

**THE STELLA F. SZATKOWSKI,  
CHARITABLE REMAINDER TRUST**

On the 23<sup>rd</sup> day of October, 2000, Stella F. Szatkowski, of Indianapolis, Indiana, signed a charitable remainder unitrust. After the death of the original trustee, Curtis E. Shirley was appointed and accepted to serve as successor trustee. On May 17, 2004 the Trustee petitioned the Marion County, Indiana Probate Court to reform the trust. The Court on August 3, 2004 held a hearing, after due notice to all interested persons, approved the petition and ordered the Trustee to comply with the following terms and conditions.

This Trust is established within the meaning of Internal Revenue Service Revenue Procedures 90-32, 2003-55 through 2003-60, and Internal Revenue Code Section 664(d)(1), as amended, or the corresponding provision of any successor law (the "Code"), and creates The Stella F. Szatkowski Charitable Remainder Annuity Trust (the "Trust").

1. Funding of Trust

On January 25, 2001 the Donor transferred to the Trustee the sum of \$400,000.00 and the Trustee accepted such property and agreed to hold, manage and distribute it under the terms of this Agreement. No additional contributions shall be made to the trust after the initial contribution.

2. Payment of Annuity Amount

A. The Trustee shall pay to Stella F. Szatkowski in each taxable year of the Trust during the Recipient's life an annuity amount equal to seven percent (7%) of the initial fair market value, or \$28,000.00 per year.

B. The annuity amount shall be paid at the end of each calendar quarter from income and, to the extent that income is not sufficient, then from principal. Any income of the Trust for a taxable year in excess of the annuity amount shall be added to principal.

C. In determining the annuity amount, the Trustee shall prorate the annuity amount on a daily basis for a short taxable year and for the taxable year of the Recipient's death.

### 3. Distribution to Charity

Upon the death of the Recipient, the Trustee shall distribute all of the then principal and income of the Trust, other than any amounts due to the Recipient or her Estate, to the Shriners Hospitals for Children, a corporation, for the use and benefit of its Chicago and Cincinnati hospitals.

If Shriners Hospitals for Children 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 and income to one or more organizations that, at that time, are described in Sections 170(c), 2055(a), and 2522(a) of the Code, as the Trustee shall select in its sole discretion.

### 4. Prohibited Transactions

The income of the Trust for each taxable year shall be distributed 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 annuity amount to the Recipient, the Trustee shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code, as modified by Section 4947(a)(2)(A) of the Code, and shall not make any taxable expenditures, within the meaning of Section 4945(d) of the Code, as modified by Section 4947(a)(2)(A) 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 the regulations thereunder of the Code, or retain any excess business holdings, within the meaning of Section 4943 of the Code.

### 5. Trustee and Successor Trustee

A. Curtis E. Shirley is the Trustee. Shriners Hospitals for Children may remove and replace the Trustee at any time.

B. The Trustee may designate any individual or institution as a Co-Trustee, by a written instrument. Any Co-Trustee or successor Trustee may, without liability, accept without examination or review the accounts rendered and the property delivered by any predecessor Trustee, without any liability. Each successor Trustee has the same title, powers and duties as the Trustee succeeded, without any additional conveyance. Any reference to a "Trustee" refers equally to any successor trustee.

C. No Trustee shall be required to provide surety, other security, or any bond.

D. Any Trustee may resign by giving written notice specifying the resignation's effective date to Stella F. Szatkowski and Shriners Hospitals for Children.

E. No Trustee shall be required (1) to obtain the order of any court to exercise any power or discretion under this trust, or (2) to file any accounting with any public official.

F. Each individual Trustee is entitled to reasonable compensation for services in administering this trust and to reimbursement for expenses, and each corporate Trustee is entitled to compensation based on its published fee schedule in effect at the time services are rendered.

G. The Trustee is authorized to exercise all powers given to an executor in unsupervised administration under Indiana Code 29-1-7.5-3, as amended and those given to a trustee under Indiana Code 30-4-3-3, as amended.

#### 6. Taxable Year

The taxable year of the Trust shall be the calendar year.

#### 7. Governing Law

The operation of the Trust shall be governed by the laws of the State of Indiana. However, the Trustee is prohibited from exercising any power or discretion granted under said laws that would be inconsistent with the qualification of the Trust as a charitable remainder annuity trust under Section 664(d)(1) of the Code and the corresponding regulations.

#### 8. Irrevocability and Amendments

This Trust is irrevocable. However, the Trustee 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.

#### 9. Trust Investments

Nothing in this 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. The Trustee is further authorized to invest the property entirely in equities that produce little, if any, net income.

10. Death Taxes

No estate, inheritance, or other death taxes with respect to the Trust shall be allocated to or recoverable from the Trust, notwithstanding any inconsistent statements in the Donor's last Will or in any other instrument.

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Stella F. Szatkowski,

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Curtis E. Shirley, Trustee

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For the Shriners Hospitals for Children,  
a corporation, for the use and benefit of its  
Chicago and Cincinnati hospitals.