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## LIVING TRUST AGREEMENT OF \_\_\_\_\_

*State of Alabama*

This Living Trust Agreement (the "Agreement"), between \_\_\_\_\_ (the "Grantor"), of \_\_\_\_\_, and \_\_\_\_\_ (the "Trustee"), of \_\_\_\_\_.

In consideration of the mutual covenants and promises set forth in this Agreement, the Grantor and the Trustee agree to the following:

### I. TITLE.

1. The trust hereby shall be known as the "Living Trust of \_\_\_\_\_." The assets and dealings of the Trust may, however, be held and conducted in the name of the Trustee and, to the extent otherwise permitted herein, also in the name of a nominee.

### II. PURPOSE.

2. The purpose of this Agreement is to create a Trust that will receive and manage the assets for the benefit of the Grantor during the Grantor's lifetime, and to then further manage and distribute the assets of the Trust upon the death of the Grantor.

### III. FUNDING OF TRUST.

3. Grantor has transferred, assigned, conveyed, and delivered and/or will transfer,

assign, convey, and deliver to the Trustee the property described in Schedule A attached and made a part hereof; and said property and any and all other property which may be hereafter assigned, conveyed, and delivered to said Trustee by the Grantor or another person as hereinafter provided, is intended to constitute the trust estate and to be held by the Trustee in trust for the uses and purposes and subject to the terms and conditions hereinafter set forth.

4. Grantor, or any other person, with the consent of the Trustee, may at any time or from time to time deed, grant, devise, bequest, gift, or otherwise cause additional property to be transferred to and administered as a part of the trust estate created hereunder. Any such transfer may be evidenced by the receipt of the Trustee, and each such receipt shall be conclusive evidence of the consent of said Trustee to the transfer thereof.

#### IV. MANAGEMENT OF TRUST ASSETS.

5. The Trustee shall manage and distribute the Trust assets for the benefit of the Grantor and the Grantor's successor(s) in interest in accordance with the terms of this Agreement.

#### V. ADDITIONAL TRUSTEE PROVISIONS

6. If at any time the Grantor serves as the Trustee, the Grantor may appoint a successor Trustee, to become effective immediately or upon any stated contingency, by making such designation in writing. Such designee shall become the successor Trustee upon acceptance of the terms and conditions of this Agreement.

7. If at any time a Trustee is unable or unwilling to serve, \_\_\_\_\_ is designated as the successor Trustee, to serve without bond.

8. Any Trustee may resign by giving written notice to the beneficiaries to whom income is being distributed under the provisions of this Agreement. Such resignation shall take effect on such date specified in the notice, but no earlier than thirty days after the date of delivery of such written resignation unless an earlier effective date is agreed upon by the income beneficiaries.

9. If the Trustee resigns or is for any reason unwilling or unable to serve as Trustee, and if the successor Trustee designated by the Grantor, if any, fails or ceases to serve as Trustee, then the adult beneficiaries to whom income is being distributed,

together with the adult beneficiaries to whom principal would be distributed if the Trust were to then terminate, may by majority action in writing appoint a successor Trustee. If the agreement of a majority of the beneficiaries cannot be successfully obtained within sixty days, a successor Trustee shall be appointed by the court having general jurisdiction over the trust. Any successor Trustee appointed shall have all the rights conferred upon the original Trustee and shall be bound by the provisions of this Trust.

10. The Trustee shall provide an accounting to the Beneficiary or Beneficiaries according to at least the following frequency: Annually.

11. No bond shall be required of any Trustee.

#### VI. PAYMENTS DURING THE GRANTOR'S LIFETIME.

12. During the Grantor's lifetime, the Trustee shall pay all of the net income in this Trust, and also such sums from principal as the Grantor may request, to or for the benefit of the Grantor, or as the Grantor may designate.

13. Such payments shall be made at least annually.

14. The Grantor may change the amount of the payments at any time by providing written notice to the Trustee.

15. Any excess income not distributed at the Grantor's death shall be added to the principal at the discretion of the Trustee.

16. During any period that the Grantor has a "disability," the Trustee may pay to or for the benefit of the Grantor such amounts of income and principal as the Trustee reasonably believes to be in the Trustee's sole discretion to be required for (1) the Grantor's support, comfort, and welfare, (2) the Grantor's accustomed manner of living, or (3) any purpose that the Trustee believes to be in the best interest of the Grantor.

17. In the event of illness or other disability of the Grantor, the Trustee may, in lieu of making payment of such income directly to the Grantor, use and apply for the benefit of the Grantor so much of such income and also the principal of the Trust estate for the proper care, comfort, medical care, maintenance, and support of the Grantor. The Trustee, in such discretion, may pay over to any relative or legal guardian of the Grantor, all or any portion of such income or principal for any of said purposes in lieu of using and applying said funds for the benefit of the Grantor.

