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Introduction and Purpose

This Family Trust Agreement establishes a comprehensive framework for managing and protecting assets for the benefit of the Grantor's family. Docupal Demo, LLC, a United States company located at 23 Main St, Anytown, CA 90210, is the producer of this document. This agreement outlines the terms and conditions governing the trust, ensuring its proper administration and adherence to legal standards.

Goals of the Trust

The primary goals of this Irrevocable Family Trust are:

- To provide for the financial security and well-being of the Grantor's family, including the spouse, Jane Doe, children, John Doe and Mary Doe, and grandchildren.
- To focus on the beneficiaries' education, health, and general welfare.
- To ensure the responsible management and preservation of assets for future generations.
- To minimize estate taxes and other transfer costs associated with wealth transfer.

Scope of the Agreement

This agreement defines the roles, responsibilities, and powers of the Trustee. It clarifies the rights and entitlements of the beneficiaries. It also specifies the methods for asset distribution. This document details the process for potential amendments, addresses tax implications, and outlines dispute resolution mechanisms, all while complying with applicable legal requirements.

Definitions and Interpretations

For the purposes of this Family Trust Agreement, the following terms shall have the meanings set forth below. These definitions clarify the roles, responsibilities, and processes described within this document.



Key Definitions

- **Beneficiary:** Refers to any individual or entity designated to receive benefits from the Trust, as outlined in this Agreement.
- **Trustee:** Signifies the individual or entity responsible for managing the Trust assets and administering the Trust according to the terms of this Agreement.
- **Distribution:** Means the disbursement of Trust assets, whether income or principal, to the Beneficiaries as specified in this Agreement.
- **Income:** Represents the earnings generated by the Trust assets, including but not limited to interest, dividends, and rents.
- **Principal:** Denotes the original assets contributed to the Trust, as well as any appreciation in value, excluding income.
- **Grantor:** Refers to the individual who established this Trust and transferred assets into it.

Interpretation

Any ambiguity in the interpretation of this Agreement will be resolved by referring to the expressed intent of the Grantor. This intent will be determined by examining the plain language of this Agreement. In situations where the Grantor's intent remains unclear, the laws of the governing jurisdiction shall apply.

Trust Establishment and Funding

This Family Trust is hereby established by the Grantor, with the initial funding as described below. The effective date of this Trust Agreement is August 9, 2025.

Initial Contribution

The Grantor will transfer the following assets to the Trustee to be held, managed, and distributed according to the terms of this Agreement:

- **Cash:** \$500,000. This will be deposited into a trust account established by the Trustee.
- **Stocks and Bonds:** Securities with a total market value of \$250,000. These will be transferred to the trust's brokerage account.
- **Real Estate:** The Grantor's primary residence, located at 123 Main Street, Anytown, USA. The deed will be transferred to the Trustee, acting on behalf of the trust.



