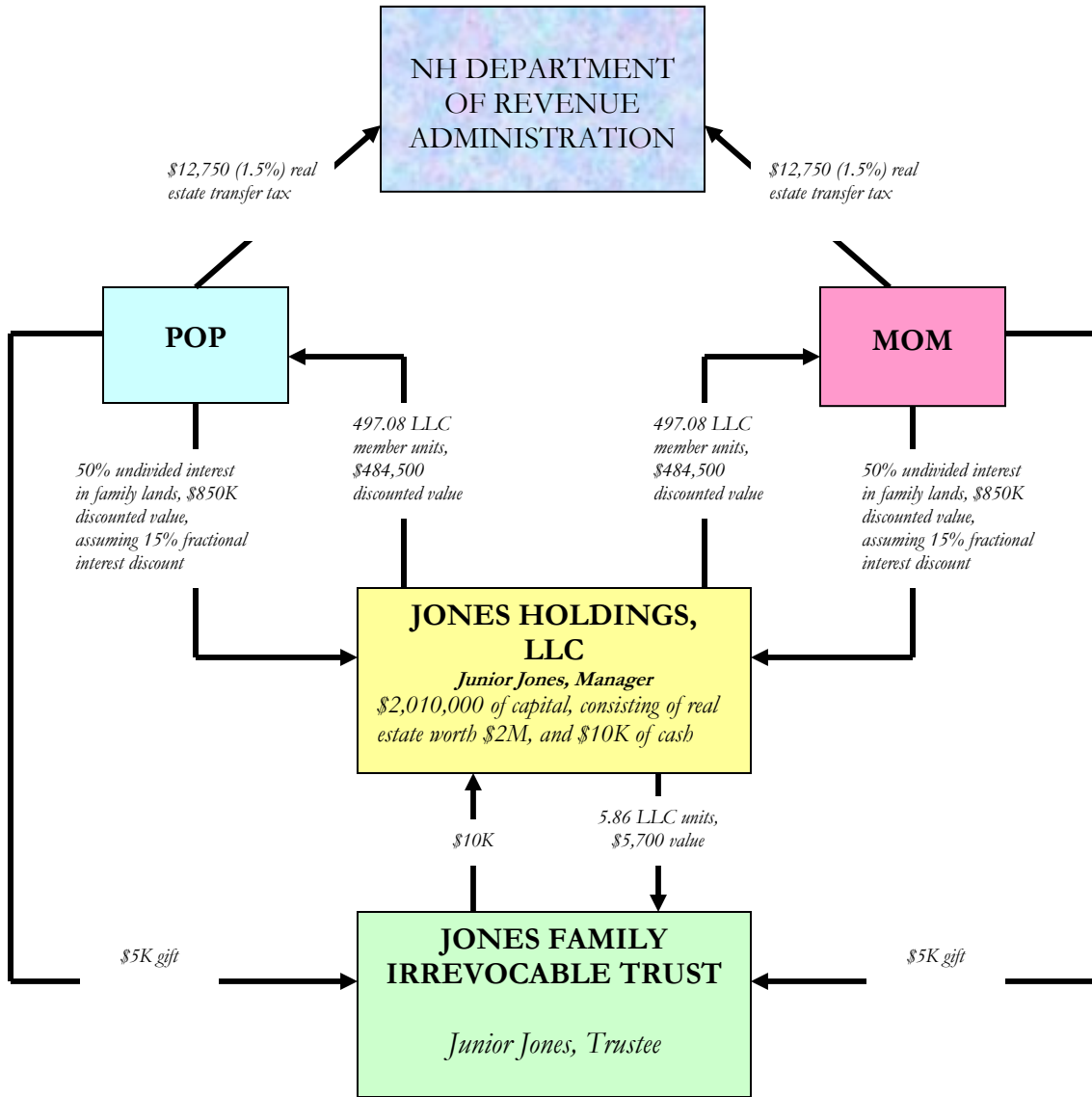


FLOWCHARTS ILLUSTRATING TIERED STRUCTURE INVOLVING LLC OWNING
FAMILY LANDS, AND GIFT OF LLC MEMBER INTERESTS TO IRREVOCABLE
GENERATION-SKIPPING CRUMMEY TRUST

Assumptions:

- *Mom and Pop are in their 60's – no insurability issues.*
- *Family lands have an undiscounted value of \$2M, and are owned by Mom and Pop as joint tenants with rights of survivorship.*
- *Mom and Pop have \$3M of other assets, mostly cash and marketable securities in “taxable” (i.e., non IRA or qualified person/profit sharing) accounts. Pop also has a \$150K annual pension under his former employer’s defined benefit plan, which will provide a \$75K benefit for Mom if she survives Pop.*
- *Lands are a lakefront “compound” type property which parents wish to continue exclusively to occupy seasonally (May – October) for the remainder of their lifetimes (they “winter” in their Florida condo).*
- *All four children are “stewards”, not “liquidators”. They get along well. Each is married; 2 have 2 children, 1 has 3.*

FLOWCHART #1:
ILLUSTRATING MOM AND POP'S CAPITALIZATION OF LLC



NOTE: Having trusts contribute modest capital allows Mom and Pop to keep LLC interests below 50% such that full discounts for lack of control and marketability (43% assumed) are available.