

# Charitable Lead Trust Administration Service Agreement

**THIS AGREEMENT** is entered into between \_\_\_\_\_

\_\_\_\_\_ (“Trustee”) and Renaissance Administration LLC (“Administrator”).

The Trustee of the \_\_\_\_\_ (“Trust”), dated the

\_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, retains the Administrator as its agent to

provide the following administrative services as described herein.

## **I. Rights and Duties of the Administrator.**

1. The Administrator shall account for the receipt of Trust income (including additional contributions) and payment of Trust expenses by the Trustee and shall maintain Trust accounting records.
2. The Administrator shall account for the allocation of Trust earnings and expenses to principal and income in accordance with instructions from the Trustee, the Trust terms, and the applicable governing law.
3. The Administrator shall assist the Trustee in computing the amount of distributions, including Fees (as defined in Paragraph III below), to each beneficiary and/or party of the Trust so entitled, and, in accordance with the Trust, shall coordinate all necessary steps regarding such distributions, including sending notification letters to each beneficiary so entitled, with the Investment Advisor(s) (as defined below in Paragraph V.6(a)) including the liquidation of trust assets as necessary, the preparation of checks, and the transmittal of such checks or funds to those entitled to receive them.
4. In accordance with the Trust and applicable laws, except as otherwise provided herein, the Administrator shall prepare and provide to the Trustee annual accountings, *federal* trust tax returns and forms and, as applicable, *state* trust income tax returns and forms as required by Indiana and California (see Paragraph II.7).
5. At the request of a Trustee, the Administrator shall provide remedial tax return and/or fiduciary accounting work (“Remedial Services”) as required to bring the Trust into compliance with the applicable tax and/or fiduciary accounting laws, including preparing federal trust information returns and performing remedial accounting to properly reflect Trust activity. Remedial Services are deemed to be outside the scope of the general administration services discussed herein and the Administration Fee associated therewith, and shall be subject to a separate Remedial Fee as provided in Paragraph

III. The Trustee shall provide Administrator with all of the Trust information necessary to provide Remedial Services.

6. The Administrator shall retain and be responsible for the safekeeping of all trust accounting records entrusted to it by the Trustee and shall provide such records to the Trustee upon request, subject to Paragraph I.10 below.
7. The Administrator is hereby authorized to release information in its custody as required by law and may also, within its sole discretion, forward copies of documents and records to the person(s) authorized by the Trustee in Appendix A of this Agreement.
8. The Administrator, in its sole discretion, shall have the power to select and retain competent agents, as it deems necessary to assist and advise it in the performance of services under this Agreement. The Administrator shall give the Trustee advance written notice of its intention to retain an agent and the estimated expense to be incurred. In the event the Trustee objects by written notice delivered to the Administrator within ten (10) days of receipt of the Administrator's notice, the Administrator shall *not* be authorized to employ the agent.
9. The Administrator shall be reimbursed by the Trust for reasonable expenses, including Fees, incurred in carrying out its duties pursuant to this Agreement. In the event a lien is imposed against the Trust property by someone other than the Administrator, the Administrator shall be entitled to receive payment for services rendered and reimbursed for Fees and expenses incurred under this Agreement as a prior lien against the Trust.
10. The Administrator shall have a lien against any Trust documents/records within its custody as an additional remedy to secure the payment of Fees and the reimbursement of expenses incurred by the Administrator on behalf of the Trust.
11. Upon termination of this Agreement, the Administrator shall submit to the Trustee a final accounting of all Trust activity of which it is aware covering the period through the last calendar quarter preceding the termination date. Said accounting shall release the Administrator of providing to the Trustee any further information with regard to the Trust.
12. The Administrator is hereby authorized and given any power necessary to perform its duties and functions for the Trust under this Agreement, including, but not limited to, the power to request funds for distributions, fees and/or other obligations for which the Administrator is responsible, to endorse and cash checks on behalf of the Trustee for the purpose of facilitating Trust distributions and contributions, to direct the Investment Advisor(s) or their custodians to provide the funds necessary to make the distributions noted above in Paragraph I.3 and to pay Fees, to correct over/under payments, and to pay any life insurance premiums on Trust-owned life insurance policies,

and to utilize passwords and identifications associated with accounts of the Trust.

