

\_\_\_\_\_  
Print Your Name(s)

**Letter of Instruction  
To The Guardian and Trustee for My/Our Child(ren)**

In order to assist the Guardian and Trustee for my/our child(ren) in making decisions as comfortably and confidently as possible, I/we leave these specific instructions to be incorporated by reference into the terms of my/our revocable living trust(s). I/We have indicated my/our wishes as follows:

**NOTIFICATION**

\_\_\_\_\_ Upon the death of my spouse and me, my Trustee shall deliver a copy of this Letter of Instruction to:

- \_\_\_\_\_ My child(ren) (at age: \_\_\_\_\_)
- \_\_\_\_\_ My child(ren)'s Guardian
- \_\_\_\_\_ My child(ren)'s paternal and maternal grandparents
- \_\_\_\_\_ Other: \_\_\_\_\_

**EDUCATION**

***Pre-college***

\_\_\_\_\_ Preferred Type of Secondary Schooling: If economically feasible, I prefer my child(ren) attend the following type of secondary schooling (feel free to check off as options or rank in order of preference):

- \_\_\_\_\_ public schools
- \_\_\_\_\_ parochial schools
- \_\_\_\_\_ private schools
- \_\_\_\_\_ private schools of my religious belief: \_\_\_\_\_
- \_\_\_\_\_ schools where my Guardian's child(ren) attend
- \_\_\_\_\_ other: \_\_\_\_\_

\_\_\_\_\_ Academic Gifting Plan: Each time my child(ren) receive a report card from the first grade of elementary education through the last year of high school, my Trustee shall distribute the following amounts to that child(ren):

\$ \_\_\_\_\_ for every "A" received  
\$ \_\_\_\_\_ for every "C" received

\$ \_\_\_\_\_ for every "B" received  
\$ \_\_\_\_\_ for every "D" received

\_\_\_\_\_ Extracurricular Activities: It is important to me that my child(ren) be able to participate in extracurricular activities. It is my desire that my Trustee provide economic assistance to enable my child(ren) to participate in extracurricular activities such as band, orchestra, sports, field trips, clubs, etc.

\_\_\_\_\_ I specifically want my Trustee and my Guardian to encourage my child(ren) to participate in the following activities:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ I prohibit my child(ren)'s involvement in the following extracurricular activities: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ I wish to leave the following additional instructions regarding extracurricular activities: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Specialized Academic Programs: I authorize and encourage my Trustee to pay for any accelerated or remedial programs that my child(ren) may qualify for or need.

## ***College***

\_\_\_\_\_ Savings Requirement: During any period when my Trustee makes a distribution of net income or principal for the education needs of my child(ren), any distribution shall be limited to an amount that is equal to the following:

\_\_\_\_\_ an amount equal to the amount the child(ren) has saved for education.

\_\_\_\_\_ an amount equal to twice the amount the child(ren) has saved for education.

\_\_\_\_\_ other: \_\_\_\_\_

\_\_\_\_\_ My Trustee shall inspect account statements or other financial records to determine the amount the child(ren) has saved for education.

\_\_\_\_\_ Education Savings Plan:

\_\_\_\_\_ I have a 529 Plan or other education savings plan funded for my children's education.

\_\_\_\_\_ My child(ren)'s grandparents have a 529 Plan or other education savings plan funded for my children's education.

\_\_\_\_\_ In-State Tuition Equivalent: Any distribution for "education" shall be an amount equal to the then average costs of tuition, room, board, lab fees, and required course materials at a state-supported college or university, as determined by my Trustee in its sole and absolute discretion. If my child(ren) elects to attend a private college or university, my Trustee shall distribute to such child(ren) only that amount equivalent to the average costs at a state-supported college or university, and the child(ren) may secure alternate means for financing any excess costs.

\_\_\_\_\_ Qualifying Grade Requirement: If my child(ren) receive a "D" or an "F" (or an equivalent grade on an alternative grading system) in a college, university, or vocational course, my Trustee shall subtract an amount equal to the cost of the credit hours for this course from the amount that child(ren) is eligible to receive for education needs in the next semester.

