

# CREDIT SHELTER/QTIP TRUST

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## REVOCABLE TRUST AGREEMENT

**THIS TRUST AGREEMENT**, made and entered into this ^day of ^, by and between ^ of the Town of ^, County of ^ and State of Connecticut (hereinafter referred to as Settlor), and ^ of the Town of ^, County of ^ and State of Connecticut, (hereinafter referred to as Trustee), whereby the Trustee agrees to hold the property transferred, or which may be transferred hereunder, by the Settlor or by other persons, by gift, devise, bequest or other means as a Trust Estate for the following uses and purposes:

### PART I

#### DISPOSITIVE PROVISIONS

##### **1.1 Income and Principal Distributions while the Settlor is Living.**

During the lifetime of the Settlor, the Trustee shall hold the trust property (including any property hereafter received from the Settlor or any other person), and shall collect the income, if any, and proceeds of the Trust Estate, and shall pay to or expend for the benefit of the Settlor and the Settlor's spouse, ^, during the Settlor's lifetime, so much of the annual net income of the Trust Estate, and such part (or all) of the principal thereof as the Settlor from time to time may request or direct. In addition, the Trustee may borrow money and mortgage or pledge trust assets as security therefor, in such amounts and upon such terms and conditions as the Settlor may direct or the Trustee may determine. In the absence of any such direction or requests by the Settlor, the Trustee may from time to time pay to or expend for the benefit of the Settlor, and the Settlor's said spouse, during the Settlor's lifetime, so much of the annual net income of the Trust Estate, and such part (or all) of the principal thereof as the Trustee, in the Trustee's sole and absolute discretion, shall deem advisable for the Settlor's and the Settlor's said spouse's most comfortable care, health, maintenance, welfare, support, education, happiness, luxuries, and any needs arising from illness, accidents or other emergencies of the Settlor or the Settlor's said spouse. The Trustee is hereby exonerated from any liability in connection with making such payments and distributions in the exercise of the Trustee's absolute discretion. The Trustee shall accumulate and add to the principal of the Trust Estate, and

thereafter distribute as a part thereof, any of the annual net income not previously expended hereunder.

**1.2 Division of the Trust Estate upon Settlor's Death, if Settlor's Spouse Survives.**

Upon the Settlor's death, if the Settlor's spouse, ^, shall survive the Settlor, the Trustee shall divide the Trust Estate, as then constituted and held hereunder including any property received under the Settlor's Will or otherwise) into two (2) separate shares.

**A. 1.** The **first share** of the Trust Estate is to be designated the FAMILY TRUST and shall be administered and distributed in accordance with the terms and provisions of Section 1.4 of this Trust Agreement.

**2.** The FAMILY TRUST shall consist of the **maximum pecuniary amount**, if any, which, if allocated to the FAMILY TRUST, would result in no increase in federal estate tax payable at the Settlor's death by reason of taking into account the unified credit allowable to the Settlor's estate, but no other credits. It is recognized that in some circumstances no property may be allocated to the FAMILY TRUST pursuant to the formula set forth herein.

**3.** For purposes of determining the pecuniary amount comprising the FAMILY TRUST:

- (a)** Compensating adjustments can, but need not, be made as the Trustee or the Settlor's Executrix shall decide, between income and principal or in that amount by reason of certain tax elections made by the Trustee or the Settlor's Executrix, and the decision of the Trustee or the Settlor's Executrix with respect to such adjustments shall be binding and conclusive on all persons;
- (b)** None of the provisions of this Article shall be construed as requiring any particular exercise or nonexercise of tax elections, regardless of their effect on the determination of that amount.
- (c)** To the extent property or proceeds of property with respect to which the marital deduction would not be allowable if distributed outright to the Settlor's spouse, such property, or proceeds thereof, shall be allocated to the FAMILY TRUST.

**4.** For purposes of funding the FAMILY TRUST: Property allocated in kind shall be valued its fair market value as of the date of its allocation to the FAMILY TRUST, or, if such property is an investment or reinvestment of property included in the Settlor's gross estate or the proceeds of any sale or other disposition of property so included or of any such investment or

reinvestment, at the federal income tax basis of such property at the date of its allocation to the FAMILY TRUST.

**B. 1.** The **second share** of the Trust Estate is to be designated the MARITAL TRUST and shall be administered and distributed in accordance with the terms and provisions of Section 1.5 of this Trust Agreement.

**2.** The MARITAL TRUST shall consist of **the balance** of the Trust Estate after provision for the said FAMILY TRUST as described hereinbefore in Paragraph A of Section 1.2.

**3.** For purposes of funding the portion of the Trust Estate comprising the MARITAL TRUST:

**(a)** Compensating adjustments can, but need not, be made as the Trustee or the Settlor's Executor shall decide, between income and principal or in that amount by reason of certain tax elections made by the Trustee or the Settlor's Executor, and the decision of the Trustee or the Settlor's Executor with respect to such adjustments shall be binding and conclusive on all persons;

**(b)** None of the provisions of this Section 1.2 of the Trust shall be construed as requiring any particular exercise or nonexercise of tax elections, regardless of their effect on the determination of that amount.

**4.** If any asset included in said MARITAL TRUST shall be deemed a type of terminable interest which cannot qualify for the marital deduction under the federal estate tax law, such asset shall not pass to said MARITAL TRUST, but instead pass to the FAMILY TRUST hereinbefore established in Paragraph A of Section 1.2. The portion of the Trust Estate passing to said MARITAL TRUST shall be reduced in amount to the extent that it cannot be composed of qualifying assets.

**5.** The Settlor's Executor, in setting out the portion of the Trust Estate passing to said MARITAL TRUST, shall use only money or other assets which qualify for marital deduction.

**6.** To the extent that other assets qualifying for the marital deduction are available, the portion of the Trust Estate passing to said MARITAL TRUST shall not be satisfied by the distribution of: (a) assets with respect to which a credit for foreign taxes paid is allowable under the Internal Revenue Code; and (b) assets which may be subject to both income and estate taxes and which may be eligible for a credit or deductions.

7. Whenever used in this Section, the words "marital deduction", "pass" and "gross estate" shall have the same meaning as said words have under the provisions of the Internal Revenue Code applicable to the Settlor's estate.

8. In the event any or all interest in the MARITAL TRUST shall be disclaimed in whole or in part, such interest shall pass instead as part of the FAMILY TRUST hereinbefore established under Paragraph A of Section 1.2, to be held, administered and distributed as part of the FAMILY TRUST in accordance with the terms and provisions of Section 1.4 of this Trust Agreement.

**1.3 Distribution of the Trust Estate upon Settlor's Death if Settlor's Spouse Does Not Survive.**

Upon the Settlor's death, if the Settlor's spouse, ^, shall have predeceased the Settlor, then the Trustee shall divide and distribute the Trust Estate, as it is then constituted and held hereunder (including any property received under the Settlor's will or otherwise) in accordance with the provisions of Paragraph B of Section 1.4 of this Trust Agreement.

