

NOTATIONS FOR FORM 201

For a discussion of the advantages and disadvantages of the fractional share marital trust, see the INTRODUCTION.

This form is designed for a settlor who will execute a will patterned on FORM 110: WILL–Pour-over.

For community property states: This form assumes that the trust estate will consist solely of settlor's separate property. If the trust estate will include community property, or if community property will be added to the trust upon the death of the settlor (e.g., community property life insurance proceeds), use FORM 301: REVOCABLE TRUST AGREEMENT–Community Property–Fractional Share Marital.

Certain provisions of this form assume that there is a disinterested party acting as trustee or co-trustee under the agreement. FORMS 210 and 211: REVOCABLE TRUST AGREEMENT–Plural Trustees, operate to preclude a beneficiary who is acting as co-trustee from the exercise of powers which would have adverse tax consequences. A beneficiary should not act as sole trustee where the trustee may accumulate income or pay it to or spray it among a group which includes the beneficiary; see IRC §678(a)(1).

If the settlor is to be the initial trustee of the trust, (i) use the alternate trustee succession provision on page 201-20 and the alternate testimonium provision on page 201-36, and (ii) substitute for the first paragraph:

1 I, JOHN DOE, of _____, _____, as settlor, make this agreement with myself, as trustee, this _____ day of _____, 20 ____.

If community property state, substitute for first sentence of second paragraph:

2 I hereby transfer to the trustee the property listed in the attached schedule and am causing the trustee to be designated as beneficiary of the life insurance policies described therein, all of which is my separate property.

If the trust will be funded during settlor's lifetime and is to have sole responsibility for paying settlor's death taxes and expenses, (i) revise settlor's will so his or her estate does not pay those taxes and expenses and (ii) substitute for first paragraph of SECOND:

3 SECOND: Upon my death the trustee shall make the following payments from the trust estate. The trustee shall pay all expenses of my last illness and funeral, costs of administration including ancillary, costs of safeguarding and delivering devises, claims allowable against my estate (excluding debts secured by real property or life insurance), and unsatisfied pre-residuary devises under my will if my will contains a residuary devise to this trust. The trustee shall also pay all estate and inheritance taxes assessed by reason of my death, including such taxes on property passing outside this agreement, except that the amount, if any, by which the estate and inheritance taxes shall be increased as a result of the inclusion of property in which I may have a qualifying income interest for life or over which I may have a power of appointment shall be paid by the person holding or receiving that property. Such payments, including interest and penalties on any tax, shall be charged against principal or income as provided by applicable state law. The trustee may make payment directly or to the personal representative of my estate, as the trustee deems advisable. The trustee shall make these payments without apportionment or reimbursement. If any part of the Marital Trust hereinafter established does not qualify for the federal estate tax marital deduction because of disclaimer or lack of qualified terminable interest property election, then the amount by which the estate and inheritance taxes assessed by reason of my death are thereby incurred or increased shall be paid from or charged against that nonmarital part.

If it is desired to reserve apportionment rights for death taxes generated not only by marital trusts but also by other property passing outside the revocable trust, substitute for first paragraph of SECOND:

4 SECOND: Upon my death, if I have no probate estate, or to the extent that the cash and readily marketable assets in the principal of the residue of my probate estate are insufficient, the trustee shall make the following payments from the trust estate. The trustee shall pay the expenses of my last illness and funeral, costs of administration including ancillary, costs of safeguarding and delivering devises, claims allowable against my estate (excluding debts secured by real property or life insurance), and pre-residuary devises under my will if my will contains a residuary devise to this trust. Except as hereinafter provided, the trustee shall also pay the estate and inheritance taxes and generation-skipping taxes on direct skips which are assessed by reason of my death, including such taxes on property passing outside this agreement. Such payments, including interest and penalties on any tax, shall be charged against principal or income as provided by applicable state law. The trustee may make payment directly or to the personal representative of my estate, as the trustee deems advisable. The trustee shall make these payments without apportionment or reimbursement or charging any direct

FORM 201
REVOCABLE TRUST AGREEMENT
One Settlor
-Fractional Share Marital

TRUST AGREEMENT

I, JOHN DOE, of _____, _____, as settlor, make this agreement with NORTHERN TRUST [*insert full legal name of applicable NORTHERN TRUST bank throughout the instrument*], of _____, _____, as trustee, this _____ day of _____, 20____.

I hereby transfer to the trustee the property listed in the attached schedule and am causing the trustee to be designated as beneficiary of the life insurance policies described therein. That property, the proceeds of those policies, all additional property received by the trustee from any person by will or otherwise, and all investments and reinvestments thereof, are herein collectively referred to as the “trust estate” and shall be held upon the following trusts:

FIRST: During my lifetime the trustee shall pay so much or all of the income and principal of the trust estate to me or otherwise as I direct.

**DIRECTED
PAYMENTS**

If at any time or times I shall be unable to manage my affairs, the trustee may use such sums from the income and principal of the trust estate as the trustee deems necessary or advisable for the health and maintenance in reasonable comfort of myself and any person dependent upon me, or for any other purpose the trustee considers to be for my best interests.

DISABILITY

For purposes of this agreement, I shall be considered to be unable to manage my affairs if I am under a legal disability or by reason of illness or mental or physical disability am unable to give prompt and intelligent consideration to financial matters. The determination as to my inability at any time shall be made by _____ and my physician, or the survivor of them, and the trustee may rely upon written notice of that determination.

Any excess income of the trust shall be added to principal.

SECOND: Upon my death, if I have no probate estate, or to the extent that the cash and readily marketable assets in the principal of the residue of my probate estate are insufficient, the trustee shall make the following payments from the trust estate. The trustee shall pay the expenses of my last illness and funeral, costs of administration including ancillary, costs of safeguarding and delivering devises, claims allowable against my estate (excluding debts secured by real property or life insurance), and pre-residuary devises under my will if my will contains a residuary devise to this trust. The trustee shall also pay the estate and inheritance taxes assessed by reason of my death, including such taxes on property passing outside this agreement, except that the amount, if any, by which the estate and inheritance taxes shall be increased as a result of the inclusion of property in which I may have a qualifying income interest for life or over which I may have a power of appointment shall be paid

**TAXES –
EXPENSES**

skip property. If any part of the Marital Trust hereinafter established does not qualify for the federal estate tax marital deduction because of disclaimer or lack of qualified terminable interest property election, then the amount by which the estate and inheritance taxes assessed by reason of my death are thereby incurred or increased shall be paid from or charged against that nonmarital part.

The trustee shall not pay death taxes caused by:

- (a) Property over which I may have a power of appointment,
- (b) Property in which I may have a qualifying income interest for life, unless for generation-skipping tax purposes the property has an inclusion ratio of zero and is treated as if the qualified terminable interest property election had not been made,
- (c) Property constituting a direct skip for generation-skipping tax purposes which is caused by a disclaimer or which is from a trust not created or appointed by me,
- (d) _____, and
[List additional property passing outside the instrument
against which tax apportionment rights should be asserted.]
- (e) _____.

The person holding or receiving the above-described property shall pay, either directly or to the trustee, the amount, if any, by which the death taxes are increased as a result of the taxation of that property. If two or more properties cause an increase in a tax, the increase shall be allocated among the properties in proportion to their respective taxable values.

If there may be after-born children, add to THIRD:

- 5 I intend by this agreement to provide for all my children, including any hereafter born or adopted.

If special gifts of money are desired, add the following after THIRD and renumber the succeeding articles:

- 6 FOURTH: Upon my death the trustee shall distribute from the principal of the trust estate:
- (a) \$5,000 to my sister, JANE DOE, of _____, _____, if she is then living;
 - (b) \$2,500 to the OLD PEOPLE'S HOME, of _____, _____, if then in existence; and
 - (c) \$5,000 to each of my grandchildren who is then living; if a grandchild is a minor, payment may be made for the benefit of the grandchild to a custodian under a Uniform Transfers or Gifts to Minors Act.

No interest or share of income shall be paid on these distributions. The balance of the trust estate which remains after the foregoing distributions have been made or provided for shall be held and disposed of as hereinafter provided.

by the person holding or receiving that property. Such payments, including interest and penalties on any tax, shall be charged against principal or income as provided by applicable state law. The trustee may make payment directly or to the personal representative of my estate, as the trustee deems advisable. The trustee shall make these payments without apportionment or reimbursement. If any part of the Marital Trust hereinafter established does not qualify for the federal estate tax marital deduction because of disclaimer or lack of qualified terminable interest property election, then the amount by which the estate and inheritance taxes assessed by reason of my death are thereby incurred or increased shall be paid from or charged against that nonmarital part.

Assets or funds otherwise excludable from my gross estate for federal estate tax purposes shall not be used to make the foregoing payments. The trustee's selection of assets to be sold for that purpose or to satisfy any pecuniary gifts, and the tax effects thereof, shall not be subject to question by any beneficiary.

