

Split-Interest Trust Information Return

► See separate instructions.

2005

| | | |
|---|--|--|
| Full name of trust JOHN JACOBS CHARITABLE REMAINDER UNITRUST | | A Employer identification number 95-9999999 |
| Name of trustee JOHN JACOBS | | B Type of Entity (1) <input type="checkbox"/> Charitable lead trust (2) <input type="checkbox"/> Charitable remainder annuity trust described in section 664(d)(1) (3) <input checked="" type="checkbox"/> Charitable remainder unitrust described in section 664(d)(2) (4) <input type="checkbox"/> Pooled income fund described in section 642(c)(5) (5) <input type="checkbox"/> Other |
| Number, street, and room or suite no. (If a P.O. box, see page 3 of the instructions.) 1 COLORADO STREET | | |
| City, state, and ZIP code PASADENA CALIFORNIA 91101 | | |
| C Fair market value (FMV) of assets at end of tax year 1,161,300 | D Date the trust was created 01-01-2005 | |
| E Check applicable boxes (see instructions) <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return Change in trustee's ► <input type="checkbox"/> Name <input type="checkbox"/> Address | | |
| F Did the split-interest trust have any unrelated business taxable income (section 664 trusts only)? If "Yes," file Form 1041 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |

Part I Ordinary Income (Section 664 trust only)

| | | | |
|--|-----------|-----------|--------|
| 1 Interest income | | 1 | 1,300 |
| 2a Qualified dividends (see instructions) | 2a | | |
| b Ordinary dividends (including qualified dividends) | | 2b | |
| 3 Business income or (loss). Attach Schedule C or C-EZ (Form 1040) | | 3 | |
| 4 Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040) | | 4 | 45,000 |
| 5 Farm income or (loss). Attach Schedule F (Form 1040) | | 5 | |
| 6 Ordinary gain or (loss). Attach Form 4797 | | 6 | 0 |
| 7 Other income. State nature of income ► | | 7 | |
| 8 Total ordinary income. Combine lines 1, 2b, and 3 through 7 | | 8 | 46,300 |

Deductions Allocable to Ordinary Income

| | | | |
|---|--|-----------|--------|
| 9 Interest | | 9 | |
| 10 Taxes | | 10 | |
| 11 Other deductions. Attach a separate sheet listing deductions | | 11 | 0 |
| 12 Total deductions. Add lines 9 through 11 | | 12 | 0 |
| 13 Ordinary income less deductions. Subtract line 12 from line 8. Enter here and on line 21, column (a) | | 13 | 46,300 |

Capital Gains (Losses) and Allocable Deductions

| | | | |
|--|------------|-----------|---------|
| 14 Total short-term capital gain or (loss) for tax year. Attach Schedule D (Form 1041) | 14 | 0 | |
| 15 Deductions allocable to short-term capital gains | 15 | 0 | |
| 16 Balance. Subtract line 15 from line 14. Enter here and on line 21, column (b). | | 16 | 0 |
| 17a Total long-term capital gain or (loss) for tax year. Attach Schedule D (Form 1041) | 17a | 715,000 | |
| b 28% rate gain or (loss) | 17b | 0 | |
| c Unrecaptured section 1250 gain | 17c | 215,000 | |
| 18 Deductions allocable to long-term capital gains | 18 | 0 | |
| 19 Balance. Subtract line 18 from line 17a. Enter here and on line 21, column (c) | | 19 | 715,000 |

Part II Accumulation Schedule (Section 664 trust only)

| Accumulations | (a) Ordinary income | Capital gains and (losses) | | (d) Nontaxable income |
|--|---------------------|----------------------------|-------------------|-----------------------|
| | | (b) Net short-term | (c) Net long-term | |
| 20 Undistributed from prior tax years | 0 | | 0 | |
| 21 Current tax year (before distributions) | 46,300 | 0 | 715,000 | 0 |
| 22 Total. Add lines 20 and 21 | 46,300 | 0 | 715,000 | 0 |
| 23 Undistributed at end of tax year | 0 | 0 | 681,300 | 0 |