\_\_\_\_\_ My Trustee may, in its sole and absolute discretion, make exceptions to this condition when my child(ren) has been injured, ill, or suffered other disruptive circumstances.

\_\_\_\_\_ Study-Abroad Programs: If financially feasible, all or any part of my child(ren)'s college education may be taken in a university located in a foreign country.

\_\_\_\_\_ I would especially encourage a university in the following countries:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Four-year Incentive: I direct my Trustee to make a special distribution of \$\_\_\_\_\_ to each of my child(ren) upon their completion of an undergraduate degree from an accredited college or university if completed within FOUR (4) years or less.

\_\_\_\_\_ I wish to leave the following comments regarding my preferences for my child(ren)'s living arrangements during his/her college years: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**SPECIAL TALENT**

\_\_\_\_\_ I believe my child(ren) has been gifted in the following area(s) and direct my Guardian and Trustee to take whatever action necessary to support my child(ren) in developing this gift:

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**VISITATION**

\_\_\_\_\_ Family: To the extent that distance will allow, it is very important to me that my child(ren) shall have equal contact with both maternal and paternal sides of the family.

\_\_\_\_\_ The term "family" includes child(ren)'s grandparents, aunts, uncles and cousins.

\_\_\_\_\_ It is important to communicate with grandparents via telephone or letter at least: weekly / monthly / annually / other: \_\_\_\_\_  
(circle your preference)

\_\_\_\_\_ It is important to physically get together with grandparents at least weekly / monthly / annually / other: \_\_\_\_\_  
(circle your preference)

\_\_\_\_\_ It is important to communicate with family via telephone or letters at least weekly / monthly / annually / other: \_\_\_\_\_  
(circle your preference)

\_\_\_\_\_ It is important to physically get together with family at least weekly / monthly / annually / other: \_\_\_\_\_  
(circle your preference)

\_\_\_\_\_ Supervision: Under no circumstances, shall the Guardian allow any of my child(ren) to visit with \_\_\_\_\_ unless the Guardian is also present during the entire visit.

\_\_\_\_\_ Travel: Before my minor child(ren) are able to travel alone, the Trustee is directed to pay for either the Guardian or another family member to meet the traveling child(ren) and accompany the child(ren) to the travel destination.

\_\_\_\_\_ I direct that my child(ren) not travel alone until they are at least \_\_\_\_\_ years old.

\_\_\_\_\_ Holidays: Holidays are important to our family and for that reason, my child(ren) are to spend some time with our families on holidays (Christmas, Easter, Thanksgiving and

birthdays). It is my desire that an acceptable arrangement be worked out between all families concerned.

\_\_\_\_\_ I desire that my child(ren) alternate the holidays between both families starting with either the maternal side or the paternal side on Thanksgiving and Christmas day in even years, and then with the other side on Thanksgiving and Christmas day in odd years.

\_\_\_\_\_ Other: \_\_\_\_\_  
\_\_\_\_\_

**GUARDIAN**

\_\_\_\_\_ Payment: As compensation, on each anniversary of the date my child(ren) began living with their Guardian, my Trustee, upon the written request of such Guardian, shall pay to such Guardian as compensation for caring for my child(ren) an amount not to exceed \$ \_\_\_\_\_, as adjusted for inflation.

\_\_\_\_\_ This annual compensation shall continue until my youngest child(ren) reaches the age of \_\_\_\_\_ or completes his or her high school education, whichever occurs first.

\_\_\_\_\_ Such compensation shall be paid from the net income of the trust and under no circumstances shall my Trustee invade the trust principal to pay such Guardian's compensation. In the event the trust net income for any year shall not equal the amount of compensation requested by the Guardian, the Guardian's compensation for that year shall be the amount of trust net income earned in that anniversary year.

\_\_\_\_\_ Vacation: As compensation for caring for my child(ren), my Trustee may make an annual distribution for any and all expenses incurred by the Guardian for a vacation enjoyed by both the Guardian's family and my child(ren).

\_\_\_\_\_ I wish for this to be an expression of my deepest gratitude and place no limitations on the cost of such vacation.