The trustee shall make such elections and allocations under the tax laws as the trustee deems advisable, without regard to the relative interests of the beneficiaries and without liability to any person. No adjustment shall be made between principal and income or in the relative interests of the beneficiaries to compensate for the effect of elections or allocations under the tax laws made by the personal representative of my estate or by the trustee.

The balance of the trust estate which remains after the foregoing payments have been made or provided for shall be held and disposed of as hereinafter provided.

THIRD: My wife's name is MARY DOE, and she is herein referred to as "my wife." **FAMILY**
I have three children now living, namely:

JOHN DOE, JR., born _____ (date) _____;
DOROTHY DOE, born _____ (date) _____; and
DAVID DOE, born _____ (date) _____.

FOURTH: As of my death the balance of the trust estate shall be held and disposed of as follows:

(a) If the federal estate tax is in existence at my death, the trustee shall hold and administer the trust estate as provided in the following articles of this agreement.

(b) If the federal estate tax is not in existence at my death, the trustee shall allocate the trust estate as follows:

_____ % to the Marital Trust, if my wife survives me, and

_____ % (or all thereof, if my wife does not survive me) to the Bypass Trust hereinafter established.

If it is desired to give the marital share outright instead of in trust, (i) substitute the following for FIFTH and (ii) delete or modify all references to Marital Trust throughout the agreement:

7 FIFTH: If my wife survives me, the trustee as of my death shall distribute to her from the trust estate (undiminished to the extent possible by any estate or inheritance taxes or other charges) a fraction of the trust property of which

(a) the numerator is the smallest amount which will result in the least possible aggregate of federal and state estate taxes that will be payable by reason of my death, and

(b) the denominator is the federal estate tax value of the assets included in my gross estate which became (or the proceeds, investments or reinvestments of which became) trust property.

In determining the amount of the numerator the trustee shall assume that none of the Bypass Trust qualifies for a federal estate tax deduction. This distribution shall carry with it a proportionate part of the income of the trust estate from the date of my death to the date of distribution.

For purposes of the preceding paragraph, the trust property is all property in the trust estate, including any property added thereto by my will, which was not paid pursuant to the preceding articles of this agreement and which would qualify for the federal estate tax marital deduction if it were distributed outright to my wife. For purposes of this agreement, my wife shall be deemed to have survived me if the order of our deaths cannot be proved.

Any part of this distribution disclaimed by my wife shall be added to or used to fund the Bypass Trust. The disclaimer shall not preclude my wife from receiving benefits from the disclaimed property in the Bypass Trust, but my wife shall not have any power to appoint the portion of the Bypass Trust attributable to the disclaimed property.

As the applicable exclusion amount increases in future years, the formula in FIFTH might allocate little or no property to the Marital Trust. If it is desired that the Marital Trust shall receive a minimum amount of property in all events, add to the end of FIFTH(a):

8 . . . , but in all events the numerator shall be at least \$ _____ , and

FIFTH(a)(ii) is designed to avoid incurring state death taxes at the first death. In some states its use may result in the Bypass Trust not receiving the full applicable exclusion amount. In such case, the applicable exclusion amount can still be fully utilized by post-mortem planning (partial QTIP election, disclaimer by spouse), but some state death tax would then be incurred. For a discussion and alternative approaches, see the INTRODUCTION.

If it is desired to allocate a specific asset to Marital Trust or Bypass Trust, add to second paragraph of FIFTH:

9 In allocating assets to the Marital Trust and Bypass Trust, the trustee shall allocate _____ [describe the specific asset] _____ to the _____ Trust to the extent practicable.

In the simultaneous death sentence in second paragraph of FIFTH, determine whether husband or wife is the poorer spouse, and provide that such spouse is deemed to have died last. The estate planning documents of husband and wife should each provide that such spouse is deemed to have died last.

Alternative Provisions for Marital Trust:

The qualified terminable interest property election trust ("QTIP trust") in SECTION 1 through SECTION 4 of FIFTH may facilitate post-mortem estate planning because of the marital deduction election. SECTION 3 permits the spouse to appoint the Marital Trust by will among settlor's descendant and their spouses and charities, thereby providing considerable flexibility, but it precludes the spouse from appointing the trust to others (e.g., a second spouse). The spouse may not appoint any part of the QTIP trust to another person during his or her lifetime.

If a GENERAL POWER OF APPOINTMENT MARITAL TRUST is desired, substitute for SECTION 1 through SECTION 4 of FIFTH:

10 SECTION 1: Commencing with my death the trustee shall pay the income from the Marital Trust in convenient installments, at least quarterly, to my wife during her lifetime.

The trustee may also pay to my wife such sums from principal as the trustee deems necessary or advisable from time to time for her health, maintenance in reasonable comfort, and best interests, considering her income from all sources known to the trustee.

In addition, my wife may withdraw any part or all of the principal at any time or times. The trustee shall make payment without question upon her written request. The right of withdrawal shall be a privilege which may be exercised only voluntarily and shall not include an involuntary exercise.

FIFTH: If my wife survives me, the trustee as of my death shall set aside out of the trust estate as a separate trust for her benefit (undiminished to the extent possible by any estate or inheritance taxes or other charges) a fraction of the trust property of which

**MARITAL
TRUST**

(a) the numerator is the smallest amount which, if allowed as a federal estate tax marital deduction, would result in the least possible aggregate of federal and state estate taxes that would be payable by reason of my death, and

(b) the denominator is the federal estate tax value of the assets included in my gross estate which became (or the proceeds, investments or reinvestments of which became) trust property.

In determining the amount of the numerator the trustee shall assume that none of the Bypass Trust qualifies for a federal estate tax deduction.

For purposes of the preceding paragraph, the trust property is all property in the trust estate, including any property added thereto by my will, which was not paid pursuant to the preceding articles of this agreement and which would qualify for the federal estate tax marital deduction if it were distributed outright to my wife. For purposes of this agreement, my wife shall be deemed to have survived me if the order of our deaths cannot be proved.

Any part of the trust disclaimed by my wife shall be added to or used to fund the Bypass Trust. The disclaimer shall not preclude my wife from receiving benefits from the disclaimed property in the Bypass Trust, but my wife shall not have any power to appoint the portion of the Bypass Trust attributable to the disclaimed property.

My wife shall have the right by written notice to require the trustee to convert unproductive property in the trust to productive property within a reasonable time.

The trust shall be designated the "Marital Trust" and shall be held and disposed of as follows:

SECTION 1: Commencing with my death the trustee shall pay the income from the Marital Trust in convenient installments, at least quarterly, to my wife during her lifetime.

INCOME

The trustee may also pay to my wife such sums from principal as the trustee deems necessary or advisable from time to time for her health and maintenance in reasonable comfort, considering her income from all sources known to the trustee.

**PRINCIPAL
INVASION**

SECTION 2: The personal representative of my estate (or if no representative is acting, the trustee) may elect to have a specific portion or all of the Marital Trust, herein referred to as the "marital portion," treated as qualified terminable interest property for federal estate

ELECTION

SECTION 2: Upon the death of my wife the principal and any accrued and undistributed income of the Marital Trust shall be held in trust hereunder or distributed to or in trust for such appointee or appointees (including the estate of my wife), with such powers and in such manner and proportions as she may appoint by her will making specific reference to this power of appointment. I intend that the Marital Trust shall qualify for the federal estate tax marital deduction in my estate.

SECTION 3: Upon the death of my wife any part of the principal and accrued and undistributed income of the Marital Trust not effectively appointed shall be added to or used to fund the Bypass Trust, except that, unless my wife directs otherwise by her will or revocable trust, the trustee shall first pay from the principal of the Marital Trust, directly or to the personal representative of my wife's estate as the trustee deems advisable, the amount by which the estate and inheritance taxes assessed by reason of the death of my wife shall be increased as a result of the inclusion of the Marital Trust in her estate for such tax purposes. The trustee's selection of assets to be sold to pay that amount, and the tax effects thereof, shall not be subject to question by any beneficiary.

If lifetime power to withdraw from the QTIP trust is desired, add to SECTION 1 of FIFTH:

- 11 In addition, my wife may withdraw at any time or times from the principal of the Marital Trust not to exceed in the aggregate during any calendar year \$5,000 prior to the end of the third full calendar year following my death and thereafter the greater of \$5,000 and 5 % of the value of the principal of the Marital Trust. If the Marital Trust is divided into marital and nonmarital portion trusts, the amount of my wife's withdrawal right under this paragraph shall be determined by aggregating the values of the trusts, but the trustee shall satisfy the withdrawal right first from the principal of the marital portion trust so long as any readily marketable assets remain in that trust. The trustee shall make payment without question upon her written request. The right of withdrawal shall be a privilege which may be exercised only voluntarily and shall not include an involuntary exercise.

