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Introduction and Purpose of the Irrevocable Trust

This Irrevocable Trust Agreement (the "Agreement") establishes an irrevocable trust. Acme, Inc ("ACME-1") as the grantor, intends to create a secure and well-managed framework for the designated assets and beneficiaries as outlined in this document.

Understanding Irrevocable Trusts

Unlike a revocable trust, an irrevocable trust cannot be easily changed or terminated by the grantor once it is established. This characteristic provides significant benefits, including potential estate tax reduction and asset protection.

Primary Objectives

This irrevocable trust is designed to achieve several key objectives for ACME-1:

- **Asset Protection:** Shielding assets from potential creditors and legal judgments.
- **Estate Tax Planning:** Minimizing estate tax liabilities through strategic asset management and distribution.
- **Beneficiary Support:** Ensuring the long-term financial security and well-being of the designated beneficiaries.
- **Special Needs Planning:** Providing for beneficiaries with special needs while preserving their eligibility for government benefits, if applicable.
- **Charitable Giving:** Facilitating charitable contributions as part of ACME-1's philanthropic goals, if applicable.

Legal Protections and Benefits

The establishment of this irrevocable trust offers several legal protections. The assets held within the trust are generally protected from creditors of the grantor and beneficiaries. Additionally, the trust can provide potential estate tax benefits by removing assets from the grantor's taxable estate. The trustee will manage the assets according to the terms of this Agreement, ensuring responsible and prudent administration for the benefit of the beneficiaries.



Definitions and Interpretations

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

Key Definitions

- **Grantor:** Refers to ACME-1, who is establishing this Irrevocable Trust and transferring assets into it.
- **Trustee:** Refers to the individual or entity responsible for managing the Trust Property according to the terms of this Agreement. The Trustee's powers and responsibilities are detailed in Article [insert article number].
- **Beneficiary:** Refers to the individual(s) or entity(ies) who will benefit from this Trust, as designated by the Grantor. The Beneficiaries, along with their relationship to the Grantor, are listed in Exhibit A.
- **Trust Property:** Refers to all assets, both tangible and intangible, that are held within this Irrevocable Trust. A detailed schedule of the initial Trust Property is attached as Exhibit B.
- **Distribution Standards:** Refers to the guidelines by which the Trustee shall distribute Trust Property to the Beneficiaries, as outlined in Article [insert article number].
- **Powers of Appointment:** Refers to the authority granted to certain Beneficiaries, if any, to direct the distribution of Trust Property, as described in Article [insert article number].

General Interpretations

- **Governing Law:** This Irrevocable Trust Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.
- **Severability:** If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.



- **Entire Agreement:** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous communications and proposals, whether oral or written.
- **Amendment:** This Irrevocable Trust Agreement cannot be amended, altered, or revoked by the Grantor.
- **Successors and Assigns:** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, and permitted assigns.

Creation and Funding of the Trust

This Irrevocable Trust (the "Trust") is hereby created by Acme, Inc, as the Grantor, with a principal place of business at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA. The Grantor's intention is to create a valid and enforceable Irrevocable Trust under the laws of the State of Oregon.

Trust Establishment

The Trust is established effective as of August 9, 2025, upon the execution of this Trust Agreement. To fully establish the Trust, the Grantor must:

1. Sign this Trust Agreement.
2. Acknowledge their signature before a notary public.
3. Transfer initial assets to the Trust.

Initial Trust Funding

The Grantor intends to fund the Trust with certain property as listed in **Exhibit A**, attached to this Agreement. This property will constitute the initial Trust Estate. The Grantor will transfer the assets to the Trust by executing and delivering any necessary deeds, titles, or other legal documents. These documents will formally change the ownership of the assets to the Trust.



Subsequent Funding

The Grantor, or any other person, may add property to the Trust at any time. All such property shall be held, managed, and distributed by the Trustee according to the terms of this Trust Agreement. Any additions must be made with the intention of augmenting the Trust Estate and must be formally documented. The Trustee has the discretion to refuse any addition to the Trust.

Acceptance by Trustee

The Trustee acknowledges receipt of the initial assets and accepts the responsibility to administer them according to the terms outlined in this Trust Agreement. The Trustee's signature on this Trust Agreement confirms their acceptance.

Documentation and Formalities

To ensure the validity of the Trust and the proper transfer of assets, the following formalities must be observed:

- This Trust Agreement must be notarized.
- All asset transfer documents (deeds, titles, etc.) must be properly executed and recorded according to applicable state and local laws.
- The Trustee must maintain accurate records of all assets held by the Trust, including their acquisition, disposition, and valuation.