\_\_\_\_\_ Child(ren)'s Biological Parent as Guardian: When, if ever, my child(ren) are in the physical custody of their other biological parent, my Trustee shall be very conservative when distributing for the child(ren)'s health, education, maintenance, and support needs. My Trustee shall determine other resources available to my child(ren) through the support of their biological parent. It is my desire that the preservation of principal be a priority and that genuine need must be shown by my child(ren) before my Trustee shall make a discretionary distribution. My purpose for requiring this limited access during any period of time that my child(ren) live in the custody of their biological parent is based on my desire to prevent the use of any trust assets from supplanting my ex-spouse's financial responsibility of supporting my child(ren)'s needs during their years as a minor dependent.

**RELIGION**

\_\_\_\_\_ I prefer that my child(ren) be raised within the \_\_\_\_\_ religion.

\_\_\_\_\_ However, this preference is intended to be flexible to accommodate the regular church involvement of the child(ren)'s Guardian, and it is my overriding intention that my child(ren) and the Guardian attend church services as "a family."

\_\_\_\_\_ I strongly encourage and desire the Guardian to allow my child(ren) the opportunity to participate in church youth programs.

\_\_\_\_\_ I wish to leave the following instructions regarding my child(ren)'s faith development:  
\_\_\_\_\_  
\_\_\_\_\_

**SAFETY CONCERNS**

\_\_\_\_\_ Automobiles: If the Guardian or my Trustee decide to give my child(ren) an automobile, such automobile must be:

- \_\_\_\_\_ Considered "reliable and safe"
- \_\_\_\_\_ Used and moderately priced
- \_\_\_\_\_ Not a sports car
- \_\_\_\_\_ Other: \_\_\_\_\_

\_\_\_\_\_ Miscellaneous: I have the following additional safety concerns: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**COUNSELING**

\_\_\_\_\_ Grief Counseling: Due to the impressionable age of my child(ren), I caution my Trustee and Guardian to be vigilant in observing signs of distress or difficulty in coping with the situation after my death.

\_\_\_\_\_ I specifically authorize my Trustee to provide for grief and/or suicide counseling for any or all of my child(ren) if my Trustee and Guardian determine such counseling to be in the best interests of my child(ren).

**FINANCIAL MANAGEMENT**

\_\_\_\_\_ Allowances: I leave the following instruction to the Guardian and Trustee regarding an allowance for my child(ren): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Budgeting Instruction: I believe that budgeting is an important step to responsible financial management.

\_\_\_\_\_ When my child(ren) reach age \_\_\_\_\_, they are to each take budgeting lessons or courses.

\_\_\_\_\_ Prior to establishing a separate trust share for each of my child(ren), my Trustee shall recommend a budget counselor for each child(ren) to consult and shall encourage each child(ren) to receive budget counseling.

\_\_\_\_\_ Despite any conflicting provisions in my revocable living trust, I direct that prior to receiving any income or principal from the separate trust share created for them under my Trust, each of my child(ren) shall consult with a budget counselor approved by my Trustee.

\_\_\_\_\_ If my child(ren) creates and lives within the bounds of his or her budget for \_\_\_\_\_ consecutive days, then my Trustee may distribute any income and principal to the child(ren) from his or her trust share in accordance with the terms and conditions of my revocable living trust.

\_\_\_\_\_ My Trustee may rely on the written statement of the budget counselor that after creation of the budget, my child(ren) lived within its bounds for \_\_\_\_\_ consecutive days.

\_\_\_\_\_ When selecting an acceptable budget counselor, I encourage my Trustee to consider an individual or member of an organization in Indiana which is bonded and licensed under the Budget Service Companies Act. If my child(ren) lives in any other state, which has a similar statute, any individual or member of an organization which is bonded and licensed under the state's act is acceptable.

\_\_\_\_\_ When selecting an acceptable budget counselor, I encourage my Trustee to consider the following: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ My Trustee, in its sole discretion, is authorized, but not directed, to pay any costs associated with the budget counseling process.