Part III Current Distributions Schedule (Section 664 trust only)

| Name of recipient | Identifying number | (a) Ordinary income | Capital gains | | (d) Nontaxable income | (e) Corpus |
|-------------------|--------------------|---------------------|----------------|---------------|-----------------------|------------|
| | | | (b) Short-term | (c) Long-term | | |
| 24a JOHN JACOBS | 123-45-6789 | 46,300 | 0 | 33,700 | 0 | 0 |
| b | | | | | | |
| c | | | | | | |

Part IV Balance Sheet (see page 6 of the instructions)

| | | (a) Beginning-of-Year Book Value | (b) End-of-Year Book Value | (c) FMV (see instructions) |
|--------------------|--|----------------------------------|----------------------------|----------------------------|
| Assets | | | | |
| 25 | Cash—non-interest-bearing | 25 | 1,161,300 | |
| 26 | Savings and temporary cash investments | 26 | | |
| 27a | Accounts receivable | 27a | | |
| b | Less: allowance for doubtful accounts | 27b | 0 | |
| 28 | Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) | 28 | | |
| 29a | Other notes and loans receivable | 29a | | |
| b | Less: allowance for doubtful accounts | 29b | 0 | |
| 30 | Inventories for sale or use | 30 | | |
| 31 | Prepaid expenses and deferred charges | 31 | | |
| 32a | Investments—U.S. and state government obligations (attach schedule) | 32a | | |
| b | Investments—corporate stock. Attach schedule. | 32b | | |
| c | Investments—corporate bonds. Attach schedule | 32c | | |
| 33a | Investments—land, buildings, and equipment: basis (attach schedule) | 33a | | |
| b | Less: accumulated depreciation | 33b | 400,000 | 0 |
| 34 | Investments—other (attach schedule) | 34 | | |
| 35a | Land, buildings, and equipment: basis | 35a | | |
| b | Less: accumulated depreciation | 35b | | 0 |
| 36 | Other assets. Describe ► | 36 | | 0 |
| 37 | Total assets. Add lines 25 through 36 (must equal line 47). | 37 | 400,000 | 1,161,300 |
| Liabilities | | | | |
| 38 | Accounts payable and accrued expenses | 38 | | |
| 39 | Deferred revenue | 39 | | |
| 40 | Loans from officers, directors, trustees, and other disqualified persons | 40 | | |
| 41 | Mortgages and other notes payable. Attach schedule | 41 | | |
| 42 | Other liabilities. Describe ► DUE TO BENEFICIARY | 42 | | 80,000 |
| 43 | Total liabilities. Add lines 38 through 42 | 43 | 0 | 80,000 |
| Net Assets | | | | |
| 44 | Trust principal or corpus | 44 | 400,000 | 400,000 |
| 45a | Undistributed income | 45a | 0 | 0 |
| b | Undistributed capital gains | 45b | 0 | 681,300 |
| c | Undistributed nontaxable income | 45c | | 0 |
| 46 | Total net assets. Add lines 44 through 45c | 46 | 400,000 | 1,081,300 |
| 47 | Total liabilities and net assets. Add lines 43 and 46 | 47 | 400,000 | 1,161,300 |

Part V-A Charitable Remainder Annuity Trust Information (to be completed **only** by a section 664 charitable remainder annuity trust)

| | | | |
|-----|---|-----|--|
| 48a | Enter the initial fair market value (FMV) of the property placed in the trust | 48a | |
| b | Enter the total annual annuity amounts for all recipients. Attach schedule showing the amount for each recipient if more than one | 48b | |

