



3.1 Definition: Where the term "Trustee" is used in this instrument it refers, unless otherwise specifically provided, to the one or to those acting as Trustee or Trustees, regardless of number. Whenever there are more than two Trustees, the act of a majority constitutes the act of the Trustee.

3.2 Settlor as Trustee: If Settlor is acting as a cotrustee, Settlor may act alone in exercising all the administrative powers given in article VII. Each other cotrustee is relieved of all responsibility for the manner in which the powers are exercised.

3.3 Disability of Trustee: If an individual Trustee becomes disabled, as defined in the paragraph entitled "DISABILITY" in article VI, that Trustee is deemed to have resigned.

3.4 (a) Successor to Individual Trustee if this Trust is for a husband/wife set: Upon the death, resignation, or removal of the trustee husband/wife, \_\_\_\_\_, the survivor of the marriage, \_\_\_\_\_ shall be the trustee. Upon the death, resignation, or removal of the trustee husband/wife \_\_\_\_\_, the survivor of the marriage \_\_\_\_\_ shall be the trustee.

3.4(b) Upon the death, resignation, or removal of the Settlor(s), Settlor nominates the person named hereafter to succeed the Trustee(s) as successor Trustee:

\_\_\_\_\_.

3.5 Removal and Nomination of Corporate Trustee: In the event there should ever be a corporate trustee a majority of the then income beneficiaries who are competent adults may remove the corporate Trustee with or without cause. If a corporate Trustee fails to qualify or, having qualified, resigns, is removed, or ceases to exist and has no successor, the probate court for Muskegon County, Michigan, shall nominate a successor corporate or individual Trustee.

3.6 Qualification and Resignation: A successor Trustee may qualify by filing a written acceptance of trust (within thirty (30) days of notice of eligibility) with another Trustee or a beneficiary. A Trustee also may resign by filing a written resignation with another Trustee or

beneficiary. In the event of a vacancy of the trustee position due to the death or resignation of one of the co-trustees no successor trustee will be appointed to fill the vacancy.

3.7 Compensation: Individual Trustees shall be reimbursed for their reasonable out-of-pocket expenses, and reasonable compensation for their services not to exceed one (1%) percent of the value of the trust. A corporate Trustee is entitled to reimbursement for expenses and to fees in accordance with its published fee schedule in effect at the time the services for which the fee is charged are performed; or, if there is no fee schedule then in effect, to fees that are recognized in the area as ordinary and reasonable for the services it performs.

#### IV

##### DISTRIBUTION FOR SETTLOR

4.1 During Settlor's Life: During the life of Settlor, and so long as Settlor is not disabled, Trustee shall pay all of the net income to Settlor or at Settlor's direction. If Settlor becomes disabled, Trustee shall, in its discretion, apply income for Settlor's benefit or accumulate income and thereafter treat it as corpus.

4.2 Corpus: Trustee may pay to Settlor from the corpus of the trust from time to time such further amounts (even to the exhaustion of the trust) as in its discretion it deems necessary or advisable to properly maintain Settlor in the style to which Settlor is presently accustomed, and shall do so if Settlor becomes disabled. These payments may include amounts to or for the benefit of persons dependent on Settlor for support and premiums for life insurance on Settlor or those persons, whether or not the policies are payable to this trust.

#### V

##### DISTRIBUTION FOR OTHERS

5.1 Applicability: Upon Settlor's death, Trustee shall hold, administer, and distribute the balance of the trust fund as provided in this article.

5.2 Payment of Charges: Trustee shall set aside all funds that are exempt from or not liable for debts, transfer taxes, expenses, or other charges. From the remaining assets, Trustee may either

advance to Settlor's personal representative funds to pay debts, fees, expenses, taxes, and other charges against Settlor's estate that exceed property in Settlor's probate estate that reasonably can be liquidated or may pay such charges directly. All debts, expenses and taxes imposed by reason of Settlor's death on any transfer of property includible in Settlor's estate for the purpose of such tax shall be paid in accordance with the terms of Settlor's will. If any of those charges are paid by Trustee, Trustee shall not apportion any of those charges among the trust beneficiaries.

