
APPENDIX

Sample Irrevocable Unfunded Life Insurance Trust

THE _____ LIFE INSURANCE TRUST

THIS INDENTURE, made the _____ day of _____, _____, between _____, of _____ (hereinafter referred to as the "Donor"), and _____, of _____, and _____, of _____ (hereinafter referred to as the "Trustees");

WITNESSETH:

The Donor hereby transfers and delivers unto the Trustees the property described in Schedule A, attached hereto, the receipt of which is hereby acknowledged by the Trustees. [The Donor has caused or may cause to be assigned to the Trustees the Donor's entire interest in certain insurance policies on the Donor's life, and has caused or may cause the Trustees to be named as the beneficiary to receive the proceeds of such policies and of certain pension or other benefit plans in which the Donor participates;]

TO HAVE AND TO HOLD such property unto the Trustees, their successors and assigns, in trust, nevertheless, as follows:

FIRST: During the life of the Donor, the Trustees shall manage, invest and reinvest the trust estate and collect the income thereof and shall distribute so much of the net income and principal as the Trustee or Trustees other than a beneficiary hereunder (hereinafter referred to as the "Disinterested Trustee") in said Trustee's absolute discretion from time to time may determine to and among such of the Donor's spouse and the Donor's issue living from time to time, in such proportions as said Trustee may determine, and shall accumulate the balance of the net income. In reaching any determination as to the advisability of making any such discretionary distribution of income or principal of the trust, the Disinterested Trustee shall have no duty to inquire into or to consider any other income or resources of any beneficiary (or, if he or she shall be a minor, of his or her parent or parents), and may exclude any one or more of the beneficiaries from any such distributions and make distributions in equal or unequal proportions.

During the life of the Donor, the Trustees are authorized, in their discretion, at any time to terminate the trust and thereupon to pay over and distribute the principal thereof, and any income then accrued or held, to and among such of the then-living income beneficiaries of the trust in such amounts and proportions as the Disinterested Trustee shall determine.

The Trustees are authorized to invest any or all of the trust assets, whether received from the Donor or from others, in life insurance policies upon the life of the Donor and to apply trust income or principal to the payment of premiums on such policies. The Trustees also are authorized to join with others in holding any such policy, or part thereof, under a split-dollar agreement, whereby the Trustees own certain portions of the life insurance policy and the other owner or owners, in return for payment of an appropriate premium or share of the total premium, also own a portion of the life insurance policy. Notwithstanding such authorization, the Trustees shall have no obligation to pay any premiums, assessments or other charges necessary to keep any insurance policies in force; shall have no obligation to ascertain whether the same have been paid or to notify the Donor or any beneficiary hereunder of the nonpayment of premiums; and shall have no responsibility or liability of any kind in case such premiums are not paid. If the Donor's status as a group member shall terminate for any reason other than the Donor's death, the Trustees shall have the right to convert any group insurance policies into individual insurance policies on the life of the Donor, and thereafter to hold any such policies, together with any dividends received on such policies. The Trustees may borrow against any insurance policies held in the trust and apply such borrowed amounts for the education of the Donor's children, or for such other purposes as the Disinterested Trustee in said Trustee's discretion may determine. The Trustees also may invest trust assets in other property.

If in any year a contribution is made to the trust estate by any person, the Trustees shall notify promptly such of the Donor's spouse and the Donor's then-living descendants as the Donor shall select of such contribution, or, if