18. For the purposes of this Trust, "disability" shall mean a legal disability or the inability to provide prompt and intelligent thought to financial matters by reason of illness or mental or physical disability. The determination of whether the Grantor has a disability under this definition shall be made by the Grantor's most recent attending physician. The Trustee shall be entitled to rely on written notice of such a determination.

## VII. TRUST DISTRIBUTION AFTER GRANTOR'S DEATH

19. To receive a specific distribution under this Trust, a beneficiary must survive the Grantor by 30 (thirty) days. Any items that fail to pass through a specific gift that the Grantor has named here will return to the residue of the Grantor's Trust. All property given under this Agreement is subject to any encumbrances or liens attached to the property.

20. The Grantor's specific distributions are the following:

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21. To receive any property or gifts under this Agreement, a beneficiary must survive the Grantor by 30 (thirty) days. Beneficiaries of the Grantor's Trust residue will share in all of the Grantor's property and assets that have not been bequeathed via specific gifts or are otherwise required for the repayment of debts owed, including but not limited to burial or funeral expenses, expenses associated with probating this Will, payment of taxes, or any other expenses associated with administration of the Grantor's Trust. The residue of the Grantor's Trust is to be distributed between the beneficiaries designated here with the beneficiaries each receiving a share of the residue of the Grantor's entire estate. All property distributed under this Agreement is subject to any encumbrances or liens attached to the property.

22. The Trustee shall distribute the residue of the Grantor's Trust in the following manner ("Share Allocations"):

-- The residue of the Grantor's Trust shall be distributed to any of the Grantor's currently living or future children alive at the time of the Grantor's death in equal shares. If a child of the Grantor does not survive the Grantor, such deceased child's share shall be distributed in equal shares to the children of such deceased child who survive the Grantor, by right of representation. If a child of the Grantor does not survive the Grantor and has no children who survive the Grantor, such deceased child's share shall be distributed in equal shares to the

Grantor's other children, if any, or to their respective children by right of representation. If no children of the Grantor survives the Grantor, and if none of the Grantor's deceased children are survived by any children, the residuary of the Grantor's estate shall be distributed to the following alternate beneficiary: \_\_\_\_\_. If no above named beneficiaries survive the Grantor, the residue of the Grantor's the Trust shall be distributed to the Grantor's heirs-at-law, their identities and respective shares to be determined by the intestacy laws of the State of Alabama.

#### VIII. GENERAL TRUST PROVISIONS

23. The expression "the Grantor's Trustee" used throughout this Trust Agreement includes both the singular or plural, or the masculine or feminine gender, as appropriate and required by context;

24. To carry out the terms of the Grantor's Trust, the Trustee has the following powers to be used in his or her well-considered discretion at any time in the management of a trust created hereunder, namely:

- a. To receive, hold, maintain, administer, collect, invest, and re-invest the trust assets, and collect and apply the income, profits, and principal of the Trust in accordance with the terms of this Agreement;
- b. To receive additional assets from other sources, including assets received under the Will of the Grantor or any other individual;
- c. To make expenditures as necessary to carry out the intent and purpose of the trust;
- d. Subject to Grantor's direction to the contrary, to sell, call in, and convert into money any trust property, including real property, that the Trustee, in his or her best judgment deems advisable;
- e. Subject to Grantor's direction to the contrary, to mortgage trust property where the Trustee considers it prudent and advisable to do so;
- f. Subject to Grantor's direction to the contrary, to borrow money when the Trustee considers it advisable to do so;
- g. Subject to Grantor's direction to the contrary, to lend money to the trust beneficiary if the Trustee considers it to be in the beneficiary's best interest to

do so;

h. To make expenditures for the purpose of improving, repairing, or maintaining any property;

i. To exercise all rights and options of an owner of any securities held in trust;

j. To lease trust property, including real estate, without limit as to term;

k. To make investments the Trustee considers prudent and advisable, without being limited to those investments authorized by law for trustees;

l. To receive additional property from any source and in any form of ownership;

m. To employ any third person or persons to conduct any business or perform any actions related to the trust, including the receipt and payment of money, without being liable for loss incurred;

n. To settle, waive, or pursue any claims at any time due to or by the trust to the extent that the Trustee considers this to be in the best interest of the trust beneficiary, and to make agreements with any third party or parties or corporation in respect thereof, which shall be binding upon such beneficiary;

o. To pay him or herself a reasonable compensation out of the trust assets for the labor of managing the trust; and

p. To employ and rely on advice and counsel given by any attorney, accountant, investment advisor, money manager, or other qualified professional to assist the Trustee in the administration of this trust and to compensate them from the trust assets.

25. The above powers granted to the Trustee are in addition to any powers and elective rights granted to the Trustee by state or federal law or statute or by any other provisions of this Agreement and may be exercised as often as required and without approval by any court.

