

CHARITABLE LEAD TRUST ADMINISTRATION AGREEMENT

THIS CHARITABLE LEAD TRUST ADMINISTRATION AGREEMENT (“Agreement”) is entered into between _____ (“Trustee”) and Lair Administration Services, L.L.C. (“Administrator”). The Trustee of the _____ (“Trust”), dated the _____ day of _____, _____ wishes to engage the Administrator as its agent to perform the administration services specified in this Agreement.

The Trustee and Administrator hereby agree to the following:

- I. **ADMINISTRATION SERVICES TO BE PERFORMED BY THE ADMINISTRATOR.** The Administrator shall perform the following administration services for the Trust:
 - A. **Accounting.** From information provided by the Trustee, the Trustee’s investment advisor or asset custodian, the Administrator shall perform an accounting of the Trust’s financial activities in accordance with the terms of the Trust and applicable law. The accounting shall include an allocation of trust income and expenses to principal and income. A report of the accounting shall be provided to the Trustee on an annual basis.
 - B. **Preparation of Tax Forms.** The Administrator shall prepare all applicable federal and state tax forms for the Trust. Such forms will be forwarded to the Trustee for signature and filing. The Trustee shall be responsible for ensuring that all required tax forms are filed on a timely basis once received from the Administrator. The Administrator is authorized by the Trustee to cooperate fully with and furnish information necessary to the Internal Revenue Service with respect to any audit of the Trust. In the event of such audit, the Trust shall be charged additional fees by the Administrator, over and above the standard administration fees.
 - C. **Trust Annuity/Unitrust Distributions.** The Administrator shall NOT make annuity/unitrust distributions from the Trust to any charitable beneficiaries. The Administrator shall, however, communicate to the Trustee, the Trustee’s investment advisor or asset custodian the amount required to be distributed on a periodic basis from the Trust to charitable beneficiaries. Although the Administrator shall provide such communications, it is the Trustee’s responsibility to ensure that all required charitable beneficiary distributions are properly made.
 - D. **Trust Dissolution.** At such time that the Trust dissolves, the Administrator shall assist the Trustee in winding up the Trust. Although the Administrator shall assist in this process, it will be the responsibility of the Trustee to ensure that all final charitable income distributions and expenses of the Trust are paid and that all remainder assets are distributed to beneficiaries in accordance with the Trust. A separate Trust dissolution fee is charged for this service.

- E. Maintenance of Records.** The Administrator shall retain and be responsible for the safekeeping of all trust accounting records entrusted to it by the Trustee, the Trustee's investment advisor or asset custodian and shall provide such records to the Trustee upon reasonable written request. The Administrator is also 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.
- F. Final Accounting.** Upon termination of this Agreement, the Administrator shall provide to the Trustee a final accounting of all Trust activity of which it is aware covering the period from the immediate prior annual accounting through the last calendar quarter preceding the termination date. Upon the conveyance of said accounting to the Trustee, the Administrator shall be released from any further services with regard to the Trust. A separate Trust termination fee may be charged in the event of termination by the Trustee of this Agreement.
- G. Other Services.** From time to time, the Administrator may perform other services as required or requested by the Trustee (in writing) in the administration of the Trust that are not enumerated in A through F above. Upon such time as other services are performed by the Administrator, the Administrator shall be entitled to charge additional fees for such services, over and above the standard administration fees.

II. DUTIES AND RESPONSIBILITIES OF THE TRUSTEE. The Trustee understands and confirms that he/she shall carry out all required duties and responsibilities as Trustee under the terms of the Trust or applicable law and that the Administrator's performance under this Agreement shall be limited to the services set forth above. Without limiting the generality of the above, the Trustee agrees to the following during the term of this Agreement:

- A. Selection and Management of Trust Assets.** The Trustee shall have the sole responsibility to select and manage trust assets. The Trustee shall determine the investment objective(s) of the Trust and may, in its discretion, select and retain qualified Investment Advisor(s) to manage Trust assets in accordance with said investment objective(s). The Trustee has the sole responsibility to ensure that trust investments are neither repugnant to the purpose of the Trust nor prohibited by applicable law. The Trustee shall also select the custodian(s) of Trust assets.
- B. Safekeeping of Information and Provision to Administrator.** In the performance of its services herein, the Administrator solely relies on the information provided to the Administrator by the Trustee or its representatives and may presume its accuracy and validity. The Trustee shall be responsible for the safekeeping of all information pertaining to the Trust. The Trustee shall, on a timely basis, provide or cause to be provided to the Administrator copies of all pertinent and relevant documents related to the creation, funding, investment and accounting of the Trust. Such documents may include, but are not limited to, financial reports, cost basis information, securities transaction reports, investment brokerage statements, bank account statements, income and expense reports, closing statements, legal opinions, tax forms, and any and all other information

and documentation required by the Administrator, in its sole discretion, to properly perform its services under this Agreement.