Part V-B Charitable Remainder Unitrust Information (to be completed **only** by a section 664 charitable remainder unitrust)

| | | | |
|---|---|-----|---------|
| 49a | Enter the unitrust fixed percentage to be paid to the recipients | 49a | 8.0 % |
| If there is more than one recipient, attach a schedule showing the percentage of the total unitrust dollar amount payable to each recipient. | | | |
| b | Unitrust amount. Subtract line 43, column (c), from line 37, column (c), and multiply the result by the percentage on line 49a. Do not enter less than -0- | 49b | 80,000 |
| Note. Complete lines 50a through 51b only for those unitrusts whose governing instruments provide for determining required distributions with reference to the unitrust's income. Otherwise, enter the amount from line 49b on line 52. | | | |
| 50a | Trust's accounting income for 2005 | 50a | 146,300 |
| b | Enter the smaller of line 49b or line 50a here, and on line 52 on page 3, unless the Caution below applies | 50b | 80,000 |
| Caution: Lines 51a and b need to be completed by those unitrusts whose governing instruments provide for current distributions to make up for any distribution deficiencies in previous years due to the trust income limit. See Regulations section 1.664-3(a)(1)(i)(b)(2). For these trusts, when completing line 52, enter the smaller of line 50a or line 51b. | | | |

| | | | |
|------------|---|---|--------|
| 51a | Total accrued distribution deficiencies from previous years (see page 8 of the instructions) | 51a | |
| b | Add lines 49b and 51a | 51b | 80,000 |
| 52 | Unitrust distributions for 2005 | 52 | 80,000 |
| 53 | Carryover of distribution deficiency. Subtract line 52 from line 51b | 53 | 0 |
| 54 | Did the trustee change the method of determining the fair market value of the assets? If "Yes," attach an explanation. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| 55 | Were any additional contributions received by the trust during 2005? If "Yes," attach a schedule that lists the assets and the date(s) received. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |

Part VI-A Statements Regarding Activities (see page 8 of the instructions)

| | Yes | No |
|--|-------------------------------------|-------------------------------------|
| 1 Are the requirements of section 508(e) satisfied either: • By the language in the governing instrument; or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | <input checked="" type="checkbox"/> | |
| 2 Are you using this return only to report the income and assets of a segregated amount under section 4947(a)(2)(B)? | | <input checked="" type="checkbox"/> |

Part VI-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column (to the right), unless an exception applies.

| | Yes | No |
|--|---|-------------------------------------|
| 1 Self-dealing (section 4941): | | |
| a During 2005, did the trust (either directly or indirectly): | | |
| (1) Engage in the sale or exchange, or leasing of property with a disqualified person? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| (6) Agree to pay money or property to a government official? (Exception. Check "No" if the trust agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations sections 53.4941(d)-3 and 4, or in a current Notice regarding disaster assistance (see page 9 of the instructions)? Organizations relying on a current Notice regarding disaster assistance, check here <input type="checkbox"/> | 1b | N/A |
| c Did the trust engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before January 1, 2005? | 1c | <input checked="" type="checkbox"/> |
| 2 Does section 4947(b)(3)(A) or (B) apply? (See page 9 of the instructions.) (If "Yes," check the "N/A" box in questions 3 and 4.) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| 3 Taxes on excess business holdings (section 4943): <input checked="" type="checkbox"/> N/A | | |
| a Did the trust hold more than a 2% direct or indirect interest in any business enterprise at any time during 2005? | N/A <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| b If "Yes," did the trust have excess business holdings in 2005 as a result of (1) any purchase by the trust or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? Use Schedule C, Form 4720, to determine if the trust had excess business holdings in 2005. | 3b | N/A |
| 4 Taxes on investments that jeopardize charitable purposes (section 4944): <input checked="" type="checkbox"/> N/A | | |
| a Did the trust invest during 2005 any amount in a manner that would jeopardize its charitable purpose? | 4a | N/A |
| b Did the trust make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before January 1, 2005? | 4b | N/A |
| 5 Taxes on taxable expenditures (section 4945) and political expenditures (section 4955): | | |
| a During 2005 did the trust pay or incur any amount to: | | |
| (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| (3) Provide a grant to an individual for travel, study, or other similar purposes? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational, or for the prevention of cruelty to children or animals? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |

5b If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945, or in a current Notice regarding disaster assistance (see page 9 of the instructions)?