If it is desired to direct the executor and trustee to elect to have all of Marital Trust qualify for the federal estate tax marital deduction, (i) use in settlor's will the alternate tax election paragraph on page 110-0, (ii) substitute "Marital Trust" for "marital portion" in SECTION 4, and (iii) substitute for SECTION 2 of the QTIP trust:

- 12 SECTION 2: Notwithstanding any other provision of this agreement, if no personal representative of my estate is acting, the trustee shall elect to have all of the Marital Trust treated as qualified terminable interest property for federal estate tax purposes. I intend that the Marital Trust shall qualify for the federal estate tax marital deduction in my estate.

If it is desired to delete the limited testamentary power of appointment from the QTIP trust, substitute for SECTION 3 and SECTION 4 of FIFTH in the QTIP trust:

- 13 SECTION 3: Upon the death of my wife the Marital Trust shall be added to or used to fund the Bypass Trust, except that, unless my wife directs otherwise by her will or revocable trust, the trustee shall first pay from the principal of the marital portion, directly or to the personal representative of my wife's estate as the trustee deems advisable, the amount by which the estate and inheritance taxes assessed by reason of the death of my wife shall be increased as a result of the inclusion of the marital portion in her estate for such tax purposes. The trustee's selection of assets to be sold to pay that amount, and the tax effects thereof, shall not be subject to question by any beneficiary.

If Bypass Trust will be funded at settlor's death and will or may be divided into shares prior to spouse's death, substitute for SECTION 4 of FIFTH in the QTIP trust:

- 14 SECTION 4: Upon the death of my wife any part of the Marital Trust not effectively appointed shall be added to the Bypass Trust, and the added property shall be held and disposed of as though the Bypass Trust were then being created, except that, unless my wife directs otherwise by her will or revocable trust, the trustee shall first pay from the principal of the marital portion, directly or to the personal representative of my wife's estate as the trustee deems advisable, the amount by which the estate and inheritance taxes assessed by reason of the death of my wife shall be increased as a result of the inclusion of the marital portion in her estate for such tax purposes. The trustee's selection of assets to be sold to pay that amount, and the tax effects thereof, shall not be subject to question by any beneficiary.

or substitute for SECTION 3 of alternate FIFTH in the general power of appointment marital trust:

- 15 SECTION 3: Upon the death of my wife any part of the principal and accrued and undistributed income of the Marital Trust not effectively appointed shall be added to the Bypass Trust, and the added property shall be held and disposed of as though the Bypass Trust were then being created, except that, unless my wife directs otherwise by her will or revocable trust, the trustee shall first pay from the principal of the Marital Trust, directly or to the personal representative of my wife's estate as the trustee deems advisable, the amount by which the estate and inheritance taxes assessed by reason of the death of my wife shall be increased as a result of the inclusion of the Marital Trust in her estate for such tax purposes. The trustee's selection of assets to be sold to pay that amount, and the tax effects thereof, shall not be subject to question by any beneficiary.

FORM 201 (continued)

tax purposes. If an election is made as to less than all of the Marital Trust, the specific portion shall be expressed as a fraction or percentage of the Marital Trust and may be defined by means of a formula. I intend that the marital portion shall qualify for the federal estate tax marital deduction in my estate.

If the marital portion is less than all of the Marital Trust, the trustee in its discretion may divide the Marital Trust into two separate trusts representing the marital and nonmarital portions of the Marital Trust. The two separate trusts shall be held and disposed of on the same terms and conditions as the Marital Trust, except that the trustee shall make no invasion of the principal of the nonmarital portion trust so long as any readily marketable assets remain in the marital portion trust.

SECTION 3: Upon the death of my wife the Marital Trust shall be held in trust hereunder or distributed to or in trust for such one or more of my descendants and their respective spouses and charitable, scientific or educational purposes, with such powers and in such manner and proportions as my wife may appoint by her will making specific reference to this power of appointment.

**LIMITED
TESTAMENTARY
POWER OF
APPOINTMENT**

SECTION 4: Upon the death of my wife any part of the Marital Trust not effectively appointed shall be added to or used to fund the Bypass Trust, except that, unless my wife directs otherwise by her will or revocable trust, the trustee shall first pay from the principal of the marital portion, directly or to the personal representative of my wife's estate as the trustee deems advisable, the amount by which the estate and inheritance taxes assessed by reason of the death of my wife shall be increased as a result of the inclusion of the marital portion in her estate for such tax purposes. The trustee's selection of assets to be sold to pay that amount, and the tax effects thereof, shall not be subject to question by any

DEFAULT

If a spray of the income from Bypass Trust is desired but the spouse is to be the primary beneficiary, add to first paragraph of SECTION 1 of SIXTH:

- 16 . . . ; but if the income so payable to my wife shall at any time or times exceed the amount which the trustee deems to be in her best interests (considering her other income and means of support known to the trustee, including the income from the Marital Trust, the desirability of augmenting her separate estate, and any other circumstances and factors deemed pertinent), the trustee may pay any part or all of the excess income to any one or more of my descendants from time to time living, in equal or unequal proportions, according to their respective needs and best interests, or accumulate the same and add it to principal as the trustee deems advisable.

If a spray of the income and principal from Bypass Trust for the spouse and descendants is desired, substitute for SECTION 1 of SIXTH:

- 17 SECTION 1: If my wife survives me, then during her lifetime the trustee may pay so much or all of the income and principal of the Bypass Trust to any one or more of my wife and descendants from time to time living, in equal or unequal proportions and at such times and in such manner as the trustee deems necessary or advisable for their health, support in reasonable comfort, and education (including postgraduate), considering the income of each of them from all sources known to the trustee, but shall make no invasion of the principal of the Bypass Trust for my wife so long as any readily marketable assets remain in the Marital Trust. Any income not so paid shall be added to principal. No payment of income or principal to a descendant of mine shall be charged against the share hereinafter provided for the descendant or his or her ancestor or descendants.

If principal encroachment for spouse alone is desired, substitute for second paragraph of SECTION 1 of SIXTH:

- 18 The trustee may also pay to my wife such sums from principal as the trustee deems necessary or advisable from time to time for her health and maintenance in reasonable comfort, considering her income from all sources known to the trustee, but shall make no invasion of the Bypass Trust so long as any readily marketable assets remain in the Marital Trust.
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If Bypass Trust is to be divided into shares as of the death of the settlor, substitute the following for SECTION 1 through SECTION 3 and renumber the succeeding sections of SIXTH:

- 19 SECTION 1: The trustee shall forthwith divide the Bypass Trust into equal shares to create one share for each child of mine living at my death and one share for the then living descendants, collectively, of each deceased child of mine.
- Each share created for the descendants of a deceased child shall be distributed per stirpes to those descendants, subject to postponement of possession as provided below. Each share created for a living child shall be held as a separate trust and disposed of as hereinafter provided.
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If it is desired to delete the limited testamentary power of appointment from Bypass Trust, substitute the following for SECTION 2 and SECTION 3 and renumber the succeeding sections of SIXTH:

- 20 SECTION 2: Upon the death of my wife, or upon my death if my wife does not survive me, the trustee shall divide the Bypass Trust, including any amounts added thereto from the Marital Trust, into equal shares to create one share for each then living child of mine and one share for the then living descendants, collectively, of each deceased child of mine.
- Each share created for the descendants of a deceased child shall be distributed per stirpes to those descendants, subject to postponement of possession as provided below. Each share created for a living child shall be held as a separate trust and disposed of as hereinafter provided.

FORM 201 (continued)

SIXTH: The trustee as of my death shall set aside the balance of the trust estate as a separate trust. The trust shall be designated the “Bypass Trust” and shall be held and disposed of as follows:

**BYPASS
TRUST**

SECTION 1: If my wife survives me, then commencing with my death the trustee shall pay the income from the Bypass Trust in convenient installments, at least quarterly, to her during her lifetime.

INCOME

The trustee may also pay to my wife such sums from principal as the trustee deems necessary or advisable from time to time for her health and maintenance in reasonable comfort, and for the health, support in reasonable comfort, and education (including postgraduate) of any child of mine who may be dependent upon her, considering the income of each of them from all sources known to the trustee, but shall make no invasion of the Bypass Trust for my wife so long as any readily marketable assets remain in the Marital Trust. No payment made for a child of mine shall be charged against the share hereinafter provided for the child or his or her descendants.

**PRINCIPAL
INVASION**

SECTION 2: Upon the death of my wife if she survives me, the Bypass Trust (excluding any amounts added thereto from the Marital Trust) shall be held in trust hereunder or distributed to or in trust for such one or more of my descendants and their respective spouses and charitable, scientific or educational purposes, with such powers and in such manner and proportions as my wife may appoint by her will making specific reference to this power of appointment.