13. The Administrator shall *not be responsible* for any loss(es) incurred or other adverse occurrence(s) or consequences(s) experienced as a result of *any* of the following: (a) the transfer or retention of assets by the Trust; (b) decisions, directions, recommendations or other actions or failures to act of the Trustee and/or the Trustee's Investment Advisor(s); or (c) claims arising from the investment experience realized by the Trust.
14. The Administrator shall *not be responsible* for any loss(es) incurred or other adverse occurrence(s) or consequences(s) experienced as a result of *any* of the following: (a) any act of self-dealing by any disqualified person; (b) any act of negligence, misfeasance or nonfeasance with respect to the administration of the Trust that were committed by the Trustee, any predecessor administrator or any of the Trustee's other agents; (c) any breach of the Administrator's duty under this Agreement, the proximate cause of which is either incorrect, incomplete and/or untimely information provided by the Trustee (or any Independent Special Trustee), the investment advisor or any other related party to the Administrator; or (d) the intentional or unintentional withholding of information from the Administrator needed by it to properly perform its duties hereunder.
15. The Administrator does not provide legal or tax advice and is not responsible for the accuracy of information provided as a courtesy to the Trustee (or its agent), including financial projections. Further, in the performance of its duties hereunder, the Administrator solely relies on the information provided to the Administrator by the Trustee or its agents and may presume its accuracy and validity.

## **II. Rights and Duties of the Trustee.**

1. The Trustee has the right and the authority under the Trust (as acknowledged by signing this Agreement) to enter into this or any other contract for services with the Administrator and to determine fair and adequate compensation to the Administrator for the services provided hereunder. Trustee acknowledges that, in Paragraph V herein, the Trustee provides Administrator with a *Limited Power of Attorney* that authorizes the Administrator to work directly with the Trust Investment Advisor(s) and facilitates the execution of the duties and responsibilities assigned herein to the Administrator, including without limitation, the ability to request payment of compensation directly from the Trust.
2. The Trustee has the duty to determine the investment objective(s) of the Trust and may, in its discretion, select and retain qualified Investment Advisor(s) to manage the Trust assets according to said objective(s). The Trustee further has the duty to ensure that trust investments are not prohibited by applicable trust laws.

3. The Trustee (and any Independent Special Trustee to the extent of its investment authority) shall, on a *timely basis*, provide or cause to be provided to the Administrator copies of all pertinent and relevant documents relating to the creation, funding, investment and accounting of the Trust, which are within the custody and control of the Trustee. Such documents include, but are not limited to, insurance premium notices, financial reports, cost basis information, securities transaction reports, income and expense reports, closing statements, legal opinions, tax returns/forms, and any and all other information and documentation required by the Administrator, in its sole discretion, to properly perform its duties under this Agreement. The Trustee shall retain and be responsible for safekeeping all information pertaining to the Trust.
4. The Trustee, or Independent Special Trustee as required, shall perform all necessary trust valuations required to properly administer the Trust, and shall select and retain on an “as needed” basis one or more appraisers who are qualified to provide valuation appraisals of individual trust assets.
5. The Trustee retains the power under the Trust to settle, abandon, pursue, compromise or contest any claims, demands or lawsuits brought by or against the Trust.
6. The Trustee agrees to retain and pay for legal counsel to provide legal services to the Trustee and/or the Administrator should such services be necessitated, through no fault of the administrator, during the administration of the Trust.
7. The Trustee shall select and retain qualified local counsel to prepare and provide any personal or trust tax or reporting forms or filings not prepared and provided by Administrator pursuant to Paragraph I.4.
8. The Trustee shall be responsible for *executing* and *filing timely* trust tax returns prepared by the Administrator and provided to the Trustee pursuant to this Agreement.
9. The Trustee agrees to report in writing to the Administrator each act of “self-dealing” as described in §4941 of the Code, if any, of which the Trustee is (or becomes) aware within fifteen (15) days after the Trustee becomes so aware and agrees to indicate such acts on the appropriate trust tax returns.

### **III. Administrator’s Compensation.**

Compensation of the Administrator for the general administration services specified herein shall be determined in accordance with Appendix C attached to this Agreement, as amended from time-to-time, and shall be charged to and paid by the Trust on a quarterly basis (“Administration Fee”). Further, the Trust agrees to pay Administrator \$125 per hour for each hour its employees or other agents render to the Trust any Remedial Services (“Remedial Fee”), as requested by the Trustee, and to pay for any other reasonable expense or

charge incurred by the Trust. The Administration Fee and Remedial Fee are collectively referred to herein as "Fees".

Additionally, the Trustee hereby agrees that if Administrator is terminated within two (2) years from the effective date of this Agreement and Administrator has performed Remedial Services, Administrator shall be entitled to collect an Early Termination Fee directly from the Trust in the amount of One Thousand Dollars (\$1,000.00) for each year in which Remedial Services were provided.