\_\_\_\_\_ Financial Investment Instruction: It is my strong belief that financial education is critical to my child(ren)'s ability to make optimal use of inherited funds. To this end, in all matters concerning the investment of funds distributed to my child(ren), it is my desire that:

\_\_\_\_\_ When my child(ren) reach age \_\_\_\_\_, they each are to take financial planning courses.

\_\_\_\_\_ My child(ren) should consult regularly with a financial advisor regarding investment matters.

\_\_\_\_\_ The financial advisor selected shall possess qualifications that include, at a minimum, attainment of the Certified Financial Planner (CFP) designation.

\_\_\_\_\_ I have worked with the following financial professional and request my child(ren) to initially consult with this individual: \_\_\_\_\_

\_\_\_\_\_ The financial advisor selected shall possess the following additional qualifications: \_\_\_\_\_

\_\_\_\_\_ Prior to establishing a separate trust share for each of my child(ren), my Trustee shall recommend a basic financial planning course or seminar for each child(ren) to attend and shall encourage the child(ren) to attend.

\_\_\_\_\_ Despite any conflicting provision in my revocable living trust, I direct that prior to receiving any income or principal from the separate trust share created for them under my Trust, each of my child(ren) shall consult with a financial planner approved by my Trustee.

\_\_\_\_\_ Once my child(ren) has established a financial plan through the planner approved by my Trustee, then my Trustee may distribute any income and principal to the child(ren) from his or her trust share in accordance with the terms and conditions of my Trust.

**LEAVING A LEGACY**

\_\_\_\_\_ I desire that my Guardian make available to my child(ren) the following books, musical selections, poems, etc. and explain to my child(ren) that these selections were important to me and that I desired to share them with my child(ren): \_\_\_\_\_



\_\_\_\_\_ In addition to this Letter of Instruction, I have drafted a private letter to my child(ren) and enclosed this letter with my estate planning documents.

\_\_\_\_\_ I request that my Guardian give this letter to my child(ren) on his/her \_\_\_\_\_ birthday.

\_\_\_\_\_ I direct my Guardian and Trustee to refer to my Memorandum for Distribution of Tangible Personal Property. A copy located in my Estate Planning Portfolio and at the law firm.

\_\_\_\_\_ I direct my Guardian and Trustee to give the following items of personal property to my child on the following special occasions:

<u>CHILD'S NAME</u>	<u>ITEM</u>	<u>OCCASION</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**FAMILY MISSION STATEMENT**

\_\_\_\_\_ I/We, the settlor(s), wish to strongly encourage the talents and creativity of my/our beneficiaries, while also allowing them the luxury of time and resources to share with family and true friends. If I/we were to die while my/our beneficiaries are young, we hope that they will continue to live a life of peace and plenty, be able to develop the resourcefulness to realize their dreams and have the inner strength to play whatever hand life deals them and, with luck, to survive and to find pleasure, in the simple joys of being alive.

\_\_\_\_\_ I/We, the settlor(s), also wish to encourage my/our beneficiaries to become personally involved in philanthropy. I/we, have done well enough that, barring a global economic meltdown or some similar catastrophe, my/our beneficiaries issue will most likely have the privilege and responsibility of wealth, which will enable them to do almost anything they want to do. I/we believe that one of the privileges and responsibilities of wealth is to do one's part to make the world a better place. I/we hope that my/our beneficiaries will share my/our interest in philanthropy, but they also expect that my/our beneficiaries will each develop their own philanthropic interest. I/we hope that they will learn to contribute their time and considerable intelligence, as well as their wealth, to making the world a better place.

\_\_\_\_\_ Apart from this trust, but as an integral part of my/our philosophy, I/we, the settlor(s), plan to create a family foundation and I/we hope that my/our beneficiaries will participate in

managing the foundation and in determining how the foundation will allocate its funds among the numerous worthy causes in which my/our beneficiaries are interested. I/We believe that such participation in the foundation will be among the most interesting and rewarding ways to enjoy the privilege of wealth. It is my/our desire that my/our beneficiaries assist those less fortunate in a way that will truly result in a long term and profoundly better life for the recipients.

