

COMMONWEALTH TRUST COMPANY

An Independent Delaware Trust Company

“Turning the Delaware Advantage into Your Advantage Since 1931”

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PRICING TRUST SERVICES

Unlike large bank trust departments, Commonwealth Trust Company provides individual service that reflects requirements of each trust we administer. We utilize this approach when determining a fair and reasonable fee arrangement for every trust we establish.

Normally, to determine the fee for a new trust, we first review the draft of the proposed agreement to ascertain the scope of our involvement and the associated duties to ensure that the proposal conforms to our requirements. Depending upon that evaluation we add a risk factor after we determine the terms of the agreement, the total assets, and how the assets are held in the trust.

In most situations, the grantor and the local attorney have designed the trust to assist in an overall Estate Plan which includes the services of a Delaware trustee. Because Delaware law permits advisors to the trust, in many cases our service requirements are minimal, and our fee quote will reflect only basic duties. Additionally, we are able to provide all the services listed below although they are not included in the minimum pricing:

- annual trust tax return
- distributions more frequent than annual
- distribution decision authority
- accountings more frequent than annual

Below are our minimum fees for some of the most common trust arrangements.

TRUST TYPE	ANNUAL FEE	TRUST ASSETS
Life Insurance Trust	<u>\$1,500 per year</u>	N/A
Asset Protection Trust	<u>\$5,000 per year</u>	\$1,500,000
Dynasty Trust	<u>\$3,500 per year</u>	\$1,000,000
CRUT, CRT and most other charitable trusts.	<u>\$3,500 per year</u>	\$1,000,000

There is a one time set-up fee of \$1,500 to review each trust and to open associated accounts, etc. For Asset Protection Trusts the set-up fee is \$1,750 due to extensive due diligence. If an existing trust is being transferred to Commonwealth, the set-up fee generally is \$2,000. In some cases, due to extensive legal work associated with closing the trust, e.g., terms of the trust, changing jurisdictions, or drafting beneficiary agreements, etc. these fees may be higher. Many trusts are funded with LLC's and the set-up fee includes reviewing one such agreement; there is a \$250 minimum charge to review each additional agreement.

The general pricing outlined above is reviewed annually by the President and the Director of Marketing. The fee for each trust is analyzed on a yearly basis to ensure continued profitable operations. All exceptions to the general pricing schedule must be recommended by the Director of Marketing and approved by the President.

TRUST SERVICES SAMPLE FEES

<u>TRUST TYPE</u>	<u>TRUST ASSETS</u>	<u>ANNUAL FEE</u>
Insurance Trust (ILIT)	N/A	\$ 1,500
Asset Protection Trust	\$ 1,500,000	\$ 5,000 Minimum
	5,000,000	7,000
	10,000,000	12,000
	25,000,000*	25,000
Dynasty Trust	\$ 1,000,000	\$ 3,500 Minimum
	5,000,000	6,000
	10,000,000	11,000
	25,000,000*	22,000
CRUT, CRT and most other trusts	\$ 1,000,000	\$ 3,500 Minimum
	5,000,000	6,000
	10,000,000	11,000
	25,000,000*	22,000

* above \$25,000,000 - as agreed

Many trusts remain unfunded for some time. There is a \$500 per year charge for such unfunded trusts. Finally, there are situations which occur in a trust that require us to perform services over and above normal duties as administrative trustee such as reviewing new, non-traditional investments involving multiple LLC agreements, credit related documents, etc. Fees in connection with extra services are billed at our hourly rates and are not part of our annual fee. If the trust assets are less than \$5,000,000, we also bill annually for out-of-pocket expenses such as Federal Express, Certified Mail, etc., which are then included with the annual bill.

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