

## **Required provision by Alaska Trust Company**

Administrative Trustee services are where the trust agreement authorizes and directs that investment management responsibilities have been delegated to someone other than Alaska Trust Company. The investment responsibility and liability is assumed by an “investment trustee”, “investment committee”, “investment advisor”, or the equivalent. The trust agreement must specifically exonerate and hold harmless Alaska Trust Company from any investment responsibility, liability, or duty. The following provision is offered as an example:

### **Special Trustee Indemnification Provision**

The Grantor recognizes that some persons may be hesitant to serve as Administrative Trustee hereunder because of a concern about potential liability. Therefore the Grantor directs that: (A) The Administrative Trustee shall not incur any liability by reason of any error of judgment, mistake of law, or action of any kind taken or omitted to be taken in connection with the administration of the Trust if in good faith reasonably believed by such Administrative Trustee to be in accordance with the provisions and intent hereof, except for any matter involving such Administrative Trustee’s own willful misconduct or gross negligence proved by clear and convincing evidence, (B) the Administrative Trustee shall not have any fiduciary responsibility to observe, monitor or evaluate the actions of the Investment Trustee or Independent Trustee and shall not be liable to any party for the failure to seek to remedy a breach of trust, or in a recurring situation to request instructions from a court having jurisdiction over the trust, even if a

Trustee may be guilty of a gross violation of fiduciary duties hereunder, and (c) the Administrative Trustee shall be fully indemnified by the trust estate against any claim or demand by any trust beneficiary or trust creditor, except for any claim or demand based on such Administrative Trustee's own willful misconduct or gross negligence proved by clear and convincing evidence. In no event shall any Administrative Trustee hereunder be liable for any matter with respect to which he, she, or it is not authorized to participate hereunder (including the duty to review or monitor trust investments).