

LAND TRUST AGREEMENT

THIS TRUST AGREEMENT dated this ____day of _____, 20__ and known as the _____ by and between _____ as Trustee, and the following Beneficiaries in the percentage set opposite their names: **See Paragraph 28**

1. TRUST. The Trust is about to take title to real estate under the provisions of the statutes of the state of North Carolina, and he agrees to hold it and the proceeds, profits, and avails thereof, if any, which may come into his possession, in Trust for the uses and purposes and under the terms herein set forth.

2. LAND. The Trustee will take title to the following land, better described in the legal description below

See Exhibit "A" attached hereto

3. BENEFICIARIES' INTEREST. The interests of the beneficiaries hereunder and of any person who becomes entitled to any interest under this trust shall consist solely of a power of direction to deal with the title to said property and to manage and control said property as hereinafter provided and the right to receive the proceeds from rentals, mortgages, sales or other dispositions shall be deemed to be personal property and may be treated, assigned and transferred as such. No beneficiary now has, or shall hereafter at any time, any right, title or interest in or to any portion of said real estate as such, either legal or equitable, but only an interest in the earnings, avails and proceeds as aforesaid; it being the intention of this instrument to vest the full legal and equitable title to said premises in the Trustee.

4. DEATH OF BENEFICIARY. Except as herein otherwise specifically provided (or if this land trust is sold), the right & interest of beneficiary hereunder shall pass at death to the heirs of beneficiary.

5. OWNERSHIP. Upon request each beneficiary hereunder shall be issued a Trust Participation Certificate in a form approved by the Trustee, which shall indicate the beneficiary's percentage interest in the Trust and the land held by the Trustee.

6. PURCHASERS. It shall not be the duty of the purchaser of the trust property or any part thereof to see to the application of the purchase money paid therefore; nor shall anyone who may deal with the Trustee be privileged or required to inquire into the necessity or expediency of any act of the Trustee, or as to the provisions of this instrument.

7. POWERS, DUTY OF TRUST. While the Trustee is the sole title holder of the real estate held by him hereunder and has full power to deal with it, the Trustee will deal with said property only

when authorized to do so by the beneficiary, and shall otherwise have all appurtenant powers available to him to the extent of North Carolina State law. Unless so directed by the beneficiaries, the trustee has no power to control or influence the real property or any use of it.

8. **TERMINATION BY TRUSTEE.** If the trust property or any part thereof remains in the trust twenty (20) years from this date, the Trustee shall, unless otherwise agreed by all parties in writing, convey and deliver the same to the beneficiaries in accordance with their respective interests.

9. **LIMITATION OF BENEFICIARIES.** No beneficiary hereunder shall have any authority to contract for or in the name of the Trustee, or use the name of the Trustee in any advertising or other publicity or to bind the Trustee personally.

10. **LIMITATION OF TRUSTEE'S LIABILITY.** The liability of the Trustee hereunder shall be limited to the assets of the Trust. All obligations incurred by the Trustee hereunder shall be the obligations of the Trust only and not the individual Trustee. The Trustee shall not be required to enter into any personal obligations or liability in dealing with the Trust property nor to expend any personal sums to defend or protect the Trust property. Beneficiaries hereunder agree to indemnify and hold harmless the Trustee from expenses, claims, and liabilities that may arise from Trustee's ownership of the trust res. All obligations incurred by the Trustee shall be the obligations of the Trust only, and shall not under any circumstances become or be construed to create individual liability in the Trustee to any party, person or entity, nor shall any action or inaction of the Trustee hereunder bind the Trustee personally, unless the Trustee has consented in writing first to expressly waive the protections of this provision of the Land Trust.

11. **NOTIFICATION OF CLAIMS.** In the event the Trustee shall receive notice of claims or actions against the Trust, he shall notify the beneficiaries at their last known addresses.

12. **TRUSTEE'S COMPENSATION.** The Trustee shall receive for his services in accepting this Trust and title hereunder the sum of \$100.00 for the first year or fraction thereof and the sum of \$100.00 for each succeeding year or fraction thereof as long as any property remains in this Trust.

13. **LIMITATIONS ON AGREEMENTS.** This agreement shall not be deemed to be, create, or evidence the existence of a corporation de facto or de jure, or a Massachusetts Trust, or any type of business trust, or an association in the nature of a corporation or a general or limited partnership, or a joint venture by or between the trustee and the beneficiaries.

14. **TAXES.** Nothing herein contained shall be construed as imposing any obligation on the Trustee to file any income, profit or other tax reports or schedules, it being expressly understood that the beneficiaries hereunder from time to time will individually make all such reports and pay any and all taxes growing out of their interest under this Trust Agreement.