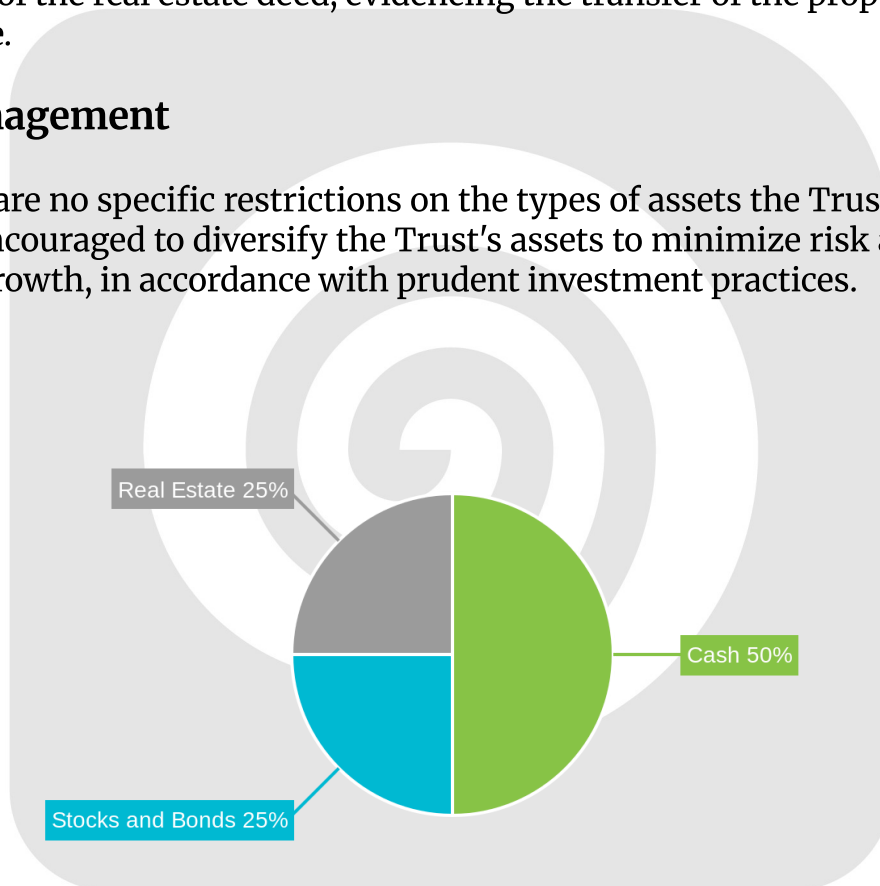
Documentation of Funding

The funding of this Trust will be documented through the following:

- A Schedule of Assets, attached as an exhibit to this Agreement, which lists all assets contributed to the Trust, including their description and initial value.
- Copies of bank statements showing the transfer of cash funds to the trust account.
- Copies of brokerage statements reflecting the transfer of stocks and bonds to the trust's brokerage account.
- A copy of the real estate deed, evidencing the transfer of the property to the Trustee.

Asset Management

While there are no specific restrictions on the types of assets the Trust can hold, the Trustee is encouraged to diversify the Trust's assets to minimize risk and maximize long-term growth, in accordance with prudent investment practices.



Trustee Appointment and Powers

This section defines the process for appointing Trustees and outlines their powers and responsibilities in managing the Family Trust.

Eligibility and Appointment

Any adult individual, bank, or trust company can serve as Trustee. The Grantor, however, is not eligible to serve as Trustee. The initial Trustee is [Trustee Name].

Successor Trustees may be appointed by [Appointing Authority, e.g., a majority vote of the adult beneficiaries]. If a vacancy occurs and no successor is appointed, a court of competent jurisdiction may appoint a Trustee upon petition by any beneficiary.

Trustee Powers

The Trustee has broad powers to manage and administer the Trust, acting in the best interests of the beneficiaries. These powers include, but are not limited to:

- **Management of Assets:** The power to manage, invest, and reinvest trust assets.
- **Distributions:** The power to make distributions to beneficiaries according to the terms outlined in this agreement.
- **Professional Assistance:** The power to hire professionals such as accountants, attorneys, and financial advisors.
- **Property Transactions:** The power to buy, sell, and lease real and personal property.

The Trustee shall exercise these powers with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Conflicts of Interest

The Trustee must avoid conflicts of interest. If a conflict arises, the Trustee must recuse themselves from the decision. In such cases, an independent co-trustee (if one exists) will make the decision. If no independent co-trustee exists, a court-appointed representative will make the decision.



Trustee Responsibilities

The Trustee has a fiduciary duty to act in the best interests of the beneficiaries. This includes:

- **Impartiality:** Treating all beneficiaries fairly and impartially.
- **Record Keeping:** Maintaining accurate records of all trust transactions.
- **Reporting:** Providing regular reports to the beneficiaries regarding the trust's financial status and activities.
- **Compliance:** Adhering to all applicable laws and regulations.

Common Trustee Powers by Jurisdiction

Beneficiary Rights and Distributions

Beneficiary Rights

The beneficiaries of this Family Trust have specific rights designed to protect their interests. These rights include:

- The right to receive distributions from the Trust as detailed in this Agreement.
- The right to request a formal accounting of the Trust's assets, liabilities, income, and expenses. This ensures transparency in the management of the Trust.
- The right to petition a court of competent jurisdiction for the removal of the Trustee if there is evidence of mismanagement, breach of fiduciary duty, or other valid cause.

Distribution Guidelines

The Trustee will make distributions to the beneficiaries according to the following guidelines:

- Distributions will be made at the Trustee's sole and absolute discretion.
- Distributions are to be made for the beneficiary's health, education, maintenance, and support (HEMS). This standard allows the Trustee flexibility while ensuring the beneficiary's essential needs are met.

Specific Distribution Provisions



- **Education Expenses:** The Trustee will pay educational expenses directly to the educational institution. This may include tuition, fees, books, and other related costs. Alternatively, the Trustee may reimburse the beneficiary for education expenses already incurred, provided proper documentation is submitted.
- **Health Expenses:** The Trustee will pay health-related expenses directly to the healthcare provider. This includes medical, dental, and vision care. As with education expenses, the Trustee may also reimburse the beneficiary for previously paid health expenses, subject to the presentation of appropriate documentation.