Organizations relying on a current Notice regarding disaster assistance, check here ☐

c If the answer is "Yes" to question 5a(4), does the trust claim exemption from the tax because it maintained expenditure responsibility for the grant? (See page 9 of the instructions.) **N/A** ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6 Personal benefit contracts (section 170(f)(10)):

a Did the trust, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the trust, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870 (see instructions).

| | Yes | No |
|-----------|-----|----|
| 5b | N/A | |
| 6b | | X |

Part VII Questionnaire for Charitable Lead Trusts, Pooled Income Funds, and Charitable Remainder Trusts

Section A—Charitable Lead Trusts

1 Does the governing instrument require income in excess of the required annuity or unitrust payments to be paid for charitable purposes? ☐ Yes ☐ No

| | | |
|--|---|--|
| 2 Enter the amount of any excess income required to be paid for charitable purposes for 2005 | 2 | |
| 3 Enter the amount of annuity or unitrust payments required to be paid to charitable beneficiaries for 2005 | 3 | |
| 4 Enter the amount of annuity or unitrust payments required to be paid to private beneficiaries for 2005 | 4 | |

Section B—Pooled Income Funds

| | | |
|--|---|--|
| 1 Enter the amount of contributions received during 2005 | 1 | |
| 2 Enter the amount required to be distributed for 2005 to satisfy the remainder interest | 2 | |
| 3 Enter any amounts that were required to be distributed to the remainder beneficiary that remain undistributed | 3 | |
| 4 Enter the amount of income required to be paid to private beneficiaries for 2005 | 4 | |
| 5 Enter the amount of income required to be paid to the charitable remainder beneficiary for 2005 | 5 | |

Section C—Charitable Remainder Trusts and Other Information

(All split-interest trusts, check applicable boxes.)

- 1** Check this box if you are filing for a charitable remainder annuity trust or a charitable remainder unitrust whose charitable interests involve only cemeteries or war veterans' posts ☐
- 2** Check this box if you are making an election under Regulations section 1.664-2(a)(1)(i)(a)(2) or 1.664-3(a)(1)(i)(g)(2) to treat income generated from certain property distributions (other than cash) by the trust as occurring on the last day of the tax year. (See page 10 of the instructions.) ☐
- 3** Check this box if any of the split-interest trust's income interests expired during 2005 ☐

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than trustee) is based on all information of which preparer has any knowledge.

Signature of trustee or officer representing trustee _____ Date _____

Paid Preparer's Use Only

| | | | |
|--|---|---|---|
| Preparer's signature | Date | Check if self-employed <input type="checkbox"/> | Preparer's SSN or PTIN |
| Firm's name (or yours if self-employed), address, and ZIP code | ACCOUNTANTS EXTRAORDINARE 3 COLORADO STREET PASADENA CA 91101 | | EIN 95-0000000 Phone no. (626)123-4567 |

SCHEDULE D
(Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ **Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).**

OMB No. 1545-0092

2005

Name of estate or trust
JOHN JACOBS CHARITABLE REMAINDER UNITRUST

Employer identification number
95-9999999

Note: Form 5227 filers need to complete **only** Parts I and II.

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

| (a) Description of property (Example, 100 shares 7% preferred of "Z" Co.) | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Sales price | (e) Cost or other basis (see page 33) | (f) Gain or (Loss) for the entire year (col. (d) less col. (e)) |
|---|--------------------------------------|----------------------------------|-----------------|--|---|
| 1 | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 | | | | | 2 |
| 3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts | | | | | 3 |
| 4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2004 Capital Loss Carryover Worksheet | | | | | 4 () |
| 5 Net short-term gain or (loss). Combine lines 1 through 4 in column (f). Enter here and on line 13, column (3) below ▶ | | | | | 5 |