### **PHILOSOPHIES OF TRUST MANAGEMENT**

\_\_\_\_\_ I/We, the settlor(s), believe that the use of trust assets for the benefit of my/our beneficiaries is far preferable to outright distribution of trust assets to them. Accordingly, the Trustee should arrange, whenever possible, for residences to be purchased and businesses invested in by the Trustee and title to such assets taken as a part of the trust estate rather than distributing assets outright to my/our beneficiaries and allowing title to such assets to be taken outside of the trust. Such an arrangement provides the family members with protection from divorce, creditors and claimants in bankruptcy. In addition, no distributions, loans or other benefits shall be made to or for the benefit of any Beneficiary who is under the age of twenty-five (25) for purposes other than such Beneficiary's education and health care if such distributions, loans or other benefits are objected to by the Beneficiary's parent who is an issue of the settlor(s).

\_\_\_\_\_ The trustee is to provide for the health needs of my/our beneficiaries during their lifetimes, including but not limited to (A) purchasing such medical, dental, mental health and long-term care insurance as the Trustee deems appropriate and (B) using trust assets to provide my/our beneficiaries with access to higher quality medical care than they would otherwise be able to afford. The Trustee is to actively discourage addictive behavior of all kinds, including the abuse of alcohol, prescription and non-prescription drugs, illegal drugs and other controlled substances, and is to very aggressively support counseling and rehabilitation of any sort.

### **DISTRIBUTIONS DURING COLLEGE YEARS AND UNTIL AGE 22**

\_\_\_\_\_ During the period between my/our beneficiaries' graduation from high school and the later to occur of their graduation from college, university or other accredited educational institution with a Bachelor's Degree, or their attainment of age twenty-two (22), it is I/we, the settlor(s), desire that the Trustee limit the distributions made to my/our beneficiaries so that they experience "real life" as a young adult, as a normal middle-class college kid, rather than with all the privileges which the trust may be able to afford for them or to which they may have become accustomed while living with me/us. Accordingly, the Trustee shall provide my/our beneficiaries during this period with spending money of One Thousand Dollars (\$1,000) per month. In addition, while my/our beneficiaries are full-time students, the Trustee shall pay for "enriching" experiences, including but not limited to travel, study abroad and psychotherapy. During this period, the Trustee may also provide my/our beneficiaries with an automobile. I/We recommend that the Trustee purchase an economical and safe car. The Trustee shall also provide our beneficiaries with a discretionary income supplement, which when added to our

beneficiaries's own earnings, will be sufficient to allow my/our beneficiaries to live in comfort but not in opulence.

### **DISTRIBUTIONS FOR HOUSING**

\_\_\_\_\_ Until my/our beneficiary(ies) attains age twenty-five (25), I/we, the settlor(s), believe that it would be appropriate for them to live in an apartment in a safe, pleasant middle-class neighborhood. I/We, the settlor(s), believe that age twenty-five (25) is an appropriate age at which to make the transition to a more stable, comfortable and responsible living arrangement. Accordingly, after my/our beneficiaries attain age twenty-five (25) and at their request, the Trustee shall purchase a residence for my/our beneficiaries, which residence shall be owned as an asset of his/her trust. In determining the appropriate purchase price for such residence, I/we, the settlor(s), recommend that the purchase price be not more than 100% of the median cost of all homes in the county in which our beneficiaries reside. I/We, the settlor(s), understand that, depending on the county in which our beneficiaries wish to reside, this limitation may restrict him/her to a multi-family dwelling of one type or another, such as a condominium or townhouse, or it may restrict him/her to a modest or outlying neighborhood, and we intend this result.