**1.4 Family Trust Provisions.**

The FAMILY TRUST shall be administered as follows:

**A. Distribution of Trust Income and Principal:**

1. Commencing as of the date of the Settlor's death and during the life of the Settlor's spouse, ^, the Trustee shall pay to or expend for the benefit of the Settlor's said spouse and the Settlor's then living issue, in such equal or unequal shares, so much of the annual net income and/or principal of the FAMILY TRUST, even to the extent of exhausting principal, as the Trustee from time to time determines, in the Trustee's sole and absolute discretion, reasonable and necessary for said beneficiaries' health, support, maintenance, and/or education. In no event, however, may the Trustee distribute income or principal of the Trust to any beneficiary in a manner that would discharge or satisfy the Trustee's legal obligation of support of such beneficiary. The Settlor's primary concern during the life of the Settlor's said spouse is for the Settlor's spouse's health, support, maintenance and/or education, and the Trustee need not consider the interest of other FAMILY TRUST life beneficiaries or the FAMILY TRUST remainder beneficiaries in making distribution of income and/or principal to the Settlor's said spouse from the Trust Estate, even to the extent of exhausting principal. Among the circumstances and factors which the Trustee shall consider in determining whether to make discretionary distributions of principal to the Settlor's said

spouse are the other income and assets known to the Trustee to be available to the Settlor's said spouse and the advisability of supplementing such income or assets. To the extent possible, the Trustee shall first make any such discretionary distributions of principal for the benefit of the Settlor's said spouse from the MARITAL TRUST in accordance with Section 1.5 of this Trust Agreement to the extent deemed appropriate by the Trustee, prior to considering any such discretionary distributions of principal from the FAMILY TRUST. The Trustee shall have no duty to equalize any unequal distributions or to take into account differences in benefits previously received by any beneficiary of this FAMILY TRUST in making subsequent distributions therefrom. Any income not expended hereunder may be accumulated and periodically added to principal.

2. Furthermore, the Settlor's said spouse shall, at any time during each calendar year (including the year of the Settlor's death), have the right to withdraw from the principal of the said FAMILY TRUST an amount or amounts (whether it is cash or property in kind including specific assets valued at their then fair market value) not exceeding in the aggregate in any one calendar year the higher of (i) FIVE THOUSAND DOLLARS (\$5,000.00) or (ii) FIVE PERCENT (5%) of the fair market value of the said FAMILY TRUST valued as of the last day of each year in which said withdrawal is requested. The total amount that may be withdrawn pursuant to the provisions of the immediately preceding sentence shall not be cumulative from year to year; and moreover, said limited right to withdraw shall be exercised only by a written instrument signed by the Settlor's said spouse and delivered to the Trustee during any day of the calendar year. This right of withdrawal shall expire on the day preceding the date of death of Settlor's said spouse.

**B. Distribution of the Trust upon the Death of the Settlor and Settlor's Spouse:**

1. (a) Upon the death of the survivor of the Settlor and the Settlor's spouse, ^, the FAMILY TRUST shall terminate, and the Trustee shall distribute the balance of the Trust Estate, (including any property received under the Settlor's Will, the MARITAL TRUST hereunder established, or otherwise) as it is then constituted, to the Settlor's children, ^, in equal shares, free of trust. In the event any of the Settlor's said children shall not survive the Settlor and the Settlor's said spouse, then the living issue of any such deceased child shall take, per stirpes, the share such deceased child would have taken had such child survived the Settlor and the Settlor's said spouse, subject however, to the provisions of Paragraph B.3 of this Section 1.4. In the event any child of the Settlor shall predecease the Settlor and the Settlor's said spouse without leaving issue surviving, then

the share such deceased child would have taken shall lapse and shall pass instead to the Settlor's then living issue, per stirpes, subject however, to the provisions of Paragraph B.3 of this Section 1.4.

2. Notwithstanding the provisions of Paragraph B.1 of this Section 1.4, the Settlor's said spouse, ^, shall have the unlimited right and power upon h^ death to appoint any or all of the principal of this Trust to such one or more of the Settlor's issue, in such equal or unequal shares, outright or in further trust, as ^he shall by h^ Last Will and Testament constitute and appoint to receive the same; provided however, that this power of appointment shall be exercisable by the Settlor's said spouse upon h^ death only by specific reference thereto in h^ Last Will and Testament; but in NO EVENT shall such power be exercisable in favor of the Settlor, the Settlor's spouse, their creditors, their estates or creditors of their estates.

3. Any part of any trust established under this Trust Agreement which becomes distributable, to any beneficiary, who has not attained the age of twenty-five (25) years, may be retained by the Trustee hereof, in the Trustee's sole and absolute discretion, in Trust to be held and administered as a separate share for each such beneficiary. The Trustee may pay over to, or expend for the benefit of each such beneficiary so much of the annual net income and/or principal of his or her portion of the Trust as the Trustee, from time to time determines, in the Trustee's sole and absolute discretion, reasonable and necessary for his or her health, maintenance, support and education. In no event, however, may the Trustee distribute income or principal of the Trust to any beneficiary in a manner that would discharge or satisfy the Trustee's legal obligation of support of such beneficiary. The Trustee may accumulate and periodically add to the principal of said part any income not so expended. As such remaining beneficiary shall reach the age of twenty-five (25) years, such separate portion of the Trust shall terminate as to such beneficiary and the Trustee shall pay over and distribute the balance of the beneficiary's separate portion of the Trust Estate to such beneficiary in fee, and free of Trust. If such beneficiary shall die before attaining the age of twenty-five (25) years, then upon his or her death, the Trustee shall pay over and distribute the balance of his or her separate portion of the Trust Estate (including accumulated income), to such beneficiary's estate, free of any trust. To the extent more than one part is set out for any such beneficiary hereunder they shall be combined into one separate trust and administered and distributed accordingly.

## **1.5 MARITAL TRUST Provisions.**

The Marital Trust shall be administered as follows:

**A. Distribution of Trust Income and Principal:**

1. Commencing as of the date of the Settlor's death and during the life of the Settlor's spouse, ^, the Trustee shall pay to, or expend for the benefit of the Settlor's said spouse, the entire net income of the MARITAL TRUST in convenient installments which shall be at least as frequent as quarter-annually. The Trustee may pay to, or expend for the benefit of, the Settlor's said spouse, so much of the principal of the MARITAL TRUST as the Trustee, from time to time determines, in the Trustee's sole and absolute discretion, reasonable and necessary for said spouse's comfort and welfare, including occasional luxuries.

2. Furthermore, the Settlor's said spouse shall, at any time during each calendar year (including the year of the Settlor's death), have the right to withdraw from the principal of the said MARITAL TRUST an amount or amounts (whether it is cash or property in kind including specific assets valued at their then fair market value) not exceeding in the aggregate in any one calendar year the higher of (i) FIVE THOUSAND DOLLARS (\$5,000.00) or (ii) FIVE PERCENT (5%) of the fair market value of the said MARITAL TRUST valued as of the last day of each year that immediately precedes the year in which said withdrawal is requested. The total amount that may be withdrawn pursuant to the provisions of the immediately preceding sentence shall not be cumulative from year to year; and moreover, said limited right to withdraw shall be exercised only by a written instrument signed by the Settlor's said spouse and delivered to the Trustee during any day of the calendar year. This right of withdrawal shall expire on the day preceding the date of death of Settlor's said spouse.

3. Notwithstanding any other provision of this instrument, upon the death of the Settlor's said spouse, all income of the MARITAL TRUST which is accrued or undistributed at the Settlor's said spouse's death shall be paid to the Estate of the Settlor's spouse.