5.3 Reliance by Trustee: In determining liabilities and charges against the trust fund, Trustee may act on evidence it deems to be reliable. It is Settlor's intent that Trustee be protected without resort to any court if no probate proceedings are required to settle Settlor's estate.

5.4 Allocation: Trustee shall divide the assets that remain, including funds that are exempt from charges against the trust, as follows cross out a provision you do not want, then initial next to the provision crossed out:

(a1) Trustee shall distribute all tangible personal property to Settlor's \_\_\_\_\_ children who survive Settlor, if any there be, in the following proportions: in \_\_\_\_\_ equal shares, *per stirpes* (a legal term meaning that a deceased child's heirs, that is, grandchildren, will receive that deceased child's share of the estate if the child were still living); **OR,**  
**cross out one of the sections to delete it from this Trust, either (a1) above or (a2) below, and initial next to the crossed out section.**

(a2) Trustee shall distribute all tangible personal property to \_\_\_\_\_

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(i) If there is dispute over which items each is to receive, Settlor suggests that all items be appraised and that each beneficiary then select items at the appraised values, the order of choice to be determined by lot.

(ii) Settlor may leave a list indicating the disposition of items of tangible personal property. Such a list, if any, shall be treated as an amendment to the trust and shall control.

(b1) Trustee shall distribute the market value of the real estate of this Trust in like manner as the personal property was distributed in section 5.4 (a) above. **OR,**  
**cross out one of the sections to delete it from this Trust, either (a1) above or (a2) below, and initial next to the crossed out section.**

(b2) Trustee shall distribute the market value of the real estate of this Trust as follows;

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(c) Each portion set aside for the issue of a deceased child shall be further divided into subportions among the surviving issue of the deceased child (whom the issue represent) by right of representation, the deceased child to be the stock. To facilitate identification, Trustee shall designate each portion and subportion with the name of the beneficiary for whom it was set aside.

(d) Each portion and each subportion shall be held, administered and distributed as provided below under the heading "SEPARATE TRUSTS." Before establishing a separate trust, however, Trustee shall transfer to each beneficiary that portion of the property that the beneficiary is entitled to receive, if any, by having attained an age specified for distribution of corpus from the beneficiary's separate trust.

#### SEPARATE TRUSTS

5.5 Income: Trustee will pay all of the net income of each separate trust to its beneficiary as the trustee determines to be advisable for any of the purposes set forth in the guidelines for invasion of the corpus, or may accumulate income and add it to the corpus.

5.6 Corpus: Trustee may invade the corpus of a separate trust for the benefit of the beneficiary if, in the Trustee's discretion, it is appropriate in order to:

(a) Provide care and support for the beneficiary if he or she is unable to care for himself or herself through no fault of his or her own;

(b) Provide an education for the beneficiary if he or she strives in good faith (including technical or trade training; camp, travel, or other informal training; college, postgraduate, and professional training);

(c) Meet extraordinary requirements caused by illness or other misfortune;

(d) Provide the beneficiary with a home of his or her own;

(e) Enable the beneficiary or his or her spouse to embark on or pursue a business or professional venture;

(f) Provide extra funds for well-being and comfort.

In each case Trustee shall consider the potential distributee's economic needs, habits, character, the availability of other resources, and all other factors Trustee considers relevant.

5.7 Payments to Guardian: If a guardian is appointed for the beneficiary, trustee shall supply funds to the guardian to maintain and support the beneficiary and to protect the guardian, to the extent possible, from suffering financial hardship by reason of the appointment. Trustee may also pay to the guardian fair and reasonable compensation, determined in the trustee's sole discretion, for services as guardian.

5.8 Cotrustee: A beneficiary of a separate trust may act as a cotrustee of the trust if the beneficiary desires to do so and is otherwise eligible to act, by filing a written acceptance of trust with Trustee.

