

CHARITABLE REMAINDER UNITRUST  
(One Life)

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
\_\_\_\_\_ (hereinafter referred to as the  
“Donor”), desiring to establish a charitable remainder unitrust within the meaning of Section  
664(d)(2) and (3) of the Internal Revenue Code (the “Code”) hereby creates the  
\_\_\_\_\_ Charitable Remainder Unitrust and designates The Oklahoma  
City Community Foundation as the Trustee (the “Trustee”).

I.  
AGREEMENT OF TRUST

1.01 The Donor transfers to the Trustee, without consideration, the property  
describe in the attached Exhibit A. Such property hereinafter shall be referred to as the  
“Trust Estate.” The Trustee accepts such property and agrees to hold, manage and distribute  
the Trust Estate in accordance with the provisions of this Trust Agreement. This Trust shall  
be known as the “\_\_\_\_\_ Charitable Remainder Unitrust.”

II.  
DISTRIBUTIONS

2.01 Income and Principal. Commencing on the date hereof and ending on the  
expiration of the Trust Term (as defined in this Section 2.01), the Trustee shall hold, manage  
and distribute the Trust Estate as follows:

(a) The Trustee, during each taxable year (including and short taxable year)  
of the Trust Term, shall pay to the following person:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Date of Birth)

(hereinafter referred to as the “Recipient”), wholly for the lifetime of the Recipient (“Trust  
Term”), in quarterly installments on the last day of each March, June, September and  
December of each such taxable year of the Trust Term, the unitrust amount (“Unitrust  
Amount”) equal to \_\_\_\_\_ Percent ( \_\_\_\_\_%) of the net fair market value of  
the Trust Estate (the “Fixed Percentage”), subject, however, to the provisions of Paragraphs  
2.02, 2.03, 2.04, 2.05 and 10.01 hereof. The Unitrust Amount shall be paid from income, or  
to the extent that income is not sufficient, then from principal. Any income of the Trust in  
excess of such payments shall be added to and shall augment the principal of the Trust. In

the event that the net fair market value of the Trust Estate is determined incorrectly for any taxable year, the Trustee shall pay to the Recipient, or his or her estate (in the case of an undervaluation), or be repaid by the Recipient, or his or her estate (in the case of an overvaluation), an amount equal to the difference between the amount which the Trustee should have paid to the Recipient if the correct value were used and the amount which the Trustee actually paid to the Recipient. Such payments or repayments shall be made within a reasonable period after the final determination for federal tax purposes of the correct value.

Based on the age and life expectancy of the individuals named as Recipient and based on the applicable Section 7520 rate, as of the date of contribution, the present value of the interest of the Recipient is less than 90% and the present value of the charitable remainder interest is more than 10% of the aggregate value of the contributed property.

(b) If Recipient should at any time be incompetent, the Trustee may pay the amount required in Paragraph 2.01 to the trustee of any trust established exclusively for such Recipient, if such trust has been established, and if not, then to the duly-qualified legal representative of the person or estate of the Recipient. Any such payment shall release the Trustee from its obligation to make such payment.

2.02 Valuation Date. The net fair market value of the Trust Estate shall be determined annually on the first day of each taxable year (including an short taxable year) of this Trust in accordance with the provisions of Paragraph 2.05.

2.03 Short Years. The first taxable year of this Trust shall commence on the date hereof and shall end on December 31, \_\_\_\_\_. The taxable year of the Trust shall be the calendar year. In the case of a taxable year which is for a period of less than twelve (12) months (other than the last taxable year of the Trust Term), the Unitrust Amount which must be paid pursuant to Paragraph 2.01 shall equal the product of (i) the Unitrust Amount, and (ii) a fraction, the numerator of which is the number of days in the taxable year of this Trust and the denominator of which is 365 (366 if February 29 is a day included in the numerator). If no valuation date occurs before the end of the taxable year of the Trust, the Trust Estate shall be valued as of the last day of the taxable year of the Trust. In the case of the last taxable year of the Trust Term, the Unitrust Amount which must be paid pursuant to such Paragraph 2.01 shall equal the product of (i) the Unitrust Amount and (ii) a fraction, the numerator of which is the number of days between the beginning of such taxable year and the last day of the Trust Term, and the denominator of which is 365 (366 if February 29 is a day included in the numerator). If no valuation date occurs before the end of such period, the Trust Estate shall be valued as of the last day of the Trust Term.