**B. Payment of Taxes:**

Upon the death of the Settlor's spouse, ^, the Trustee shall pay from the remaining principal of the MARITAL TRUST directly to the appropriate governmental authority or authorities or to the Executors of the estate of the Settlor's said spouse, as the Trustee deems advisable, without seeking reimbursement or recovery from any person, the amount by which the estate, inheritance, and other death taxes (including interest and penalties, if any, but excluding any generation-skipping tax), payable in any jurisdiction by reason of the Settlor's said spouse's death, shall be increased as a

result of the inclusion of any part of the MARITAL TRUST herein in the gross estate of the Settlor's said spouse for such tax purposes, as certified in writing by the Executrix of the estate of the Settlor's said spouse.

**C. Distribution of the Trust Upon the Death of the Settlor's Spouse:**

Upon the death of the Settlor's spouse, ^, the MARITAL TRUST shall terminate and such part or all of the principal of the MARITAL TRUST remaining after the payments (or after making adequate provision therefor), if any, required by Paragraph B. Section 1.5 hereinabove, shall be distributed to the Trustee of the FAMILY TRUST to be added to the principal of such Trust Estate as an integral part thereof, to be held, administered and distributed in accordance with all the terms, conditions and limitations of Section 1.4 of this Trust. If said FAMILY TRUST is not then in existence, then the Trust Estate shall be distributed to the Settlor's children, in equal shares, per stirpes; subject, however, to the provisions of Paragraph B. of Section 1.4 of this Trust Agreement.

**D. Power of Appointment:**

Notwithstanding the provisions of Paragraph C. of this Section 1.5, the Settlor's spouse, ^, shall have the unlimited right and power upon her death to appoint such part or all of the principal of the MARITAL TRUST remaining after the payments (or after making adequate provision therefor), if any, required by Paragraph B. of this Section 1.5, to such one or more of the Settlor's issue, in such equal or unequal shares, outright or in further trust, as ^he shall by h^ Last Will and Testament constitute and appoint to receive the same; provided however, that this power of appointment shall be exercisable by the Settlor's said spouse upon h^ death only by specific reference thereto in h^ Last Will and Testament. In NO EVENT shall such power be exercisable in favor of the Settlor, the Settlor's spouse, their creditors, their estates or creditors of their estates.

**E. Qualified Terminable Interest Property Intentions:**

It is the Settlor's intention that the MARITAL TRUST set aside for the Settlor's said spouse, ^, shall qualify as "qualified terminable interest property" (hereinafter referred to as "QTIP") as defined under Section 2056(b) (7) of the Internal Revenue Code of 1986, as amended, except for any partial QTIP elections as hereinafter provided. Accordingly, all questions relating to the administration of the MARITAL TRUST and any ambiguity in the terms of this Trust Agreement shall be resolved in accordance with such intention. If any property unproductive of income is acquired or held in this MARITAL TRUST which is set up to qualify for the marital deduction, the Settlor's spouse shall have the right by written notice to the Trustee to convert unproductive property



in the MARITAL TRUST to productive property within a reasonable period of time. In addition, the Settlor understands that the Executrix of the Settlor's Estate has the power to elect to qualify all or a portion of the MARITAL TRUST for a federal estate tax marital deduction. The Trustee shall, however, review with the Executrix of the Settlor's Estate the question of whether to elect to qualify all or part of the MARITAL TRUST for the federal estate tax marital deduction. For the purpose of determining the amount of any partial election to be made, all values shall be those which are finally determined for federal estate tax purposes. Generally, the Settlor anticipates that the Executrix of the Settlor's Estate will minimize the estate tax payable by the Settlor's estate by electing to qualify all or a portion of the MARITAL TRUST for the federal estate tax marital deduction after taking into consideration the estate tax that will be payable by the Settlor's spouse's estate upon the death of said spouse, the state of said spouse's health and life expectancy at the time of said election, and utilizing other deductions and credits available to the Settlor's estate. If an election is made to qualify only part of the MARITAL TRUST, then, for convenience purposes, the qualifying portion of any such MARITAL TRUST may be known as "PART I" and the nonqualifying portion as "PART II." The apportionment of assets (if an election is made) shall comply with U.S. Treasury Regulations governing Section 2056 of the Internal Revenue Code of 1986, as amended; and, in particular, such apportionment, if any, shall be made such that the portion elected to qualify for the federal estate tax marital deduction will reflect its proportionate share of the increment or decline in the whole of the MARITAL TRUST'S assets.

**1.6 Provisions with Regard to Generation Skipping Tax.**

**A.** Notwithstanding any other provision of this Trust Agreement:

**1.** If a trust created under this Trust Agreement (the "original trust") would otherwise be partially exempt from federal generation-skipping tax after the intended allocation of a GST Exemption to it, then, before such allocation and as of the relevant valuation date under Section 2642 of the Code with respect to such allocation, the Trustee may (but need not) create instead two separate trusts of equal or unequal value which shall be funded fractionally out of the available property, and which shall be identical in all other respects to the original trust, so that the allocation of GST Exemption can be made to one trust which will be entirely exempt from federal generation-skipping tax. The two trusts created under this Paragraph A.1 of this Section 1.6 shall have the same name as the original trust except that the trust to which the GST exemption is allocated shall have the phrase "GST EXEMPT" added to its name.

2. If property which is held in, or is to be added or allocated to, a trust pursuant to this Trust Agreement is subject to different treatment for any reason for purposes of the generation-skipping tax under Chapter 13 of the Code, than other property being added or allocated to, or also held in, that trust, then the Trustee may (but need not) hold such property instead as a separate trust that is appropriately designated to distinguish it from the trust to which the property otherwise would have been allocated, but that is identical in all other respects to that trust. The identical trusts resulting from application of this subparagraph are also sometimes referred to herein as "related."

3. It is the intent of the Settlor that the Trustee shall not be required to create or administer a trust under this Trust Agreement that is only partially exempt from generation- skipping taxes, or to commingle property subject to different treatment for generation-skipping tax purposes whether because the transferors with respect to the property are assigned to different generations or otherwise. The provisions of this Paragraph A of this Section 1.6 are intended to enable the Trustee to avoid situations by empowering the Trustee to segregate Trust Property (i) that is entirely exempt from generation-skipping tax from Trust property that is not exempt, or (ii) that is otherwise treated differently from other Trust property for purposes of the generation-skipping tax, and the provisions of this Paragraph A should be applied in a manner consistent with this intention.

4. The Trustee has the authority to allocate any portion of the Settlor's exemption under Section 2631(a) of the Code, to property as to which the Settlor is the transferor, including any property transferred by the Settlor during the Settlor's lifetime as to which the Settlor did not make an allocation prior to the Settlor's death, and has the authority to make the special election under Section 2652(a)(3) of the Code. If Section 2631(a) or Section 2652(a)(3) of the Code is not interpreted to allow the Trustee to exercise such election, then the Settlor's Personal Representative is authorized to exercise the special election and allocation of the Settlor's exemption.

**B.** To the extent it is consistent with the Trustee's fiduciary obligations, the Trustee, in making discretionary distributions of net income and principal from the related trusts referred to in Paragraph A of this Section 1.6, shall take advantage of the opportunities provided by the creation of such related trusts to avoid or delay generation-skipping tax when making discretionary distributions, and to maximize the amount of Trust property that eventually may be distributed to the Settlor's grandchildren or more remote descendants without transfer tax of any kind at the termination of all trusts created under this Trust Agreement.