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

| (a) Description of property (Example, 100 shares 7% preferred of "Z" Co.) | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Sales price | (e) Cost or other basis (see page 33) | (f) Gain or (Loss) for the entire year (col. (d) less col. (e)) |
|---|--------------------------------------|----------------------------------|-----------------|--|---|
| 6 | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 | | | | | 7 |
| 8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts | | | | | 8 |
| 9 Capital gain distributions | | | | | 9 |
| 10 Gain from Form 4797, Part I | | | | | 10 715,000 |
| 11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2004 Capital Loss Carryover Worksheet | | | | | 11 () |
| 12 Net long-term gain or (loss). Combine lines 6 through 11 in column (f). Enter here and on line 14a, column (3) below ▶ | | | | | 12 715,000 |

Part III Summary of Parts I and II

Caution: Read the instructions **before** completing this part.

| | (1) Beneficiaries' (see page 34) | (2) Estate's or trust's | (3) Total |
|--|-------------------------------------|----------------------------|-----------|
| 13 Net short-term gain or (loss) | 13 | | |
| 14 Net long-term gain or (loss): | | | |
| a Total for year | 14a | | |
| b Unrecaptured section 1250 gain (see line 18 of the worksheet on page 34). | 14b | | |
| c 28% rate gain or (loss) | 14c | | |
| 15 Total net gain or (loss). Combine lines 13 and 14a ▶ | 15 | | |

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4. If lines 14a and 15, column (2), are net gains, go to Part V, and **do not** complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2005

Attachment
Sequence No. **13**

▶ Attach to Form 1040 or Form 1041. ▶ See Instructions for Schedule E (Form 1040).

Name(s) shown on return

JOHN JACOBS CHARITABLE REMAINDER UNITRUST

Your social security number

95-9999999

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). Report farm rental income or loss from **Form 4835** on page 2, line 40.

| 1 | List the type and location of each rental real estate property: | 2 | For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: ? 14 days or ? 10% of the total days rented at fair rental value? (See page E-3.) | Yes | No |
|---|---|---|---|-----|----|
| A | OFFICE BUILDING 2 COLORADO, PASADENA, CA 91101 | | | A | X |
| B | | | | B | X |
| C | | | | C | X |

| Income: | | Properties | | | Totals (Add columns A, B, and C.) | |
|------------------|---|------------|-------------|---|--------------------------------------|--------|
| | | A | B | C | | |
| 3 | Rents received | 3 | 70,000 | | 3 | 70,000 |
| 4 | Royalties received | 4 | | | 4 | |
| Expenses: | | | | | | |
| 5 | Advertising | 5 | | | | |
| 6 | Auto and travel (see page E-4). | 6 | | | | |
| 7 | Cleaning and maintenance | 7 | | | | |
| 8 | Commissions | 8 | | | | |
| 9 | Insurance | 9 | | | | |
| 10 | Legal and other professional fees | 10 | | | | |
| 11 | Management fees | 11 | | | | |
| 12 | Mortgage interest paid to banks, etc. (see page E-4) | 12 | | | 12 | |
| 13 | Other interest | 13 | | | | |
| 14 | Repairs | 14 | | | | |
| 15 | Supplies | 15 | | | | |
| 16 | Taxes | 16 | 10,000 | | | |
| 17 | Utilities | 17 | | | | |
| 18 | Other (list) ▶ | 18 | | | | |
| 19 | Add lines 5 through 18 | 19 | 10,000 | | 19 | 10,000 |
| 20 | Depreciation expense or depletion (see page E-4) | 20 | 15,000 | | 20 | 15,000 |
| 21 | Total expenses. Add lines 19 and 20 | 21 | 25,000 | | | |
| 22 | Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-4 to find out if you must file Form 6198 | 22 | 45,000 | | | |
| 23 | Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-4 to find out if you must file Form 8582 . Real estate professionals must complete line 43 on page 2 | 23 | () () () | | | |
| 24 | Income. Add positive amounts shown on line 22. Do not include any losses | 24 | | | 24 | 45,000 |
| 25 | Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here | 25 | | | 25 | () |
| 26 | Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17. Otherwise, include this amount in the total on line 41 on page 2 | 26 | | | 26 | 45,000 |

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2005Attachment
Sequence No. **27**

Name(s) shown on return

JOHN JACOBS CHARITABLE REMAINDER UNITRUST

Identifying number

95-9999999

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2005 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions).