Trustee Appointment and Powers

This section defines the appointment, powers, and responsibilities of the Trustee. It also addresses the process for appointing successor trustees.

Initial Trustee

[Grantor Name] appoints [Trustee Name] as the initial Trustee of this Irrevocable Trust. The Trustee accepts this appointment and agrees to administer the Trust according to the terms outlined in this Agreement.



Trustee Powers

The Trustee has the authority to manage the Trust assets prudently. This includes, but is not limited to, the following powers:

- **Investment Management:** The Trustee can invest and reinvest Trust assets. The Trustee will manage investments with reasonable care, skill, and caution. Investment decisions should align with the Trust's objectives.
- **Distribution Decisions:** The Trustee has the discretion to distribute income and principal to the beneficiaries. These distributions must adhere to the standards defined in this Agreement.
- **Tax Filings:** The Trustee is responsible for preparing and filing all necessary tax returns related to the Trust.
- **Professional Assistance:** The Trustee can engage legal, financial, or other professional advisors. This will aid in the proper administration of the Trust.
- **General Administration:** The Trustee can perform all acts necessary or appropriate for the efficient administration of the Trust. This includes the power to buy, sell, lease, or mortgage Trust property.

Successor Trustees

If the initial Trustee is unable or unwilling to serve, the following individuals, in the order listed, will serve as successor Trustees:

1. [Successor Trustee 1 Name]
2. [Successor Trustee 2 Name]

If no named successor Trustee is willing or able to serve, a majority of the adult beneficiaries can appoint a successor Trustee. The appointment must be in writing and delivered to the resigning or incapacitated Trustee, or if none, filed with a court of competent jurisdiction.

Trustee Duties

The Trustee must act in the best interests of the beneficiaries. The Trustee has a fiduciary duty of loyalty and care. This includes:

- **Impartiality:** The Trustee must act impartially when dealing with multiple beneficiaries.



- **Record Keeping:** The Trustee must maintain accurate records of all Trust transactions.
- **Reporting:** The Trustee must provide regular reports to the beneficiaries regarding the Trust's performance and activities.

Limitations on Trustee Powers

The following limitations apply to the Trustee's powers:

- **Self-Dealing:** The Trustee cannot engage in self-dealing transactions. The Trustee must not use Trust assets for personal benefit.
- **Spendthrift Clause:** The Trustee must adhere to the spendthrift clause. This prevents beneficiaries from assigning or alienating their interest in the Trust.
- **Distribution Standards:** The Trustee must follow the distribution standards outlined in this Agreement. Distributions should only be made for the purposes specified.
- **Conflict of Interest:** The Trustee must avoid any conflicts of interest. If a conflict arises, the Trustee must disclose it and take appropriate action to resolve it.

Beneficiaries and Distribution Provisions

This section defines the beneficiaries of the Irrevocable Trust and outlines the provisions governing the distribution of trust assets. Beneficiaries are the individuals or entities specifically named in this Trust Agreement who are eligible to receive benefits from the Trust. Distributions will be made according to the terms defined herein, which may involve discretionary, mandatory, or a combination of both methods.

Beneficiary Designation

The beneficiaries of this Irrevocable Trust are as follows:

- **Primary Beneficiary:** To be determined and listed in **Exhibit A**.
- **Secondary Beneficiaries:** To be determined and listed in **Exhibit B**.

The Grantor retains the right to amend Exhibits A and B to change beneficiaries during their lifetime, subject to the irrevocable nature of this trust. Any changes must be made in writing and delivered to the Trustee.



Distribution to Primary Beneficiary

Distributions to the Primary Beneficiary will be governed as follows:

- **Mandatory Distributions:** The Trustee shall distribute \$[Amount] to the Primary Beneficiary on [Date/Frequency], provided the trust has sufficient assets.
- **Discretionary Distributions:** The Trustee may, in their sole discretion, distribute additional amounts to the Primary Beneficiary for their health, education, maintenance, and support ("HEMS"). The Trustee shall consider the Primary Beneficiary's other income and resources when making discretionary distributions.

Distribution to Secondary Beneficiaries

If the Primary Beneficiary is deceased or otherwise unable to receive distributions, the Secondary Beneficiaries will become eligible to receive distributions. The distribution to Secondary Beneficiaries will be governed as follows:

- **Per Stirpes Distribution:** Unless otherwise specified, distributions to Secondary Beneficiaries will be made per stirpes. This means that if a Secondary Beneficiary is deceased, their share will pass to their descendants.
- **Specific Conditions:** Distributions to Secondary Beneficiaries may be subject to specific conditions, such as attaining a certain age or completing a specific educational program. These conditions will be detailed in **Exhibit C**.