Contingent Beneficiaries

In the event that a primary beneficiary predeceases the Grantor or fails to survive to a specified age as defined elsewhere in this Agreement, their share of the Trust will pass to their descendants, per stirpes. This means that the descendants will collectively receive the share that their parent would have received. If a primary beneficiary dies without descendants, their share will be divided equally among the remaining primary beneficiaries.

Limitations

While the Trustee has discretion in making distributions, this discretion is subject to certain limitations. The Trustee must act in good faith and in accordance with the terms of this Agreement. Distributions must be for the benefit of the beneficiary and aligned with the HEMS standard. The Trustee may not use Trust assets for their own personal benefit or engage in self-dealing.

Trust Administration and Record-Keeping

The Trustee shall administer the Trust prudently and in accordance with this Agreement and applicable law. This includes managing assets, making distributions, and maintaining accurate records.

Record-Keeping

The Trustee must keep detailed and accurate records of all transactions related to the Trust. These records will include, but are not limited to:



- All income received by the Trust.
- All expenses paid by the Trust.
- All distributions made to beneficiaries.
- All investment transactions.
- All assets held by the Trust.

These records must be maintained in accordance with generally accepted accounting principles.

Reporting

The Trustee will provide an annual report to the beneficiaries of the Trust. This report will include a summary of all transactions during the year, a list of all assets held by the Trust, and any other information that the beneficiaries may reasonably request. Reporting will occur annually, or more frequently, if required by law or requested by a beneficiary.

Audits

The Trustee will arrange for an annual audit of the Trust by a Certified Public Accountant (CPA). The Trustee will select the CPA. The audit will verify the accuracy of the Trust's records and ensure that the Trustee is managing the Trust in accordance with this Agreement and applicable law.

Amendment and Revocation

This Family Trust Agreement is irrevocable. As such, the Grantor, or any other person, does not have the power to alter, amend, revoke, or terminate this agreement, in whole or in part, except as specifically provided herein.

Amendment Process

While the trust is intended to be immutable, certain amendments may become necessary or advisable due to unforeseen circumstances or changes in applicable laws. Any amendment to this Family Trust Agreement requires a written instrument.



Required Approvals

To be valid, the written instrument must be signed by all current Trustees then serving and all adult beneficiaries of the trust who are entitled to current income or distributions. The signatures of all parties signify their consent to the proposed amendment. No amendment shall be effective if it materially alters the fundamental purposes of the trust or violates any applicable laws or regulations.

Irrevocability

The irrevocable nature of this trust is a key element of its intended purpose, which may include tax planning, asset protection, or ensuring long-term financial security for the beneficiaries. The requirements for amendment are intentionally stringent to preserve the stability and predictability of the trust.

Trust Termination and Distribution of Assets

Termination Events

This trust will terminate upon the occurrence of any of the following events:

- The death of all primary beneficiaries.
- The exhaustion of all trust assets.
- A date that is 21 years after the death of the last primary beneficiary.

Distribution of Remaining Assets

Upon the termination of this trust, the trustee will distribute any remaining trust assets. The assets shall be distributed equally among the then-living beneficiaries.

Legal Requirements

The termination and distribution will adhere to the state laws governing trusts and estates. It will also adhere to federal laws pertaining to taxation. The trustee will ensure all distributions comply with these applicable legal requirements.



Trustee Responsibilities

Upon termination, the trustee will be responsible for the following:

1. **Valuation of Assets:** Determining the fair market value of all remaining trust assets.
2. **Payment of Liabilities:** Satisfying any outstanding debts, taxes, or other liabilities of the trust.
3. **Distribution to Beneficiaries:** Distributing the remaining assets to the beneficiaries. Distribution will be in accordance with the terms outlined in this agreement.
4. **Final Accounting:** Providing a final accounting to the beneficiaries. This accounting will detail all transactions and distributions made during the trust's administration.
5. **Legal Compliance:** Ensuring all actions taken during the termination process comply with applicable state and federal laws.

Tax Treatment and Reporting

This section clarifies the tax implications associated with this Family Trust Agreement. It outlines the applicable taxes, responsibilities for tax filings, and potential tax advantages and liabilities.