**LIMITED
TESTAMENTARY
POWER OF
APPOINTMENT**

If Bypass Trust is to be distributed upon the death of the surviving spouse, substitute the following for SECTION 3 through SECTION 7 and renumber the succeeding section of SIXTH:

- 21 SECTION 3: Upon the death of my wife any part of the Bypass Trust not effectively appointed, including any amounts added thereto from the Marital Trust, (or upon my death if my wife does not survive me, the Bypass Trust) shall be distributed in equal shares to such of my children as shall then be living, except that the then living descendants of a deceased child of mine shall take per stirpes the share which the child would have received if living, subject to postponement of possession as provided below.

If Bypass Trust is to be held as a single trust for children after the death of the surviving spouse and distributed when the youngest child has reached a specified age, substitute the following for SECTION 3 through SECTION 7 and renumber the succeeding section of SIXTH:

- 22 SECTION 3: After the death of my wife any part of the Bypass Trust not effectively appointed, including any amounts added thereto from the Marital Trust, (or after my death if my wife does not survive me, the Bypass Trust) shall be held and disposed of as hereinafter provided.

SECTION 4: Until the time hereinafter fixed for distribution, the trustee may pay so much or all of the income and principal of the Bypass Trust to any one or more of my children and the descendants of a deceased child of mine from time to time living, in equal or unequal proportions and at such times as the trustee deems best, considering the needs, other income and means of support, and best interests of my children and those descendants, individually and as a group, and any other circumstances and factors which the trustee deems pertinent, adding to principal any income not so paid. No payment of income or principal to a child or other descendant of mine shall be charged against the share hereinafter provided for the child or descendant or his or her ancestor or descendants.

SECTION 5: If upon or whenever after the death of the survivor of my wife and me there is no living child of mine under the age of 25 years, the trustee shall distribute the Bypass Trust in equal shares to such of my children as shall then be living, except that the then living descendants of a deceased child of mine shall take per stirpes the share which the child would have received if living, subject to postponement of possession as provided below.

If Bypass Trust is to be held as a single trust for children after the death of the surviving spouse and divided into shares when the youngest child has reached a specified age, substitute the following for SECTION 3 and renumber the succeeding sections of SIXTH:

- 23 SECTION 3: After the death of my wife any part of the Bypass Trust not effectively appointed, including any amounts added thereto from the Marital Trust, (or after my death if my wife does not survive me, the Bypass Trust) shall be held and disposed of as hereinafter provided.

SECTION 4: Until the time hereinafter fixed for division into shares, the trustee may pay so much or all of the income and principal of the Bypass Trust to any one or more of my children and the descendants of a deceased child of mine from time to time living, in equal or unequal proportions and at such times as the trustee deems best, considering the needs, other income and means of support, and best interests of my children and those descendants, individually and as a group, and any other circumstances and factors which the trustee deems pertinent, adding to principal any income not so paid. No payment of income or principal to a child or other descendant of mine shall be charged against the share hereinafter provided for the child or descendant or his or her ancestor or descendants.

SECTION 5: If upon or whenever after the death of the survivor of my wife and me there is no living child of mine under the age of 25 years, the trustee shall divide the Bypass Trust into equal shares to create one share for each then living child of mine and one share for the then living descendants, collectively, of each deceased child of mine.

Each share created for the descendants of a deceased child shall be distributed per stirpes to those descendants, subject to postponement of possession as provided below. Each share created for a living child shall be held as a separate trust and disposed of as hereinafter provided.

If Bypass Trust is held as a single trust for children and principal encroachment is desired to enable a child to enter a business or acquire a home, add to alternate SECTION 4 of SIXTH:

- 24 In addition, to the extent that the trustee determines that the interests under the preceding paragraph of my other children and descendants of a deceased child of mine will not thereby be jeopardized, the trustee may pay to a child of mine who has reached the age of 25 years such sums (not exceeding the child's presumptive share) from the principal of the Bypass Trust as the trustee deems necessary or advisable to enable the child to enter into or remain in a business, vocation or profession in which the trustee believes the child will have reasonable prospects of success, to assist the child in acquiring or furnishing a home, or for any similar purpose which the trustee considers to be in the best interests of the child. Each payment to a child of mine under this paragraph shall be treated as an advancement and charged without interest against the share hereinafter provided for the child or his or her descendants.

SECTION 3: Upon the death of my wife any part of the Bypass Trust not effectively appointed, including any amounts added thereto from the Marital Trust, (or upon my death if my wife does not survive me, the Bypass Trust) shall be divided into equal shares to create one share for each then living child of mine and one share for the then living descendants, collectively, of each deceased child of mine. **DIVISION**

Each share created for the descendants of a deceased child shall be distributed per stirpes to those descendants, subject to postponement of possession as provided below. Each share created for a living child shall be held as a separate trust and disposed of as hereinafter provided.

If minor child, add to first paragraph of SECTION 4 of SIXTH:

- 25 . . . ; except that while the child is under the age of 21 years, the trustee may pay to or for the benefit of the child so much or all of the income from his or her share as the trustee deems necessary or advisable from time to time for his or her health, maintenance in reasonable comfort, education (including postgraduate) and best interests, adding to principal any income not so paid.
-

If a child's share is of sufficient size to warrant withdrawal in three stages, substitute for SECTION 5 of SIXTH:

- 26 SECTION 5: After division of the Bypass Trust into shares and after a child has reached any one or more of the following ages, the child may withdraw from the principal of his or her share at any time or times not to exceed in the aggregate:
- 1/3 in value after 25 years of age;
 - 1/2 in value (after deducting any amount subject to withdrawal but not actually withdrawn) after 30 years of age;
 - and The balance after 35 years of age.

The value of the share shall be its value as of the first exercise of each withdrawal right, plus the value of any subsequent addition as of the date of addition. The trustee shall make payment without question upon the child's written request. The right of withdrawal shall be a privilege which may be exercised only voluntarily and shall not include an involuntary exercise.

If mandatory distribution of a child's share is desired, substitute the following for SECTION 5 through SECTION 7 and renumber the succeeding section of SIXTH:

- 27 SECTION 5: When a child reaches the age of 25 years, or upon division of the Bypass Trust into shares if he or she has then reached that age, the trustee shall distribute to the child 1/2 in value of the principal of his or her share then held hereunder; the trustee shall forthwith distribute to the child 1/2 in value of any subsequent addition to his or her share; and when a child reaches the age of 30 years, or upon division of the Bypass Trust into shares if he or she has then reached that age, the trustee shall distribute to the child the balance of his or her share.

SECTION 6: If a child dies before receiving his or her share in full, then upon the death of the child his or her share shall be distributed per stirpes to his or her then living descendants, or if none, then per stirpes to my then living descendants, subject to postponement of possession as provided below, except that each portion otherwise distributable to a descendant of mine for whom a share of the Bypass Trust is then held hereunder shall be added to that share.

FORM 201 (continued)

SECTION 4: The income from a child's share shall be paid in convenient installments, at least quarterly, to the child until complete distribution of the share or his or her prior death.

INCOME

The trustee may also pay to the child such sums from the principal of his or her share as the trustee deems necessary or advisable from time to time for his or her health, maintenance in reasonable comfort, education (including postgraduate) and best interests, considering the income of the child from all sources known to the trustee.

PRINCIPAL INVASION

SECTION 5: After division of the Bypass Trust into shares and after a child has reached the age of 25 years, the child may withdraw any part or all of the principal of his or her share at any time or times, but not to exceed in the aggregate 1/2 in value thereof prior to reaching the age of 30 years. The value of the share shall be its value as of the child's first exercise of his or her withdrawal right, plus the value of any subsequent addition as of the date of addition. The trustee shall make payment without question upon the child's written request. The right of withdrawal shall be a privilege which may be exercised only voluntarily and shall not include an involuntary exercise.

RIGHT TO WITHDRAW

SECTION 6: If a child dies before receiving his or her share in full, then upon the death of the child his or her share shall be held in trust hereunder or distributed to or in trust for such appointee or appointees, with such powers and in such manner and proportions as the child may appoint by his or her will making specific reference to this power of appointment, except that any part of the child's share not subject to withdrawal prior to the death of the child may be appointed only to or for the benefit of any one or more of the child's surviving spouse, the child's descendants and their respective spouses and my descendants (other than the child) and their respective spouses. For purposes of this agreement, the term "spouse" shall include a widow or widower, whether or not remarried.