### **ASSISTANCE WITH TRADE OR BUSINESS**

\_\_\_\_\_ The Trustee is requested to assist my/our beneficiaries to entering into a trade, business or profession of the beneficiary's choosing. In addition to providing for each beneficiary's education the Trustee shall make a concerted effort to provide additional assistance, guidance and advice to the beneficiary regarding the business community in the field selected by the beneficiary, including but not limited to purchasing memberships in appropriate organizations such as bar associations and business specific organizations, which may assist the beneficiary in making professional contacts and developing experience and knowledge. Consistent with the settlor(s) desire that my/our beneficiaries develop into resourceful individuals, however, the Trustee is not to remove from my/our beneficiaries the burden of being the driving force behind their ideas, of discovering opportunities and of finding business partners and financing. Instead, the Trustee is to provide those resources that might assist my/our beneficiaries to pursue opportunities, business partners and financing and other aspects of their projects. The Trustee may provide financial assistance through loans to or outright investments in proposed projects which the Trustee determines to have a reasonable chance of success. The Trustee may retain and compensate such experts, consultants and advisors as may be reasonably necessary to carry out the provisions of this subparagraph.

### **MANAGEMENT OF SEGREGATED FUND**

\_\_\_\_\_ It is my/our, the settlor(s), desire that my/our beneficiaries be given the opportunity to learn to manage wealth and, when appropriate, to learn to take advantage of entrepreneurial opportunities by using funds as seed money for investments and business ventures. Therefore, when my/our beneficiaries attain age twenty-three (23), the Trustee shall set aside from my/our

beneficiaries' trust a segregated fund containing Two Hundred Fifty Thousand Dollars (\$250,000) (the "Fund"). My/Our beneficiaries shall be solely responsible for the investment and management of the Fund. However, until my/our beneficiaries attain age twenty-eight (28), the assets of the Fund shall be invested exclusively in financial assets with a ready market. Upon my/our beneficiaries' attainment of age twenty-eight (28), the Trustee shall add to the Fund assets with a value equal to the value of the Fund on the date, and thereafter, my/our beneficiaries may invest the assets of the Fund in any form of investment, including investments in business ventures in which they are involved.

\_\_\_\_\_ I/We, the settlor(s), wish the trust to encourage harmony and virtue among all young family members, as well as encouraging higher education, but not as a perpetual student. Education, however, is a never ending process and further seminars and individual classes throughout the years are to be financially supported and encouraged.

\_\_\_\_\_ The trust estate's existence is to be low key and as confidential as practical. Its nature as the separate property of the beneficiaries should be clearly explained by the Trustee, however, to any person who is immanently to marry a beneficiary.

\_\_\_\_\_ Any public recognition of the family's philanthropic efforts is to be non-boastful and for the purpose of dispelling any public doubt that the family's good works far outweigh any perceived tax avoidance achieved by the trust estate.

\_\_\_\_\_ It is my/our, the settlor(s), desire to encourage family unity. In an effort to accomplish this, the trustee is to pay for an Annual Family Retreat. The Retreat is to last up to nine days, including travel time, with the core of the agenda focused within the first week. The dates, location and agenda for this meeting will be determined as nearly as reasonably possible to meet all family members' needs, but preference is to be given to the needs of those in school, working and more senior. Parts of the agenda are to be mandatory for adult beneficiaries at the meeting and are to deal with the Trust's financial status, family members' accomplishments, future planning and concerns. Education in money management, estate planning, family and marriage as well as charitable works are also to be included. Past participation in this annual event, where practical, is to be taken into consideration in determining loans or distributions from the trust estate.

\_\_\_\_\_ It is clear that the trusts created hereunder (as with any cold, legal document) can only effectively deal with material matters and not the truly important things in life. The controlling features of the trusts are definitely not set up as a game to promote greed and avarice or for the settlor to play God. The trusts are to serve and protect the family while providing a positive stimulus to each family member's life.