- C. **Valuation of Assets.** The Trustee, or an Independent Special Trustee as required, shall be responsible for all Trust valuations and shall select, as needed, qualified appraisers to appraise assets that do not have a readily ascertainable market value or are otherwise deemed to be hard to value assets.
- D. **Payment of Distributions and Expenses.** The Trustee shall be responsible for paying all annuity/unitrust and remainder distributions to Trust beneficiaries and for paying all Trust expenses.
- E. **Dealing with Legal Claims.** The Trustee shall have sole responsibility to settle, abandon, pursue, compromise or contest any claims, demands or lawsuits brought by or against the Trust.
- F. **Reporting of Certain Transactions.** The Trustee has the responsibility for reporting (in writing) any acts of “*self-dealing*” as defined by the Code or related regulations to the Administrator, within fifteen (15) days after the Trustee becomes so aware of such acts and agrees to report such acts on the appropriate Trust tax forms. The Trustee shall also report any unrelated business income or debt-financed income, as defined by the Code or related regulations, of the Trust to the Administrator.
- G. **Filing of Tax Forms.** The Trustee shall be responsible for executing and timely filing Trust tax forms prepared by the Administrator and provided to the Trustee pursuant to this Agreement.

III. **OTHER PROVISIONS RELATED TO THE ADMINISTRATOR.**

- A. **Tax and Legal Advice.** The Administrator does NOT provide tax and legal advice. The Trustee understands and agrees to consult his/her own tax and legal counsel on matters that require such consultation.
- B. **Charitable Deduction Calculations and Projections.** From time to time the Administrator may, as a courtesy, provide the Trustee or his/her representative with charitable deduction calculations and/or other projections. Although the Administrator utilizes software developed by third party vendors that is believed to be reliable, the Administrator cannot and does not guarantee the accuracy of such charitable deduction calculations and/or projections.
- C. **Retention of Agents or Counsel.** In order to carry out the services herein, the Administrator, in its sole discretion, may employ outside agents or counsel. 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 the receipt of the Administrator’s notice, the Administrator shall NOT be authorized to employ such agent. Absent an objection within the ten (10) day period, the Administrator shall engage such agent and the Trustee shall be responsible for reimbursing the Administrator’s costs of employing the agent.

IV. COMPENSATION. Compensation of the Administrator for the services specified herein is as follows:

A. One-time set-up fee. \$250

B. Administration fees. Administration fees are payable annually, in advance, in January of each year. The fees are computed based upon the asset size of the trust as of December 31 of the previous yearend. Initial administration fees are payable upon execution of the administration agreement (based upon trust asset size at that time for trusts already fully funded or based upon the anticipated asset size once fully funded) and are for the full, annual amount and are not pro-rated.

Trust Asset Size	Annual Administration Fee
\$0 - \$500,000	\$1,200
\$500,001 - \$750,000	\$1,750
\$750,001 - \$2,000,000	\$2,000
\$2,000,001 - \$3,500,000	\$3,500
\$3,500,001 - \$5,000,000	\$4,500
\$5,000,001 - \$7,500,000	\$7,200
\$7,500,001 - \$10,000,000	\$9,500
\$10,000,001 – over	10 basis points times trust size

C. Termination fee. \$500

If the Trustee terminates this Agreement within three (3) years of the initial effective date, the Trustee shall pay a one-time termination fee to the Administrator in addition to the standard administration fees noted in IV.B. above.

D. Final dissolution fee. \$1,000

Upon the termination of the income interest of the Trust (i.e. by reason of death of the income beneficiary or end of Trust term), the Trustee shall pay the Administrator a one-time dissolution fee in addition to the standard administration fees noted in IV.B above.

Note about Compensation: All fees paid to the Administrator pursuant to this Agreement are non-refundable once paid. In a year that the Trust dissolves or in a year in which this Agreement is terminated by either the Administrator or the Trustee, there will be no pro-ration of administration fees, regardless of the date of dissolution or termination. Fees may be changed by the Administrator at any time. Notice of such change(s) will be communicated in writing to the Trustee no less than sixty (60) days prior to such change(s).

V. **INDEMNIFICATION AND LIMITATION ON RECOVERY.**

- A. **Indemnification.** The Administrator shall have NO responsibility for, and the Trustee and the Trust will hold harmless, indemnify and defend the Administrator together with its officers, directors, employees and agents, from and against any claims, demands, losses, expenses, judgments, causes of action or other claims of any kind whatsoever which arise from or relate directly or indirectly to any of the following: any review of the Trust initially, on an ongoing basis or at any time or under any circumstance to verify its qualification as a charitable lead trust under the Code; any choice of or performance by any Trust Investment Advisor(s) or asset custodian(s); any selection of investment objectives or specific investments; any transfer of assets to or retention of assets by the Trust; any decisions, directions, recommendations or other actions or failures to act by the Trustee, the Trust's Investment Advisor(s) or the Trust's custodian; any claims arising from the investment experience of the Trust; any selection by the Trustee or the Trust's Investment Advisor(s) of any investment, the attributes of which render the investment repugnant to either the purpose of the Trust or the qualification of the Trust; any act of self-dealing by any disqualified person; any act of negligence, misfeasance or nonfeasance with respect to the administration of the Trust that was committed by the Trustee, any predecessor administrator or any of the Trustee's other agent(s) or representative(s); 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, the investment advisor(s) or any other party on whom the Administrator is dependent in carrying out its duties under this Agreement; any payment of trust annuity/unitrust amounts by the Trustee to an organization not qualified to receive such payments; and any intentional or unintentional withholding of information from the Administrator needed by it to properly perform the services described herein.
- B. **Limitation on Recovery.** Under no circumstances shall the liability of the Administrator to the Trustee or Trust exceed the fees paid by the Trustee or the Trust to the Administrator.