TESTAMENTARY POWER OF APPOINTMENT

If it is desired to provide for contingent distributees in the event of a failure of descendants, insert the following after SECTION 7 and renumber the succeeding section of SIXTH:

- 28 SECTION 8: If upon the death of the survivor of my wife and me, or at any time thereafter but prior to complete distribution of the Bypass Trust, there is no living descendant of mine, any trust property then held under this article and not vested or effectively appointed shall be distributed 1/2 to my heirs-at-law and 1/2 to my wife's heirs-at-law, the heirs-at-law and the proportions which they shall respectively take to be determined in each case according to the present laws of descent of the state of my domicile as if my wife and I had both died at that time.
-

If a retained share is of sufficient size to warrant distribution in two stages, substitute for SECTION 8 of SIXTH:

- 29 SECTION 8: Each share of the Bypass Trust which is distributable to a beneficiary who has not reached the age of 30 years shall immediately vest in the beneficiary, but the trustee shall retain possession of the share as a separate trust, paying to or for the benefit of the beneficiary so much or all of the income and principal of the share as the trustee deems necessary or advisable from time to time for his or her health, maintenance in reasonable comfort, education (including postgraduate) and best interests, adding to principal any income not so paid (except that after the beneficiary has reached the age of 21 years, the trustee shall pay to him or her all the income from the share in convenient installments, at least quarterly), and distributing 1/2 in value of the principal of the share to the beneficiary if he or she has then reached or at such time thereafter as he or she reaches the age of 25 years and the balance to the beneficiary when he or she reaches the age of 30 years or to the estate of the beneficiary if he or she dies before receiving the share in full.

SECTION 7: Upon the death of a child any part of his or her share not effectively appointed shall be distributed per stirpes to his or her then living descendants, or if none, then per stirpes to my then living descendants, subject to postponement of possession as provided below, except that each portion otherwise distributable to a descendant of mine for whom a share of the Bypass Trust is then held hereunder shall be added to that share.

DEFAULT

SECTION 8: Each share of the Bypass Trust which is distributable to a beneficiary who has not reached the age of 21 years shall immediately vest in the beneficiary, but the trustee shall (a) establish with the share a custodianship for the beneficiary under a Uniform Transfers or Gifts to Minors Act, or (b) retain possession of the share as a separate trust, paying to or for the benefit of the beneficiary so much or all of the income and principal of the share as the trustee deems necessary or advisable from time to time for his or her health, maintenance in reasonable comfort, education (including postgraduate) and best interests, adding to principal any income not so paid, and distributing the share to the beneficiary when he or she reaches the age of 21 years or to the estate of the beneficiary if he or she dies before receiving the share in full.

POSTPONEMENT OF POSSESSION

SEVENTH: The following provisions shall apply to the trust estate and to each trust under this agreement:

ADMINISTRATIVE PROVISIONS

SECTION 1: If income or discretionary amounts of principal become payable to a beneficiary under disability, then that income or principal shall be paid or expended only in such of the following ways as the trustee deems best: (a) directly to the beneficiary or his or her attorney in fact; (b) to the legally appointed guardian or conservator of the beneficiary; (c) to a custodian for the beneficiary under a Uniform Transfers or Gifts to Minors Act; (d) by the trustee directly for the benefit of the beneficiary; (e) to an adult relative or friend in reimbursement for amounts properly advanced for the benefit of the beneficiary.

FACILITY OF PAYMENT

SECTION 2: The interests of beneficiaries in principal or income shall not be subject to the claims of any creditor, any spouse for alimony or support, or others, or to legal process, and may not be voluntarily or involuntarily alienated or encumbered. This provision shall not limit the exercise of any power of appointment.

SPENDTHRIFT

The rights of beneficiaries to withdraw trust property are personal and may not be exercised by a guardian, conservator, attorney in fact or others.

If the settlor is not married, substitute for SECTION 5 of SEVENTH:

30 SECTION 5: If the trust estate includes any interests in real estate which I use as a residence, including seasonal and vacation homes, then notwithstanding any other provision of this agreement, I shall have the right to occupy and use each residence, rent free, as long as I desire to do so. While I am living and not unable to manage my affairs, (i) I shall have responsibility (and the trustee shall have no responsibility) for each residence, including maintenance, insurance, repairs, taxes, assessments, mortgage payments, and other expenses relating to the residence, and (ii) the trustee shall deal with each residence only as and when directed to do so by me.

While I have responsibility for a residence, the trustee need not review or inspect the residence, make any payments in connection with it except as directed by me, or inquire whether I am fulfilling my responsibility.

The statement of the trustee that it is acting according to this section shall fully protect all persons dealing with the trustee. The trustee shall have no responsibility for any loss that may result from acting in accordance with this section.

If the trust estate will not include residential property, SECTION 5 of SEVENTH may be omitted.

SECTION 3: The allocation of receipts and disbursements between income and principal shall be determined as provided by this agreement and applicable state statute or in cases not covered by statute by the trustee, except that

**PRINCIPAL AND
INCOME**

(a) if the trust is beneficiary or owner of an individual account in any employee benefit plan or individual retirement plan, income earned after death in the account shall be income of the trust, and if the trustee is required to pay all trust income to a beneficiary, the trustee shall collect and pay the income of the account to the beneficiary at least quarterly (and to the extent that all income cannot be collected from the account, the deficiency shall be paid from the principal of the trust),

(b) reserves for depreciation shall be established out of income only to the extent that the trustee determines that readily marketable assets in the principal of the trust will be insufficient for any renovation, major repair, improvement or replacement of trust property which the trustee deems advisable, and

(c) income received after the last income payment date and undistributed at the termination of any estate or interest shall, together with any accrued income, be paid by the trustee as income to the persons entitled to the next successive interest in the proportions in which they take that interest, except that upon my death the undistributed income shall be added to principal.

SECTION 4: For convenience of administration or investment, the trustee may hold separate trusts as a common fund, dividing the income proportionately among them, assign undivided interests to the separate trusts, and make joint investments of the funds belonging to them. The trustee may consolidate any separate trust with any other trust with similar provisions for the same beneficiary or beneficiaries.

**COMMON FUND
AND
CONSOLIDATION**

SECTION 5: If the trust estate includes any interests in real estate which my wife or I use as a residence, including seasonal and vacation homes, then notwithstanding any other provision of this agreement, the following shall apply to each residence or interest therein:

RESIDENCE

(a) My wife and I shall have the right to occupy and use each residence, rent free, as long as she or I desire to do so. After my death, my wife shall continue to have that right if she survives me and is a permissible income beneficiary of the trust which owns the residence.

(b) I shall have responsibility (and the trustee shall have no responsibility) for each residence, including maintenance, insurance, repairs, taxes, assessments, mortgage payments, and other expenses relating to the residence. After my death, my wife shall have responsibility for each residence described above, except that the trustee shall pay all taxes, real estate and condominium assessments, insurance premiums and mortgage payments on the residence. This subsection (b) applies only while I am not unable to manage my affairs and, after my death, only while my wife is under no disability.

While my wife or I have responsibility for a residence, the trustee need not review or inspect the residence, make any payments in connection with it except as provided above, or inquire whether my wife or I am fulfilling that responsibility.

After my death, while my wife has responsibility for a residence, she shall have the right to direct the trustee to sell the residence and also to reinvest part or all of the net sale proceeds in a replacement residence selected by her. My wife shall have sole responsibility for the sale and reinvestment, including price and other terms and conditions. My wife and the trustee shall have the same rights and responsibilities with respect to the replacement residence. My wife may exercise these powers of direction only in fiduciary capacity.

The statement of the trustee that it is acting according to this section shall fully protect all persons dealing with the trustee. The trustee shall have no responsibility for any loss that may result from acting in accordance with this section.

SECTION 6: A trustee (other than myself) shall render an account of trust receipts and disbursements and a statement of assets at least annually to each beneficiary then entitled to receive or receiving the income from the trust and, in addition, to any other beneficiaries who are entitled to receive accounts under applicable state law. An account is binding on each beneficiary who receives it and on all persons claiming by or through the beneficiary, and the trustee is released, as to all matters stated in the account or shown by it, unless the beneficiary commences a judicial proceeding to assert a claim within one year after the mailing or other delivery of the account.

ACCOUNTS

Before distributing property to a beneficiary upon termination of a trust in whole or in part, the trustee shall have the right to require an approval of the trustee's accounts, either by a written approval and release from the beneficiary or, if it cannot be obtained, by a judicial settlement of accounts. The expenses of the judicial proceeding (including attorneys fees) shall be paid from the beneficiary's share of the trust. The trustee shall also have the right to require an indemnification from the beneficiary for any environmental law liability or expense which the trustee has incurred or may incur in the future with respect to the property distributed.

If a trust is or may be held for charitable objects, delete or modify SECTION 8 of SEVENTH as appropriate.

If the settlor is the initial trustee of the trust, substitute for SECTION 9 of SEVENTH:

31 SECTION 9: I may resign as trustee at any time by written notice to NORTHERN TRUST [*insert full legal name of applicable NORTHERN TRUST bank throughout the instrument*], of _____, _____. After my resignation, death or inability to manage my affairs, NORTHERN TRUST shall be successor trustee.