1

1,200,000

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

| (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|-----------------------------|-----------------------------------|-------------------------------|-----------------------|---|--|---|
| 2 | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

- 3 Gain, if any, from Form 4684, line 39
- 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37
- 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824
- 6 Gain, if any, from line 32, from other than casualty or theft
- 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:

3

4

5

6

715,000

7

715,000

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

- 8 Nonrecaptured net section 1231 losses from prior years (see instructions)
- 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions).

8

9

715,000

Part II Ordinary Gains and Losses (see instructions)

- 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

| | | | | | | |
|--|--|--|--|--|--|--|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

- 11 Loss, if any, from line 7.
- 12 Gain, if any, from line 7 or amount from line 8, if applicable.
- 13 Gain, if any, from line 31
- 14 Net gain or (loss) from Form 4684, lines 31 and 38a
- 15 Ordinary gain from installment sales from Form 6252, line 25 or 36
- 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824
- 17 Combine lines 10 through 16
- 18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:
- a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18a." See instructions.
- b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14.

11

12

13

14

15

16

17

18a

18b

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2005)

KZA

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

| 19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property: | | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) |
|---|--|--------------------------------------|----------------------------------|
| A OFFICE BUILDING | | 07-01-1990 | 12-20-2005 |
| B | | | |
| C | | | |
| D | | | |

| These columns relate to the properties on lines 19A through 19D. ► | | Property A | Property B | Property C | Property D |
|--|--|--------------|------------|------------|------------|
| 20 | Gross sales price (Note: See line 1 before completing.) | 20 1,200,000 | | | |
| 21 | Cost or other basis plus expense of sale | 21 700,000 | | | |
| 22 | Depreciation (or depletion) allowed or allowable | 22 215,000 | | | |
| 23 | Adjusted basis. Subtract line 22 from line 21 | 23 485,000 | | | |
| 24 | Total gain. Subtract line 23 from line 20 | 24 715,000 | | | |
| 25 If section 1245 property: | | | | | |
| a | Depreciation allowed or allowable from line 22 | 25a | | | |
| b | Enter the smaller of line 24 or 25a | 25b | | | |
| 26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291. | | | | | |
| a | Additional depreciation after 1975 (see instructions) | 26a | | | |
| b | Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) | 26b | | | |
| c | Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e | 26c | | | |
| d | Additional depreciation after 1969 and before 1976 | 26d | | | |
| e | Enter the smaller of line 26c or 26d | 26e | | | |
| f | Section 291 amount (corporations only) | 26f | | | |
| g | Add lines 26b, 26e, and 26f | 26g 0 | | | |
| 27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership). | | | | | |
| a | Soil, water, and land clearing expenses | 27a | | | |
| b | Line 27a multiplied by applicable percentage (see instructions) | 27b | | | |
| c | Enter the smaller of line 24 or 27b | 27c | | | |
| 28 If section 1254 property: | | | | | |
| a | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | 28a | | | |
| b | Enter the smaller of line 24 or 28a | 28b | | | |
| 29 If section 1255 property: | | | | | |
| a | Applicable percentage of payments excluded from income under section 126 (see instructions) | 29a | | | |
| b | Enter the smaller of line 24 or 29a (see instructions) | 29b | | | |

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

| | | | |
|----|---|----|---------|
| 30 | Total gains for all properties. Add property columns A through D, line 24 | 30 | 715,000 |
| 31 | Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 | 31 | 0 |
| 32 | Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 32 | 715,000 |

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

| | (a) Section 179 | (b) Section 280F(b)(2) |
|----|---|------------------------|
| 33 | Section 179 expense deduction or depreciation allowable in prior years | 33 |
| 34 | Recomputed depreciation (see instructions) | 34 |
| 35 | Recapture amount. Subtract line 34 from line 33. See the instructions for where to report | 35 |

☐ Final K-1☐ Amended K-1

OMB No. 1545-0092

**Schedule K-1
(Form 1041)****2005**Department of the Treasury
Internal Revenue ServiceFor calendar year 2005,
or tax year beginning _____, 2005
and ending _____, 20____**Beneficiary's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and instructions.