**PART II**  
**POWERS OF THE TRUSTEE**

**2.1 General Trust Powers.**

In addition to any powers and authorities conferred by law, and those hereinabove conferred upon them, and subject to any limitations contained in this Part II, a Trustee hereunder shall have the following powers and authority:

1. To permit any then permissible life beneficiary to have the use, possession, and enjoyment, without charge, of any real estate or tangible personal property held in trust for the benefit of said beneficiary, so long as said beneficiary lives; and if said beneficiary dies before his or her right to said property becomes absolute or before said property is distributed in fee, neither said beneficiary nor his or her estate shall be held liable for any loss, destruction, damage, depreciation or waste of said property, except through said beneficiary's fault or neglect. Neither the existence nor exercise of this power shall be deemed a constructive or actual distribution of the property to which it relates.
2. To retain for such time as the Trustee shall deem advisable any property, real, personal or mixed, which the Trustee may receive, even though the retention of such property by reason of its character, amount or otherwise, would not be appropriate for the Trustee apart from this provision.
3. To sell, grant options to purchase, exchange and alter assets of any trust at any price which the Trustee acting in good faith shall consider represents an adequate consideration in money or in money's worth, and upon any terms which the Trustee shall deem proper.
4. To invest, and reinvest from time to time all or any part of any trust in such stocks, common or preferred, common trust funds, bonds, debentures, notes, securities, life insurance and annuity contracts, or other real or personal property, either of the class or kind now or hereafter ordinarily approved or held to be lawful for the investment of trust funds, or not, as the Trustee in the Trustee's absolute discretion, may select, and to make and change such investments from time to time according to the Trustee's discretion; provided, however, in the investing and reinvesting of any property held by the Trustee, the Trustee is requested to consult with the Settlor during the Settlor's lifetime insofar as is practicable. The Trustee is hereby exonerated from any liability in connection with any action taken with the consent of said persons.
5. To lease property on any terms and conditions and for any term of years although extending beyond the period of any trust. To collect, receive and give receipts for rents, issues, profits, and income, and to employ agents for the performance of said activities.

6. To insure, improve, repair, alter and partition real estate; erect or raze improvements; grant easements; subdivide and dedicate to public use.
7. To foreclose, as an incident to the collection of any bond, note or other obligation, any mortgage, deed of trust, or other lien securing such bond, note or other obligation, and to bid in the property at such foreclosure sale, or to acquire the property by deed from the mortgagor or obligor without foreclosure; and to retain the property so bid on or taken over without foreclosure.
8. To exercise in person or by proxy, all voting options, subscription, reorganization, consolidation, merger and liquidation rights, and all other rights and privileges of whatsoever nature, incident, appurtenant or pertaining to securities in any trust and, in connection therewith to enter into any covenant or agreement binding any trust, and to purchase any new securities issued as a result of, or in connection with, any such act.
9. To settle, compromise, arbitrate, contest or abandon claims or demands in favor of or against any trust, and the discretion of the Trustee in this respect shall be conclusive and binding.
10. To borrow money, assume indebtedness, extend mortgages and encumber by mortgage or pledge any asset or assets of any trust although extending beyond the period of any trust.
11. To make any divisions, payments and partial or final distributions pursuant to the terms of any trust, using cash, securities or other property, of whatsoever nature and in whatever proportions the Trustee in the Trustee's judgement, shall deem appropriate, and the judgement of the Trustee shall be final. Except as otherwise provided, the Trustee shall have absolute discretion, which shall not be subject to review, to distribute or allocate property without respect to income tax basis and in making any such distribution or allocation, and the Trustee shall have no duty of impartiality.
12. To hold the principal of two or more Trusts or Trust Estates created hereunder in one or more consolidated funds in which the separate shares shall have undivided interests.
13. To acquire, receive, hold and retain the principal of several trusts created by a single instrument undivided until division shall become necessary in order to make a distribution; to hold, manage, invest, reinvest, and account for the several shares or parts of shares by appropriate entries in the fiduciary's books of account, and to allocate to each share or part of share its proportionate part of all receipts and expenses; provided, that the provisions of this subdivision shall not defer the vesting in possession of any share or part of share of the trust.

14. To pay any sum or sums due any minor hereunder directly to such minor, or to his parent or parents in his behalf, or to such other person or persons and in such manner as the Trustee may deem for such minor's benefit and such payment shall be a full and complete discharge.
15. To engage the services of competent legal, accounting and investment counsel to assist and advise the Trustee in the administration of any trust, and to pay for such services out of the principal or income as the Trustee, in the Trustee's discretion, shall determine.
16. To employ and compensate persons deemed by the Trustee necessary to advise or assist in the proper administration of any trust including, but not limited to, servants, agents, accountants, brokers, attorneys-at-law, attorneys-in-fact, real estate managers, rental agents, realtors, appraisers, and investment counsel, custodians and other professional advisors as reasonably may be required or desired in managing, protecting and investing the trusts without liability for any neglect, omission, misconduct, or default of such person provided such person was selected and retained with due care on the part of the Trustee. If investment counsel is selected, which at the time of selection has a reputation in its community for competence and fair dealing, its selection and retention shall be considered as having been made with due care, provided the Trustee continues to retain such counsel only so long as such counsel maintains said reputation. Under said circumstances, the Trustee shall have no investment responsibility whatever and may act without independent investigation upon the recommendations of any such person, without liability for any neglect, omission, misconduct, or default of such persons.
17. To determine the market value of any investment of any trust for any purpose on the basis of such quotation, evidence, data or information as the Trustee may deem pertinent and reliable.
18. To register any securities in the name of a nominee or in any form in which title will pass by delivery.
19. To determine whether any money or other property coming into the control of the Trustee is part of the principal of any Trust or Trust Estate, or the gross income therefrom or the net income available for distribution thereunder.
20. To apportion between principal and income any loss or expenditures which in the opinion of the Trustee, should be apportioned and which to the Trustee may seem just and equitable, and any such determination as between principal and income so made by the Trustee in good faith shall be conclusive and binding upon all beneficiaries or other persons interested in any Trust or Trust Estate.
21. To exercise any stock options owned by the Settlor at the Settlor's death or acquired by or held in any trust, to borrow money and pledge any assets, including stock acquired by the exercise thereof, to obtain funds for the exercise thereof, to retain any

stock purchased by the exercise of such options for such time as the Trustee deems advisable, and to exercise all other powers in respect of such stock as though such stock formed a part of the Trust Estate at the time of the Settlor's death.

