

## SPRING WATER TRUST AGREEMENT

STATE OF Minnesota

COUNTY OF Hennepin

This Agreement, made and entered into this (date) \_\_\_\_\_ in the State of Minnesota, by and between \_\_\_\_\_ as grantor(s) (hereinafter called the Grantor) and Jeffrey Martin Borowiak, his appointee or heir, (hereinafter called the Trustee) as trustee place into trust, hereby designated as the Spring Water Trust (hereinafter called the Trust), resources for the benefit of the Fredrick-Miller Spring Ecosystem, other natural springs for public accessibility, the Jeffrey Martin Borowiak Family, and other Beneficiaries named in Addendum. The Spring Water Trust is a multi-use, charitable and otherwise, private trust conditional upon natural conservation of spring water and spring water ecosystems.

**1. TRANSFER OF PROPERTY.** For the purpose of making a gift to the beneficiaries under this trust I, the Grantor herein, have transferred, assigned and delivered and do hereby transfer, assign, convey and deliver to the Trustee the property shown on the schedule hereto attached and made a part hereof in trust for the uses and trusts hereinafter set out.

**1a. CONDITIONS.** The Trust's Commitment is to stop developers putting housing subdivisions in the Fredrick-Miller Spring Valley, initiate a conservation program to restore the valley's ecosystems, ensure the public continues to have free access to the Fredrick-Miller Spring, reform land use (housing) on the aquifer to ensure water quality and engage in environmental arts education. The Spring Water Trust will adhere to the purchase and holding of Real Estate to entrust the protection of natural ecosystems, biodiversity and at-risk species, water and environmental arts education surrounding Fredrick-Miller Spring.

**1b. CONDITIONS.** The benefits of the Trust are contingent on the well being of the Fredrick-Miller spring water and surrounding ecosystem. Should the Trust fail beyond repair to meet the environmental and public clauses of this agreement due to negligence or bad faith then all contracts will be dissolved.

**2. TRUST AS IRREVOCABLE.** The Spring Water Trust is an **irrevocable** multi-use private trust linked to environment and spring water conservation. The Trust links the long-term environmental health of the spring water, the valley biodiversity and public accessibility of the Fredrick-Miller Spring to the other named beneficiaries. The Grantor herein expressly cedes all right and power, whether alone, jointly or in conjunction with others, to alter, amend, revoke or terminate this trust, or any of its terms, in whole or in part.

**3. DISTRIBUTION OF INCOME.** The Trustee shall pay or authorize the payment of all income, earnings, avails, proceeds and principal from said trust to the beneficiaries of this trust according to their best

judgment. The Fredrick-Miller Spring Water and Valley Biodiversity are de facto prioritized beneficiaries, charitable and educational.

**4. BENEFICIARY RIGHTS.** The interest of the named beneficiaries shall consist solely of the following rights respecting any property held by the Trustee pursuant to the terms of this trust:

a.1 The right to receive the earnings, dividends, proceeds, rentals, transfers, sales, or other dispositions of any property of the Trust deemed prudent by the Trustee;

a.2 The right to inspect, utilize and enjoy all tangible properties of the Trust in good faith;

b. The right to select a financial institution which maintains trust property, if trust property is the type which would normally be maintained by a financial institution, subject to any limitations imposed by Minnesota law or any other state in which the Trust maintains property and, if such property should consist of tangible property, including but not limited to real estate, the right to select any manager or management controlling company to manage said tangible property regarding the rental, leasing or maintenance of such property;

c. The right to determine when any such trust property should be sold or otherwise conveyed. The foregoing rights shall be deemed to be personal property and may be assigned and otherwise transferred as such. The beneficiary shall have no legal or equitable right, title or interest, as realty, in or to any real estate held in trust under this agreement, or the right to require partition of such real estate, but shall have only the rights, as personally, set out above, and the death of the beneficiary shall not terminate this trust or in any manner affect the powers of the beneficiaries;

d. The right by consensus in writing to dissolve all contracts.

**5. DISTRIBUTION OF CORPUS.** At the death of the beneficiary, the Trustee shall distribute the property then in the hands of such trustee to the beneficiaries and devisees designated by the last will and testament of the beneficiary or; if the beneficiary failed to execute a last will and testament, then such distribution shall be made to the heirs of such beneficiary as determined and in such parts as are designated by the interstate laws of the state of Minnesota. However, in the event that any such beneficiary, devisee, or heir (as the case may be) shall not have attained the age of 18 years, then the share of such person shall continue to be held in trust until such person reaches the age of 18 years. In the interim, all of the net income from such share of such person who has not reached the age of 18 years shall be paid to, or used for the benefit of, such person.

**6. LIABILITY OF TRUSTEE.** The Trustee and their successor as beneficiary shall not be required to give a bond, and each trustee shall be liable only for such trustee's own acts and then only as a result of such trustee's own negligence or bad faith.

**7. CLAIMS OF CREDITORS.** Neither the principal nor the income of the Trust, nor the interest of any beneficiaries therein, shall be liable for the debts of any beneficiary, nor shall the same be subject to

anticipation or alienation or to seizure by any creditor of any beneficiary under any return or proceeding at law or in equity.

