

**With transferable certificates of beneficial interest.**

This agreement made \_\_\_\_\_[date], between \_\_\_\_\_[name], of \_\_\_\_\_[address], \_\_\_\_\_[name], of \_\_\_\_\_[address], and \_\_\_\_\_[name], of \_\_\_\_\_[address], referred to as beneficiaries, and \_\_\_\_\_[corporate name], a corporation organized and existing under the laws of the State of \_\_\_\_\_, referred to as trustee.

Recitals

A. Beneficiaries have caused to be conveyed to trustee the following described property: \_\_\_\_\_[legal description], this property and all other property conveyed to or acquired by trustee on the trusts in the future referred to as the trust property.

B. The trust property has been conveyed subject to the following agreement. In consideration of the premises and of \$ \_\_\_\_\_[One Dollar], beneficiaries do declare that the title to the trust property was conveyed to and is now held by trustee, and trustee does declare and agree that it holds the title to the trust property in trust for the uses and purposes, and subject to all the terms, covenants, conditions, stipulations and provisions contained in this trust agreement.

Section One.

Name and Objectives

The name of this trust shall be \_\_\_\_\_, and its objectives shall be the acquisition, management, improvement, and disposition of the trust property and other property that may be acquired by trustee under the terms of this agreement, and the division of the income, proceeds, and avails of the trust property among its beneficiaries.

Section Two.

Powers of Trustee

Trustee shall hold any real estate that may form a part of the property in trust to sell and convert the same into cash or other personal property, and in the meantime to manage, improve, protect and maintain the same. Trustee shall have full power to lease, in possession or reversion, the trust property or any part of it with the improvements on it or to be erected on it, on any terms, in any manner, and on any conditions whatsoever, and to contract to make leases, and to grant options to lease and options to renew leases, and to contract respecting the manner of fixing the amount of present or future rentals, and generally and without limitation or restriction, to lease on any terms, in any manner and on any conditions whatsoever, the whole or any part of the trust property. Trustee shall have full power to grant options to purchase, to contract to sell, or to sell the trust property or any part of it on any terms, to convey with or without consideration, and to mortgage, pledge, or otherwise encumber the same with the improvements on it or to be erected on it, to partition or to exchange the trust property, or any part of it, for other real or personal property encumbered or unencumbered, and to repartition or reexchange the property, or any part of it as often as desired; to sell, contract to sell, lease, sublease, assign, dispose of, convert and reconvert the same, and in general to deal with the property or any part of it whenever and howsoever and as often as desired. Trustee shall also have full power to grant easements or charges of any kind, to make contracts or agreements relating to party walls or building or building restrictions; to release, convey, or assign any right, title, or interest in or about the trust property, or any part of it, to any use of streets, alleys, parks, or public places for railroads, gas or electric lines, pipes, conduits or other equipment, or other public or semi-public or private improvements on the trust property, or any part of it; to construct sidewalks and to grade, fill, curb and pave streets and alleys; to lay and maintain sewer, water and gas pipes, and other conduits or facilities, and do all other work and make all other improvements in streets and alleys as trustee may desire, all by private contract, and also to petition any properly constituted municipal corporation for the construction of any sidewalk or for paving or otherwise improving any street or for any other public or semi-public improvement or use. Trustee shall also have full power to grant all rights concerning or in relation to subsidewalk spaces or concerning or in relation to any part of the streets and alleys adjacent to any of the trust property, and to deal with the trust property and every part of it in all other ways and for other consideration that would be lawful for any person owning the same to deal with the same, whether similar to or different from the methods specified above, at any time in the future; provided, that trustee shall not make any sale, mortgage, lease, sublease, assignment, contract or other disposition of any of the property at any time held by it under the provisions of this trust, nor shall trustee make any disbursements of any funds accruing under this trust for any purpose whatsoever, or perform any acts or duties under this trust, except on written order signed by the managing committee provided for, it being the intention here that the affairs of this trust shall be directed in all things by this committee, and that all orders of the committee shall confer complete authority on the trustee here to do and perform all the acts and to execute all of the documents directed to be done by these orders.