- 22.** To retain and to purchase insurance contracts on the life of any beneficiary or any person in whom a beneficiary has an insurance interest, or annuity contracts for any beneficiary, and to pay the premiums thereon out of such beneficiary's portion of principal or income as the Trustee, in the Trustee's discretion, may determine.
- 23.** To retain any residential real property or apartment (including a cooperative or condominium) received by the Trustee hereunder, to purchase, to rent and to maintain residential real property or any apartment (including a cooperative or condominium) for occupancy, rent free, by any of the beneficiaries hereunder, so long as one or more of them wish to occupy it as a home, and to sell it when it is no longer so occupied; to pay all rent, taxes, assessments, repairs and other charges for maintaining such real property or apartment, including title, public liability, fire and extended coverage insurance, and to make such purchases or payments out of the principal or income of the applicable Trust Estate, in accordance with applicable law, and as the Trustee, in the Trustee's sole and absolute discretion, shall determine.
- 24.** To comply with the terms of any Agreement entered into by the Settlor and in effect at the Settlor's death, with respect to the operation or disposition of any interest in a business and/or partnership which is owned by the Settlor at the time of the Settlor's death. In addition, subject to the terms of any such Agreement to the extent and upon such terms and conditions and for such periods of time as the Trustee shall deem necessary or advisable, the Trustee shall, during the term that any such business and/or partnership is a part of the Trust Estate, possess the power to continue or participate in the operation of any business or other enterprise, whatever its form or organization (herein referred to as "business"), including but not limited to the power:

  - A.** to effect incorporation, dissolution, re-organization, merger, consideration or sale of all or substantially all of the assets, either for cash or in exchange for stock or other securities, or to make other changes in the form of the organization of any business, and to diminish, enlarge or change the scope of nature or nature of any business;
  - B.** to dispose of any business interest therein as soon after the Settlor's death as the Trustee may consider advisable or to acquire the interest of other businesses therein;
  - C.** to contribute thereto or invest therein additional capital or to lend money thereto, in any such case upon such terms and conditions as the Trustee shall approve from time to time;

- D.** to determine whether the liabilities incurred in the conduct of the business are to be chargeable solely to the part of the Trust Estate set aside for use in the business or to the Trust Estate as a whole, but such allocation must be done in accordance with applicable law;
- E.** to control, direct and manage the business; provided, however the Trustee may delegate all or any part of the Trustee's power to supervise and operate the business to such person or persons as the Trustee may select, including any associate, partner, officer or employee of the business;
- F.** to hire and discharge officers and employees, to fix their compensation and define their duties; and to employ, compensate and discharge agents, attorneys, consultants, accountants and such other representatives as the Trustee may deem appropriate, including the right to employ any beneficiary, or individual Trustee, in any of the foregoing capacities;
- G.** to pledge any assets of the Trust Estate as security for loans made to such business;
- H.** to retain in the business such amount of the net earnings for working capital and other purposes of the business as the Trustee may deem advisable in conformity with sound business practice;
- I.** to purchase, process and sell merchandise of every kind and description;
- J.** to purchase and sell machinery and equipment, furniture and fixtures and supplies of all kinds;
- K.** to sell or liquidate all or any part of any business at such time and price and upon such terms and conditions, including credit, as the Trustee may determine, including a sale to any partner, officer or employee of the business or to any individual Trustee as beneficiary hereunder, provided any such sale shall be for adequate and full consideration;
- L.** to redeem any or all of the shares of any or all of the stockholders of any business, even though the result of such redemption would be that a majority interest would be changed into or reduced to a minority interest.
- M.** to invest any other Trust Estate assets in such business;
- N.** in all cases in which the Trustee is required to furnish statements to beneficiaries or to file accounts in any court or in any other public office, it shall not be necessary to itemize business receipts and disbursements and distributions of property but it shall be sufficient for the Trustee to show in the account a single figure or consolidation of figures, and the Trustee shall

be permitted to account for money and property received from the business and any payments made to the business in lump sum without itemization; and

- O.** the Trustee shall not be held liable for any loss resulting from the retention or operation of any such business, or for any other actions that they may take in good faith, with respect to any such business.
- 25.** To continue any agricultural, horticultural, and greenhouse operation received by said Trustee pursuant to Grantor's will or other instrument and to do any and all things deemed advisable by the Trustee in the management and maintenance of any farm, which term includes, but is not limited to, a farm, garden, orchard, ranch, greenhouse, timber tract, dairy or "hospitality" (to be applied very broadly including such activities as campgrounds, leisure, recreation, attractions, and in such other manner consistent with or an expansion of the past business activities of the various business enterprises of ^), and to do any and all things concerning the production and marketing of crops and dairy, poultry, livestock, horticultural and greenhouse products, orchard and forest products including but not limited to the following powers:
- A.** to operate the farm with hired labor, tenants or sharecroppers;
  - B.** to lease or rent the farm for cash or for a share of the crops;
  - C.** to purchase or otherwise acquire farm machinery and equipment and livestock;
  - D.** to undertake the construction, repairs and improvements to farm buildings of all kinds needed in the Trustee's judgment, for the operation of the farm;
  - E.** to make or obtain loans or advances at the prevailing rate or rates of interest for farm purposes such as for production, harvesting, or marketing, or for the construction, repair, or improvement of farm building, or for the purchase of farm machinery or equipment or livestock;
  - F.** to employ approved soil conservation practices in order to conserve, improve, and maintain the fertility and productivity of the soil; to protect, manage and improve the timber and forest on the farm and sell the timber and forest products when it is for the best interest of the estate, or any trust;
  - G.** to protect, manage and improve the timber and forest on the farm and sell the timber and forest products when it is for the best interest of the estate, or any trust;
  - H.** to ditch, dam and drain damp or wet fields and areas of the farm when and where needed;
  - I.** to engage in the production of livestock, poultry or dairy products, and



to construct such fences and buildings and plant such pastures and crops as may be necessary to carry on such operations;

**J.** to market the products of the farm;

**K.** in general, to employ good husbandry in the operation of the farm; provided, however the Trustee may delegate any power granted to the Trustee under this subparagraph to such person or persons as the Trustee may select. The Trustee shall not be held liable for any loss resulting from the retention or operation of any such farm, or for any other actions that the Trustee may take in good faith with respect to such farm.

- 26.** To file appropriate consent of the continuation of any S election in existence at the time of the contribution to this Trust, within the time period required by the applicable provision of the Federal Internal Revenue Code then in effect and to make or terminate elections with respect to S corporation stock and to make adjustments between income and principal to compensate for the effects of the consequences resulting from the ownership by the trust of S corporation stock, as the Trustee may deem just and equitable; except that if the trust holds S corporation stock the Trustee shall not make adjustments which could have the effect of denying to any income beneficiary the net income of the trust to which the beneficiary must be entitled in order for the trust to qualify as a permissible shareholder of an S corporation and, if applicable, the federal estate tax marital deduction; and during the term of any trust under this instrument, (i) if the Trustee sells any interest in a corporation or if the assets of any entity constituting a corporation in which the trust has an ownership interest are sold, and (ii) if that corporation has made an election to be taxed under Subchapter S of the Code, then the Trustee, may, in the Trustee's absolute and sole discretion, distribute to the income beneficiary such amounts of principal as shall be necessary to pay any income tax caused by such sale, if the income or gain attributable to such sale is taxed directly to the income beneficiary under applicable Federal tax law.
- 27.** The Trustee may act or may select one or more persons or corporations to act as ancillary fiduciary or fiduciaries and, to the extent permitted by applicable law, all of the powers held by the domiciliary fiduciary are hereby granted to the ancillary fiduciary or fiduciaries and all costs of ancillary administration may be paid from either the domiciliary estate or the ancillary estate as the Trustee may decide in the Trustee's sole discretion.
- 28.** To disclaim part or all of any one or more of the incorporated or specifically granted powers of the Trustee by instrument in writing filed with this document.
- 29.** To make elections under the tax laws as the Trustee deems advisable, and the Trustee shall have no liability for, or obligation to make compensation adjustments between principal and income on the interests of the beneficiaries by reason of, the effects of those elections. Any decision made by the Trustee with respect to compensatory

adjustments on the exercise of any tax election shall be binding and conclusive on all persons.

