

Newton Community & Healthcare Foundation Charitable Gift Annuity Disclosure Statement

With a Charitable Gift Annuity, you simultaneously make a charitable gift and provide guaranteed payments for life to yourself and / or another person. The fact that you are making a charitable gift may entitle you to income, gift, and estate tax deductions.

The Charitable Gift Annuity is a contractual agreement between Newton Community & Healthcare Foundation and the donor/annuitant. All gifts to Newton Community & Healthcare Foundation for a Charitable Gift Annuity are irrevocable. Withdrawals from the Charitable Gift Annuity are not permitted.

The Charitable Gift Annuity is managed as pooled investment, meaning all gifts to establish a Charitable Gift Annuity may be commingled and invested solely for the purpose of meeting the required payments as described in the Charitable Gift Annuity agreement between Newton Community & Healthcare Foundation and its donors.

The investment of the Charitable Gift Annuity is managed by the Finance / Investment Committee. This committee is elected annually by the Board of Trustees of Newton Community & Healthcare Foundation, which was established in 1994. The Board of Trustees is comprised of 15 area leaders elected to three-year terms by the Board.

Because a charitable gift is involved, the annuity rates offered by Newton Community & Healthcare Foundation are lower than those available through commercial annuities offered by insurance companies and other financial institutions. The recommended payout rates are determined by the Finance / Investment Committee. Several factors are considered including, but not limited to, current interest rates, rates recommended by the American Council on Gift Annuities, and expected rates of return.

These payments are a general obligation of our organization, and they are backed by all of our assets. At December 31, 2001, our total invested funds were approximately \$4,500,000, and they are invested in a portfolio of stocks, bonds, money market funds, certificates of deposits, federal obligations and interest bearing accounts.

Common investment funds managed by our organization are exempt from registration requirements of the federal securities laws, pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995 (Public Law 104-62). Information in this disclosure letter is provided to you in accordance with the requirements of that Act.

We would be pleased to provide any additional information at your request.

Sincerely,

Alisa Crawford
Director of Development

June 2005