2.04 Additional Contributions. Any person, with the consent of the Trustee, may

contribute property acceptable to the Trustee to this Trust either during lifetime or upon death. In case of additional contributions, for purposes of the taxable year of this Trust in which any such contribution is made, the additional property shall be valued at the time of contribution, and the Unitrust Amount shall be equal to the Fixed Percentage multiplied by the sum of the following components:

(a) The net fair market value of the Trust Estate determined on the first day of the taxable year (and thus excluding the value of the additional property, and earned income from, and any appreciation on, such property after its contribution); and

(b) That proportion of the net fair market value of the additional property (that was excluded under subparagraph (a) immediately above) which the number of days in the period that begins with the date of contribution (including the date of contribution) and ends with the earlier of (i) the last day of the taxable year; or (ii) the day of the expiration of the Trust Term, bears to the number of days in the period that begins on the first day of such taxable year and ends with the earlier of (i) the last day in such taxable year; or (ii) the day of the expiration of the Trust Term.

In the case where there is no valuation date after the time of the contribution, the assets so added shall be valued as of the time of contribution. Any additional contributions to this Trust shall be absolute and irrevocable and shall be subject to all of the terms and conditions set forth in this Trust Agreement.

If an additional contribution is made upon the death of the transferor, or obligation to pay the portion of the Unitrust Amount payable with respect to the additional contribution shall commence with the date of the transferor's death. Payment of that portion of the Unitrust Amount may be deferred, however, from the date of the transferor's death to the end of the taxable year in which the additional contribution of this Trust occurs. Within a reasonable time following such additional contribution, the Trustee shall pay to the Recipient or his or her estate (in the case of an underpayment), or received from the Recipient, or his or her estate (in case of an overpayment), the difference between: (a) any Unitrust Amounts actually paid, plus interest on such amounts computed at the rates provided in the applicable Federal Income Tax regulations (the "Regulations"), compounded annually; and (b) the Unitrust Amounts payable, determined under the method described in Section 1.664-1(a)(5)(ii) of the Regulations, plus interest on such amounts computed at the rate provided in such Regulations, compounded annually.

**2.05 Fair Market Value.** The Trustee shall compute the net fair market value of the Trust Estate considering all assets and liabilities of the Trust Estate. The Trustee may use the net fair market value of the Trust Estate on the first business day of the year to determine the net fair market value of the Trust Estate on the first day of the year.

III.  
TERMINATION

3.01 Termination. This Trust shall terminate within a reasonable time after the end of the Trust Term; provided, however, that such reasonable time shall not extend beyond the last day of the month in which occurs the ninetieth (90<sup>th</sup>) day following the end of the Trust Term. The Trustee shall distribute the Trust Estate then remaining to the Oklahoma City Community Foundation (the "Charitable Remainderman") to be held for the benefit of the following endowed funds in the percentages indicated: (i) the \_\_\_\_\_, \_\_\_\_\_ Percent (\_\_\_\_\_%), and (ii) the \_\_\_\_\_, \_\_\_\_\_ Percent (\_\_\_\_\_%), subject to the variance power retained by the governing board of the Oklahoma City Community Foundation to modify the distribution of any contribution if a restriction becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of Oklahoma City. If the Charitable Remainderman is not an organization described in Sections 170(b)(1)(A), 170(c), 2055(a) and 2522(a) of the Code at the time when any principal or income of the Trust is to be distributed to it, then such amount shall be transferred to an organization (or organizations) which is (or are) so described. Such organization (or organizations) shall be selected by the Trustee in its sole discretion.

IV.  
THE TRUSTEE

4.01 Appointment. Oklahoma City Community Foundation shall serve as initial Trustee of this Trust. The term "Trustee" as used herein shall refer to any Trustee who may be serving as such from time to time. No bond or other security shall be required of any entity or person acting as Trustee.

4.02 Resignation. Any Trustee may resign at any time by giving written notice to the Donor and to all beneficiaries of this Trust, individual and charitable, by certified mail to the last known address of such persons and entities at least thirty (30) days before such resignation shall become effective. Upon such resignation, if a successor Trustee has not been specified in this Trust Agreement, then the resigning Trustee shall have the power and authority to appoint a bank, a trust company or an entity described in Sections 170(b)(1)(A), 170(c), 2055(a) and 2522(a) of the Code to serve as the successor Trustee.