### **FUNDING OF HIGHER EDUCATION**

\_\_\_\_\_ I/We, the settlor(s), strongly believe that education contributes significantly to success in all areas of life and, thus, wish to ensure that our descendants are provided both with ample resources to facilitate their education and with the incentive to complete their education with the

highest possible degree of success. Therefore, in exercising the discretionary power to make payments for a child's education the Trustee shall be guided by the settlor(s) desire that funds be made available to (1) allow the child to attend the highest quality educational institutions the child is qualified to attend; (2) allow the child to take advantage of as many learning opportunities as possible both during the academic year and during breaks from the academic year; (3) allow the child to devote himself/herself to the scholarship and enjoyment of an undergraduate education, without the need to work during the academic year; (4) provide for any tutors or educational support appropriate to assist the child to excel in the child's academic course of study; (5) provide for the expenses of the child's travel, not only to and from the educational institution, but also travel designed to enhance the child's formal course of study; (6) provide for the child's local transportation, including, but not limited to, purchasing a reasonable automobile and providing for appropriate insurance for the operation of the automobile; (7) provide for the child's reasonable housing and living expenses, including, but not limited to leasing or purchasing appropriate housing for the child that is convenient to the educational institution being attended by the child; and (8) provide for reasonable monetary or non-monetary incentives designated to encourage the child to complete his or her education with the highest possible degree of success; provided that (A) such child is a full-time student at an accredited college, university or professional school, (B) such child is, in the determination of the Independent Trustee, making reasonable progress toward an undergraduate, post-graduate or professional degree, (C) such child is, in the determination of the Independent Trustee, maintaining an appropriate grade-point average, given the standards of the educational institution and the ability of the child and (D) such payments are reasonable given such child's educational history, the size of the child's trust and the probable future needs of such child. The Trustee shall have the absolute discretion to determine the reasonableness of all such educational expenses.

#### **FUNDING OF PRINCIPAL RESIDENCE**

\_\_\_\_\_ At such time as a child attains age twenty-four (24), the trustee shall make available to the child a reasonable sum to provide for the acquisition of a principal residence, but in no event shall such sum exceed the amount of Five Hundred Thousand (\$500,000). It is the settlor(s) recommendation, but not direction, that the Trustee acquire the child's principal residence as a trust asset, rather than distributing the funds for the acquisition of the residence outright to the child, in order to preserve the creditor protection benefits that flow from trust ownership of such asset.

#### **CURTAILMENT OF BENEFITS DUE TO SUBSTANCE ABUSE**

\_\_\_\_\_ Under any of the circumstances set forth below, the Trustee shall cease to make distributions, or funds available, to a beneficiary (a "Suspension"). In the event of a Suspension, the Independent Trustee shall pay to the beneficiary as much of the net income and principal of the beneficiary's trust as the Independent Trustee considers appropriate for the beneficiary's education, the beneficiary's basic support and his or her medical, dental, hospital and nursing expenses and expenses of invalidism. If a Suspension occurs under any of the circumstances set

forth below, payments shall only be made under this paragraph to the extent that such payments are designed, in the discretion of the Independent Trustee, to encourage the beneficiary to receive appropriate medical and psychological care. I/We, the settlor(s), request, without imposing any legal obligation, that the Independent Trustee not make distributions directly to the beneficiary but that the Independent Trustee instead makes all payments directly to the persons or entities providing goods and services to the beneficiary. The Trustee may resume making distributions, or funds available, to a beneficiary only at such time as Independent Trustee determines, in the Independent Trustee's sole and absolute discretion, that the circumstances giving rise to the suspension no longer exist and that the beneficiary has the legal competence, the maturity, judgment and ability to warrant the resumption of distributions, without regard to whether the beneficiary has attained age forty (40). If a beneficiary refuses to consent to an "Examination" required by the Independent Trustee or refuses to consent to the disclosure of the "Examination Results" to the Independent Trustee as provided there shall be a suspension.

\_\_\_\_\_ If the Examination Results indicate current or recent use of an "Abused Substance" by a beneficiary, there shall be a Suspension.