In no case shall any party dealing with trustee in relation to the property, or to whom the property or any part of it is conveyed, contracted to be sold, leased, or mortgaged by trustee, be obliged to see to the application of any purchase money, rent, or money borrowed or advanced on the property, or be obliged to see that the provisions of this agreement or the terms of this trust have been complied with, or be obliged or privileged to inquire into the necessity or expediency of any act of trustee, or to inquire into any limitation or restriction of the power and authority of trustee.

Section Three.  
Borrowing Money

Trustee may, whenever directed to do so in writing by the managing committee, designated here, borrow money for purposes of this trust, and execute, as trustee, its principal and interest notes in a form trustee may determine to evidence indebtedness, and execute, as trustee, as security for the money so borrowed, its trust deeds or mortgages conveying the portions of the trust property that may be designated by the managing committee to secure notes executed by person or persons or corporations designated by the committee. All trust deeds, mortgages and notes of this type may contain provisions exempting and exonerating trustee from all personal obligations and liabilities whatsoever by reason of their execution. They shall contain provisions exempting and exonerating the beneficiaries under this trust from all personal obligation and liability whatsoever by reason of their execution, and from any and all personal obligation or liability for the repayment of the borrowed money evidenced and secured by them.

Section Four.  
Certificates of Beneficial Interest

Trustee shall prepare a book containing forms of share certificates, and shall deliver to each beneficiary here a certificate or certificates showing the number of shares in the trust to which the beneficiary is entitled under the provisions here, the number of shares issued on account of the property comprising the trust property here to be limited to a total of \_\_\_\_\_ shares. Each certificate shall state whether or not these shares have a par value. If they do, then the certificate shall state the par value of each share. The certificates shall be substantially in the following form:

\_\_\_\_\_ [Name of Trust]

Number \_\_\_\_\_ Shares

This certifies that \_\_\_\_\_ is the owner of \_\_\_\_\_ shares in \_\_\_\_\_ [trust] out of a total authorized issue of \_\_\_\_\_ shares in the trust, each share being of \_\_\_\_\_ [no par value or a par value of \$ \_\_\_\_\_] and representing a proportionate interest in the net income, proceeds, and avails of the trust property.

This certificate and the interest represented by it are subject to all the terms and conditions contained in the trust agreement made between \_\_\_\_\_ and \_\_\_\_\_, dated \_\_\_\_\_, under the provisions of which this certificate is issued, to the same extent and in like manner and with the same force and effect as if the trust agreement were fully set forth here. The holder, by receiving this certificate, assents to and is bound by the provisions of the trust agreement in the same manner and with the same effect as if the holder had executed the same.

The holder has no claim or interest, legal or equitable, in the lands and other assets and property described and referred to in the trust agreement, but only an interest in the net income, proceeds, and avails as provided in the trust agreement.

This certificate is transferable only on the books of the trustee, by the holder in person or by attorney, on the surrender of this certificate, properly endorsed.

Dated \_\_\_\_\_.

[Signature of trustee]

The certificates may be transferred by their holder, or a personal representative, by assignment and surrender. The transfer shall be registered in a book kept for that purpose by trustee, and a new certificate shall be issued in the place of the one so surrendered, and no holder or interested party shall be entitled to recognition as one by trustee for any purpose unless the same is so registered. This register shall be conclusive as to ownership. Trustee is authorized here to treat the person in whose name any share of this type is registered on the books of trustee as its owner for all purposes.

The shares constitute the beneficial interest here and are declared to be and shall be personal property notwithstanding that real estate is held under the terms here. On the death of any certificate holder, the interest of this holder shall descend in the same manner as other personal property, and neither the beneficiaries named here nor the holders of any of the certificates here at any time shall have any claim, title, or interest, legal or equitable, to or in

any of the trust property at any time held by trustee under this trust, but only an interest in the net income, avails, and proceeds.