- 30.** To make contracts and to execute instruments, under seal or otherwise, as may be necessary in the exercise of the powers herein granted. No party dealing with the Trustee need inquire as to the existence or proper exercise of any power of the Trustee, whether said power is granted directly or incorporated by reference.
- 31.** The Trustee is hereby exonerated from any liability resulting from the Trustee's retention, sale or operation, whether due to losses, depreciation in value or actions taken or omitted to be taken with respect to any business, farm or real estate interests, nor shall the Trustee be liable for any loss to or depreciation of any other trust property, so long as the Trustee is acting in good faith in the management thereof and exercising reasonable care and diligence, but the Trustee is not exonerated from his own bad faith, willful misconduct or gross negligence.
- 32.** To exercise every power and discretion in the management of the Trust as the fiduciary would have if it were the absolute owner thereof. This general power shall not be limited in any way by the powers incorporated or granted herein, but no beneficiary serving as a co-fiduciary may participate in any decision, under this or any other power, that affects or could affect the share of such beneficiary relative to that of any other beneficiary in income, principal or in a trust remainder.
- 33.** To receive any property, real or personal, to be added to the trust from the Settlor in any event (and, if the Trustee consents in writing from any other person) by lifetime or testamentary transfer or otherwise.
- 34.** To access, modify, control, archive, transfer, and delete Settlor's digital assets. Digital assets include the Settlor's sent and received emails, email accounts, digital music, digital photographs, digital videos, gaming accounts, software licenses, social-network accounts, file-sharing accounts, financial accounts, domain registrations, Domain Name System (DNS) service accounts, blogs, list serves, web-hosting accounts, tax-preparation service accounts, online stores and auction sites, online accounts, and any similar digital asset that currently exists or may be developed as technology advances. Digital assets may be stored on the cloud or on Settlor's own digital devices. The Trustee may access, use, and control Settlor's digital devices in order to access, modify, control, archive, transfer, and delete Settlor's digital assets—this power is essential for access to Settlor's digital assets that are only accessible through Settlor's digital devices. Digital devices include desktops, laptops, tablets, peripherals, storage devices, mobile telephones, smartphones, and any similar hardware that currently exists or may be developed as technology advances.
- 35.** In addition to the foregoing powers and authorities the Settlor vests the Trustee (including the successor Trustee herein named) with the powers enumerated in the

"Fiduciary Powers Act" as set forth in the Connecticut General Statutes, Sec. 45a-234 (formerly Sec. 45-100e) and as amended.

## **2.2 Payment of Debts, Taxes and Expenses.**

Subject to the provisions of Section 2.8, the Trustee, at the request of the Settlor's Executrix, shall contribute to the Settlor's estate and/or, in the Trustee's sole discretion, may lend or contribute to the Settlor's estate, for the preservation of any legacies contained in the Settlor's Will and/or for the payment of any debts, administration and funeral expenses, federal and state estate, inheritance and succession taxes incurred by reason of the Settlor's death; provided, however, that in no event shall any of the aforesaid legacies, debts, expenses and taxes of the Settlor be paid from any asset or the proceeds thereof, not includable in the Settlor's estate for federal estate tax purposes.

## **2.3 Provisions with Regard to Life Insurance.**

During the Settlor's lifetime, the Trustee shall have no responsibility to pay any premium or other charge due on any policy. When any policy has, to the knowledge of the Trustee, matured, the Trustee is authorized to:

- A.** Collect all sums payable, including but not limited to:
  - 1.** The face amount;
  - 2.** Additional insurance purchased by dividends;
  - 3.** Dividends left at interest, together with such interests;
  - 4.** Annual dividends and any special, final or post mortem dividends or distribution;

and, except as provided in Section 2.2 above, the Settlor's Executrix shall not be entitled to receive any of such sums from the Trustee.

- B.** Elect, subject to any limitations contained in this Part II, any optional mode of settlement.
- C.** Institute litigation to collect such sums if indemnified to the Trustee's satisfaction.
- D.** Compromise and adjust claims with respect to such sums which arise out of the policy, upon such terms and conditions as the Trustee in the Trustee's discretion might decide without the order of any court;

provided, however, that nothing herein shall be construed as entitling or authorizing the Trustee to collect from the Settlor's estate any premiums on any policy which are due and unpaid or are deductible from the proceeds at the time of the Settlor's death.

**2.4 Appointment of Ancillary Trustee.**

The Trustee is authorized to appoint another Trustee to act on behalf of the Trust Agreement in any jurisdiction (including, but not limited to, any state, government enclave, possession of the United States, foreign country, or possession of the United States, foreign country, or possession of a foreign country), in which the named Trustee, or any Successor, shall for any reason be unable to so act.

**2.5 Small Trust Termination.**

If at any time after the death of the Settlor, the value of the principal assets of the funds comprising any beneficiary's separate portion of the Trust established under this Trust Agreement shall be less than TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00), then the Settlor directs that such trust or trusts shall not be established or shall terminate, as the case may be.

**2.6 Distributions to Avoid Undistributed Income.**

With respect to any trust governed by this instrument, the Trustee is authorized to distribute to any one or more of the beneficiaries from the principal thereof such sums as in the sole discretion of the Trustee shall be sufficient to insure such trust being treated under the Federal Income Tax Law as one having "no undistributed net income" for a given taxable year, as that term is defined in Section 665 of the Internal Revenue Code, as amended, if the Trustee in the Trustee's sole discretion shall deem such treatment desirable for any reason.

**2.7 Distribution Limited to Ascertainable Standard.**

Anything in this Trust Agreement to the contrary notwithstanding, the general discretionary powers of the Trustee, other than the Settlor if the Settlor is serving as Trustee, shall be limited so that (i) no Trustee with a beneficial interest in Trust income or principal (hereinafter "interested Trustee") shall participate in any decision regarding a discretionary distribution to that Trustee personally or to any other beneficiary, except to the extent governed by and made pursuant to a standard under this Trust Agreement which constitutes an ascertainable standard within the meaning of Sections 2041 and 2514 of the Internal Revenue Code of 1986, as from time to time amended, and (ii) no Trustee may use Trust income or principal to discharge the legal obligation of that Trustee

individually to support or educate a beneficiary hereunder. Any decision regarding a discretionary distribution to an interested Trustee personally or to any other beneficiary that is not governed by and made pursuant to a standard under this Trust Agreement which constitutes an ascertainable standard within the meaning of Sections 2041 and 2514 of the Internal Revenue Code of 1986, as from time to time amended, and any decision regarding a distribution of Trust income or principal to discharge the legal obligation of an interested Trustee individually to support or educate a beneficiary hereunder may only be made by a limited purpose Successor non-interested Trustee who shall be appointed in accordance with the provisions of Section 3.2, and all such interested Trustee decisions shall rest exclusively in the discretion of this limited purpose Successor non-interested Trustee. All other decisions, duties and responsibilities shall rest with the primary Trustee(s) otherwise serving in such capacity.