Timing and Conditions of Payments

Distributions from the Trust may be subject to specific conditions or timing requirements. These conditions may include, but are not limited to:

- **Age Restrictions:** A beneficiary may be required to reach a certain age before receiving distributions.
- **Specific Events:** Distributions may be triggered by specific events, such as graduation from college or marriage.
- **Needs-Based Distributions:** The Trustee may make distributions based on the beneficiary's demonstrated need for financial assistance due to illness, disability, or other unforeseen circumstances.



The Trustee has the authority to delay or withhold distributions if they determine that doing so is in the best interest of the beneficiary or the Trust. The Trustee will provide written notice to the beneficiary explaining the reason for the delay or withholding.

Beneficiary Rights

Beneficiaries have the right to:

- Receive regular accountings of the Trust's assets and activities.
- Request information about the Trust and its administration.
- Petition the court to remove the Trustee for cause.

Beneficiaries do not have the right to:

- Direct the Trustee's investment decisions.
- Compel the Trustee to make distributions that are not authorized by this Trust Agreement.
- Modify or terminate the Trust, given its irrevocable nature.

Irrevocability and Restrictions on Amendments

This Trust is irrevocable. ACME-1, as the Grantor, understands and agrees that they cannot revoke, terminate, or modify this Trust Agreement after the Effective Date, except as specifically provided herein. This irrevocability is a key element of the Trust's purpose. It ensures the long-term management and protection of the Trust assets for the benefit of the Beneficiaries.

Enforcing Irrevocability

Several mechanisms enforce the irrevocability of this Trust:

- **Trust Agreement Terms:** The explicit terms within this Trust Agreement.
- **State Law:** Applicable state laws governing irrevocable trusts.
- **Court Oversight:** The potential for court intervention to uphold the terms of the Trust.

Limited Amendments

While the Trust is irrevocable, certain limited amendments may be possible under specific circumstances. These circumstances are restricted to ensure the original intent of ACME-1 is maintained.

Permissible Amendments

Amendments to this Trust Agreement are generally prohibited. However, changes may occur only under the following conditions:

- **Court Order:** A court of competent jurisdiction may order modifications to the Trust if unforeseen circumstances arise that significantly impair the Trust's purpose or the Beneficiaries' interests.
- **Trust Protector:** If a Trust Protector is designated in this Agreement, that Trust Protector may have the power to make limited amendments as specifically defined within the Trust Protector provisions.
- **Beneficiary Agreement:** In certain jurisdictions and with the consent of all Beneficiaries, a court may approve modifications that align with the Grantor's likely intent.

Any permitted amendment must be consistent with the overall intent and purpose of this Trust. It cannot fundamentally alter the Beneficiaries' interests or violate applicable laws. Any amendment must be in writing and attached as an exhibit to this agreement.

Administrative Provisions and Trustee Reporting

Trust Administration

The Trustee will manage and administer the Trust according to the terms of this Agreement and applicable law. This includes taking reasonable steps to protect and preserve the Trust assets. The Trustee has the power to make all decisions related to the management of the Trust, including investment decisions and distributions to beneficiaries, always acting in the best interests of the beneficiaries. The Trustee will maintain accurate and detailed records of all transactions related to the Trust.



Recordkeeping and Accounting

The Trustee will keep detailed records of all receipts, disbursements, and transactions concerning the Trust. These records will be maintained in accordance with generally accepted accounting principles (GAAP) or another consistent accounting method. The Trustee will also maintain records of all assets held by the Trust, including their acquisition dates and cost basis. These records must be accurate and accessible for review by the beneficiaries or their legal representatives, as permitted by law.

Reporting Obligations

The Trustee will provide an annual report to the beneficiaries. This report will include a statement of assets, a summary of all income and expenses, and a detailed accounting of all transactions during the reporting period.

The report will contain, at a minimum, the following information:

- Beginning asset valuation
- All additions to the trust
- All distributions from the trust
- All trust expenses
- Ending asset valuation
- A statement of income earned by the trust
- A statement of capital gains or losses realized by the trust

The Trustee may provide reports more frequently if they deem it necessary, or as otherwise specified in this Trust Agreement. All reports will be provided in a clear and understandable format. The Trustee will also provide any additional information reasonably requested by a beneficiary, as permitted by law. The Trustee is responsible for filing all necessary tax returns for the Trust and for paying all applicable taxes.