#### **IV. Miscellaneous.**

1. The Trustee and the Administrator may amend this Agreement by a written document signed by both parties, designating an effective date and including specific terms of the amendment.
2. The Trustee or Administrator may terminate this Agreement without cause by giving written notice to the other party, with such termination effective as of the last day of the calendar quarter next following the quarter in which the notice was received. However, if, in the sole opinion of the Administrator, the Trustee performs an act in violation of this Agreement or the Trust document, the Administrator may, in its sole discretion, immediately terminate this Agreement. Upon termination, the rights and obligations of each party shall automatically cease and terminate, provided that such action shall not relieve either party of obligations imposed upon it for services rendered or to be rendered prior to such termination.
3. This Agreement shall be binding on all trustees of the trust, including the above written Trustee as well as any and all co-trustees, independent special trustees, successor trustees, and agents holding typical trustee powers, all as appointed in accordance with the trust document, as well as on all assigns and successors of the Administrator, and shall be governed by and construed in accordance with the laws of the State of Indiana.

#### **V. Limited Power of Attorney.**

The Trustee hereby makes, constitutes and appoints the Administrator ("*Agent*") through its lawful representative(s) named in the attached Corporate Resolutions, any one or more of whom is or are the true and lawful attorney of the Trustee for and in the name, place, and stead of the Trustee, to deal with as provided herein, the United States Treasury Department; Internal Revenue Service ("*IRS*"); tax commission, tax agency, department of revenue or any other authority of any state or locality having jurisdiction over the Trust ("*State Tax Authority*") and "*Account(s)*" of the Trustee, as defined herein, with the "*Investment Advisor*", as defined herein and as specified in Appendix B, which, at any time and from time-to-time, may be appointed by the Trustee, as said Investment Advisor now is or hereafter may be constituted, and at any office of the Investment Advisor. This Section shall be referred to as the *Limited Power of Attorney* for administration purposes.

1. **Powers Granted to the Agent.** For purposes of distributions, fees and/or other obligations for which the Administrator is responsible only, the Trustee hereby grants to the Agent the power to direct the Investment Advisor to:

- (a) liquidate (excluding short sales) stocks, bonds, mutual funds, and any other securities, commodities, or contracts related to the same in Accounts which are being managed for the Trust by the Investment Advisor;
- (b) prepare and deliver to the Agent, checks written against funds or assets in the Account(s) and payable: (a) to the order of the Trustee for all distributions other than those required to pay the Agent's Fees; and (b) to the order of the Agent, for the sole purposes of payment of the Agent's Fees or to correct accounting adjustments;
- (c) deliver securities, commodities and/or other property or contracts being held for the Trustee by the Investment Advisor (or its custodian) to the Agent, the same being registered either in the name of the Trustee or one (or more) of the named recipients of the Trust, at the discretion and pursuant to the direction of the Agent;
- (d) provide a copy of all notices, confirmations, account statements, or demands with reference to the Account(s) to the Agent, such delivery to have the same force and effect as though these communications had been delivered personally to the Trustee; and
- (e) provide to the Agent copies of all pertinent and relevant documents relating to the funding, investment and accounting of the Trust, which are within the custody and control of the Investment advisor. Such documents include, but are not limited to, financial reports, cost basis information, securities, transaction reports, income and expense reports, closing statements, legal opinions, tax returns/forms, and any and all other information and documentation required by the Administrator, in its sole discretion, to properly perform its duties; and
- (f) provide to the Agent all necessary Account passwords and identifications to allow Agent to perform its duties by accessing such Accounts via the Internet or other forms of communications.

The Trustee further grants to the Agent the power to seek appropriate court orders mandating the Investment Advisor or other third party to perform in accordance with the Agent's instructions hereunder if such Investment Advisor or other third party has refused to comply with the actions taken or instructions given by the Agent.

2. **Voting Rights.** The Trustee hereby grants to the agent, until instructed otherwise, the authority to review each proxy statement received by the Agent on behalf of the Trustee and to vote on routine matters, such as elections and appointment of

auditors. All proxy statements pertaining to non-routine matters shall be forwarded to the Trustee's attention.

3. **Tax Preparation.** With respect to the United States Treasury Department, IRS or appropriate State Tax Authority, the Trustee hereby grants to the Agent the power to:

- a) obtain a Taxpayer Identification Number or other required identification for the trust;
- b) receive confidential information regarding the trust;
- c) prepare information and other tax forms and returns of the Trust; and
- d) demand that any written communications from the IRS or State Tax Authorities to the Trustee concerning the tax and information returns of the Trust be served, mailed or delivered to the Agent with the same force and effect as though they had been delivered personally to the Trustee.

4. **Limitations on Agent.** This Limited Power of Attorney shall give and grant to the Agent the full power and authority to do and perform each and every act and the thing whatsoever requisite and necessary to be done in and about these premises as fully to all intents and purposes as the Trustee could do if personally present; however, subject to the following limitations:

- (a) the powers granted in Paragraph V.1 may be exercised by the Agent for the sole purposes of paying Trust expenses, making accounting adjustments, making Trust distributions to Trust recipients, and (when directed to do so by the terms of the Trust and the Trustee) distributing Trust principal to the Trust's beneficiaries; and
- (b) checks for the payment of the Agent's Fees may be ordered by the Agent no more frequently than quarter-annually each year, throughout the term of the Trust and the Agent's tenure as the Administrator.