4.03 Liability of Successor. A successor Trustee shall not be responsible to any beneficiary or to this Trust for any act or omission of a former trustee, and shall not be required to audit or investigate the acts or administration of any former trustee. In addition, unless requested in writing by a beneficiary and indemnified adequately (in such Trustee's

discretion) therefor, no successor Trustee shall have any duty to take action to seek redress for breach of trust by a former Trustee.

4.04 Agents. The Trustee may retain accountants, attorneys, brokers, investment advisers, investment counselors, independent appraisers and such other agents as the Trustee may from time to time deem advisable, and may pay reasonable compensation for their services out of the principal or income as the Trustee in its discretion shall determine. Notwithstanding the foregoing, such reasonable compensation shall not be payable from the Unitrust Amount.

4.05 Compensation. Any Trustee under this Trust shall be entitled to reasonable compensation for any and all services rendered by it as Trustee. Any Trustee shall be reimbursed for Trust expenses. Notwithstanding the foregoing, such reasonable compensation shall not be payable from the Unitrust Amount.

4.06 Obtain Deduction. A material purpose of the Donor in establishing this Trust is to obtain all charitable contribution deductions allowable under the Code. The Trustee is therefore expressly authorized to enter into any and all agreements with the Internal Revenue Service or any other governmental body and to execute, from time to time, any declarations of policy or disclaimers the discretion restricting provided to the Trustee, if any such action is necessary to preserve any of the Donor's charitable contribution deduction. Moreover, the Trustee shall exercise all powers and discretions granted hereunder only in a manner consistent with the allowance of all charitable contribution deductions to which the Donor may be entitled under the Code.

4.07 Liability for Retaining Property. With reference to violation of any environmental law or regulation on property currently or previously owned by the Trust, the Trustee shall not be liable for any loss or depreciation in value of the Trust Estate sustained by the Trust resulting from the discovery of an improper release of hazardous substances, unless the Trustee contributed to the loss or depreciation in value through its intentional or negligent act or omission.

## V. POWERS OF THE TRUSTEE

Neither the Trustee nor any successor Trustee shall have any power which would prevent this Trust from qualifying as a charitable remainder unitrust trust under

Section 664(d)(2) and (3) of the Code. Subject to that restriction, the Trustee or any successor trustee shall have the following powers, all of which shall be exercised in a fiduciary capacity:

5.01 Distributions. To make distributions, when distributions are authorized, under the provisions hereof, either wholly or partly in kind, at market value, in the Trustee's discretion.

5.02 Unproductive Assets. To retain or to sell, in the Trustee's discretion, unproductive assets (but not wasting assets). The Trustee shall have no duty to apportion any principal to income, but may make an equitable apportionment to income if, in the Trustee's discretion, such is necessary to prevent injustice.

5.03 Investments. To invest and to reinvest the Trust Estate in every kind of property, real, personal or mixed, and every kind of investment, specifically including, but not limited to, corporate obligations of every kind, stocks (preferred or common), shares of investments trusts, investments pools, common trust funds, investment companies, mutual funds and mortgage participation; provided, however, that the Trustee shall not conduct any activity and shall neither receive nor invest in any property which shall cause the Trust to have unrelated business taxable income within the meaning of Section 512 of the Code. The Trustee shall have no duty to diversify Trust investments. Nothing in this Trust Agreement shall be construed to restrict the Trustee from investing the Trust Estate in a manner which could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of Trust property.

5.04 Borrowing. To borrow money from others and to mortgage or pledge any of the trust assets for that purpose even though the term of the loan may extend beyond the duration of the trust. To renew existing loans or to refinance debts.

5.05 Selling. To sell and convey any of the trust assets or any interest therein, or to exchange the same for other property, for such price or prices and upon such terms as the Trustee, in the Trustee's discretion, may deem advisable for the best interest of the trust and the beneficiaries hereunder, and to execute and deliver any deeds, receipts, releases, contracts or other instruments necessary in connection therewith.

