

**Sample Provisions for Inclusion in Revocable Trust Agreement to Create
“Real Estate Trust” and Endowment Upon the Deaths of the Grantor and
the Grantor’s Spouse**

C. Special Provisions Regarding Family Real Estate.

1. Possible Preresiduary Segregation of Real Estate and Endowment. The lakefront real estate located in Holderness, New Hampshire, consisting of as many as three separate parcels, one of which is improved by a structure (the “real estate”), is valued by the Grantor as a family “heirloom” property, having been in the Grantor’s family for two generations. The Grantor feels a strong sense of stewardship toward this property and hopes and expects that his children and further descendants will share these feelings.

Accordingly, if after consultation with the Grantor’s surviving children the initial disinterested Trustee determines, in its sole and uncontrolled judgment, that one or more of such children are committed to the property and its use and enjoyment for themselves and future generations of the Grantor’s family, then before dividing the remaining trust property into separate shares as provided in the following Paragraph D., the initial disinterested Trustee shall first segregate from such property the real estate, plus a liquid endowment which the initial disinterested Trustee determines, in its sole and uncontrolled judgment, will be sufficient to satisfy carrying charges and make any capital improvements and repairs and maintenance to the property which may be necessary in the foreseeable future.

In exercising its discretion to establish the amount of any such endowment, the Grantor hopes (but does not direct) that the initial disinterested Trustee will consult with the Grantor’s children and give primary consideration to their desires. For example, such children may prefer that liquid assets be distributed outright to them as hereinabove provided, rather than being held in a separate endowment fund with the real estate, preferring to pay for such expenses with their own assets as a condition to their right of rent-free use and occupancy of the property as hereinbelow provided.

If after consultation with the Grantor’s children the initial disinterested Trustee determines, again in its sole and uncontrolled judgment, that the Grantor’s children do not feel a sense of stewardship toward the real estate and would prefer that it be sold, then the initial disinterested Trustee shall sell the real estate and add the net proceeds of such sale to the trust residue to be divided as hereinabove provided, any such sale to be conducted as provided in subparagraph C.2.d. below.

2. The Real Estate Trust. The Trustee shall hold the real estate and any endowment established as provided in the preceding

subparagraph IN TRUST (hereinafter referred to as “the Real Estate Trust”) upon the following terms and conditions.

a. The Trustee shall extend to any one or more of the Grantor’s issue as the Trustee may select the right to the use and enjoyment of the real estate on such terms and conditions as the Trustee may determine in the exercise of its sole and absolute discretion. The Grantor hopes (but does not direct) that such use and enjoyment will be rent-free if the liquid assets in any endowment are sufficient to cover all “carrying charges” (i.e., maintenance, repairs, property insurance premiums, property taxes, special assessments, etc.), but if there is no such endowment, or the Trustee in its uncontrolled judgment determines that such endowment is insufficient, the Trustee will exercise its discretion to condition the beneficiaries’ use and enjoyment on their payment of such carrying charges either directly or through the Trustee, and/or their payment of rent so that the Trust and the real estate may economically be sustained.

b. The Trustee may also, in its sole and uncontrolled discretion, distribute so much of the net income and principal of the Trust to or for the benefit of such person or persons and trust or trusts (including any other trusts being administered for one or more of the Grantor’s issue hereunder) as the Trustee may select, again in its sole and uncontrolled discretion, among a class consisting of the Grantor’s issue. In exercising this discretion, the Grantor hopes (but does not direct) that the Trustee will avoid making distributions of the net income or principal of any endowment fund which the Trustee determines may be necessary to meet carrying charges, maintenance and repairs, and provide for modest capital improvements, for the foreseeable future.

c. The Real Estate Trust shall terminate upon the earlier of:

(i) the expiration of the “perpetuities period” described in ARTICLE V hereof;

(ii) the Trustee’s determination, in its sole and uncontrolled judgment but, the Grantor hopes, after consultation with the Grantor’s adult issue who are then living, that either (a) the trust’s continued ownership of the real estate cannot economically be sustained through the assets of any endowment fund and rental payments or contributions for carrying charges received from the beneficiaries, or (b) the Grantor’s descendants are no longer able to make regular use and enjoyment of the property because of geographic distance, work or family commitments, or other circumstances; and

(iii) the date of the death of the last survivor of the Grantor’s issue.

d. Upon such termination the Trustee shall distribute the remaining Trust property (including any income accumulated but undistributed at the time of such termination) among the Grantor's issue then living by right of representation, or, in the Trustee's uncontrolled discretion, to a trust or trust being administered hereunder for the primary benefit of a beneficiary who would otherwise be entitled to receive an outright per stirpital distribution. Before making such distribution, the Trustee is authorized to sell the real estate upon such terms and conditions which the Trustee determines, in its absolute discretion, are commercially reasonable. In this regard, the Grantor hopes (but does not direct) that the Trustee will inquire of the Grantor's adult descendants and determine whether any one or more of them desire to purchase the real estate or, if more than one of them expresses such desire, purchase fractional interests in the property. If more than one of such descendants express such interest, the Trustee is encouraged to give preference to the interested descendant(s) occupying the highest generation of the Grantor's family in which there are interested descendants then living, and is authorized to sell the real estate to any one or more of such interested descendants for the fair market value of the property as determined by an appraisal paid for out of the trust assets. The Trustee may "seller finance" as much as 75% of such purchase price by accepting the purchaser(s) promissory note(s) secured by a mortgage (either first or second) on the property payable over a period not longer than 30 years with interest payable at the "applicable federal rate" as of the date of the sale and distribute such note to the remainder beneficiary or fractional interests in such rate if there are more than one of such beneficiaries. The Grantor hopes (but does not direct) that the Trustee will exercise this discretion to sell the real estate to one or more of the Grantor's descendants even if a more attractive offer on the property may be received by third parties. The Trustee's decisions in the exercise of this discretion are final and binding on all of the Grantor's descendants and other beneficiaries of the Trust.