**2.8 Provisions Regarding Payment of Retirement Benefits to Non-individual Beneficiaries.**

**A.** To the extent practicable, the Trustee is advised not to distribute to or for the benefit of the Settlor's estate, any charity or any other non-individual beneficiary any benefits payable to this Trust under any qualified retirement plan, individual retirement account, Roth IRA, or similar tax-favored retirement arrangement or annuity (hereinafter the "Plan") subject to the "minimum distribution rules" of Section 401(a)(9) of the Internal Revenue Code, or other comparable provisions of law. It is the Settlor's intent that, to the extent practicable, such Plan benefits be distributed to or held for only individual beneficiaries, within the meaning of Section 401(a)(9) and applicable regulations and that such benefits not be used or applied for payment of debts, taxes, expenses of administration or other claims against the Settlor's estate; nor for payment of estate, inheritance or similar transfer taxes due on account of the Settlor's death except to the minimum extent that would be required under applicable state or federal tax apportionment law in the absence of any specific provision on the subject in the Settlor's Will or this Trust.

**B.** The Trustee is hereby directed to withdraw from any such Plan, in each calendar year, and deposit in this Trust, the "minimum distribution amount" which is required to be withdrawn from such Plan under Section 401(a)(9) of the Code or other Code provisions or applicable law.

**PART III**

**TRUSTEE PROVISIONS**

**3.1 Resignation of Trustee.**

Any Trustee (including any Successor Trustee) may resign by giving at least thirty (30) days notice of the Trustee's intention to do so delivered personally or by certified mail to the Settlor, if living, or if the Settlor has previously died, to the then permissible income beneficiaries of the Trust Estate.

### **3.2 Alternate Trustees.**

Upon the initial Trustee's death, incompetence, resignation or other inability to act during any time while this Trust Agreement shall remain in force, then the Settlor nominates and appoints Settlor's spouse, ^, and ^, of the Town of ^, County of ^ and State of ^, as Successor Co-Trustees of this Trust Agreement. Upon the subsequent resignation, death or incompetence or other inability of either of the aforesaid Trustees to act as Co-Trustee, then the Settlor nominates and appoints ^ of the Town of ^, County of ^ and State of ^, as Successor Co-Trustee of this Trust Agreement to act jointly with the remaining Trustee. Upon the subsequent resignation, death or incompetence or other inability of a Co-Trustee hereof, then the Settlor nominates and appoints ^ of the Town of ^, County of ^ and State of ^, as Successor Co-Trustee of this Trust Agreement to act jointly with the remaining Trustee. Upon the subsequent resignation, death or incompetence or other inability to act of either of the then Trustees, then the remaining Successor Co-Trustee therein acting shall serve alone as Trustee of this Trust Agreement; provided however, if the remaining Successor Co-Trustee is the Settlor's spouse, ^, she shall not serve alone as Trustee, but shall serve with the ^ or any Successor Corporate Trustee serving hereunder. Upon the subsequent resignation, death or incompetence or other inability of the remaining Trustee to act as Successor Trustee, then the Settlor nominates and appoints the ^, or its successor, having a place of business in ^, Connecticut, as Successor Trustee of this Trust Agreement. Upon the removal, resignation or other inability of ^, or its successor, to act as Trustee, a Successor Corporate Trustee shall be appointed by the Probate Court having jurisdiction, but such Trustee appointment shall not thereafter create any continuing duty to account to the Probate Court unless otherwise demanded by the Settlor.

### **3.3 Delegation of Powers among Trustees.**

Notwithstanding any other provisions of this Trust Agreement to the contrary, after the Settlor's death, incompetence, resignation, or other inability to act during any time while this Trust Agreement shall remain in force, and this Trust Agreement remains in effect under the administration of Co-Trustees then any one of the herein named Alternate or Successor Co-Trustee is authorized to delegate to the other remaining Alternate or Successor Co-Trustee the right to

exercise any or all administrative powers granted to the Co-Trustees, and to revoke any such delegation at will, by a written instrument acknowledged and delivered to such other remaining Co-Trustee.

### **3.4 Vote of Trustees.**

In the event there are two (2) Co-Trustees qualified and acting hereunder, said Co-Trustees shall act by unanimous affirmative vote of said two (2) Co-Trustees regarding any matter pertaining to the discharge of their duties or the exercise of any powers, authority or discretion herein conferred upon them.

Upon an affirmative vote of said Co-Trustees as hereinabove required, any one of said Co-Trustees is hereby authorized to execute any instrument (or instruments) on behalf of those concurring Co-Trustees, and such execution of such instrument (or instruments) shall have the same force and effect as if such instrument (or instruments) were executed by all of said Co-Trustees.

### **3.5 Right to Change Trustee.**

As a matter of convenience to the Settlor, the Trustee hereunder may be removed at any time by the Settlor, and a Successor (individual or corporate) Trustee may be appointed by the Settlor. Such power shall be exercised by giving written notice to the then Trustee and to the Successor Trustee.

### **3.6 Trustee Removal.**

At any time that the Settlor is serving as Trustee, if the Successor Trustee is in possession of any of the following:

- A. A court order, which the Successor Trustee deems to be jurisdictionally proper and still currently applicable, holding the Settlor to be legally incapable to act in the Settlor's own behalf or appointing a Conservator to act for the Settlor; or
- B. Duly executed, witnessed and acknowledged written certificates of two licensed physicians (each of whom represents that he is certified by a recognized medical board), each certifying that such physician has examined the Settlor and has concluded that, by reason of accident, physical or mental illness, progressive or intermittent physical or mental deterioration, or other similar cause, the Settlor had, at the date thereof, become incapable to act rationally and prudently in the Settlor's own financial best interests; or
- C. Evidence which the Successor Trustee deems to be credible and still currently applicable, that the Settlor has disappeared, is unaccountably absent, or is being detained under duress where the Settlor is unable effectively and prudently to look after the Settlor's own financial best interests;

the Settlor shall be deemed to be incapable and, the Successor Trustee shall serve as Trustee. Any individual Trustee, other than the Settlor, or any corporate Trustee, may be removed, with or without cause, by the Settlor's spouse during the Settlor's spouse's lifetime, and a Successor Trustee shall be appointed in accordance with the provisions of Section 3.2 hereof. In the event the Settlor's spouse shall become incapable, die, resign or otherwise be unable to act in such capacity, the Settlor hereby grants the authority to remove any Trustee hereof, with or without cause, to a majority in number of beneficiaries (or legal representative of an incompetent beneficiary) to whom the current Trust Estate income may then be distributed, and a Successor Trustee shall be appointed in accordance with the provisions of Section 3.2 hereof.

**3.7 Successor Trustee or Co-Trustee.**

Upon the acceptance of the Trust Estate by a Successor Trustee or Co-Trustee (herein referred to as Trustee) and the transfer to the Successor Trustee of the property held hereunder, or portion or part thereof, as the case may be, the prior Trustee shall cease to be Trustee of such property, portion or part, and the Successor Trustee shall become and thereafter be Trustee thereof. Any Successor Trustee shall have all the powers, immunities, and discretion conferred upon the original Trustee. No Successor Trustee shall be liable or responsible for any acts or defaults of any predecessor Trustee in any way, or for the loss or expense from or occasioned by anything done or neglected to be done by any predecessor Trustee.

**3.8 Trustee Compensation.**

Any Corporate Trustee shall be entitled to receive payment for said Trustee's services in accordance with such Trustee's schedule of rates in effect at the time such compensation becomes payable. Any individual Trustee shall be entitled to reasonable compensation for said Trustee's services. Such compensation may be paid without Court approval. The Trustee shall be covered by Errors and Omission Insurance, or such similar insurance as deemed necessary by the Trustee, and the Trustee is authorized to expend any fees or costs associated with such coverage from the Trust Estate in addition to the Trustee's compensation.

