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COOK COUNTY
RECORDER
JESSE WHITE
MARKHAM OFFICE

DECLARATION OF TRUST
FOR THE PAUL D. REED TRUST

I, PAUL D. REED, of 3209 Mallard Drive, Homewood, County of Cook, and State of Illinois, hereby declare that from and after the date hereof I shall hold and administer as Trustee, the property described in Schedule A and any other property which may be added to this trust as follows:

FIRST: As long as I am acting as trustee I shall have power to withdraw any part or all of the income and principal of the trust. Any net income not withdrawn shall be added to principal.

SECOND: If the physician attending me certifies in writing to the successor trustee, designated in Article VII, that in his judgment I am unable properly to administer the trust, said successor trustee shall become the trustee in my place.

THIRD: If I am not trustee, the trustee shall distribute for my benefit so much of the income and principal of the trust as the trustee believes to be desirable for my or my spouse's support, comfort, companionship, enjoyment, and medical care, taking into consideration my resources known to the trustee. Excess income shall be added to principal from time to time.

FOURTH: The trust shall be named "THE PAUL D. REED TRUST"

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ARTICLE I

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ADDITIONS AND WITHDRAWALS TO THE TRUST ESTATE

The Settlor or any other person may transfer, by Will or otherwise, any other property to the trust estate with the consent of the trustee to be administered under the terms and provisions of this trust instrument.

The Settlor retains the right to withdraw any or all of the trust property, free from the provisions of this trust instrument. Withdrawal shall be accomplished by the Settlor's execution of a notice in writing delivered to the trustee.

ARTICLE II

AMENDMENT AND REVOCATION

The Settlor may, from time to time, amend this trust agreement in any respect or revoke it in whole or in part by an instrument in writing signed by the Settlor and delivered to the trustee during the Settlor's life provided that the duties and compensation of the trustee shall not be materially changed by any amendment without its written approval.

PIN 31-02-203-089



Paul & Alice Reed
3209 Mallard Dr
Homewood IL
60430

Paul D. Reed

PAUL D. REED

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ARTICLE III

DISPOSITION OF THE TRUST PROPERTY AFTER SETTLOR'S DEATH

A. After the Settlor's death the trustee shall, to the extent that the Settlor's probate estate assets (other than real estate, tangible personal property or property that does not have readily realizable market value in the trustee's judgment) are insufficient, pay to the Settlor's personal representative or directly such sums required to pay the Settlor's debts, expenses of last illness, funeral expenses, costs of administration and claims allowed in the administration of the Settlor's estate and all inheritance, transfer, estate and similar taxes (including interest and penalties) assessed or payable by reason of the Settlor's death. No reimbursement will be required from the Settlor's personal representative, beneficiaries of insurance policies on the Settlor's life or from any other person. No payments under this Article shall be made in whole or in part with the proceeds of any assets that are not subject to federal estate tax or state death tax, except to the extent that other trust principal is not sufficient to make such payments. The trustee shall distribute any United States Treasury bonds eligible for redemption at par to pay federal estate taxes to the Settlor's personal representative for use in satisfying the Settlor's federal estate tax liability and will reimburse the personal representative for any capital gains tax incurred in the redemption of such bonds. After the Settlor's death the trustee shall hold and dispose of the trust property as follows:

1. If the Settlor's Spouse survives the Settlor, in order to obtain the portion of the marital deduction allowed in the Settlor's estate by the federal tax law that will eliminate all federal estate taxes payable as a result of the Settlor's death, the trustee shall divide the trust property (including any property given or transferred to the trustee by the Settlor and any proceeds of insurance on the Settlor's life received by the trustee) into two separate trusts to be known as the "Marital Trust" and the "Family Trust".

a. The Marital Trust, which shall not be reduced by taxes payable by reason of the Settlor's death, shall be that fractional proportion of the entire trust property determined as follows:

(i) The numerator of such fractional proportion of the trust estate shall be the smallest amount which, if allowed as a marital deduction, would result in the



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least possible federal estate tax being payable as a result of the Settlor's death, after allowing for the unified credit against federal estate tax and all available credits and deductions claimed.

The numerator shall be reduced by the value of any other property which passes to the Settlor's Spouse which qualifies for the marital deduction other than the trust property.

(ii) The denominator of this fraction shall be the value of the entire trust property. Values assigned to property for purposes of this computation shall be those values finally determined for federal estate tax purposes.

b. The remainder of the trust property shall be administered as the Family Trust by the trustee.