Applicable Taxes

The trust is subject to federal and state income taxes on any income it generates. Estate taxes may also apply, depending on the size of the trust and applicable laws at the time of the Grantor's death. The specific tax implications can vary based on the type of assets held in the trust and the state in which the beneficiaries reside.

Trustee Responsibilities

The Trustee is responsible for managing the trust's tax obligations. This includes obtaining a Taxpayer Identification Number (TIN) for the trust from the IRS. The Trustee must also file all required federal and state tax returns, such as Form 1041 (U.S. Income Tax Return for Estates and Trusts), and pay any taxes owed by the trust. Accurate record-keeping of all trust income, expenses, and distributions is essential for proper tax reporting. The trustee should seek professional tax advice to ensure compliance with all applicable tax laws.



Tax Implications for Beneficiaries

Beneficiaries may also have tax obligations related to distributions they receive from the trust. The tax treatment of distributions depends on the nature of the income and the terms of the trust agreement. For example, income distributed to a beneficiary is generally taxable to the beneficiary in the year it is received. The Trustee will provide beneficiaries with a Schedule K-1, which details their share of the trust's income, deductions, and credits. Beneficiaries should consult with their own tax advisors to determine the specific tax implications of trust distributions.

Tax Advantages and Liabilities

Establishing a trust can offer potential tax advantages. It may help minimize estate taxes by removing assets from the Grantor's estate. It can also provide income to beneficiaries who may be in lower tax brackets. However, the trust itself is subject to income tax on any earnings it retains. The Trustee must carefully manage trust assets and distributions to optimize tax outcomes for both the trust and its beneficiaries. Professional tax planning is highly recommended to navigate the complexities of trust taxation.

Dispute Resolution and Governing Law

Dispute Resolution

Any dispute arising from this Family Trust Agreement will be resolved through mediation. The parties will attempt to settle their differences using a mutually agreed-upon mediator. If mediation is unsuccessful, the dispute will be settled by binding arbitration. The arbitration will be conducted in accordance with the rules of the American Arbitration Association. The decision of the arbitrator will be final and binding on all parties involved. It will be enforceable in any court having jurisdiction.

Governing Law

The validity, interpretation, and administration of this Family Trust Agreement are governed by the laws of the State of Delaware. Delaware law will control all aspects of the trust, regardless of the location of the beneficiaries or the trustee. This



includes, but is not limited to, matters of trust construction, trustee powers, and beneficiary rights. All parties agree to submit to the jurisdiction of the Delaware courts for any legal action related to this trust.

Miscellaneous Provisions

Severability

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

Entire Agreement

This Agreement constitutes the entire agreement and understanding between the parties relating to the Trust. It supersedes all prior discussions, agreements, and understandings between the parties, whether written or oral.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to its conflict of laws principles.

Spendthrift Clause

To the extent permitted by law, no interest of any beneficiary under this Trust, whether principal or income, shall be subject to the beneficiary's liabilities or creditor claims, or be capable of anticipation, alienation, or encumbrance, either voluntarily or involuntarily, prior to its actual receipt by the beneficiary.

Notices

All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when sent by certified mail, return receipt requested, to the last known address of the party to whom the notice is intended.



Force Majeure

No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's ("Impacted Party") reasonable control, including, without limitation, the following force majeure events ("Force Majeure Event(s)": (a) acts of God; (b) flood, fire, earthquake, or explosion; (c) war, invasion, riot, or other civil unrest; (d) strikes, labor stoppages, or slowdowns, or other industrial disturbances; or (e) act of governmental or quasi-governmental authorities.

Signatures and Execution

This Family Trust Agreement shall be effective as of the date of signing. All parties indicate their agreement to the terms outlined within this document by their signatures below.

Signatures

Grantor:

[Grantor's Full Name]

Date: 2025-08-09

Trustee:

[Trustee's Full Name]

Date: 2025-08-09

Initial Beneficiary(ies):

[Beneficiary's Full Name]

Date: 2025-08-09



[Beneficiary's Full Name]

Date: 2025-08-09

Notarization

The Grantor and the Trustee must have their signatures notarized. Please present this document and a valid form of government-issued photo identification to a certified Notary Public. The Notary Public will verify your identity and witness your signature, completing the necessary notarial certificate. This certificate confirms that the signature is genuine and made willingly.

Witness Attestation (Recommended)

While not required, it is highly recommended that each signature be witnessed by at least one adult (18 years or older) who is not a beneficiary of this trust. The witness should be present when the Grantor, Trustee, and any initial beneficiaries sign the document and should also sign and print their name, and provide their address on the spaces provided for that purpose.