**3.9 Merger of Corporate Trustee.**

If any corporate Trustee designated to act or at any time acting hereunder is merged with or transfer substantially all of its assets to another corporation, or is in any other manner reorganized or



reincorporated, the resulting or transferee corporation shall become Trustee in place of its corporate predecessor.

**3.10 Accountings by the Trustee.**

The Settlor, and after the death of the Settlor, the beneficiaries of each trust created hereunder shall be entitled to receive annually an account by the Trustee showing all receipts, disbursements, and distributions of both principal and income from such Trust Estate since the last annual account. Unless, however, the Trustee's account is objected to in writing within sixty (60) days of the rendition thereof, such account shall be deemed approved as stated. The approval by such persons, or by their guardians or legal representatives, of such statement shall, as to all matters and transactions stated in the account or shown by the Trustee, be final and binding on all persons, whether or not in being, who are then or who thereafter may become entitled to share in either the income or principal of any trust created herein. Nevertheless, the Trustee shall at all times be entitled to obtain a judicial settlement of the Trustee's accounts.

**3.11 Interested Trustee.**

Notwithstanding any other provision of this Trust Agreement, when exercising discretion as to distribution under this Trust, no Trustee shall exercise such discretion with respect to distribution of any Trust hereunder of which said Trustee is beneficiary, and no Trustee shall participate in any decision regarding any distribution to any beneficiary hereunder whom he is legally obligated to support if such payment discharges a legal obligation of support. Rather, the remaining Trustee (if any) shall act independent of the other Trustee with regard to discretionary distributions for said Trustee/beneficiary. In the event there is no independent Trustee hereof acting in the capacity of Trustee, then a substitute temporary Trustee shall be appointed in accordance with the terms and provisions of Section 3.2 hereof for the limited purpose of exercising discretion with respect to distributions to any such Trustee/beneficiary or to any beneficiary hereunder to whom he or she is legally obligated to support. With respect to all other matters, the primary trustee then serving as trustee hereof shall thereafter continue to act in such capacity.

**PART IV**

**RIGHTS RESERVED TO SETTLOR**

**4.1 Amendment and Revocation.**

The Settlor expressly reserves to the Settlor during the Settlor's lifetime the following powers:

- A. To alter, amend, or modify this Trust Agreement at any time or from time to time by an instrument in writing, executed by the Settlor and the Trustee.
- B. To revoke the Trust Agreement at any time by an instrument in writing delivered to the Trustee.
- C. To release any right, power or interest which the Settlor has in this Trust Agreement (including any power reserved in this section) at any time by an instrument in writing delivered to the Trustee.

The powers reserved to the Settlor in this Section shall be personal to the Settlor and shall not be assignable nor extended to the Settlor's personal representative, the Settlor's estate, any beneficiaries named herein or to any other person. Upon the death of the Settlor, this Trust Agreement shall be deemed irrevocable.

**4.2 With Regard to Life Insurance Policies:**

With regard to any life insurance held hereunder, the Settlor reserves the following rights:

- A. To sell, assign or hypothecate the policies owned by the Settlor and held hereunder.
- B. To exercise any option or privilege granted by any of the policies owned by the Settlor including the right to change any beneficiary of any policy, to borrow any sum in accordance with the provisions of any of said policies, and to receive all payments, dividends, surrender values, benefits or privileges of any kind which may accrue on account of said policies during the Settlor's lifetime.
- C. To direct the Trustee to deliver to or upon the order of the Settlor or the Settlor's written request any policy held hereunder.
- D. The Trustee as beneficiary of said policies shall join in the execution of any assignments thereof upon written request of the Settlor.

**PART V**

**MISCELLANEOUS PROVISIONS**

**5.1 Spendthrift Provisions.**

No power of appointment or power of withdrawal shall be subject to involuntary exercise, and no interest of any beneficiary shall be subject to anticipation, to claims for alimony or support, to voluntary transfer without the written consent of the Trustee, or to involuntary transfer in any event.

## **5.2 Definitions, Gender and Number.**

- A.** The education expense of any beneficiary hereof shall be deemed to include expense of tuition, books, other equipment required in the course of study and living expenses (including travel) incurred in connection with attendance at any educational institution, including private schools, colleges and universities, trade schools, graduate schools and including vocational apprenticeships, internships and residencies.
- B.** The terms "child", "children", and "issue" as used in this instrument shall include legally adopted persons and the issue of legally adopted persons.
- C.** Whenever the context so requires, any gender or number shall include the other genders or number, respectively.

## **5.3 Connecticut Law Governs.**

This Agreement shall be construed and regulated in all respects by the laws of the State of Connecticut. The initial situs of the Trust Property shall be in the State of Connecticut. The Trustee by written instrument signed and acknowledged, may designate a different situs as to the Trust Property anywhere in the world.

## **5.4 Trustees Completion of Distribution.**

All the rights, powers, privileges, discretion, exemptions, and immunities granted to, as well as the duties and obligations imposed upon the Trustee by this Agreement shall continue after the termination of the Trusts hereunder and until the complete distribution of the Trust Estate property.

## **5.5 Survivorship/Presumption.**

If the Settlor and the Settlor's spouse shall die under such circumstances that there is not sufficient evidence to determine the order of their deaths, then it shall be conclusively presumed that the Settlor's spouse survived the Settlor solely for the purpose of receiving from this Trust that part of which, when deducted from the Settlor's estate and added to the estate of the Settlor's spouse, as it exists at the time of their deaths, would make their net taxable estates, for federal tax purposes, as nearly equal as possible. All the other property which the Settlor may own at the time of the Settlor's death shall pass as otherwise provided in this Trust Agreement as if the Settlor's spouse predeceased the Settlor; and this Trust Agreement shall be administered and distributed, in all respects, in accordance with such presumption.

If the Settlor shall die within sixty (60) days of any other person mentioned in this Trust Agreement, it shall be conclusively presumed that the Settlor survived such other person and this

Trust Agreement shall be administered and distributed, in all respects, in accordance with such presumption.

**5.6 Perpetuities.**

Notwithstanding any other provision in this Agreement, at the end of twenty-one (21) years after the death of the Settlor, the Settlor's spouse and all descendants of the Settlor who are currently living at the Settlor's death, or, alternatively, at the end of ninety (90) years from the creation of this Agreement, whichever shall be last to occur, the Trustee shall distribute the principal and all accrued or undistributed net income of the Trust Estate to the then living beneficiary or beneficiaries.

**IN WITNESS WHEREOF**, the Settlor and Trustee have hereunto set their hands and seals on the date or dates inscribed below.

WITNESSES:

SETTLOR:

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

\_\_\_\_\_  
^

TRUSTEE:

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

\_\_\_\_\_  
^

STATE OF CONNECTICUT    )  
                                  ) ss. ^  
COUNTY OF                    )

Then and there personally appeared ^, signer and sealer of the foregoing instrument, and acknowledged the same to be h^ free act and deed as Settlor and Trustee, before me:

\_\_\_\_\_  
Commissioner of Superior Court/  
Notary Public

^  
REVOCABLE TRUST AGREEMENT

SCHEDULE A

CASH:

- 1. \$100
- 2.
- 3.
- 4.
- 5.

OTHER ASSETS:

- 1.
- 2.
- 3.
- 4.
- 5.