5.9 Age Distribution: Trustee shall pay over the corpus of the trust to the beneficiary as follows:

The beneficiary's full share at age \_\_\_\_\_ (if not stated, then age 21).

5.10 Power of Appointment: If the beneficiary of a separate trust dies before complete distribution, Trustee shall pay over the corpus of the trust as the beneficiary may appoint by his or her last will under a "special power" of appointment that may not be exercised in favor of the beneficiary, the beneficiary's estate, the beneficiary's creditors, or the creditors of the beneficiary's estate.

5.11 Default Provision: If the power of appointment is not exercised, or insofar as the appointment is void or does not take effect then, on the termination, by death, of a separate trust, Trustee shall pay over the corpus of the trust as follows:

- (a) To the beneficiary's issue then living, if any, by right of representation; otherwise,
- (b) To the issue then living of the beneficiary's parent who is a descendant of Settlor, if any, by right of representation; otherwise,
- (c) To Settlor's issue then living, by right of representation.

If any distributee is the original beneficiary of a separate trust that has not been completely distributed, the amount to be distributed shall be added to that separate trust.

5.12 Ultimate Takers: If, at any time, there is no one to take under this trust, Trustee shall pay over the fund to those persons who would inherit Settlor's estate as if Settlor had then died intestate under the laws of Michigan then in effect with the shares and proportions determined by those laws.

5.13. Real Estate: At the time this trust was created \_\_\_\_\_ deeds were prepared transferring \_\_\_\_\_ real estate parcel(s) to the trust.

Upon the death of the survivor of husband/wife Settlor/Trustees or death of the single Settlor/Trustee, \_\_\_\_\_, the trust will transfer all real property, or its value, to,

\_\_\_\_\_  
\_\_\_\_\_ *per stirpes*.

## GENERAL PROVISIONS

6.1 Duration of Trusts: No trust under this document shall continue beyond twenty-one (21) years after the death of the last survivor of all beneficiaries and contingent beneficiaries under this document who were living on the date from which the rule against perpetuities speaks with reference to the trust. If a trust terminates because of this limitation, the trust fund shall be paid over to the beneficiary for whom the trust was established, if then living or, if not, to Settlor's issue then living, by right of representation.

6.2 Spendthrift Provision: No corpus or income payable now or in the future shall be subject to anticipation or assignment by any beneficiary or to attachment, interference, or control by legal or equitable process in satisfaction of any debt or liability of a beneficiary to any creditor prior to actual receipt by the beneficiary.

6.3 Common Management: Trustee may hold the corpus of the separate trusts, or any portion of them, in a common fund, or may purchase property for a common fund with assets of the separate trust (the separate trusts having undivided interests in such common fund) if more convenient to do so, until actual division becomes necessary in order to make distribution, provided that no such holding shall defer the vesting of any estate.

6.4 Minimum Corpus: If the corpus of any separate trust is, at the end of any accounting period, reduced to a sum that, in the sole judgment of the Trustee, would be undesirable, impracticable, or inexpedient to continue in trust, and Trustee, in its absolute discretion, is reasonably satisfied that there will be no further additions of any sizable amount to the trust, then Trustee may, if it is deemed advisable, distribute the trust assets to the then income beneficiary or beneficiaries for whom the trust was established.

6.5 Income Payments: Whenever income may be paid to a beneficiary, it may, in the discretion of Trustee, be applied for the benefit of the beneficiary. Whenever an income beneficiary

dies, any accrued but undistributed income shall be paid, when distributable, to the holder or holders of the next estate.

6.6 Receipt of Minor: When payment is made to a minor, the minor's receipt shall be valid and binding to evidence delivery by Trustee.

6.7 Survival Defined: No person shall be considered to have survived another or to be living upon the death of another if he or she dies within thirty (30) days after the death of the other person.

6.8 Disability: A beneficiary or a Trustee shall be considered to be disabled if either a court of competent jurisdiction issues an order, or two physicians licensed by the state of domicile sign certificates, concluding that due to physical or mental conditions the person is incapable of exercising judgment about or attending to financial and property transactions. Delivery of such a written determination to any beneficiary or contingent beneficiary under this trust agreement, or to another Trustee, shall be conclusive to establish the person is disabled. Removal of disability may be established by a similar procedure.

