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Introduction and Purpose

This Living Trust Agreement (the "Agreement") establishes a legal framework for the management and distribution of assets by Acme, Inc ("ACME-1"). This document outlines the terms and conditions under which ACME-1, as the Settlor, transfers assets to a Trustee, who will manage them for the benefit of designated Beneficiaries.

Understanding the Living Trust

A living trust is created during ACME-1's lifetime. It serves as a vehicle to hold assets and provides for their management and distribution, both during ACME-1's life and after death. Unlike a will, a living trust avoids probate, ensuring a more private and efficient transfer of assets to beneficiaries. It also allows for the management of assets should ACME-1 become incapacitated. This Agreement details the powers and responsibilities of the Trustee, the rights of the Beneficiaries, and the procedures for administering the trust.

Definitions and Interpretations

For the purposes of this Living Trust Agreement, the following terms shall have the meanings set forth below:

Key Definitions

- **Settlor:** Refers to Acme, Inc, the party establishing this trust and transferring assets into it. ACME-1 retains certain rights to amend or revoke the trust as outlined in this agreement.
- **Trustee:** Refers to the individual or entity responsible for managing the Trust Assets according to the terms of this agreement. The Trustee has a fiduciary duty to act in the best interests of the Beneficiary.
- **Beneficiary:** Refers to the individual or entity who will benefit from the Trust Assets, as specified in this agreement. The Beneficiary receives distributions from the trust according to the terms outlined herein.



- **Trust Assets:** Includes all property, both real and personal, tangible and intangible, that is held in this trust. This may include, but is not limited to, cash, securities, real estate, and other investments.
- **Incapacity:** Refers to the Settlor's inability to manage their own financial affairs, as determined by a qualified medical professional or as defined by applicable state law.
- **Distribution:** Refers to the transfer of Trust Assets from the Trustee to the Beneficiary, as specified in this agreement. Distributions may be made at specific times, upon the occurrence of certain events, or at the Trustee's discretion, subject to the terms outlined herein.

Creation of the Living Trust

Acme, Inc, as the Settlor, establishes this Living Trust effective August 9, 2025. This trust is created with the intention of managing and distributing assets for the benefit of the beneficiaries, as outlined in this agreement.

Settlor's Declaration

Acme, Inc hereby declares that they are establishing this Living Trust and transferring ownership of the assets listed in Schedule A to the trust. This transfer is made with the intent to create a valid and enforceable trust. Acme, Inc, as Settlor, has the authority to amend or revoke this trust at any time, as long as they are not incapacitated.

Formalities

To formally establish this trust, Acme, Inc must sign this Living Trust Agreement. Following the signing, the agreement must be notarized. Finally, the assets listed on Schedule A must be formally transferred into the trust. This transfer may require retitling ownership or executing new deeds or assignments.

Effective Date

The effective date of this Living Trust is August 9, 2025, provided that all required formalities are completed.



Identification of Parties

This Living Trust Agreement, made and entered into as of August 9, 2025, identifies the parties involved and their respective roles.

Settlor

The Settlor is the individual or entity creating this trust. In this case, the Settlor is Acme, Inc ("ACME-1"), a business entity organized and existing under the laws of United States, with its principal address at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA. As the Settlor, ACME-1 establishes the terms and conditions of this trust, including the management and distribution of assets.

Trustee

The Trustee is responsible for managing the assets held within the trust according to the terms set forth in this agreement. The initial Trustee of this Living Trust is Acme, Inc ("ACME-1"), with the same address as listed above. As the Trustee, ACME-1 has a fiduciary duty to act in the best interests of the beneficiaries.

Successor Trustee(s)

Successor Trustees will take over the role of Trustee in the event that the initial Trustee is unable or unwilling to continue serving. The appointment of Successor Trustees will be designated by the Settlor, ACME-1, within this trust document. Successor Trustees must be of legal age, mentally competent, and without a criminal record to ensure they can fulfill their duties responsibly.

