# **Distribution for Our Beneficiaries**

Upon the death of the survivor of us, our Trustee shall administer and distribute our remaining trust property (not distributed under prior Articles of this instrument), or other property allocated to this Article under the terms of this Article.

## The Common Trust

If our youngest living child has not reached {{ commonage }} years of age, then until our youngest child has reached {{ commonage }} years of age, our Trustee shall hold our remaining trust property in a common trust (the *Common Trust*) for the benefit of our living children and the living descendants of any deceased children.

If each of our living children has reached {{ commonage }} years of age, our Trustee shall administer our remaining trust property as provided in {{ reffourteen }}.

There is no Primary Beneficiary of the Common Trust. For purposes of the Common Trust, references in this instrument to the Primary Beneficiary instead refer to a majority of our children. Our Trustee shall administer the Common Trust as follows.

## Distribution of Income and Principal

Our Independent Trustee may distribute as much of the income and principal of the Common Trust to any of our living children and any deceased children’s living descendants as the Independent Trustee may determine advisable for any purpose. If no Independent Trustee is then serving, our Trustee shall distribute as much of the income and principal of the Common Trust to any one or more of our living children and the living descendants of any deceased children as our Trustee determines necessary or advisable for their health, education, maintenance, and support.

When making distributions under this Subsection, we request that our Trustee consider both the respective needs of our beneficiaries and the other income and resources available to our beneficiaries. Due to any disparity in resources or need, our Trustee may make unequal distributions among our beneficiaries or make distributions to some but not all of our beneficiaries.

Unless specifically designated as an advancement by our Trustee as provided in Subsection (b), distributions to a beneficiary will not be considered advancements and will not be charged against the share to which the beneficiary may be entitled under other provisions of this trust.

Any undistributed net income is to be accumulated and added to the principal of the Common Trust.

## Advancements

Our Independent Trustee may make advancements by distributing principal of the Common Trust to any of our children for the following purposes:

to permit a child to enter into or engage in a business or profession;

to permit a child to purchase a personal residence; or

to pay the expenses of a child’s first wedding.

Before making an advancement to any child, we request that our Independent Trustee consider the respective needs and requirements of all of the beneficiaries of the Common Trust.

Our Trustee shall designate any distribution made under this Subsection as an advancement. A determination by our Trustee as to whether a distribution is for an advancement under this Subsection or is a distribution under Subsection (a) is conclusive on all persons.

## Guidelines for Discretionary Distributions

To the extent that it is reasonably practicable, our Trustee may exercise discretion in making distributions of net income and principal from the Common Trust to ensure that our younger children are provided with the same advantages that were provided for our older children.

## Provisions for Guardians

If a child of ours resides in a guardian or relative’s home, our Trustee may furnish as much property of the Common Trust as our Trustee considers necessary or advisable to assist the guardian or relative in providing comfortable care and housing for our child.

For example, our Trustee may furnish trust property to the guardian or relative to purchase a more suitable home in which to accommodate our child, or to improve the home of the guardian or relative for the purpose of accommodating our child. Our Trustee may also furnish trust property to the guardian or relative to purchase personal property that is necessary or desirable to care for our child.

Notwithstanding anything in this trust to the contrary, if the guardian or relative is also serving as our Trustee under this instrument, another Trustee other than the guardian or relative shall exercise the discretion permitted under this Subsection. The guardian or relative has no authority and may not participate in any decision to furnish trust property as provided in this Subsection.

## Termination of the Common Trust

The Common Trust will terminate when each of our then-living children has reached the age of {{ commonage }} years. Upon termination, our Trustee shall administer the remaining trust property as provided in the next Section.

## Distribution of Our Trust Property

Our Trustee shall distribute our remaining trust property outright and free of trust to our descendants, *per stirpes*.

In determining each share’s value, our Trustee shall add the value of any advancements made from the Common Trust under {{ reffifteen }} to the value of the remaining trust property. Our Trustee shall use the resulting total to calculate the value of the shares created under this Section.

Our Trustee shall reduce each living child’s share by the value of any advancements made to the child from the Common Trust under {{ reffifteen }}, using the distributed property’s value as of its distribution date. Our Trustee shall reduce the share of a descendant of a deceased child *pro rata* by each advancement made to the descendant’s parent. If the amount of the reduction exceeds the value of the share of any beneficiary, that beneficiary will receive nothing, but that beneficiary will not be required to refund any advancement that exceeds the value of the original share, and the remaining beneficiaries’ shares will be reduced *pro rata* to account for the shortfall.

Our Trustee shall administer any share distributed to an incapacitated beneficiary or a beneficiary under the age of {{ commonage }} as provided in {{ refsixteen }}.

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