Any successor trustee may resign at any time by written notice to me if living, otherwise to each beneficiary then entitled to receive or eligible to have the benefit of the income from the trust. In case of the resignation, refusal or inability to act of any successor trustee acting or appointed to act hereunder, another successor trustee shall be appointed by me if living, otherwise by the beneficiary or a majority in interest of the beneficiaries then entitled to receive or eligible to have the benefit of the income from the trust (or if their interests are indefinite, by a majority in number of the oldest generation of such beneficiaries), but no beneficiary or person legally obligated to a beneficiary shall be a successor trustee. Separate trusts under this agreement may have the same or different trustees.

Every successor trustee shall have all the powers given the originally named trustee. A successor trustee has no duty to inquire into the accounts or administration of any predecessor trustee and is not personally liable for any act or omission of any predecessor trustee. With my approval if I am living, otherwise with the approval of the beneficiaries appointing a successor trustee, the successor trustee may accept the account rendered and the property received as a complete release and discharge to the predecessor trustee without incurring any liability for so doing, except that a successor to me as trustee shall without approval accept the assets delivered to the successor trustee as constituting all of the property to which the successor trustee is entitled.

No trustee wherever acting shall be required to give bond or surety or be appointed by or account for the administration of any trust to any court. The trustee need not register a trust with any court.

If another corporation succeeds to part or all of the trust business of a corporate trustee acting or appointed to act hereunder, that corporation shall be the successor corporate trustee, without the necessity of appointment, assignment or other action.

If one or more individual trustees are to be named to act with the corporate trustee, substitute for SECTION 9 of SEVENTH one of the TRUSTEE SUCCESSION sections set forth in FORM 210: REVOCABLE TRUST AGREEMENT-Plural Trustees-Bank as an Initial Trustee.

If the settlor is the initial trustee of the trust and if one or more individual trustees are to be named to act with the corporate trustee as successor to the settlor, substitute for alternate SECTION 9 of SEVENTH one of the TRUSTEE SUCCESSION sections set forth in FORM 211: REVOCABLE TRUST AGREEMENT-Plural Successor Trustees-Settlor as Initial Trustee.

If it is desired that a successor trustee be a corporation, substitute for last clause in second sentence of SECTION 9 of SEVENTH or for last clause in second sentence in second paragraph of alternate SECTION 9 of SEVENTH:

32 . . . , but any successor trustee shall be a bank or trust company qualified to accept trusts.

SECTION 7: The trustee shall be reimbursed for all reasonable expenses incurred in the management and protection of the trust, and any corporate trustee shall receive compensation for its services in accordance with its schedule of fees in effect from time to time. A trustee's regular compensation shall be charged against income during my lifetime and thereafter against income and principal as provided by applicable state law, except that the trustee shall have full discretion at any time or times to charge a larger portion or all against income.

COMPENSATION

SECTION 8: A corporate trustee in its discretion may terminate and distribute any trust hereunder if the corporate trustee determines that the costs of continuance thereof will substantially impair accomplishment of the purposes of the trust. The trustee shall terminate and forthwith distribute any trust created hereby, or by exercise of a power of appointment hereunder, which is still held at the end of the period allowed by the applicable rule against perpetuities, if any. Distribution under this section shall be made to the persons then entitled to receive or eligible to have the benefit of the income from the trust in the proportions in which they are entitled thereto, or if their interests are indefinite, to those persons per stirpes if they have a common ancestor, or if not, then in equal shares.

**SMALL TRUST
TERMINATION
AND
PERPETUITIES
SAVINGS**

SECTION 9: Any trustee may resign at any time by written notice to me if living, otherwise to each beneficiary then entitled to receive or eligible to have the benefit of the income from the trust. In case of the resignation, refusal or inability to act of any trustee, a successor trustee shall be appointed by me if living, otherwise by the beneficiary or a majority in interest of the beneficiaries then entitled to receive or eligible to have the benefit of the income from the trust (or if their interests are indefinite, by a majority in number of the oldest generation of such beneficiaries), but no beneficiary or person legally obligated to a beneficiary shall be a successor trustee. Separate trusts under this agreement may have the same or different trustees.

**TRUSTEE
SUCCESSION**

Every successor trustee shall have all the powers given the originally named trustee. A successor trustee has no duty to inquire into the accounts or administration of any predecessor trustee and is not personally liable for any act or omission of any predecessor trustee. With my approval if I am living, otherwise with the approval of the beneficiaries appointing a successor trustee, the successor trustee may accept the account rendered and the property received as a complete release and discharge to the predecessor trustee without incurring any liability for so doing.

No trustee wherever acting shall be required to give bond or surety or be appointed by or account for the administration of any trust to any court. The trustee need not register a trust with any court.

If another corporation succeeds to part or all of the trust business of a corporate trustee acting or appointed to act hereunder, that corporation shall be the successor corporate trustee, without the necessity of appointment, assignment or other action.

If no proceeds of life insurance will be payable to the trustee, SECTION 13 of SEVENTH may be omitted.

FORM 201 (continued)

SECTION 10: If for any reason the trustee is unwilling or unable to act as to any property, such person or qualified corporation as the trustee shall from time to time designate in writing shall act as special trustee as to that property. Any person or corporation acting as special trustee may resign at any time by written notice to the trustee. Each special trustee shall have the powers granted to the trustee by this agreement, to be exercised only with the approval of the trustee, to which the net income and the proceeds from sale of any part or all of the property shall be remitted to be administered under this agreement.

TRUSTEE FOR OUT-OF-STATE PROPERTY

SECTION 11: A beneficiary, trustee or other person (other than myself) shall be considered to be under disability or unable to act if the person is a minor, is adjudicated by a court to lack legal capacity, or is not so adjudicated but is, by reason of illness or mental or physical disability, unable to give prompt and intelligent consideration to financial matters. The determination as to inability may be made by a physician, and the trustee may rely upon written notice of that determination. The parent, spouse, adult child, attorney in fact, guardian or conservator of a beneficiary under disability shall receive notice and have authority to act for the beneficiary under this article.

PERSON UNDER DISABILITY

SECTION 12: In disposing of any trust property subject to a power to appoint by will, the trustee may rely upon an instrument admitted to probate in any jurisdiction as the will of the donee or may assume that the power was not exercised if, within 3 months after the death of the donee, the trustee has no actual notice of a will which exercises the power. The trustee may rely on any document or other evidence in making payment under this agreement and shall not be liable for any payment made in good faith before it receives actual notice of a changed situation. The trustee may consult with legal counsel and other agents at trust expense and shall not be liable for any action taken or omitted in good faith reliance upon the advice or recommendation of the legal counsel or other agent. The trustee shall not be personally liable for acts or omissions done in good faith.

RELIANCE BY TRUSTEE

SECTION 13: With respect to any policy of life insurance which is not included in the trust property but under which the death benefits are made payable to the trustee:

LIFE INSURANCE

(a) The owner or owners thereof reserve all available benefits, privileges, payments, dividends, surrender values, options and elections, including the right at any time or times to change the beneficiary, to pledge or assign the policy or its proceeds as collateral security for any loan which the owner or owners may obtain from any lender, including a trustee hereunder individually or a parent or affiliate company, and to withdraw the policy if deposited with the trustee, without any duty on the trustee to see to its return.

(b) The trustee need not pay or see to the payment of premiums or assessments on the policy.

(c) Upon the death of the insured thereunder the trustee shall take such action as the trustee deems best to collect the policy proceeds, paying the expense thereof from the trust estate, but the trustee need not enter into or maintain any litigation to enforce payment on the policy until indemnified to the trustee's satisfaction against all expenses and liabilities to which the trustee might thereby be subjected. The trustee may release the insurance company from its liability under the policy and make any compromise which the trustee deems proper.

(d) The insurance company shall not take notice of the provisions of this agreement or see to the application of the policy proceeds, and the trustee's receipt to the insurance company shall be a complete release for any payment made and shall bind every beneficiary under this agreement.

(e) The trust shall be operative with respect to the proceeds of the policy at the death of the insured thereunder, after deducting all charges by way of advances, loans or otherwise in favor of the owner or owners or any other person, for which the trustee shall not seek reimbursement.

SECTION 14: To enable trusts to be either completely exempt or nonexempt from generation-skipping tax, or for any other reason, the trustee may divide a trust into two or more separate trusts and may hold an addition to a trust as a separate trust. A division shall be done on a fractional basis and may be defined by means of a formula. The rights of beneficiaries shall be determined as if the trusts were aggregated, but the trustee may pay principal to beneficiaries and taxing authorities disproportionately from the trusts. The trustee shall not be liable for deciding in its discretion to exercise or not exercise these powers.

**GENERATION-
SKIPPING TAX**

Upon division or distribution of an exempt trust and a nonexempt trust held hereunder, the trustee in its discretion may allocate property from the exempt trust first to a share from which a generation-skipping transfer is more likely to occur.