Beneficiaries

The Beneficiaries are the individuals or entities who will ultimately benefit from the assets held in the trust. The Beneficiaries and their respective interests are determined by Acme, Inc and will be detailed in the distribution schedule outlined in this agreement. The Trustee is obligated to manage the trust assets for the benefit of these designated beneficiaries.



Funding the Trust

To ensure the Living Trust operates as intended, it must be properly funded. Funding refers to the process of transferring ownership of your assets into the name of the Trust. This transfer avoids probate and allows for seamless management by the Trustee.

Acceptable Assets

A wide variety of assets can be transferred into the Trust. These include, but are not limited to:

- Real estate (homes, land, and other property)
- Stocks and bonds
- Bank accounts (checking, savings, and money market accounts)
- Brokerage accounts
- Mutual funds
- Certificates of Deposit (CDs)
- Personal property (vehicles, jewelry, artwork, and collectibles)
- Business interests

Transfer Process

The specific steps for transferring assets depend on the type of asset. Here's a general overview:

1. **Real Estate:** A new deed must be prepared and recorded, transferring ownership from your name to the Trust's name (e.g., "The Acme, Inc Living Trust").
2. **Bank and Brokerage Accounts:** Contact your bank or brokerage firm to change the account registration to reflect the Trust's name. You will likely need to provide a copy of the Trust Agreement.
3. **Stocks and Bonds:** Work with your broker to re-register stock certificates or transfer electronic shares into the Trust's name.
4. **Personal Property:** While physical transfer isn't always feasible, a written assignment of personal property to the Trust should be created. This document lists the items and states your intention to transfer ownership.



Required Documentation

Proper documentation is crucial for successful funding. Typical documents include:

- **Deeds:** For real estate transfers.
- **Stock Certificates:** For physical stock ownership.
- **Bank Statements:** To verify account information when changing registration.
- **Assignment of Personal Property:** A written list of personal items being transferred to the Trust.
- **Trust Agreement:** Banks, brokers, and other institutions will require a copy of the Trust Agreement to verify the Trustee's authority.

Assets Outside the Trust

It is important to ensure all intended assets are titled in the name of the trust. Any assets that are not properly transferred into the Trust may be subject to probate upon your death. To address this, a "pour-over will" should be considered. This will direct any assets still in your name at the time of your death to be transferred into the Trust.

Powers and Duties of the Trustee

The Trustee has significant authority and responsibilities to manage the Trust assets for the benefit of the Beneficiaries. These powers must be exercised with the utmost good faith and prudence.

Trustee's Powers

The Trustee has the power to take any action necessary or advisable to manage and protect the Trust assets. This includes, but is not limited to, the power to:

- **Manage Assets:** The Trustee can manage all Trust assets. This includes real estate, stocks, bonds, and personal property.
- **Invest Assets:** The Trustee has the authority to invest and reinvest Trust assets. Investment decisions must align with the Trust's objectives and consider the Beneficiaries' needs.
- **Sell Assets:** The Trustee can sell Trust assets when necessary or beneficial to the Trust. This includes the power to execute deeds, bills of sale, and other transfer documents.



- **Distribute Assets:** The Trustee must distribute Trust assets to the Beneficiaries according to the terms outlined in this Agreement.
- **Borrow Money:** The Trustee may borrow money on behalf of the Trust, if needed, and secure such loans with Trust assets.
- **Enter into Contracts:** The Trustee can enter into contracts that are beneficial to the Trust.
- **Employ Professionals:** The Trustee can employ attorneys, accountants, financial advisors, and other professionals to assist with Trust administration.
- **Settle Claims:** The Trustee has the power to settle or compromise claims by or against the Trust.