## VII

### ADMINISTRATIVE POWERS

7.1 Powers: In addition to powers that may be granted under Michigan law, Trustee, including a successor, shall have the following powers exercisable without court order. If there is any conflict between these powers and those granted by law, the less restrictive shall control.

7.2 Sale: To sell, exchange, give options upon, lease, mortgage, pledge, or otherwise dispose of any real or personal property, in such manner and on such terms as Trustee thinks fit, and to retain any such property.

7.3 Invest: To invest and reinvest the trust estate in any real or personal property, even though the investment (because of its character, amount, or proportion to the total estate, or for other reasons) would not be considered appropriate for a trust without the authority of this provision, and even though the investment causes a greater proportion of the total trust fund to be

invested in investments of one type or of one company than would be considered appropriate for a trust without the authority of this provision.

7.4 Employ Agents: To employ attorneys, auditors, depositaries, proxies, investment counsel, and other agents, with or without discretionary powers, and to hold any property in the name of a nominee, with or without disclosure of any fiduciary relationship, or in bearer form.

7.5 Deal with Claims and Abandon Property: To collect, pay, contest, compromise, or abandon claims of or against the trust, and to abandon assets that have no net value to the trust.

7.6 Transactions with Other Fiduciaries: To enter into any transaction authorized by this article with the fiduciary of any other trust or estate in which any beneficiary under this trust has any interest, even though the other fiduciary is a fiduciary under this trust.

7.7 Allocate: To make reasonable allocations of receipts and disbursements between principal and income.

7.8 Distribute in Kind: In dividing and distributing the trust fund, to distribute partially or totally in kind, determine the value of distributions in kind, and make disproportionate allocations of assets.

7.9 General: In general, to exercise all powers in the management of the trust that any individual could exercise in the management of similar property owned in his or her own right, on such terms and conditions as may seem best to Trustee; and do all acts that Trustee may deem necessary or proper to carry out the purpose of this agreement.

7.10 Limitation: No fiduciary shall exercise any of the incidents of ownership as to insurance owned by the trust on his or her life.

## VIII

### ACCOUNTING

8.1 Statement: Trustee shall keep records of the affairs of the trust and, at least annually, and upon termination, render an account to the beneficiaries showing the receipts and disbursements

made during the accounting period, together with an inventory of the assets belonging to the trust estate at the end of such period with cost and market values indicated.

8.2 Court Approval: Trustee is entitled at any time to have a judicial settlement of its account. Reasonable attorney fees, expenses, and other charges incident to the judicial proceeding may be charged against the trust fund.

## IX

### OBLIGATIONS AND LIABILITIES

9.1 Trustee: Trustee shall exercise good faith, ordinary prudence, and reasonable care in the discharge of its duties.

9.2 Successor Fiduciaries: A successor Trustee or cotrustee is under no obligation to inquire into the acts or to examine the accounts of anyone who was a Trustee prior to the qualification of the successor or co-trustee.

9.3 Reliance on Certificate: The certificate of Trustee that it is acting according to the terms of this instrument shall fully protect all persons dealing with Trustee.

## X

### CHOICE OF LAW

10.1 Governing Law: This trust is established and accepted by Trustee under the laws of the state of Michigan, and all questions concerning its validity, construction and administration shall be determined under Michigan law.

IN WITNESS OF THESE PROVISIONS, the parties sign this agreement.

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Settlor and Trustee  
Dated:

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Settlor and Trustee  
Dated:

Signatures of Settlor(s) and Trustee(s)  
Witnesses by:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

State of Michigan                    )  
  )ss.  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_, by \_\_\_\_\_ as his/her/their own free act and deed.

\_\_\_\_\_  
Notary Public,  
\_\_\_\_\_ County, State of Michigan  
My commission expires:  
Acting in \_\_\_\_\_ County