VI. **MISCELLANEOUS PROVISIONS.**

- A. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas. The invalidity or non-enforceability of any provision of this Agreement in any respect shall not affect the validity or enforceability of such provision in any other respect or of any other provisions of this Agreement. In the event that any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement, and the parties agree that to the fullest extent permitted by law, the court shall reform this Agreement to extent necessary make such provisions fully enforceable.

- B. Authority Relative to This Agreement.** The Administrator and Trustee hereby represent that each has full power and authority to execute, deliver, and perform this Agreement and to consummate the transactions contemplated hereby.
- C. Successors and Assigns.** This Agreement shall be binding on and inure to the benefit of the Trustee (and its successors and assigns) and the Administrator (and its successors and assigns).
- D. Notices.** All notices or other communications required or permitted to be made or given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if given by (a) United States certified mail, return requested, (b) by facsimile or similar means (with signed confirmed copy to follow by mail), or (c) expedited delivery service.
- E. Headings.** The headings of the various sections of this Agreement have been inserted for convenient reference only and shall not be construed to enlarge, diminish or otherwise change the express provisions hereof.
- F. Arbitration.** Each party to this Agreement agrees that any dispute of controversy arising between any of the parties to this Agreement, or any person or entity in privity therewith, out of the transactions effected and relationships created pursuant to this Agreement and each other agreement created in connection herewith, including any dispute or controversy regarding the formation, terms, or construction of this Agreement, regardless of kind or character, must be resolved through binding arbitration. Each party to this Agreement agrees to submit such dispute or controversy to arbitration before the American Arbitration Association in Dallas, Texas, and further agrees to be bound by the determination of any arbitrator or arbitration panel empaneled by the American Arbitration Association to adjudicate the dispute. Judgment or any arbitration award may be entered in any court of competent jurisdiction. Any party to this Agreement may bring an action, including a summary or expedited proceeding, to compel arbitration of any such dispute or controversy in a court of competent jurisdiction and, further, may seek provisional ancillary remedies including temporary or injunctive relief in connection with such dispute or controversy in a court of competent jurisdiction, provided that the dispute or controversy is ultimately resolved through binding arbitration conducted in accordance with the terms and conditions of this Section.
- G. Entirety and Modification.** This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and may not be modified, amended or supplemented in whole or in part except as provided herein.
- H. Amendments.** Either the Trustee or the Administrator may propose amendments to this Agreement at any time by giving written notice to the other at least sixty (60) days in advance of the proposed amendment's effective date. Such notice of proposed amendment shall specify the desired effective date and describe the terms of the proposed amendment. A proposed amendment will not take effect until both parties agree to it in writing.

I. Termination. The Trustee or the Administrator may terminate this Agreement without cause by giving written notice at least sixty (60) days in advance of such termination. 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.

This Agreement is effective on the _____ day of _____, 200__.

Administrator:

Lair Administration Services, L.L.C.
By: Keith D. Lair
Its: President

Signature

Trustee(s):

Trustee name

Signature

Trustee name

Signature

Address of the Administrator:

Lair Administration Services, L.L.C.
1701 N. Collins Blvd., Suite 220
Richardson, TX 75080
(972) 238-5770
(972) 238-5865 facsimile

Address of the Trustee:

Phone: _____ Facsimile _____

Appendix A

1. Ongoing Correspondence. The Trustee authorizes the Administrator to provide information and send correspondence pertaining to the administration of the Trust to the following parties:

Trustee:

Name(s): _____
Address: _____
Phone: _____ Fax _____

Grantor:

Name(s): _____
Address: _____
Phone: _____ Fax _____

Professional Advisor:

Name(s): _____
Company: _____
Address: _____
Phone: _____ Fax _____
Email _____

Other:

Name(s): _____
Address: _____
Phone: _____ Fax _____
Relationship: _____

2. Others to Receive Information Upon Request. The Trustee authorizes the Administrator to release information pertaining to the Trust to the following parties (the information will only be released upon request of such parties):

Name(s): _____
Address: _____
Phone: _____ Fax _____
Relationship: _____

Name(s): _____
Address: _____
Phone: _____ Fax _____
Relationship: _____

The above shall be considered in force until such time as changed or modified, in writing, by the Trustee. Written notification should be provided to the Administrator.