5.06 Allocation of Income and Principal. To apportion and allocate Trust receipts and expenses between income and principal accounts in accordance with this Section 5.06. Except as otherwise specifically provided in this Agreement, apportionment and allocation of receipts and expenses between principal and income accounts shall be governed

by the Oklahoma law. The Trustee shall allocate post-contribution gains or losses arising from the sale of capital assets to income. Apportionment and allocation of any receipts and expenses for which no provision is made herein or pursuant to Oklahoma law shall be made by the Trustee in the Trustee's discretion. In determining the trust income, the Trustee shall establish reasonable reserves in accordance with generally accepted accounting principles (or any other accounting standards or principles required from time to time by the Code, Regulations or any rulings promulgated thereunder) for any assets subject to depreciation or depletion; and amortize any and all premiums paid on the purchase of bonds or other obligations so as to restore the amount of such premiums to principal. Trust income shall arise from trust investments in investment trusts, investment pools, common trust funds, investment companies, mutual funds and similar investments, if at all, when the trust receives a distribution with respect to such investment. Accrued bond discount shall constitute trust income in the year the bond is redeemed by the issuer or sold by the Trust, as the case may be.

5.07 Registration of Property. To register any trust assets in the name of the Trustee or the Trustee's nominee, or to hold it unregistered or in such other form that the title shall pass by delivery, but without thereby increasing or decreasing the Trustee's liability as Trustee.

5.08 Purchase of Investments at Premium or Discount. In purchasing investments, to charge the premium to or credit the discount against principal, or to amortize such premium or such discount.

5.09 Investment Counsel. To retain investment counsel and to accept and act upon the recommendations of such investment counsel and, at any time, to delegate to any investment counsel such ministerial or discretionary powers and authority with respect to the investment and reinvestment of the trust assets as the Trustee, in the Trustee's discretion, shall deem appropriate.

5.10 Independent Appraiser. To retain the services of an independent appraiser to assist the Trustee in valuing assets of the Trust Estate and to compensate such appraiser for his, her or its services out of the principal or income as the Trustee in its discretion shall determine.

5.11 Option. To purchase and sell option contracts which give the Trustee or another the option to buy or sell, at a future time, any stock or security of any company.

5.12 Brokerage Accounts. To open and establish brokerage accounts with any securities dealer to hold, trade and otherwise deal with assets of the trust by using any and all of the rights granted to the owner of such an account, including but not limited to the power to borrow against the security of the account by using the applicable margin

privileges.

5.13 Additional Statutory Powers. To enjoy all of the powers provided by and to administer the trusts herein created in accordance with all provisions of the Oklahoma Statutes, including but not limited to Sections 161 (Property in which Trustee may invest - Judgement and care required), and 163 (Retention of property originally received) of Title 60, Oklahoma Statutes, as amended the Oklahoma Trust Act, as amended, presently codified as Sections 175.1-175.55 of Title 60, Oklahoma Statutes, the Oklahoma Uniform Prudent Investor Act, as amended, presently codified as Sections 175.61-175.72 of Title 60, Oklahoma Statutes, and the Oklahoma Uniform Principal and Income Act, presently codified as Sections 175.101-175.602 of Title 60, Oklahoma Statutes, all subject to specific provisions contained herein.

5.14 Implied Powers. The enumeration of certain powers of the Trustee shall not limit the Trustee's general or implied powers.

## VI. APPLICABLE LAW

6.01 Applicable Law. This Agreement is made pursuant to and shall be interpreted and operated in accordance with the laws of the State of Oklahoma. The Trustee, however, is prohibited from exercising any power or discretion granted under said laws that would be inconsistent with the qualification of the Trust under Section 664(d)(2) and (3) of the Code and the corresponding Regulations.

## VII. TRUST IRREVOCABLE

7.01 Irrevocable. This Trust shall be irrevocable. This Trust shall not be subject to amendment except the Trustee shall have the power and duty, in its sole and absolute discretion, to amend or reform the Trust Agreement solely to conform to the requirements of the Code relating to charitable remainder unitrusts. The Donor retains no power to control and direct payments, to remove Trust property, or to alter, revoke or terminate the Trust, either in whole or in part.

## VIII. PROHIBITED ACTS

8.01 Prohibited Acts. The Trustee shall make distributions at such time and in such manner as not to subject the Trust to tax under Section 4942 of the Code. Except for the payment of the Unitrust Amount to the Recipient, the Trustee shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code, and shall not make any taxable

expenditures, as defined in Section 4945(d) of the Code. The Trustee shall not make any investments that jeopardize the charitable purpose of the Trust, within the meaning of Section 4944 and regulations thereunder, or retain any excess business holdings, within the meaning of Section 4943(c). The Trustee shall not pay any amount, other than the amount described in Article II, for less than full and adequate consideration to or for the use of any person other than an organization described in Sections 170(b)(1)(A), 170(c), 2055(a) and 2522(a) of the Code.