Tax Considerations and Compliance

The creation and administration of this Irrevocable Trust will have several tax implications. It is crucial for the Grantor, Trustee, and Beneficiaries to understand these to ensure compliance and minimize potential tax liabilities. This section



outlines the primary tax considerations associated with this Trust under current United States law as of 2025-08-09.

Gift Tax

The Grantor may be subject to gift tax when assets are transferred into the Irrevocable Trust. The transfer of assets to the Trust is considered a taxable gift to the extent that the value of the assets exceeds the annual gift tax exclusion. The annual gift tax exclusion for 2025 is \$18,000 per beneficiary. Additionally, the Grantor can utilize their lifetime gift and estate tax exemption to offset any gift tax owed. A gift tax return (IRS Form 709) may need to be filed to report the transfer of assets to the Trust, even if no gift tax is ultimately due because of the lifetime exemption.

Income Tax

The Trust itself may be subject to income tax on any income earned by the Trust assets. The tax rate applied to a trust's income can be higher than individual income tax rates. The Trustee is responsible for filing an annual income tax return (IRS Form 1041) for the Trust and paying any income tax due. The tax treatment of income depends on whether the Trust is considered a simple trust or a complex trust. A simple trust is required to distribute all of its income annually, while a complex trust can accumulate income. The beneficiaries may also be responsible for paying income tax on any distributions they receive from the Trust.

Estate Tax

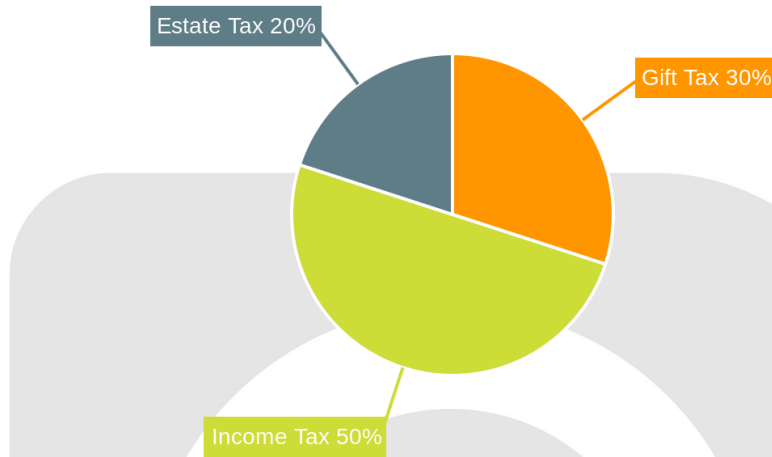
While a primary goal of establishing an irrevocable trust is often to remove assets from the Grantor's estate for estate tax purposes, it's important to understand the potential estate tax implications. If the Grantor retains certain powers or control over the Trust, the assets may still be included in their estate for estate tax purposes. This Trust is structured to avoid inclusion in the Grantor's estate, provided the Grantor does not retain any prohibited powers or control.

Tax Compliance

The Trustee is responsible for ensuring the Trust complies with all applicable tax laws and regulations. This includes obtaining a Taxpayer Identification Number (TIN) for the Trust, maintaining accurate records of all Trust transactions,



preparing and filing all required tax returns, and paying any taxes due. The Trustee should consult with qualified tax professionals to ensure compliance and to optimize the tax benefits of the Trust structure.



Trustee Liability and Indemnification

Limitation of Liability

The Trustee will not be liable to the beneficiaries or any other party, except for liability directly resulting from the Trustee's breach of fiduciary duty, gross negligence, or acts of self-dealing. The Trustee is not responsible for any loss or depreciation in the value of trust assets, unless it arises from the aforementioned actions.

Indemnification

To the fullest extent permitted by law, ACME-1 shall indemnify the Trustee from its assets, including all costs, losses, liabilities, damages, and expenses (including reasonable attorney's fees) incurred in the administration of the trust or the defense

of any claim or litigation arising out of the Trustee's actions related to this trust. This indemnification does not extend to liabilities resulting from the Trustee's breach of fiduciary duty, gross negligence, or self-dealing.

Reliance on Professional Advice

The Trustee may consult with and rely upon the advice of legal counsel, accountants, financial advisors, or other professionals in connection with the administration of this trust. The Trustee will not be liable for any actions taken or omitted in good faith reliance on such professional advice. The fees and expenses of such professionals will be paid from the trust assets.

Exculpatory Clause

Except as otherwise provided in this agreement, the Trustee is released from all liability for any act or omission in the administration of this trust, provided the Trustee acted in good faith and without gross negligence. This exculpatory clause is intended to provide the Trustee with the broadest possible protection, consistent with applicable law.