\_\_\_\_\_ If the Independent Trustee believes that a beneficiary who is under age forty (40), or is over the age of forty (40) but is subject to a Suspension (A) routinely or frequently uses or consumes any illegal drug or illegal chemical substance or (B) is clinically dependant upon the use or consumption of alcohol or any other legal drug or chemical substance that has not been prescribed by a board certified medical doctor or psychiatrist in a current program of treatment supervised by such doctor or psychiatrist (collectively and "abused Substance"), the Independent Trustee shall request the beneficiary to submit to one or more examinations (including, but not limited to, laboratory tests of hair, tissue or bodily fluids) determined to be appropriate by a board certified medical doctor or psychiatrist selected by the Independent Trustee (an "Examination") to determine whether there has been current or recent use of an Abused Substance. The Independent Trustee shall request that the beneficiary to consent to full disclosure by the examining doctor or facility to the Independent Trustee of the results of all such Examinations (the "Examination Results"). The Independent Trustee shall maintain strict confidentiality of the Examination Results and shall not disclose the Examination Results to any person other than the beneficiary or the Trustee without the prior written consent of the beneficiary.

### **DISTRIBUTIONS FOR GUARDIAN'S FAMILY MEMBERS**

\_\_\_\_\_ In addition to any other distributions under this paragraph, the Trustee may distribute to the guardian from time to time, for the use of the guardian and the guardian's family, such sums as the Trustee determines to be conducive to the maintenance of a harmonious household and to the extent required to permit the settlor(s) children to reside with the guardian in reasonable comfort. In exercising such discretion, the Trustee shall take into account the settlor(s) children's welfare, I/we, the settlor(s), desire to provide our beneficiaries benefits (such as a high quality education, vacations or other forms of enrichment) to all children living in the guardian's household, the number of years the settlor(s) children have lived and will continue to living in such household, the size of the various trusts, the other resources of the guardian to the extent

known to the Trustee and any other factors the trustee determines to be relevant. The Trustee shall exercise such discretion liberally. Additionally, to avoid any financial or emotional hardship on the guardian and his or her family, until December 31 of the year in which the settlor(s) youngest child attains age twenty-three (23), the Trustee may continue to make distributions to the guardian provided that such person or persons have served as the duly appointed guardian of one or more minor children of the settlor(s), for at least sixty (60) months prior to the date on which the settlor(s) youngest child attains the age of majority.

### **INCOME MATCHING DISTRIBUTIONS**

\_\_\_\_\_ If (i) the child has earned an undergraduate degree from an accredited college or university and (ii) the child is employed full time, the Trustee shall pay the child each calendar year an amount, but not in excess of the income of the child's trust, equal to the child's gross income from employment during such calendar year (hereinafter referred to as "income matching"). The Trustee shall have the absolute discretion to determine whether the child is employed full time. The term "gross income" includes both gross earnings from employment and gross earnings if self employed. The term "gross income" shall not include passive income, such as interest, stock dividends or rentals, if the capital producing such passive income was received by the child as a gift or inheritance. The Trustee may require the child to provide such tax and/or employment verification, including tax returns, as the Trustee deems reasonable to determine the child's gross income, and the Trustee may establish such budgets and reserves as the Trustee considers reasonable. If the child declines to provide such verification, the child shall not be entitled to payments from the child's trust under this paragraph with respect to the year for which the child has declined to provide such verification.

### **LOW INCOME**

\_\_\_\_\_ If the child is pursuing a career, such as a teacher, which in the Trustee's absolute discretion, is determined to be socially productive but does not produce a substantial monetary reward, my trustee is directed to supplement that child's income with additional distributions from his/her trust in the trustees' sole discretion.

### **CARE FOR OTHERS**

\_\_\_\_\_ If the child is caring for one or more family members, including minor children and/or other relatives, and the trustee determines, in the Trustee's absolute discretion, that so caring for such family members reasonable precludes the child from earning a living, my trustee is directed to supplement that child's income with additional distributions from hi/her trust.

**OTHER CIRCUMSTANCES**

\_\_\_\_\_ I/We direct that my Trustee supplement the income of a child who for any other circumstance, in the trustee's absolute discretion, warrants payments to the child, provided that the Trustee determines that such payments are in accordance with the settlor(s) overall philosophy regarding the child being a productive and self-supporting member of society.

I have consulted with legal counsel, am fully informed as to all the contents of this document, and understand the full import of the grant of these instructions to the person or persons named as Guardian of my minor children under my last will and testament and as Trustee under my revocable living trust.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of the month of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SIGNATURE

This document was prepared by

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