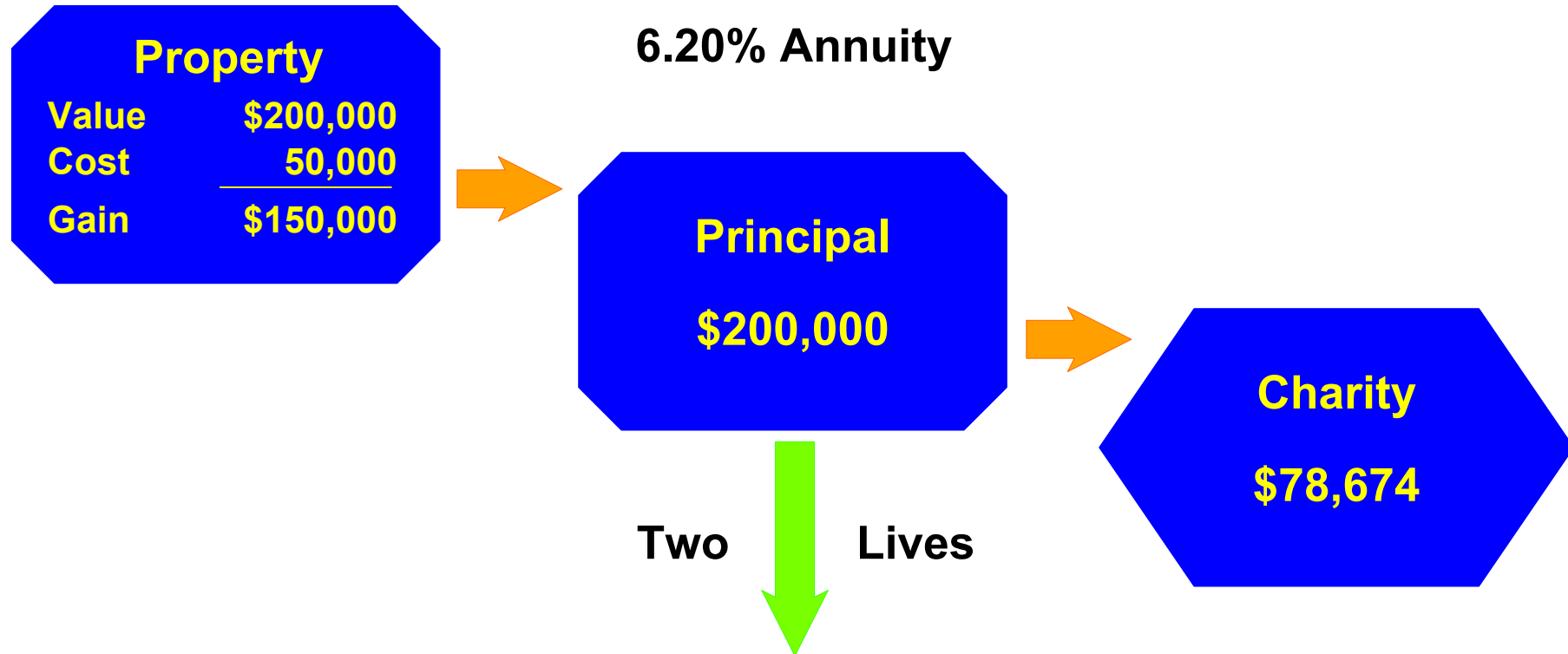


Charitable Gift Annuity

John Haroldson - Age 75 Mary Haroldson - Age 73



1. Gift property to charity. Partial bypass \$150,000 gain may save \$6,689. Income tax deduction of \$59,453 may save \$19,620.

2. Annuity of \$12,400.00 for two lives. Tax-free amount \$2,043.12. Estimated two lives payout of \$228,160. Effective payout rate 8.3%.

3. Quarterly payments for two lives. Property passes to charity with no probate fees. There are also no estate taxes, if married.

CHARITABLE GIFT ANNUITY

FIRST PERSON	<u>John Haroldson</u>	AGE	<u>75</u>
SECOND PERSON	<u>Mary Haroldson</u>	AGE	<u>73</u>

GIFT AMOUNT	<u>\$200,000.00</u>
CHARITABLE DEDUCTION	<u>\$59,453.44</u>
ANNUITY OF 6.200%	<u>\$12,400.00</u>
EXCLUSION RATIO	<u>65.90%</u>
EFFECTIVE ANNUITY RATE	<u>8.3%</u>

INCOME TAX INFORMATION

	QUARTERLY PAYMENT	ANNUAL TOTALS
Ordinary Income	\$1,057.10	\$4,228.40
Capital Gain Payout	\$1,532.12	\$6,128.48
Tax Free*	<u>\$510.78</u>	<u>\$2,043.12</u>
ANNUITY AMOUNT	<u>\$3,100.00</u>	<u>\$12,400.00</u>