Trustee's Duties

The Trustee owes specific duties to the Beneficiaries. These duties are designed to ensure that the Trust is managed responsibly and ethically. The primary duties include:

- **Duty of Loyalty:** The Trustee must act solely in the best interests of the Beneficiaries. This means avoiding conflicts of interest and not using Trust assets for personal gain.
- **Duty of Prudence:** The Trustee must manage Trust assets with reasonable care, skill, and caution. This includes making informed investment decisions and properly maintaining Trust property.
- **Duty to Inform and Account:** The Trustee must keep the Beneficiaries reasonably informed about the Trust administration. The Trustee must also provide regular accountings of Trust income, expenses, and asset values.
- **Duty to Administer the Trust According to its Terms:** The Trustee must follow the instructions outlined in this Trust Agreement. If the Trustee is unsure about the meaning of any provision, they should seek legal advice.
- **Duty to Segregate Assets:** The Trustee must keep Trust assets separate from their personal assets.
- **Duty to Enforce Claims:** The Trustee must take reasonable steps to enforce valid claims of the Trust and defend the Trust against invalid claims.

Managing Conflicts of Interest

If a conflict of interest arises, the Trustee must disclose the conflict to the Beneficiaries. The Trustee may need to recuse themselves from decisions where a conflict exists. An independent co-trustee can manage the conflicting situation, or the Trustee may seek court approval to proceed.



Distribution of Trust Assets

The Trustee must distribute the Trust assets according to the terms defined in this Agreement. Distributions are triggered by specific events, such as the Settlor's death or incapacity, as detailed herein.

Distribution Upon Settlor's Death

Upon the death of the Settlor, the Trustee will manage and distribute the remaining Trust assets as follows:

1. **Payment of Debts and Taxes:** The Trustee is authorized to use Trust assets to pay for any outstanding debts, funeral expenses, estate administration costs, and applicable taxes owed by the Settlor's estate.
2. **Specific Bequests:** The Trustee will distribute any specific assets or sums of money to the named beneficiaries as outlined in Schedule A, adhering strictly to the listed instructions. For instance, if Schedule A dictates that a beneficiary receives a specific piece of property, the Trustee will ensure the transfer of ownership is legally executed.
3. **Distribution of Remainder:** After satisfying all debts, taxes, and specific bequests, the Trustee will distribute the remaining Trust assets (the "Residuary Estate") to the beneficiaries named in Schedule B. The distribution will be made in the percentages or amounts specified therein. If a beneficiary predeceases the Settlor, their share will be distributed according to the terms outlined in Schedule B, or as otherwise provided by law.

Distribution During Settlor's Incapacity

If the Settlor becomes incapacitated, the Trustee is authorized to use the Trust assets for the Settlor's care, support, and maintenance. This includes, but is not limited to, providing for the Settlor's housing, medical expenses, personal care, and other necessities.

1. **Determination of Incapacity:** Incapacity will be determined by a written statement from a qualified physician, as defined elsewhere in this document.
2. **Distributions for Dependents:** The Trustee may also make distributions for the support and maintenance of the Settlor's dependents, if any, considering their accustomed standard of living.



Special Circumstances

- **Incapacitated Beneficiaries:** If a beneficiary is incapacitated, the Trustee can make distributions to the beneficiary's legal guardian or conservator, or apply the distribution directly for the beneficiary's benefit.
- **Deceased Beneficiaries:** If a beneficiary dies before receiving their entire distribution, their share will be distributed to their estate, unless otherwise specified in this Trust Agreement.
- **Discretionary Distributions:** In certain circumstances, the Trustee may have discretion to make distributions based on the beneficiary's needs, as detailed in Schedule C. The Trustee must exercise this discretion reasonably and in good faith.

Successor Trustee and Incapacity Planning

This section outlines the procedures for trustee succession and the management of the trust assets should the Settlor become incapacitated.

Successor Trustee

Upon the death, resignation, or incapacity of the initial Trustee, the designated Successor Trustee shall assume all powers and responsibilities of the Trustee. The Successor Trustee will be named and identified in [relevant section, like Schedule A or similar]. The Successor Trustee's duties include managing trust assets, making distributions to beneficiaries as outlined in this agreement, and fulfilling all legal and fiduciary obligations associated with the role of Trustee.