2. The trustee shall have the power to distribute assets in cash or in kind to the respective trusts and to select specific property to be distributed to the respective trusts without regard to the income tax basis of such property. In making these allocations, the trustee shall use the value of the assets as of the date or dates of distribution, so that each distribution shares proportionately in the appreciation or depreciation of assets between the date of the Settlor's death and the date or dates of distribution. However, no allocation of assets shall be made to the Marital Trust which do not qualify for the marital deduction. The trustee shall have the power to select specific property to be distributed to the trusts without regard to the income tax basis of such property. Unproductive property shall not be held as an asset of the Marital Trust for more than a reasonable time during the life of the Settlor's Spouse without the Spouse's consent. To the extent that other assets which qualify for the marital deduction are available there shall not be allocated to the Marital Trust: (a) assets with respect to which an estate tax credit for foreign taxes paid is allowable; (b) any payments under an employee's trust or retirement annuity contract of the type described in Section 2039(c) of the Internal Revenue Code or subsequent provisions of similar import; or (c) United States Treasury bonds that are eligible for redemption at par value in payment of the Federal estate tax. In computing the marital deduction all generation-skipping transfers for which the Settlor is the "deemed transferor", shall be disregarded.

B. If the Settlor is not survived by his spouse, ALICE A. REED, the trustee shall distribute the assets of the trust, in



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equal shares, unto such of the class consisting of my son, MICHAEL D. REED; my step-daughter, DEBORAH L. HURST; and my step-son, JAMES R. BEATTY, as survive me. Provided, however, that if one or more of the members of said class should predecease me leaving descendants who survive me, the share such member would have received had such survived me shall be distributed per stirpes to such member's descendants who survive me.

C. If the Spouse and the Settlor die simultaneously, or in circumstances which render it difficult to determine which died first, the Settlor's Spouse shall be deemed to have survived for all purposes of this Article.

D. The Settlor's Spouse for the purposes of this instrument is ALICE A. REED

ARTICLE IV

MANAGEMENT OF TRUSTS

A. 1. The trustee shall pay the net income from the property of the Marital Trust to the Settlor's Spouse in convenient installments at least as often as quarter-annually during the Spouse's life.

2. The trustee shall distribute to the Settlor's Spouse such portions or all of the principal of the Marital Trust as the Settlor's Spouse, from time to time, requests in writing. Whenever the trustee determines that the income available to the Settlor's Spouse from all sources known to the trustee is not sufficient for the Spouse's reasonable support, maintenance and health, the trustee shall pay to or use for the benefit of the Settlor's Spouse so much of the principal of the Marital Trust as the trustee determines to be necessary for those purposes.

3. Upon the death of the Settlor's Spouse after the Settlor's death, the trustee shall distribute all of the property in the Marital Trust, as then constituted, in equal shares, unto such of the class consisting of my son, MICHAEL D. REED; my step-daughter, DEBORAH L. HURST; and my step-son, JAMES R. BEATTY, who are then living. Provided, however, that if one or more of the members of said class are not then living, but leave descendants who are then living, the share such member would have received had such survived shall be distributed per stirpes to such member's descendants who are then living.

B. 1. The Trustee shall pay the net income from the property of the Family Trust to the Settlor's Spouse in



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convenient installments at least as often as quarter-annually during the Spouse's life.

2. Whenever the trustee determines that the income and property available to the Settlor's Spouse from all sources known to the trustee, is not sufficient for the Spouse's reasonable support, maintenance and health, the trustee shall pay to or use for the benefit of the Settlor's Spouse so much of the principal of the Family Trust as the trustee determines to be necessary for those purposes. However, invasions of principal of the Family Trust for the Settlor's Spouse shall be made only after all of the property conveniently available for invasion in the Marital Trust has been exhausted.

C. Upon the death of the Settlor's Spouse after the Settlor's death, the trustee shall distribute all of the property in the Family Trust as then constituted, in equal shares, unto such of the class consisting of my son, MICHAEL D. REED; my step-daughter, DEBORAH L. HURST; and my step-son, JAMES R. BEATTY, who are then living. Provided, however, that if one or more of the members of said class are not then living, but leave descendants who are then living, the share such member would have received had such survived shall be distributed per stirpes to such member's descendants who are then living.