* Tax Free Until 2021

CHARITABLE GIFT ANNUITY

Two Lives

Donor John Haroldson Gift Amount \$200,000.00 Gift Date 05/01/2004
 First Person John Haroldson Birth Date 05/01/1929
 Second Person Mary Haroldson Birth Date 05/01/1931 Date of 06/30/2004
 Cost Basis \$50,000.00 First Ann. Payment
 Payment Freq. QUARTERLY (Payments at End of Selected Period)

Annuity%	<u>6.200 %</u>																
(A) Annual Annuity Payout	<u>\$12,400.00</u>	(A)															
Gift Amt. x Annuity %																	
(B) Factor																	
Age1 75																	
Age2 73	<u>11.1768</u>	(B)															
(IRS Pub. 1457, Table R(2), ((1-Factor)/AFR)																	
AFR of the Month	<u>3.8%</u>																
(C) Adjustment for time of Payment	<u>1.0141</u>	(C)															
(IRS Pub 1457, Table K)																	
	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3">End of Period</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">1.0000</td> <td style="text-align: center;">Annual</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">1.0094</td> <td style="text-align: center;">Semi-Annual</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">1.0141</td> <td style="text-align: center;">Quarterly</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">1.0173</td> <td style="text-align: center;">Monthly</td> </tr> </tbody> </table>	End of Period			1	1.0000	Annual	2	1.0094	Semi-Annual	3	1.0141	Quarterly	4	1.0173	Monthly	
End of Period																	
1	1.0000	Annual															
2	1.0094	Semi-Annual															
3	1.0141	Quarterly															
4	1.0173	Monthly															
(D) Adjusted Factor	<u>11.3344</u>	(D)															
Line (B) x Line (C)																	
(E) Present Value of Annuity	<u>\$140,546.56</u>	(E)															
Line (D) x Line (A)																	
(F) Amount Transferred	<u>\$200,000.00</u>	(F)															
(G) CHARITABLE GIFT VALUE	<u>\$59,453.44</u>	(G)															
Line (F) less Line (E)																	

7/1/2003 ACGA Rates

CHARITABLE GIFT ANNUITY

Two Lives

(H) Unadjusted Expected Return Multiple (Reg.Sec. 1.72-9, Table VI)	<u>17.3</u>	(H)
(I) Adjustment if Not Monthly (Reg.Sec. 1.72-5(a)(2))	<u>-0.1</u>	(I)
(J) Adjusted Expected Return Multiple Line (H) Plus Line (I) Sec. 72 Exp.17.2 -- Uniform Table Expectancy 18.4	<u>17.2</u>	(J)
(K) Expected Return Line (J) Times Line (A)	<u>\$213,280.00</u>	(K)
(L) EXCLUSION RATIO Line (E) Divided By Line (K)	<u>65.9%</u>	(L)
(M) Amt Excluded From Ordinary Taxation Exclusion Ratio Times Annuity Line (L) Times Line (A) (I.R.C. Sec. 72(b)(3))	<u>\$8,171.60</u>	(M)
(N) Basis Allocated to Annuity Basis Times Line (E)/GIFT	<u>\$35,136.64</u>	(N)
(O) Gain Allocated to Annuity Line (E) Less Line (N)	<u>\$105,409.92</u>	(O)
(P) Gain Each Year Line (O) Divided By Line (J) (Not to Exceed Line (M); Assumption: Joint Property) (Reg.Sec. 1.1011-2(a)(4))	<u>\$6,128.48</u>	(P)

SUMMARY OF ANNUITY			
CHARITABLE DEDUCTION		<u>\$59,453.44</u>	
EXCLUSION RATIO UNTIL 2021		<u>65.9%</u>	
INCOME TAX	PRO RATA FIRST PAYMENT	EACH PAYMENT	ANNUAL
Ord.Income	\$706.18	1057.1000	\$4,228.40
Cap. Gain	\$1,023.51	1532.1200	\$6,128.48
Tax Free	\$341.22	510.7800	\$2,043.12
Ann. Amt	\$2,070.91	3,100.00	\$12,400.00

Payout Option: Mandatory Pro Rata First Payment

CHARITABLE GIFT ANNUITY

Rate of the Month <u>May 3.8%</u>	First Paydate <u>6/30/2004</u>
Donor <u>John Haroldson</u>	Income Tax % <u>33.00 %</u>
First <u>John Haroldson</u> Person	Cap. Gain % <u>15.00 %</u> (Income and capital gains rates are assumed.)
Birth <u>5/1/1929</u> Date	Property Amount <u>\$200,000</u>
2nd <u>Mary Haroldson</u> Person	Cost Basis <u>\$50,000</u>
Birth <u>5/1/1931</u> Date	Current Return <u>0.00 %</u>
Freq. <u>QUARTERLY</u>	Annuity % <u>6.20 %</u>
Gift <u>5/1/2004</u> Date	Amt to Charity <u>\$78,674</u>

Options: **Two Life Annuity**