Determination of Incapacity

Incapacity is defined as the inability of the Settlor to manage their financial affairs prudently. A determination of incapacity must be certified in writing by a licensed physician who has examined the Settlor. This certification will serve as the official documentation required for the Successor Trustee to assume their responsibilities. The certification should include a statement that the Settlor is unable to manage their finances and an estimated duration of the incapacity, if possible.



Powers of the Successor Trustee

The Successor Trustee possesses the same powers and authorities as the initial Trustee, as detailed in [relevant section detailing trustee powers]. These powers include, but are not limited to, the ability to buy, sell, and manage trust assets; to pay necessary expenses related to the administration of the trust; and to make distributions to beneficiaries according to the terms of this agreement. The Successor Trustee is bound by the same fiduciary duties as the initial Trustee, acting in the best interests of the beneficiaries.

Management During Incapacity

During the Settlor's incapacity, the Successor Trustee shall manage the trust assets for the benefit of the Settlor and their dependents, if any. The Successor Trustee has the authority to use the trust assets to pay for the Settlor's medical care, living expenses, and other necessary costs. The Successor Trustee will provide regular accountings to the beneficiaries or their legal representatives, detailing all transactions and distributions made during the period of incapacity. Once the Settlor regains capacity, as certified by a licensed physician, the Successor Trustee will relinquish their responsibilities, and the Settlor will resume their role as Trustee.

Amendment and Revocation

Amendment

ACME-1, as Settlor, retains the right to alter or amend this Living Trust Agreement. Any amendment must be in writing. The Settlor must deliver the written amendment to the Trustee. The amendment must be signed by the Settlor. The signature must be notarized. The Trustee will then incorporate the amendment into the trust document.

Certain events may cause this trust to become irrevocable. After such an event, the Settlor may lose the power to amend the trust. Consult legal counsel to determine if such an event has occurred.



Revocation

ACME-1, as Settlor, has the power to revoke this Living Trust Agreement. The Settlor may revoke the trust at any time. This power exists unless specifically limited by the terms of this agreement.

To revoke the trust, the Settlor must provide written notice to the Trustee. The notice must clearly state the intent to revoke the trust. Upon revocation, the Trustee will distribute the remaining trust assets to the Settlor. The distribution will be done according to the terms outlined elsewhere in this agreement or as otherwise directed by the Settlor in writing.

Trust Termination

This Living Trust will terminate upon the occurrence of specific events. These events trigger the final distribution of the Trust's assets to the designated beneficiaries.

Termination Events

The Trust will terminate upon the earlier of:

- The death of the Settlor and complete distribution of all Trust assets according to the terms outlined in this Agreement.
- A specific date or event detailed elsewhere in this Agreement.
- The determination by the Trustee that the Trust's value is so low that it is no longer economically feasible to administer.

Final Distribution

Upon termination, the Trustee will distribute all remaining Trust assets to the beneficiaries as specified in the distribution provisions of this Agreement. This distribution will be made in a timely manner, considering the nature of the assets and the administrative requirements.



Termination Documentation

The Trustee will prepare a final accounting. This accounting will detail all income, expenses, and distributions of the Trust. It will also include a statement confirming that all assets have been properly distributed according to the terms of this Agreement. The Trustee will provide a copy of this final accounting to all beneficiaries. The final distribution statement will serve as the official record of the Trust's termination.

Governing Law and Jurisdiction

This Living Trust Agreement will be governed by and interpreted according to the laws of the State of Delaware. This means that Delaware law will dictate how the trust is understood and enforced.

Dispute Resolution

Any disputes arising in connection with this Living Trust Agreement shall be resolved in the courts of the State of Delaware. By entering into this agreement, all parties submit to the jurisdiction of Delaware courts for the resolution of any such disputes.