15. **REPLACEMENT OF TRUSTEE.** The Trustee may be replaced in any of the following manners:

- a. Resignation. The Trustee may resign at any time by mailing a notice of his intention to do so to each of the beneficiaries at each one last known address. In the event of such resignation the beneficiaries may appoint a successor trustee, by lodging an instrument with the Trustee signed by all the beneficiaries and accepted by the successor trustee. If no Successor Trustee is appointed within 30 days, the Trustee may convey the Trust property to the beneficiaries according to their interests and this Trust shall terminate.
- b. Replacement. The beneficiaries may at any time replace the Trustee by lodging with him an instrument naming a Successor Trustee, signed by all beneficiaries and accepted by the Successor Trustee. Upon receipt of said instrument and if there shall be no fees due and owing to him, the Trustee shall quit claim the property to the Successor Trustee.
- c. Death. In the event of the death of the Trustee, the following in order of their listing is appointed Successor Trustee: _____
- d. If said person is unable or unwilling to act, or if no person is named herein, the beneficiaries hereunder or any of them by mutual agreement, are appointed successor trustee. Recording of an affidavit reciting this paragraph shall be effective to vest title in said Successor Trustee.
- e. Any successor trustee under this Trust shall have all of the powers, properties and duties of the original Trustee.
- f. If for any reason the Trustee is unavailable to conduct trust business, the Beneficiary(s) have unanimously agreed to allow the hereinafter named Successor Trustee to conduct such trust business with the same authority and powers as the original Trustee in the original Trustee's absence, or until the original Trustee is available again.

16. RECORDING. This Trust nor any part thereof shall not be recorded except as herein provided or required by law.

17. DISCLOSURE. The Trustee shall not release any information regarding this Trust unless required to do so by law. In making a disclosure required by law, the Trustee shall supply beneficiaries with copies of any reports filed and shall be subject to no liability for the filing of such reports.

18. PARTITION. The remedy of partition shall not be available to the beneficiaries of this Land Trust.

19. SPENDTHRIFT PROVISIONS. Except where specifically pledged to secure a debt, the interest of any Beneficiary in the income and principle of this trust shall be free from the control or interference of any creditor of the Beneficiary or of any spouse of a married Beneficiary. Such interest shall not be subject to attachments or susceptible to anticipation or alienation.

20. PARTIES BOUND. This Agreement shall extend to and be obligatory upon the heirs, administration and assigns of the respective parties.

21. GENDER, Paragraph Titles. Any references to any pronoun herein shall apply to parties of either gender. The title of paragraphs are for convenience only and shall in no way be used for the purpose of construing the meaning of this agreement.

22. GOVERNING LAW. This Agreement shall be construed under the laws of the state of N.C.

26. NOTICE. Notice shall be given in any commercially reasonable manner.

27. Partial Invalidity, Merger. In the event any provision of this Agreement shall be held to be invalid by a court of competent jurisdiction, the parties agree that the remaining portions shall remain in full force and effect, as if the agreement had been executed by the parties subsequent to the expungement of the invalid provisions. It is intended that there will be no merger of interest in the event that a beneficiary of this Trust or any entity wherein the beneficiary is a principal should become the trustee of this Trust; the Parties shall regard the trustee in its, his or her position as trustee of this Trust as a separate entity from its, his or her position as beneficiary or principal of a beneficiary of this Trust and that, in such an event, the terms of this trust shall be construed to prevent Merger.

28. Initial Beneficiaries: _____ (in equal shares if multiple)

IN TESTIMONY WHEREOF, said Trustee accepts the duties of Trustee the day and year first above written and on said day the said beneficiary has signed this Declaration of Trust and said Trust Agreement in order to signify his assent to the terms hereof.

TRUSTEE:

Insert Typed Name (SEAL)

STATE OF _____ COUNTY OF _____

I, the undersigned, certify that the following persons personally appeared before me this day, showing satisfactory evidence of identity, and acknowledged the due execution and authority to execute the foregoing instrument in the capacity indicated above: **Insert Typed Name**

Date: _____ My Commission Expires: _____

Signature of Notary: _____ Printed Name of Notary: _____

IN TESTIMONY WHEREOF, said Beneficiary accepts the duties of Beneficiary the day and year first above written and on said day the said beneficiary has signed this Declaration of Trust and said Trust Agreement in order to signify his assent to the terms hereof.

BENEFICIARY:

_____ (SEAL)
Insert Typed Name

STATE OF _____

COUNTY OF _____

I, the undersigned, certify that the following persons personally appeared before me this day, showing satisfactory evidence of identity, and acknowledged the due execution and authority to execute the foregoing instrument in the capacity indicated above: **Insert Typed Name**

Date: _____

My Commission Expires: _____

Signature of Notary: _____

Printed Name of Notary: _____