If the trustee considers that any distribution from a trust hereunder other than pursuant to a power to withdraw or appoint is a taxable distribution subject to a generation-skipping tax payable by the distributee, the trustee shall augment the distribution by an amount which the trustee estimates to be sufficient to pay the tax and shall charge the same against the trust to which the tax relates.

If the trustee considers that any termination of an interest in trust property hereunder is a taxable termination subject to a generation-skipping tax, the trustee shall pay the tax from the portion of the trust property to which the tax relates, without adjustment of the relative interests of the beneficiaries.

If a no contest provision is desired and is permitted in your state, the following may be inserted in SEVENTH:

- 33 SECTION ____: If any person shall seek to set aside this agreement or my will which contains a residuary devise to this trust, or to contest the validity of any part of this agreement (including any amendment hereto) or of my will's residuary devise, then I disinherit that person and his or her spouse and descendants, and all of them shall be deemed to have predeceased me for all purposes of this agreement.

If a trust hereunder would incur generation-skipping tax by reason of the death of a beneficiary (assuming the non-exercise of all testamentary powers of appointment granted to the beneficiary hereunder), then the beneficiary shall have the power to appoint the trust property otherwise constituting a generation-skipping transfer to the creditors of his or her estate. This general testamentary power of appointment is granted to avoid generation-skipping tax. This power of appointment may be exercised only by a will making specific reference to this power, and it shall be in addition to any other testamentary power of appointment granted to the beneficiary under this agreement. Any such trust property not effectively appointed by the beneficiary shall be held and disposed of as provided in this agreement, except that unless the beneficiary directs otherwise by his or her will or revocable trust, the trustee shall first pay from the principal of such property, directly or to the personal representative of the beneficiary's estate as the trustee deems advisable, the amount by which the estate and inheritance taxes assessed by reason of the death of the beneficiary shall be increased as a result of the inclusion of such property in the beneficiary's estate for such tax purposes. The trustee's selection of assets to be sold to pay that amount, and the tax effects thereof, shall not be subject to question by any beneficiary.

SECTION 15: In determining whether any person is a child or descendant for purposes of this agreement, children and descendants by both birth and adoption shall be included, except that

**CHILDREN AND
DESCENDANTS**

- (a) a person adopted when over the age of 18 years shall be excluded,
- (b) a person born out of wedlock shall be treated as the child of the mother, unless her parental rights are terminated by placement for adoption or otherwise, and
- (c) a person born out of wedlock shall not be treated as a child of the father unless the father marries the mother, acknowledges paternity of the child by a writing delivered to the trustee during the father's lifetime, or paternity is established by adjudication before or after the death of the father.

SECTION 16: Whenever trust property is to be distributed or allocated *per stirpes* to the then living descendants of a person, the trust property shall be first divided at the generational level of the person's children, whether or not any child of the person is then living.

PER STIRPES

If it is desired that the trustee shall attempt to consult with the settlor before making sales or purchases of trust investments, insert the following after SECTION 19(b) of SEVENTH:

- 34 (c) To the extent it may be practicable, the trustee shall advise me before making any purchases or sales of assets in the trust, but this shall not in any respect restrict the trustee's power to make purchases or sales in the event the trustee cannot do so. If the trustee is unable to contact me prior to the execution of any such transaction, the trustee shall advise me as promptly as possible thereafter. This shall not apply to the short-term investment of cash or the treatment of fractional shares of stock, stock dividends or subscription rights.

If the trustee is not to assume any investment responsibility during the lifetime of the settlor, substitute for SECTION 19 of SEVENTH:

- 35 SECTION 19: Notwithstanding the general investment powers of the trustee, while I am living and not unable to manage my affairs and except as otherwise provided in this section, I shall have sole responsibility (and the trustee shall have no responsibility) for the investment and management of the assets in the trust. The trustee shall make only such sales and investments as I direct. The trustee shall be under no obligation to review the trust assets, make any investment recommendation with respect to them, solicit any direction from me, value the assets if they are non-marketable, or insure the assets.

(a) With respect to marketable securities included in the trust estate, the trustee shall vote all securities for, or as recommended by, the management of the corporations involved unless I shall direct otherwise. The trustee shall vote non-marketable securities only as directed by me.

(b) The trustee shall have responsibility for the short-term investment of cash in the trust.

(c) With respect to all interests in real estate included in the trust estate, I shall have sole responsibility for managing, insuring, leasing and repairing the properties, collecting rents, and paying all taxes and expenses on the properties. The trustee shall deal with the real estate only as and when directed to do so by me. The trustee need not review or inspect the properties, except that the trustee shall have the right (but not the duty) to exercise the trustee's environmental powers under this agreement.

I may at any time or times, with or without right of revocation, by a writing delivered to the trustee delegate to any other person or to the trustee or relinquish any or all of the powers reserved to me hereunder.

The statement of the trustee that it is acting according to this section shall fully protect all persons dealing with the trustee. The trustee shall have no responsibility for any loss that may result from acting in accordance with this section.

If the trust agreement is not to be funded during the lifetime of the settlor, SECTION 19 of SEVENTH may be omitted.

SECTION 17: In making discretionary distributions of trust property to beneficiaries, the trustee shall consider the following:

**DISCRETIONARY
DISTRIBUTIONS**

(a) Among current beneficiaries of the trust, the interests of an older-generation beneficiary shall have priority over younger-generation beneficiaries, if the younger-generation beneficiaries are descendants of the older-generation beneficiary.

(b) The interests of a current beneficiary shall have priority over the remaindermen of the trust, if the remaindermen are descendants of the current beneficiary.

The trustee may also consider tax effects in making discretionary distributions of trust property to beneficiaries.

SECTION 18: A trustee may not use trust property to discharge the trustee's legal obligations, including any obligation to support a beneficiary.

**LEGAL
OBLIGATIONS**

SECTION 19: Notwithstanding the general investment powers of the trustee, while I am living and not unable to manage my affairs:

**SETTLOR'S
INVESTMENT
POWERS**

(a) I shall have the power to direct the retention or sale of any trust assets and the purchase of property with any principal cash in the trust.

(b) I shall have sole investment, voting and management responsibility (and the trustee shall have no such responsibility) for the following assets in the trust:

(i) all non-marketable assets in the trust, including tangible personal property, interests in real estate, partnerships, limited liability companies or closely held corporations, insurance policies, personal notes and mortgages;

(ii) any marketable asset in the trust which I have designated as an asset for which I have investment responsibility; and

(iii) any asset of the trust purchased, sold or retained at my direction.

If I have investment responsibility for an asset, the trustee shall sell the asset, and deal with it, only upon my written direction. The trustee shall be under no obligation to review the asset, make any investment recommendation with respect to it, solicit any direction from me, value the asset if it is non-marketable, or insure the asset. The trustee shall vote the asset only as directed by me. If the trust holds interests in real estate, the trustee need not review or inspect the properties, except that the trustee shall have the right (but not the duty) to exercise the trustee's environmental powers under this agreement.

If non-marketable assets (e.g., partnership interests, closely held stock, real estate, loans) or investment concentrations of marketable securities may be included in a trust, this should be discussed in advance with the corporate trustee. If these assets are to be retained, clients usually want to relieve the corporate trustee of investment responsibility for them. If this is desired, add to the end of SEVENTH:

36 SECTION 20: A trust under this agreement may hold some or all of the following assets, which shall be known as “special assets:”

Notwithstanding the general investment powers of the trustee, the following provisions shall apply to the special assets in the trust:

(a) I appoint the following individuals who are willing and able to act (singly, and in the order listed) to act as manager for the special assets in the trust:

(i) Myself

(ii) The remaining individual cotrustees or cotrustee of the trust (if any)

(iii) _____

(iv) _____

(b) While a manager is acting, the manager shall have sole investment, voting and management responsibility (and the trustee shall have no such responsibility) for the special assets in the trust. The trustee shall sell the special assets, and deal with them, only upon the written direction of the manager. The trustee shall be under no obligation to review the special assets, make any investment recommendation with respect to them, solicit any direction from the manager, or value special assets which are non-marketable. The trustee need not review whether the manager is satisfying his or her responsibilities hereunder, and the trustee shall not be liable for any action or inaction of the manager.

(c) The powers of the manager (other than myself) shall be deemed to be and exercised as fiduciary powers. Special assets may include stock or other interests in a corporation, partnership, limited liability company or other entity (herein called a “company”). The manager’s fiduciary powers shall not preclude the manager from holding office in a company, accepting remuneration from it, voting any interest in favor of himself or herself as director, manager or officer, or purchasing or selling interests in the company. The trustee shall make tax elections with respect to a company only as the manager directs. If a firm succeeds to part or all of the business or assets of a company by merger, consolidation, reorganization or otherwise, the trust’s interest in that firm (whether or not publicly traded) shall continue to be a special asset of the trust.