**8. DUTIES AND POWERS OF TRUSTEE.** In the management, care, and disposition of this trust, the Trustee shall have the power to do all things and execute such instruments as may be deemed necessary or proper, including the following powers, all of which may be exercised without the order of any court or without having to report to any court:

a. **BONDS, INVENTORIES AND REPORTS.** In the administration, management, care and disposition of this trust, the trustee shall not be required to make nor file any inventories or appraisals or other returns or reports to any court, or to give any bond, or to secure any order and consent of any court to perform any of the powers conferred on it in this trust, but the Trustee shall keep full accounts and shall make annual reports to the beneficiaries hereunder (which shall be sent by mail to such beneficiaries not later than February 28 of each year) and shall at any time upon the reasonable request of any beneficiary hereunder give full information to such beneficiary as to the condition of the trust estate, the amounts received and disbursements made.

b. **RETENTION FOR INVESTMENT.** The Trustee shall have the power to retain any property or investment in this trust in the form in which it may be received, and to invest and reinvest any and all forms of property of this trust, including common trust funds and chooses in action as the Trustee in its discretion may deem advisable, without being limited by any laws restricting the character or size of investments which beneficiaries may retain or acquire having regard always, however, for the needs of the beneficiaries, and the size of the trust estate.

c. **POWER TO SELL AND EXCHANGE.** The Trustee shall have the power for any purpose to sell, exchange or otherwise dispose of any property at any time held or acquired hereunder, at public or private sale, for cash or on terms, with or without advertisement, and without any order of court. Land within the Spring's ecosystem shall not be sold or marginalized.

d. **POWER TO LEASE AND GRANT OPTIONS.** The Trustee shall have the power to make leases either as landlord or as tenant for any term, even though such lease or leases may extend beyond the period of this trust; and, in like manner shall have the power to grant options, including options extending beyond the duration of this trust.

e. **VOTING STOCK.** The Trustee shall have the power to vote in person or by proxy, whether general or limited, any corporate stock or other security held by it as a part of this trust and to agree to or to take any other action in regard to any reorganization, merger, consolidation, liquidation, bankruptcy or other procedure or proceedings with respect to any stock, bond, note or other security.

f. **EMPLOYMENT OF AGENTS, ATTORNEYS AND BROKERS.** The Trustee shall have the power to employ such agents, brokers, accountants and attorneys as it may deem necessary or advisable and to pay reasonable compensation for their services.

g. **COMPROMISE AND SETTLEMENT.** The Trustee shall have the power to compromise, settle, and adjust any claims or demand by or against said trust, on any terms it may deem advisable, and to agree to any rescission or modification of any contract or agreement affecting this trust.

h. **POWER TO BORROW.** The Trustee shall have the power to extend or review any existing obligation or obligations as well as to borrow money for any purpose deemed advisable, and to secure the same by the transfer as security therefore any property of the Trust or any form of security instrument that is required.

i. **AMORTIZATION.** The Trustee shall have the power to purchase securities at a premium without being required to amortize the premium out of subsequent income from the Trust.

j. **REGISTRATION OF TRUST SECURITY.** The Trustee shall have the power to invest any stock, bonds, or other securities in the name of a nominee, without the addition of words indicating that such security is held in a fiduciary capacity; but accurate records shall be maintained showing that such security is a trust asset and the Trustee shall be responsible for the acts of such nominee.

k. **ALLOCATION OF INCOME AND EXPENSES.** The Trustee shall have the power to determine what is the corpus and what is the gross net income of the estate and to allocate between principal and income any loss or expenditure in connection with the Trust, and if deemed advisable to amortize any loss out of the income.

l. **DISTRIBUTION IN KIND.** The Trustee shall have the power to make any and all distribution hereunder in cash or in kind, or partly in cash and partly in kind, and the values it assigns to such distribution shall not be subject to question.

m. **CHARITABLE DONATIONS.** The Trustee shall have the power to make distributions from the Trust for the purposes of charity, education, research and the humanities.

**9. GUARDIAN NOT REQUIRED.** When any minor is entitled to a distribution under this trust the Trustee shall not be required to qualify as a guardian or require any other person to qualify as guardian of such minor, with respect to the distribution to be made to such minor, but may distribute the same to, or for the account of, such minor or to any person having his or her custody without requiring any bond therefor, and without the intervention of any guardian.

**10. MERGER OF TRUSTEE.** In the event the Trustee named herein is not a natural person and shall hereafter merge or consolidate with any other bank or trust company or any other corporation that may by law act as trustee, the corporation created by such merger or consolidation shall thereafter acts as Trustee hereunder and shall be subject to all the terms and conditions set forth herein.

**11. COMPENSATION OF TRUSTEE.** The Trustee shall receive reasonable compensation for service managing this trust and the proposed amount reported to the beneficiaries annually. However, it is agreed that this fee may be adjusted from time to time in accordance with the amount of work and the

responsibility of the Trustee in administering this trust, by a written agreement signed by a majority of the remaining beneficiaries of this trust who are entitled to receive income therefrom and who are then of age and suffering from no legal disability. Such agreement may apply to fees both on income and on principal and the source, principal or income from which such fees shall be paid and shall be binding on all persons taking thereunder.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands and affixed their seal the day and year first above written.

\_\_\_\_\_(Seal)  
**Grantor**

\_\_\_\_\_(Seal)  
**Trustee**

Sworn to and described before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_(seal)  
**Witness, Notary Public**