IX.  
INTENTION TO CREATE UNITRUST

9.01 Intention. It is the Donor's intention that this Trust shall qualify as a charitable remainder unitrust within the meaning of Section 664(d)(2) of the Code. This Agreement shall be construed and the Trust Estate shall be valued, managed and invested in a manner consistent with the Donor's intent and the provisions of such Section, the Regulations and rulings promulgated by the Internal Revenue Service with respect thereto.

X.  
TAXES

10.01 Taxes. No gift legacy, succession, inheritance, estate taxes or generation skipping transfer taxes ("Transfer Taxes") which may be assessed against the Trust Estate by reason of the Donor's transfer to the Trust, by reason of the Donor's death or any other reason shall be paid out of the Trust Estate. The Donor agrees on behalf of himself, his heirs, legal representatives, successors and assigns, to provide for payments of any such taxes from sources other than the Trust Estate and to indemnify and hold harmless the Trustee from any and all liability for such taxes. This obligation may be enforced by the Trustee or, alternatively, the Charitable Remainderman named pursuant to Article III of this Trust.

If, notwithstanding the provisions of the above paragraph, Transfer Taxes may for any reason be assessed against the Trust Estate, the interest of the Recipient hereunder shall take effect only if the Recipient (or his or her estate) furnishes the funds for payment of any such taxes for which the Trust may be liable upon the Donor's death. If the Recipient fails to furnish those funds, for purposes of the part of this Trust attributable to the deceased Donor's contribution, the Recipient shall be deemed to have predeceased the Donor.

XI.  
MISCELLANEOUS

11.01 Spendthrift. The Recipient of this Trust shall not have any power to sell, transfer, assign, pledge, mortgage, or alienate all or any part of the Recipient's beneficial



The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day  
of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_  
[SEAL]

**ACCEPTANCE OF TRUSTEE**

The undersigned hereby accepts the terms and conditions expressed in the  
foregoing Trust Agreement.

**OKLAHOMA CITY COMMUNITY  
FOUNDATION**

By: \_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT A**

\_\_\_\_\_  
**CHARITABLE REMAINDER UNITRUST**

Schedule of Assets  
(to be completed by Donor)

1. \$ \_\_\_\_\_ cash.
2. \_\_\_\_\_ shares of \_\_\_\_\_.

3. \_\_\_\_\_.

4. \_\_\_\_\_.

**DONOR:**

Date: \_\_\_\_\_

Receipt of the above described assets is hereby acknowledged this \_\_\_\_ day  
of \_\_\_\_\_, \_\_\_\_\_.

**TRUSTEE:**

**OKLAHOMA CITY COMMUNITY  
FOUNDATION**

By: \_\_\_\_\_  
\_\_\_\_\_

ATTORNEY'S ACKNOWLEDGMENT

I, \_\_\_\_\_, hereby state as follows:

1. That I currently am a practicing attorney and am a member in good standing of the State Bar Association of \_\_\_\_\_.

2. That I was retained by \_\_\_\_\_, Donor, for the purpose of counseling and advising the Donor relative to the foregoing Charitable Remainder Unitrust.

3. That I have advised the Donor that \_\_\_\_\_ is/are designated as the Recipient in the foregoing Charitable Remainder Unitrust and will receive the Unitrust Amount

which will be equal to \_\_\_\_\_ Percent ( \_\_\_\_\_ %) of the net fair market value of the trust assets for the lifetime of the Recipient (the "Trust Term") and further that upon the death of the Recipient the remainder interest is vested in the Oklahoma City Community Foundation.

4. That I have explained to the Donor that following the end of the Trust Term the Oklahoma City Community Foundation will use the trust funds for the purposes stated in the forgoing Charitable Remainder Unitrust subject to the variance power which must be retained by the Oklahoma City Community Foundation to modify the distribution if a restriction becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of Oklahoma City.

5. That I understand the Oklahoma City Community Foundation is represented by separate counsel in connection with this matter and that I am authorized to contact \_\_\_\_\_ as counsel for the Oklahoma City Community Foundation concerning this transaction.

6. That I fully and completely explained the legal effect of the foregoing Charitable Remainder Unitrust to the Donor who has expressed to me the intention to enter into this Charitable Remainder Unitrust of the Donor's own free will and accord.

Name: \_\_\_\_\_, State Bar # \_\_\_\_\_

Address: \_\_\_\_\_

City/State: \_\_\_\_\_

Attorney for Donor