

**THE \_\_\_\_\_ CHARITABLE REMAINDER ANNUITY TRUST #1**

On this \_\_\_th day of \_\_\_\_\_, 200\_, I, \_\_\_\_\_ (hereinafter referred to as “the Donor”) desiring to establish a charitable remainder annuity trust, within the meaning of section 4 of Rev. Proc. 90-32 and section 664(d)(1) of the Internal Revenue Code (hereinafter referred to as “the Code”) hereby create THE \_\_\_\_\_ CHARITABLE REMAINDER ANNUITY TRUST #1 and designate Central New York Community Foundation, Inc. as the initial Trustee.

1. *Funding the Trust.* The donor transfers to the Trustee the property described in Schedule A, and the Trustee accepts such property and agrees to hold, manage, and distribute such property of the Trust under the terms set forth in this Trust instrument.
2. *Payment of Annuity Amount.* In each taxable year of the Trust, the Trustee shall pay to \_\_\_\_\_ during his/her lifetime and, after his/her lifetime to \_\_\_\_\_ (hereinafter referred to as “the Recipients”), for such time as he or she survives, an annuity amount equal to \_ (\_\_\_\_) percent of the fair market value of the assets of the Trust as of the date of this Trust. The annuity amount shall be paid in equal quarterly amounts from income at the end of each calendar quarter of each taxable year, and to the extent that income is not sufficient, from principal. Any income of the Trust for a taxable year in excess of the annuity amount shall be added to principal. If the net fair market value of the Trust assets is incorrectly determined, then within a reasonable period after the value is finally determined for federal tax purposes, the Trustee shall pay to the Recipients (in the case of undervaluation) or receive from the Recipients (in the case of overvaluation) an amount equal to the difference between the annuity amount(s) properly payable and the annuity amount(s) actually paid.
3. *Payment of Federal Estate Taxes and State Death Taxes.* The lifetime annuity interest of the second Recipient will take effect upon the death of the first Recipient only if the second Recipient furnishes the funds for payment of any federal estate taxes or state death taxes for which the Trustee may be liable upon the death of the first Recipient. [*This provision is mandatory only if all or a portion of the trust may be subject to such taxes on the death of the first recipient.*]

4. *Proration of the Annuity Amount.* In determining the annuity amount, the Trustee shall prorate the same on a daily basis for a short taxable year and for the taxable year ending with the survivor Recipient's death.
5. *Distribution to Charity.* Upon the death of the survivor Recipient, the Trustee shall distribute all of the then principal and income in the Trust (other than any amount due either of the Recipients or their estates under the provision above) to the \_\_\_\_\_ Fund of the Central New York Community Foundation, Inc. (hereinafter referred to as "the Charitable Organization"). If the Charitable Organization is not an organization described in sections 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 the Trustee shall distribute such principal or income to such one or more organizations described in sections 170(c), 2055(a), and 2522 (a) as the Trustee shall select in its sole discretion.
6. *Additional Contributions.* No additional contributions shall be made to the Trust after the initial contribution.
7. *Prohibited Transactions.* 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 payment of the annuity amount to the Recipients, the Trustee shall not engage in any act of self-dealing, as defined in section 4941(d) and shall not make any taxable expenditures, as defined in section 4945(d). The Trustee shall not make any investment that jeopardizes the charitable purpose of the Trust, within the meaning of section 4944 and the regulations thereunder, or retain any excess business holdings, within the meaning of section 4943(c).
8. *Taxable year.* The taxable year of the Trust shall be the calendar year.
9. *Governing Law.* The operation of the Trust shall be governed by the laws of the State of New York. The Trustee, however, is prohibited from exercising any power of discretion granted under said laws that would be inconsistent with the qualification of the Trust under section 664(d)(1) of the Code and the corresponding regulations.
10. *Limited Power of Amendment.* The Trust is irrevocable. The trustee, however, shall have the power, acting alone, to amend the Trust in any manner required for the sole purpose of ensuring that the Trust qualifies and continues to qualify as a charitable remainder annuity trust within the meaning of section 664(d)(1) of the Code.
11. *Investment of Trust Assets.* Nothing in the Trust instrument shall be construed to restrict the Trustee from investing the Trust assets in a

manner that could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of trust assets.

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement on the date first written above.

DONOR:

\_\_\_\_\_  
*Name*  
*Address*

TRUSTEE:

Central New York Community  
Foundation, Inc.  
500 South Salina Street, Ste. 428  
Syracuse, NY 13202

By: \_\_\_\_\_  
Peter A. Dunn, President

THE \_\_\_\_\_ CHARITABLE REMAINDER ANNUITY TRUST #1

SCHEDULE A