Defense of Claims

The Trustee has the right to defend any claim or litigation brought against the trust or the Trustee in connection with the administration of the trust. The Trustee may settle any such claim or litigation if it is in the best interests of the trust and its beneficiaries. The costs of defending or settling any claim or litigation will be paid from the trust assets.

Successor Trustees and Trust Termination

Successor Trustees

This Irrevocable Trust Agreement specifies how to appoint successor trustees. The grantor, a court of law, or a designated trust protector can appoint them. The method of appointment will follow the procedure detailed in this document.



Successor trustees assume all powers and responsibilities of the original trustee. This ensures the trust continues to operate smoothly if the original trustee can no longer serve.

Trust Duration

This trust will continue for the maximum duration allowed by law, unless terminated earlier as outlined in this agreement.

Trust Termination

The trust will terminate upon the occurrence of a specific event. Such events include the death of the beneficiary or the fulfillment of the trust's intended purpose. The trust document clearly defines these triggering events.

Asset Distribution on Termination

Upon termination, the trustee will distribute the remaining trust assets. This distribution will be made to the beneficiaries named in this trust agreement. The distribution will follow the allocation specified in this document. The trustee will provide a final accounting to the beneficiaries before distributing the assets. This accounting will detail all transactions and asset values during the trust's administration.

Governing Law and Dispute Resolution

Governing Law

This Irrevocable Trust Agreement will be governed by and interpreted under the laws of the state where the grantor resides or the state in which the trust is administered. The specific state is designated within this document.

Dispute Resolution

Any dispute arising from or related to this Irrevocable Trust Agreement will be resolved as follows.



Initial Dispute Resolution

The parties involved will first attempt to resolve any conflict through good-faith negotiation and mediation.

Mediation

If negotiation fails, the parties agree to submit the dispute to mediation, administered by a mutually agreed-upon mediator, before resorting to arbitration or litigation. The costs of mediation will be shared equally by the parties involved.

Arbitration or Litigation

If mediation is unsuccessful, the parties may then pursue arbitration or litigation as specified in this trust agreement. The decision to arbitrate or litigate, and the venue for such actions, shall be determined as outlined in the subsequent sections of this document.

Miscellaneous Provisions

Severability

If any provision in this Irrevocable Trust Agreement is deemed unenforceable, the remaining provisions will still be valid. The court should interpret the agreement to uphold the original intentions as closely as possible.

Spendthrift Clause

No beneficiary can sell, assign, or transfer their interest in this trust. This clause protects the trust assets from creditors. It ensures the beneficiaries receive their distributions as intended.

Choice of Law

The laws of the State of Oregon govern this Irrevocable Trust Agreement. All questions about its validity, interpretation, and administration will be resolved under Oregon law.



Notices

All notices related to this trust must be in writing. They should be sent to the addresses listed in this document for the grantor, trustee, and beneficiaries. Any party can change their address by providing written notice to the other parties.

Amendments

This Irrevocable Trust Agreement can be amended only by a written instrument. The grantor and trustee must sign the amendment. All beneficiaries must also consent to the amendment.

Entire Agreement

This Irrevocable Trust Agreement constitutes the complete agreement between the parties. It supersedes any prior discussions, understandings, or agreements, whether written or oral.

Exhibit and Schedules

Exhibits and Schedules

The following exhibits and schedules are attached to and incorporated by reference into this Irrevocable Trust Agreement. These documents provide essential details regarding the assets of the trust and other relevant information.

Schedule of Assets

Exhibit A details the Schedule of Assets initially transferred to the trust. This schedule lists all property, whether real, personal, or mixed, that the Grantor intends to be governed by the terms of this Trust Agreement. The description of each asset includes sufficient detail for proper identification, including account numbers, property addresses, and other identifying information where applicable.



Appraisals

To accurately establish the value of certain assets transferred to the trust, particularly real property or closely held business interests, Exhibit B contains relevant appraisals. These appraisals, conducted by qualified professionals, provide an objective assessment of the fair market value of the listed assets as of the date specified in the appraisal reports.

Other Relevant Documents

Additional documents that further clarify or support the administration of this trust are included as exhibits. These may include, but are not limited to:

- Trustee Acceptance Form
- Beneficiary List

These documents are essential for the proper execution and administration of this Irrevocable Trust Agreement, providing clarity and support for the Trustee in fulfilling their duties. They serve to formally acknowledge the roles and responsibilities of involved parties and to maintain a clear record of trust assets and beneficiaries.