In any event, the Agent shall not be liable to the Trustee or any successor in interest to the Trustee for any action taken or not taken in good faith, but shall be liable for any willful misconduct or negligence.

5. **Release and Indemnification.**

- (a) The IRS and the Investment Advisor are hereby fully authorized to act and rely upon the authority and power vested pursuant hereto in the Agent. All third parties from whom the Agent may request information regarding the Trust are hereby authorized and directed to provide such information to the Agent without limitation and are hereby released from any legal liability whatsoever to the Trust for complying with the requests of the Agent. The Trustee thus agrees to indemnify and hold harmless the Investment Advisor and any third party, jointly and severally, from any and all claims, damages, causes of action, liabilities, judgements and suits, including but not limited to any costs and reasonable attorneys' fees,

resulting in any way from their reliance upon, and/or joint and/or several actions in accordance with this Limited Power of Attorney.

- (b) The Trustee acknowledges that the Agent is the agent of the Trustee, not the Investment Advisor, and that all acts and transactions of the Agent hereunder are solely pursuant to the directions of the Trustee and hereby ratifies and confirms any and all orders, instructions, and/or acts of the Agent consistent with this grant of powers heretofore or hereafter given or performed, executed or complied with, or relied upon by the Investment Advisor and/or the IRS.

## **6. Definitions.**

- (a) The term "Investment Advisor" as used herein shall include, by way of example and not limitation, professional money advisors, registered investment advisors, general partners, life insurance companies, open-end investment companies, or any other person (individual or corporate) whom the Trustee has hired to manage and invest assets of the Trust, whether held in Accounts or otherwise.
- (b) The term "Account(s)" as used herein shall include, by way of example and not limitation, brokerage accounts, Trust accounts, annuity contracts, life insurance policies, limited partnerships, mutual funds, or other types of investments, accounts, or contracts into which the Trustee has deposited property of the Trust and granted investment powers over the same to the Investment Advisor named herein.



*Appendix A*

Correspondence Specifications

**Contact Should First Be Directed To:** \_\_\_\_\_

**Primary Trustee:**

Name: \_\_\_\_\_

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

**Independent Special Trustee:**

Name: \_\_\_\_\_

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

**“Copy Only” Recipient:**

Name: \_\_\_\_\_

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

**Other Authorized Parties Who May Request/Receive Information:**

Name: \_\_\_\_\_

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

Relationship: \_\_\_\_\_

Name: \_\_\_\_\_

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

Relationship: \_\_\_\_\_

**Note:** These designations may be changed by the Trustees at any time via written notification to:  
Renaissance Administration LLC, 6100 W. 96<sup>th</sup> Street, Suite 120, Indianapolis, IN 46278

**Appendix B**

**Investment Advisor(s)**

**Initial Investment Advisor:**

Company: \_\_\_\_\_

Contact: \_\_\_\_\_

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

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

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

**Note:** These designations may be changed by the Trustees at any time via written notification to:  
Renaissance Administration LLC, 6100 W. 96<sup>th</sup> Street, Suite 120, Indianapolis, IN 46278

# Appendix C

## ASSET VALUES

\$100,000 to \$250,000	\$5 per \$1,000
\$250,001 to \$750,000	\$1,250 plus \$3.50 per \$1,000 over \$250,000
\$750,001 to \$1,500,000	\$3,000 plus \$2.25 per \$1,000 over \$750,000
\$1,500,001 to \$2,500,000	\$4,688 plus \$1.75 per \$1,000 over \$1,500,000
\$2,500,001 to \$5,000,000	\$6,438 plus \$1.25 per \$1,000 over \$2,500,000
Above \$5,000,000	Call for Pricing

- Minimum annual fee of \$500

### QUARTERLY CHARGES

Administration charges are shown above on an annual basis, but are charged and calculated quarterly based upon the market value of the trust assets.

### LEGAL REVIEW FEE

When the client's attorney does not use Renaissance for assistance in preparing the trust document, there is a \$500 legal review fee.

### EXTRA REPORTS

Copies of the trust reports will be provided to the trustee and one selected professional advisor. Additional copies will be provided upon request for a charge of \$10 per copy.

### ADDITIONAL SERVICES & FEES

As provided in the Administration Agreement, additional charges will be made (subject to the approval of the Trustee) for unusual, special or extraordinary services.

In the final year of the trust, a separate Final Accounting and Asset Distribution Fee will be charged. Such fee shall be the greater of \$500 or an amount equal to the annual Market Value Fee computed based upon the final trust asset value.

If this agreement is terminated within two (2) years from the date this agreement is signed, then all administration fees which were waived will become due.