ARTICLE V

GENERAL ADMINISTRATIVE DIRECTIONS

A. 1. Whenever any principal or income is distributable pursuant to the provisions of this instrument to any beneficiary who is under the age of Twenty-One years at the time of distribution, and no other trust has been established under this instrument to hold such property, the share of that beneficiary shall vest in him beneficially, and the trustee may, in its discretion, continue to hold the distribution as a separate trust until the beneficiary reaches Twenty-One years of age. The trustee shall use for the beneficiary's benefit so much of the income and principal of his trust as the trustee determines to be necessary for his reasonable support, maintenance, health and education, taking into consideration his income from all sources. When the beneficiary reaches the age of Twenty-One the trust shall terminate and the principal and accumulated income of each beneficiary's share shall be distributed to him. If the beneficiary dies before reaching age Twenty-One years, the principal and accumulated income shall be distributed to the executor or administrator of the beneficiary's estate.



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2. If the trustee is directed in this instrument to pay income or principal from time to time to any beneficiary who is under legal disability or in the opinion of the trustee incapable of properly managing his affairs when distribution is to be made, the trustee may use such income or principal for his support, maintenance and health.

3. When the trustee has the power under this instrument to use any income or principal for the benefit of any person, the trustee may expend it for the benefit of that person, or pay it directly to that person or for his use to his guardian, parents, spouse, or to the person with whom he is residing, without responsibility for its expenditure.

B. Income payable to any beneficiary which is accrued and undistributed at the death of that beneficiary shall be held and accounted for or distributed in the same manner as if it had been received before the beneficiary's death.

C. No interest under this instrument shall be subject to or liable for the beneficiary's anticipation, transfer, assignment, sale, pledge, debt, contract or engagement, or to liability or sequestration under legal or equitable process. This paragraph shall not restrict the exercise of any power of appointment.

D. Trusts created under this instrument shall terminate not later than Twenty-One years after the death of the last survivor of the Settlor, the Settlor's Spouse and those of the Settlor's descendants who are living on the date of this instrument. At termination, if the trustee is not otherwise able to give effect to the provisions of this instrument, each remaining portion of trust property shall be distributed to the beneficiaries of the then current trust income in the proportions in which they are beneficiaries.

E. In determining whether any testamentary power of appointment has been exercised, the trustee may rely either upon the order of a court in any jurisdiction admitting an instrument to probate as the Will of the holder of the power, or a finding that he died intestate, and unless within ninety days after the holder's death the trustee has actual notice of the existence of a Will or of probate proceedings, the trustee may assume that the holder died intestate. This paragraph shall not limit any right of any person against anyone to whom the trustee has distributed property in reliance thereon.

F. If at any time, a trust created under this instrument shall be of the aggregate principal value of \$25,000 or less, the trustee may terminate that trust and distribute the assets in the


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trustee's possession to the beneficiaries, at that time, of the current trust income and, if there be more than one beneficiary, in the proportions in which they are beneficiaries.

G. This instrument and dispositions under it shall be construed and governed by the law of Illinois.

ARTICLE VI

FIDUCIARY POWERS

The trustee shall have the following powers with respect to each trust, exercisable in the trustee's discretion:

(1) To retain any property transferred to the trustee, without liability for any loss, even though the trustee would not purchase the property as a trust investment and though to retain it might violate sound investment diversification principles;

(2) To sell, at public or private sale, contract to sell, grant options to buy, convey, transfer, exchange, partition, dedicate, lease, or grant easements for a term within or extending beyond the terms of the trust, repair, improve, remodel, demolish or abandon, any real or personal property of the trust;

(3) To borrow money, and mortgage or pledge trust property;

(4) To invest in bonds, common or preferred stocks, notes, real estate mortgages, common trust funds, shares of any investment company or trust, or other securities, and real or personal property;

(5) To allot to any trust an undivided interest in property, make joint investments for two or more trusts hereunder, distribute property in cash or in kind, or partly in each and to determine the value of any property so allotted or distributed;

(6) To exercise in person or by proxy all voting and other rights, powers, and privileges, and take all steps to realize all benefits, with respect to stocks or other securities;

(7) To cause any security or other property to be held in the name of the trustee personally, or in the name of a nominee;

(8) To pay all expenses incurred in the administration of the trust, including reasonable compensation to the trustee, and employ and pay reasonable compensation to agents and counsel, including investment counsel;

(9) To create out of income reasonable reserves for depreciation and depletion;

(10) To accept additional property from any person and administer it as a part of the trust;

(11) To deal with the fiduciary of any other estate or trust, even though the fiduciary is a trustee hereunder;



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(12) To compromise or abandon any claim or demand in favor of or against the trust;

(13) To purchase assets from and lend money to the personal representative of my estate;

(14) To employ during my life any person or persons to attend to my maintenance, comfort, companionship, enjoyment, and medical care;

(15) To collect any insurance proceeds becoming payable to the trustee; to compromise claims for insurance proceeds; and to release and discharge any insurance company for any insurance proceeds paid to the trustee, which shall bind every beneficiary of the trust;

(16) To do all other acts to accomplish the proper management, investment and distribution of the trust.