Section Five.  
Beneficiaries

The net income, avails and proceeds arising from any trust property held here belong to the following named persons, in proportion to the number of shares held by them, respectively, as set forth opposite their respective names:

Name	Number of Shares
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Section Six.  
Managing Committee

All the business of this trust shall be managed and transacted, and all powers and duties of trustee shall be directed and controlled, by a managing committee, to be composed of \_\_\_\_\_ persons who are required to be beneficiaries of this trust. All of the powers and duties of the managing committee may be exercised by a majority of the committee, with the same effect as if all had joined in. The members of the managing committee may make such rules and regulations they may deem necessary or proper respecting the time, place, and conduct of their meetings.

For the time being and until their successors are elected or appointed, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ are appointed members of this committee.

Any member of the managing committee now acting, or elected or appointed in the future, may resign at any time by giving \_\_\_\_\_ days' written notice of his or her intention to do so to the remaining members of the committee and to trustee.

In case of a vacancy in the managing committee, resulting from death, resignation, disqualification, or other cause, the remaining members of the committee shall have full power to appoint a successor, provided that in all cases of appointment of new members of the committee, written notice is given to the trustee of the appointment. It is the intent here that there shall be at all times not less than two members of the committee, and that trustee shall have full knowledge at all times of the personnel of the managing committee. No appointment made under the provisions of this section shall become effective and binding until the same has been ratified and confirmed by an instrument in writing delivered to trustee, signed by holders owning in the aggregate not less than \_\_\_\_\_ *[two-thirds]* of the shares.

Until notified in writing of the death or resignation under the provisions here of a member for the time being of the managing committee, trustee is authorized to consider that person as still a member of the managing committee and may act accordingly under any or all of the provisions of this agreement.

Section Seven.  
Books of Committee

The managing committee shall keep books, in which shall be entered a description of all the property constituting the trust property and an account of all receipts and disbursements. The intention here is that all business of the trust shall be performed; all rents, issues, profits, proceeds and avails of the trust property received by the committee; and trustee, except as otherwise specifically provided here, shall act only on the written order of the committee.

The managing committee shall, as often as it may determine, make division of the net proceeds arising from the trust property among the beneficiaries of this trust whenever there shall be in the hands of the committee any moneys not required for other purposes under this trust.

Section Eight.  
Levy of Assessments

The managing committee shall have the right to levy assessments, from time to time, on the beneficiaries in proportion to the number of shares held by them respectively, as the committee may deem necessary to pay all

special assessments, taxes, interest, rents, liens, insurance premiums, cost of repairs or improvements, and other costs, charges, and legitimate expenses affecting the trust property under this agreement as may arise or accrue from time to time during the administration of this trust. These assessments shall be paid by the respective beneficiaries at the office of the managing committee in \_\_\_\_\_ [city], \_\_\_\_\_ [state], within \_\_\_\_\_ days after notice in writing by the committee of assessments and the amount(s) has been mailed to the beneficiaries at their respective addresses as the same appear on the books of trustee. The respective amounts of these assessments shall constitute and be a personal indebtedness due to trustee for the use of the trust created by this instrument from the respective beneficiaries. If the amounts are not paid at the office of the committee at the time specified in the notice, then, on the written order of the managing committee, trustee shall sell the interests of any delinquent beneficiary in a portion, or all, of the shares in this trust outstanding in the name of the beneficiary on the books of trustee as may be necessary to satisfy the amounts due on account of the assessment or assessments. This type of sale shall be by public sale after having given notice in writing to the delinquent beneficiary of the time and place of the contemplated sale by delivering a copy of it to the delinquent beneficiary in person not less than twenty days prior to the sale or by mailing a copy to the delinquent beneficiary at least twenty days prior to the sale to the address shown by the books of trustee, and provided trustee shall also have published a notice of the time and place of the sale once a week for three successive weeks in some daily secular newspaper to be selected by trustee and published in the City of \_\_\_\_\_. A portion or all of the shares, and their certificates, outstanding in the name of the delinquent beneficiary that may be sold to satisfy the assessment or assessments shall immediately upon sale or sales become void, no matter in whose hands or possession the shares so sold may be at the time of the sale or sales. Trustee shall issue to the purchaser new certificates representing the amount of shares in this trust so purchased.