Part I Information About the Estate or Trust**A** Estate's or trust's employer identification number
95-9999999**B** Estate's or trust's name
JOHN JACOBS CHARITABLE REMAINDER UNITRUST**C** Fiduciary's name, address, city, state, and ZIP code
JOHN JACOBS
1 COLORADO STREET
PASADENA, CALIFORNIA 91101**D** ☐ Check if Form 1041-T was filed and enter the date it was filed
____/____/____**E** ☐ Check if this is the final Form 1041 for the estate or trust**F** ☐ Tax shelter registration number, if any _____**G** ☐ Check if Form 8271 is attached**Part II Information About the Beneficiary****H** Beneficiary's identifying number
123-45-6789**I** Beneficiary's name, address, city, state, and ZIP codeJOHN JACOBS
1 COLORADO STREET

PASADENA CA 91101

J ☒ Domestic beneficiary ☐ Foreign beneficiary**Part III Beneficiary's Share of Current Year Income,
Deductions, Credits, and Other Items**

| | | | | | |
|-----------|--|--------|-----------|------------------------------------|---|
| 1 | Interest income | 1,300 | 11 | Final year deductions | |
| 2a | Ordinary dividends | 0 | | | |
| 2b | Qualified dividends | 0 | | | |
| 3 | Net short-term capital gain | 0 | | | |
| 4a | Net long-term capital gain | 33,700 | | | |
| 4b | 28% rate gain | 0 | 12 | Alternative minimum tax adjustment | |
| 4c | Unrecaptured section 1250 gain | 33,700 | | | |
| 5 | Other portfolio and nonbusiness income | 0 | | | |
| 6 | Ordinary business income | | | | |
| 7 | Net rental real estate income | 45,000 | 13 | Credits and credit recapture | |
| 8 | Other rental income | | | | |
| 9 | Directly apportioned deductions | | | | |
| | | | 14 | Other information | 0 |
| 10 | Estate tax deduction | | | | |
| | | | | | 0 |

*See attached statement for additional information.

Note: A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

2005

JOHN JACOBS CHARITABLE REMAINDER UNITRUST

| | Dividend | Passive | Non-Passive |
|--|----------|---------|-------------|
|--|----------|---------|-------------|

[illegible]

2005

JOHN JACOBS CHARITABLE REMAINDER UNITRUST

95-9999999

Page-> 1

2005

JOHN JACOBS CHARITABLE REMAINDER UNITRUST

| | Nontaxable Income | Corpus |
|---------------------------------|----------------------|---------|
| At Beginning of the Year | | |
| Current Year | 0 | 400,000 |
| Total | 0 | 400,000 |
| Distribution | 0 | 0 |
| At Year-End | 0 | 400,000 |

Distributions Among Beneficiaries:

[illegible]

Support Schedule - Initial Proration Worksheet**2005**

| | |
|---|--|
| Full Name of Trust JOHN JACOBS CHARITABLE REMAINDER UNITRUST | Employer identification number 95-9999999 |
|---|--|

This is the first year of the trust. Accordingly, the unitrust distribution has to be prorated.

The proration is as follows:

| | |
|--|--------------|
| Fair Market Value | \$ 1,000,000 |
| Unitrust Fixed Percentage | 8 |
| Amount Before Proration | \$ 80,000 |
| 01-01-2005 to 12-31-2005 | \$ 80,000 |
| Additional contributions prorated (if any) | \$ |
| Total | \$ 80,000 |

Support Schedule - Declaration

2005

Full Name of Trust

JOHN JACOBS CHARITABLE REMAINDER UNITRUST

Employer identification number

95-9999999

Under penalty of perjury, I declare that the attached copy of the trust instrument for the above named trust is to the best of my knowledge and belief, a true and complete copy.

Trustee