ARTICLE VII

RESIGNATION OF TRUSTEE AND APPOINTMENT OF SUCCESSOR

A. 1. Any trustee may resign by giving thirty days written notice, specifying the effective date of its resignation to the beneficiaries then entitled to the trust income.

2. If I resign or become unable to act as trustee, then I appoint my son, **MICHAEL D. REED**, as Successor Trustee. In the event that he is unable or refuses to act, I appoint my step-daughter, **DEBORAH L. HURST**, to be Successor Trustee. In the event that she is unable or refuses to act, I appoint my step-son, **JAMES R. BEATTY**, to be Successor Trustee.

3. If the last Successor Trustee named above resigns or is unable or refuses to act, a corporation authorized under the laws of the United States or of any state to administer trusts may be appointed as Trustee by a written instrument delivered to it signed by a majority of the beneficiaries then entitled to the trust income. No successor trustee shall be liable for acts, defaults or omissions of prior trustees. Any successor trustee with the written approval of the persons appointing the successor trustee shall accept as correct without examination the accounts rendered by the prior trustee and property delivered by the prior trustee without incurring any liability.

4. Any successor trustee shall have the title, duties, powers, and discretion as the trustee succeeded without the necessity of conveyance or transfer.

5. The guardian of a beneficiary under legal disability or the parents or guardian of a minor beneficiary for whose estate no guardian has been appointed may act for the beneficiary in signing any instrument under this Article.



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B. Any corporate successor to the trust business of any corporate trustee named or acting under this instrument shall become trustee in place of its predecessor.

C. As often as the trustee deems such action to be advantageous to any trust or beneficiary, it may, by written instrument, resign and appoint as substitute trustee any bank or trust company, wherever situated. The substitute trustee shall have all of the powers and discretions of the trustee, but shall exercise the same under the supervision of the trustee. The trustee may at any time remove the substitute trustee and appoint itself as trustee.

I have signed this DECLARATION OF TRUST, FOR THE PAUL D. REED TRUST, consisting of eleven (11) pages, the following pages included, and have signed each page on this 26TH day of MAY, 1994.

Paul D. Reed
PAUL D. REED, Settlor

CERTIFICATE OF WITNESSES

We saw PAUL D. REED in our presence, sign this instrument at its end and sign each page; and then we, in his presence and in the presence of each other, signed our names as attesting witnesses; all of which was done on the date of this instrument, this 26TH day of MAY, 1994.

- 1. Lynn White Gibson of Galatia, Ill.
Witness City State
- 2. H. B. Pulliam of Galatia, Ill.
Witness City State
- 3. Curtis R. Barnes of Galatia, Ill.
Witness City State

Paul D. Reed
PAUL D. REED

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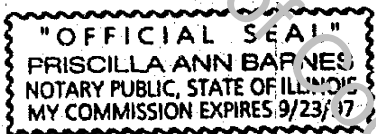
STATE OF ILLINOIS)
) SS.
COUNTY OF SALINE)

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that PAUL D. REED, personally appeared before me on this day and acknowledged the due execution of the foregoing Declaration of Trust, for THE PAUL D. REED TRUST, consisting of eleven (11) pages.

WITNESS my hand and notarial seal, this 26TH day of MAY, 1994.

(S E A L)

Priscilla Ann Barnes
NOTARY PUBLIC



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SCHEDULE A

Being a description of the property which PAUL D. REED, Settlor, has transferred to PAUL D. REED, as Trustee of THE PAUL D. REED TRUST.

1. All household furnishings and contents;
2. All personal effects, including guns and jewelry;
3. All tractors and mowers;
4. All motor vehicles;
5. All other personal property.

This instrument was prepared by:

Curtis R. Barnes
Attorney At Law
990 Johnston City Road
Galatia, IL 62935
Phone: (618) 268-4971

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