However, it is distinctly understood and agreed that trustee shall not personally be liable to anyone by reason of any sale or sales or the issue of any new certificates of shares of this trust in pursuance of any sale or sales, and that no beneficiary in this trust, or any party claiming by, through or under the beneficiary shall at any time have or acquire any right of action, either at law or in equity, against trustee, where trustee shall be charged personally with any loss or damage arising from any act done by trustee under the provisions of this section. Trustee, before making any sale under the provisions of this section, shall have the right to demand and receive from the managing committee indemnity which, in the judgment of trustee, will insure trustee against all loss, damage, expenses, attorneys' fees, or other fees that may arise or accrue by or by reason of any and all acts done or performed by trustee under the provisions of this section. It is further distinctly understood and agreed that the written orders of the managing committee or of a majority of this committee shall be complete authority to trustee for all acts done or to be done by it under the provisions of this section, and shall completely exonerate and discharge trustee of and from all personal liability to any person, persons, corporation, or corporations who may at any time be beneficiaries of or interested in the trust property.

Trustee or any member of the committee may, however, in lieu of the sale of the units of a delinquent beneficiary, advance the moneys as to which the beneficiary is thus delinquent, and trustee shall reimburse the person so making the advance for the amount, plus interest at \_\_\_\_\_ percent per year, out of the first moneys or property becoming distributable in the future under this trust agreement to the delinquent beneficiary, and in each case the person or persons making the advance shall have a lien for the amount, with interest, until repaid on the shares of the delinquent beneficiary in this trust and any subsequent income or proceeds from the trust property distributable to the shares.

#### Section Nine.

##### Resignation of Trustee

Trustee may resign at any time by giving \_\_\_\_\_ days' written notice of its intention to do so to the managing committee. The notice will be given by mail to the address of each member of the committee so far as the same shall be known to trustee and, if not so known, then addressed to such member or members at \_\_\_\_\_ [address]. This resignation shall become effective on the expiration of \_\_\_\_\_ days from the date of the mailing of the notice.

In case of the resignation of trustee, a successor or successors in trust shall be appointed by a written instrument signed and acknowledged by the managing committee and delivered to trustee. Trustee shall then convey to the successor or successors in trust, by a deed without covenants, all of the trust property then un conveyed or otherwise undisposed of, which deed may recite that the same is made subject to any contract or contracts for the sale of the trust property, or any part, or any lease or leases, or any encumbrances then outstanding. Trustee shall also transfer to the successor or successors in trust all other assets then in its possession and held under it. The

successor or successors in trust shall then be vested with all the rights, privileges, powers and duties of the trustee named here as if this instrument had in the first place been executed by and to the successor or successors as trustee. And each succeeding trustee or trustees, or any of them, may in like manner resign and another trustee or trustees may in like manner be appointed in his, her, its, or their place.

Section Ten.

Termination of Trustee

If the managing committee desires to terminate the rights of any trustee here and appoint a new trustee in its place, the committee may do so by a written instrument addressed to the trustee. Then like conveyances as in the case of resignation of trustees shall be made by trustee to the newly appointed trustee or trustees, and the new trustee or trustees shall be vested with all rights, privileges, powers and duties of the trustee named here, as if this instrument had in the first place been executed by and to the new trustee or trustees as trustee here. In like manner, a new trustee or trustees may be appointed from time to time by an instrument in writing, addressed to the trustee or trustees acting for the time being.

Section Eleven.

Powers of Managing Committee

The members of the managing committee, and each of them, acting for the time being hereunder, shall have the right and power to act by attorney in fact, provided the authority to act of each attorney is filed with trustee here. In all cases where the actions of trustee are required here, it shall be sufficient authority for trustee to act, if the order of the managing committee directing the action is signed by a majority of the members of the committee, signing in person or by attorney in fact.