Miscellaneous Provisions

Severability

If any provision in this Agreement is held to be invalid or unenforceable, the remaining provisions will continue in full force and effect. The invalid or unenforceable provision shall be replaced by a valid and enforceable provision that comes closest to expressing the intention of the original provision.

Integration

This Agreement contains the entire understanding between the parties regarding the Trust. It supersedes all prior negotiations, discussions, and preliminary agreements.



Governing Law

The laws of the State of [State] shall govern the interpretation, validity, and enforcement of this Agreement.

Notice

Any notice relating to this Agreement must be in writing. It must be delivered either by certified mail or personal delivery to the addresses listed in this Agreement.

Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Signatures and Witnesses

Signatures

This Living Trust Agreement becomes effective upon the signatures of the Settlor and the Trustee. By signing below, the parties acknowledge they have read, understand, and agree to the terms and conditions outlined in this document.

Settlor Signature

Signed this 9th day of August, 2025.

Settlor's Signature

Printed Name of Settlor

Trustee Signature

Signed this 9th day of August, 2025.

Trustee's Signature



Printed Name of Trustee

Witnesses

Witnesses may be required depending on the governing state law. Two witnesses must be present to attest to the signing of this Living Trust Agreement by the Settlor and Trustee. Each witness must sign their name and provide their printed name and address.

Witness 1

Signed this 9th day of August, 2025.

Witness Signature

Printed Name of Witness

Address of Witness

Witness 2

Signed this 9th day of August, 2025.

Witness Signature

Printed Name of Witness

Address of Witness

Notarization

A notary public must acknowledge the signatures of the Settlor and Trustee for this Living Trust Agreement to be legally valid.



Notary Public Acknowledgment

State of _____

County of _____

On this 9th day of August, 2025, before me, the undersigned, a Notary Public in and for said state, personally appeared _____ (Settlor) and _____ (Trustee), known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

Notary Public Signature

Printed Name of Notary Public

My Commission Expires: _____

Frequently Asked Questions (FAQ)

This section addresses common questions about Living Trust Agreements.

What is a Living Trust?

A Living Trust is a legal document created during your lifetime. It allows you to transfer ownership of your assets into the trust. You maintain control of these assets as the trustee. A key benefit is avoiding probate upon your death.

What Roles are Involved?

- **Settlor:** The person who creates the trust (also known as the Grantor).
- **Trustee:** The person responsible for managing the trust assets. Often, the Settlor initially acts as the Trustee.
- **Beneficiary:** The person or entity who will benefit from the trust assets.



How Does a Living Trust Avoid Probate?

Probate is a legal process where a court validates a will and oversees the distribution of assets. A living trust avoids probate because the assets are owned by the trust itself, not the individual. This means that upon your death, the assets can be distributed according to the trust's instructions without court intervention.

What Happens After the Settlor's Death?

After the Settlor's death, the successor trustee (named in the trust document) takes over. They manage the trust assets and distribute them to the beneficiaries according to the instructions in the trust agreement. This process is typically faster and more private than going through probate.

Can the Trust Be Contested?

Yes, a living trust can be contested. Common grounds for contesting a trust include claims of fraud, duress, or undue influence during the trust's creation. If someone believes the Settlor was not of sound mind or was coerced into creating the trust, they may challenge its validity in court.

Can the Trust Be Changed?

Yes, most living trusts are revocable. This means the Settlor can modify or even terminate the trust during their lifetime, as long as they are mentally competent. The trust document outlines the specific procedures for making amendments or revocations.

About Us

Docupal Demo, LLC, a United States company located at 23 Main St, Anytown, CA 90210, developed this Living Trust Agreement template. We focus on providing accessible and comprehensive legal document solutions for our clients.



Our Expertise

We understand the importance of clear and reliable estate planning. Our team has worked diligently to create a Living Trust Agreement that addresses key aspects of trust creation, management, and distribution. We aim to empower businesses like ACME-1 (Acme, Inc), located at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA, to establish secure and well-defined trust arrangements. Our documents reflect a commitment to quality and precision.