(d) Special assets may include interests in real estate. The trustee shall have no responsibility, other than title-holding, for those interests and the tangible personal property associated with them. The manager shall have sole responsibility for managing, insuring, leasing and repairing the properties, collecting rents, and paying all taxes and expenses on the properties. The trustee shall deal with the properties only as and when directed to do so by the manager. If the manager asks the trustee to provide additional money for the expenses or improvement of a special asset, however, the trustee shall have responsibility for determining whether or not to provide funds. The manager may employ property managers at the expense of the trust or may manage the properties personally. The trustee need not review or inspect the properties, except that the trustee shall have the right (but not the duty) to exercise the trustee’s environmental powers under this agreement.

(e) A manager shall be entitled to reasonable compensation, unless waived, and to reimbursement for reasonable expenses, including travel costs.

(f) The statement of the trustee that it is acting according to this section shall fully protect all persons dealing with the trustee. The trustee shall have no responsibility for any loss that may result from acting in accordance with this section.

I may at any time or times, with or without right of revocation, by a writing delivered to the trustee delegate to any other person or to the trustee or relinquish any or all of the powers reserved to me hereunder.

The statement of the trustee that it is acting according to this section shall fully protect all persons dealing with the trustee. The trustee shall have no responsibility for any loss that may result from acting in accordance with this section.

EIGHTH: The trustee of each trust under this agreement shall hold, manage, care for and protect the trust property and shall have the following powers and, except to the extent inconsistent herewith, those now or hereafter conferred by law: **TRUSTEE POWERS**

(a) To retain any property (including stock of any corporate trustee hereunder or a parent or affiliate company) originally constituting the trust or subsequently added thereto, and to invest and reinvest the trust property in bonds, stocks, mortgages, notes, bank deposits, options, futures, partnership and limited liability company interests, shares of investment companies, real estate investment trusts and other investment funds (including ones that receive services from, and pay compensation to, a corporate trustee hereunder or a parent or affiliate company), or other property of any kind, real or personal, domestic or foreign; the trustee may retain or make any investment without liability, even though it is not of a type, quality, marketability or diversification considered proper for trust investments; I understand that investments are subject to risk, including possible loss of principal, and that the trustee is not liable for losses which do not result from a violation of the trustee's duties;

(b) To cause any property, real or personal, belonging to the trust to be held or registered in the trustee's name or in the name of a nominee or in such other form as the trustee deems best without disclosing the trust relationship;

(c) To vote in person or by general or limited proxy, or refrain from voting, any corporate securities for any purpose, except that any security as to which the trustee's possession of voting discretion would subject the issuing company or the trustee to any law, rule or regulation adversely affecting either the company or the trustee's ability to retain or vote company securities, shall be voted as directed by me if living, otherwise by the beneficiaries then entitled to receive or eligible to have the benefit of the income from the trust; to exercise or sell any subscription or conversion rights; to consent to and join in or oppose any voting trusts, reorganizations, consolidations, mergers, foreclosures and liquidations and in connection therewith to deposit securities and accept and hold other property received therefor;

(d) To lease trust property for any period of time though commencing in the future or extending beyond the term of the trust;

(e) To borrow money from any lender, extend or renew any existing indebtedness and mortgage or pledge any property in the trust;

(f) To sell at public or private sale, contract to sell, convey, exchange, transfer and otherwise deal with the trust property and any reinvestments thereof, and to sell options, from time to time for such price and upon such terms as the trustees sees fit;

(g) To employ agents, attorneys and proxies, to delegate to them such duties and powers as the trustee considers desirable, and to pay them reasonable compensation from the trust estate; a corporate trustee hereunder may delegate to an affiliate company any of the corporate trustee's duties and powers, discretionary or otherwise, and the delegating corporate trustee need not review the actions of the affiliate;

(h) To compromise, contest, prosecute or abandon claims in favor of or against the trust;

(i) To distribute income and principal in cash or in kind, or partly in each, and to allocate or distribute undivided interests or different assets or disproportionate interests in assets, and no adjustment shall be made to compensate for a disproportionate allocation of unrealized gain for federal income tax purposes; to value the trust property and to sell any part or all thereof in order to make allocation or distribution; no action taken by the trustee pursuant to this paragraph shall be subject to question by any beneficiary;

(j) To deal with, purchase assets from, or make loans to, the fiduciary of my estate or any other estate or trust in which any beneficiary under this agreement has an interest, though a trustee hereunder is the fiduciary, and to retain any assets or loans so acquired, although not of a type, quality, marketability or diversification considered proper for trust investments; to deal with a corporate trustee hereunder individually or a parent or affiliate company;

(k) To maintain or terminate any life insurance policy included in the trust property, to pay premiums thereon (but only from principal), and to exercise all incidents of ownership in connection therewith;

(l) To elect, pursuant to the terms of any employee benefit plan, individual retirement plan or insurance contract, the mode of distribution of the proceeds thereof, and no adjustment shall be made in the interests of the beneficiaries to compensate for the effect of the election;

(m) To retain or acquire any interests in oil, gas or other mineral resources received from any source without liability for any loss occasioned thereby; to execute any agreements, assignments, contracts, deeds, grants, leases for any term, and any other instruments or documents (even though their term may extend beyond the administration of any trust); to manage, control, operate, explore, mine, develop, or take any other action for the production, recovery, sale, treatment, storage, or transportation of any interest in oil, gas, or other mineral resources; to drill wells of any type; to conduct or participate in secondary recovery operations; to enter into agreements for pooling or unitization; to install, operate, or participate in the operation of any plant, mine, or other facility; and generally, with reference to oil, gas, and other mineral interests and operations, to enter into any other agreements and to take any other actions (whether or not presently recognized as common or proper practice by those engaged in the business of prospecting for, developing, producing, processing, transporting, or marketing oil, gas, or other minerals) as the trustee deems to be advisable;

(n) To inspect and monitor businesses and real property (whether held directly or through a partnership, corporation, trust or other entity) for environmental conditions or possible violations of environmental laws; to remediate environmentally-damaged property or to take steps to prevent environmental damage in the future, even if no action by public or private parties is currently pending or threatened; to abandon or refuse to accept property which may have environmental damage; the trustee may expend trust property to do the foregoing, and no action or failure to act by the trustee pursuant to this paragraph shall be subject to question by any beneficiary; and

(o) To perform other acts necessary or appropriate for the proper administration of the trust, execute and deliver necessary instruments and give full receipts and discharges.

NINTH: I or any other person may transfer or devise property acceptable to the trustee, or make the proceeds under policies of life insurance payable, to the trustee to be held under this agreement and may designate the trust to which the property or proceeds shall be added. If the addition is made by will, the trustee shall accept the statement of the personal representative that the assets delivered to the trustee constitute all of the property to which the trustee is entitled, without inquiring into the representative's administration or accounting.

ADDITIONS

TENTH: I may at any time or times amend or revoke this agreement in whole or in part by instrument in writing (other than a will) delivered to the trustee. The trust property to which any revocation relates shall be conveyed to me or otherwise as I direct. This power is personal to me and may not be exercised by my guardian, conservator, attorney in fact or others.

**RIGHT TO
REVOKE**

If the settlor is the initial trustee of the trust, substitute for the TESTIMONIUM:

37 IN WITNESS WHEREOF I have signed this agreement the day and year first above written.

JOHN DOE, individually and as trustee

FORM 201 (continued)

ELEVENTH: The law of the State of _____ shall govern the validity of each trust created under this agreement and the interpretation of its dispositive provisions. In all other respects (including investments, accountings and principal/income matters), the trust shall be governed by the law of the state in which the trust has its principal place of administration from time to time. The headings in this agreement are for convenience of reference only and shall not be considered in the interpretation of this agreement.

**GOVERNING
LAW**

IN WITNESS WHEREOF I, JOHN DOE, and NORTHERN TRUST by its duly authorized officer have signed this agreement the day and year first above written.

TESTIMONIUM

JOHN DOE

NORTHERN TRUST

By _____

**[Note to drafting attorney:
As needed, modify or omit the following
Attestation and Acknowledgment
to satisfy the legal requirements and customary practice
of the state in which the settlor resides.]**

We certify that the above instrument was on the date thereof signed and declared by JOHN DOE as his trust agreement in our presence and that we, at his request and in his

ATTESTATION

FORM 201 (continued)

presence and in the presence of each other, have signed our names as witnesses thereto, believing JOHN DOE to be of sound mind and memory at the time of signing.

_____	Residing at _____

_____	Residing at _____

_____	Residing at _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on this _____ day of _____, 20____, by JOHN DOE, as settlor.

ACKNOWLEDGEMENT

NOTARY PUBLIC

My commission expires _____