Any order or direction to trustee, or other instrument to be signed by the managing committee or the beneficiaries in the trust or both, may be signed in counterpart copies, all counterpart copies in each case to be considered and taken as if all had signed on the same copy.

The managing committee acting here shall have full power to employ and have all attorneys, clerks, and other assistants and advisors that they shall deem necessary, and may employ brokers and salesmen in their dealings with any of the property held or that may come into the hands of trustee under this trust, and to pay for the services of all employees, attorneys, brokers, salesmen and assistants, commission, brokerage and salaries to be paid out of the trust funds the committee shall deem reasonable.

Each member of the managing committee shall use his or her judgment and discretion in all things, and shall not be personally liable in any case arising in or under the business of this trust, either for the member's own acts or failure to act, unless he or she has been guilty of gross negligence or of bad faith. No member of the committee shall be held liable for the wrongful act, negligence, or bad faith of any other member.

Section Twelve.

Reimbursement and Indemnification of Trustee

If trustee makes any advances of money on account of this trust, if trustee is made a party to any litigation on account of holding title to the real estate or in connection with this trust, or if trustee is compelled to pay any sum of money on account of this trust, whether on account of breach of contract, injury to personal property, fines or penalties under any law, or otherwise, beneficiaries will on demand pay to trustee, with interest at the rate of \_\_\_\_\_ percent per year, all disbursements or advances or payments made by trustee, together with trustee's expenses, including reasonable attorneys' fees. Trustee shall not be called on to convey or otherwise deal with the trust property at any time held here until all disbursements, payments, advances, and expenses made or incurred by trustee have been fully paid, together with interest. Trustee shall not be required to advance or pay out any money on account of this trust or to prosecute or defend any legal proceeding involving this trust or any property or interest here unless trustee is furnished with sufficient funds or is satisfactorily indemnified.

Section Thirteen.

Amendment

This agreement may be amended and modified by a written instrument delivered to trustee, signed by a majority of the managing committee, provided that any amendment or modification shall have been ratified by not less than \_\_\_\_\_ *[two-thirds]* of the beneficiaries. The duties, powers, and liabilities of trustee shall not be materially or substantially changed by any amendment or modification without its written consent.

Section Fourteen.

Termination of Trust

This trust may be terminated at any time by a written instrument delivered to trustee, signed by a majority of the managing committee, provided that termination is ratified by not less than \_\_\_\_\_[two-thirds] of the beneficiaries under this trust. In any event, this trust shall terminate at the end of \_\_\_\_\_ years from the death of the last survivor of all the original beneficiaries here. Immediately on the termination of this trust by lapse of time or otherwise, all of the then undisposed of property held by trustee may be partitioned among those then holding the shares, in a manner not less than \_\_\_\_\_[two-thirds] of the beneficiaries may determine. In default of this determination, the property shall be sold by trustee as a whole or in part, at a public or private sale or sales. The net proceeds of the sale or sales, less any expenses, shall be divided pro rata among the shareholders of record as shown by the books of trustee in proportion to the number of shares held by them, respectively. It is understood that in all cases under this agreement the parties interested in the income, proceeds, and avails of this trust and the extent of the interest of each person shall be determined by the records of this trust or by documents pertaining to it in the hands of trustee. Trustee is expressly authorized to deal in all cases with persons and interests accordingly.

Section Fifteen.

Compensation of Trustee

Trustee shall receive for its services \$ \_\_\_\_\_ for accepting this trust; \$ \_\_\_\_\_ per year after \_\_\_\_\_[date], so long as any property remains in this trust; and its regular schedule fees for making deeds. Trustee shall also receive reasonable compensation for any other or special services rendered by it or its attorneys, solicitors and agents, or for taking and holding other property conveyed to it here.

Section Sixteen.

Acceptance of Trust by Trustee

Trustee joins in the execution of this instrument for the purpose of signifying its assent to it and here agrees to accept title under this trust, and to act as trustee, and to make, execute, and deliver all proper conveyances and instruments according to the provisions of this agreement.

Executed at \_\_\_\_\_[place] on \_\_\_\_\_[date].

[Signatures]