26. Subject to the terms of this Agreement, the Trustee shall not be held liable for any loss to the estate or to any beneficiary resulting from his or her good faith efforts to manage the trust and use any discretion given them in this Agreement.

27. This Trust shall be administered as independently of court supervision as possible under the laws of the State of Alabama which shall have jurisdiction over

the Trust.

28. If any Trust condition is held invalid or unenforceable, it will not affect any other provisions that can be given effect without the invalid provision.

#### IX. RIGHT TO DIRECT INVESTMENTS.

29. At any time that the Trust has investments, and provided that the Grantor does not have a disability, as defined above, the Grantor may direct any Trustee to purchase, sell, or retain any Trust investment.

#### X. REVOCATION OR AMENDMENT.

30. During the Grantor's lifetime, the Grantor may revoke or amend at any time this Agreement by delivering to the Trustee an appropriate written revocation or amendment, signed by the Grantor.

31. If the Trustee consents, the powers of revocation, but not the power of amendment, may be exercised by a duly appointed and acting attorney-in-fact for the Grantor for the purpose of withdrawing assets from the Trust.

#### XI. GOVERNING LAW.

32. This Agreement shall be construed in accordance with the laws of Alabama.

#### XII. RULE AGAINST PERPETUITIES CLAUSE.

33. Despite any other provision of this Agreement to the contrary, the trust created by this Agreement shall terminate no later than 21 years after the death of the last surviving beneficiary of this Agreement who is living at the time of the death of the Grantor, at the end of which time distribution of all principal and all accrued, accumulated, and undistributed income shall be made to the persons then entitled to the distributions, in the manner and proportions herein stated free of trust.

#### XIII.

#### XIV. MISCELLANEOUS PROVISIONS.

34. The titles at the heads of the paragraphs of this Trust are inserted for reference purposes only and are not to be considered as forming a part of this Trust in interpreting its provisions. All words used in this Trust in any gender shall extend to and include all genders, and any singular words shall include the plural expressions and vice versa. Any pronouns shall be taken to refer to the person or persons intended regardless of gender or number.

35. For the purposes of determining the appropriate distributions under this Trust, no person or organization shall be deemed to have survived the Grantor unless such person or entity is also surviving or in existence on the thirtieth day after the date of the Grantor's death.

36. No fiduciary who is a natural person shall, in the absence of fraudulent conduct or bad faith, be liable individually to any beneficiary of the Grantor's trust estate, and the Grantor's trust estate shall indemnify such natural person from any and all claims or expenses in connection with or arising out of that fiduciary's good faith actions or nonactions of the fiduciary, except for such actions or nonactions which constitute fraudulent conduct or bad faith. No successor trustee shall be obliged to inquire into or be in any way accountable for the previous administration of the trust property.

37. The name of Grantor's child is \_\_\_\_\_.

38. The term "child" or "children" as used in this Agreement includes the above listed child and any children born to the Grantor or legally adopted by the Grantor after they have signed this Agreement.

39. If the value of the Trust is insufficient to fulfill all of the bequests that the Grantor has described in this Agreement, the Trustee shall decrease each bequest by a proportionate amount according to the Trustee's discretion and best judgment.

40. If any beneficiary named in this Agreement contests in court any of the provisions of this Trust, then each and all such persons shall not be entitled to any devises, legacies, bequests, or benefits under this Trust, and such interest or share in the trust estate shall be disposed of as if that contesting beneficiary had not survived the Grantor.



## SIGNATURES

IN WITNESS WHEREOF, I have signed my name on this \_\_\_\_\_ day of the month of \_\_\_\_\_ of the year \_\_\_\_\_, in the City of \_\_\_\_\_, the State of Alabama, declaring and publishing this instrument as my Living Trust, in the presence of the undersigned witnesses, who witnessed and subscribed this my Living Trust at my request and in my presence. I attest that I have signed this instrument willingly (or willingly directed another to sign on my behalf), that I execute it as my free and voluntary act for the purposes expressed in the Living Trust, and that I am eighteen (18) years of age or older, of sound mind, and under no constraint or undue influence.

\_\_\_\_\_  
\_\_\_\_\_, Grantor

IN WITNESS WHEREOF, I have signed my name on this \_\_\_\_\_ day of the month of \_\_\_\_\_ of the year \_\_\_\_\_, in the City of \_\_\_\_\_, the State of Alabama, acknowledging and accepting my appointment as the Trustee in this Living Trust, in the presence of the undersigned witnesses, who witnessed and subscribed this Living Trust at the Grantor's request and in the Grantor's presence. I attest that I have signed this instrument willingly (or willingly directed another to sign on my behalf), that I execute it as my free and voluntary act for the purposes expressed in the Living Trust, and that I am eighteen (18) years of age or older, of sound mind, and under no constraint or undue influence.

\_\_\_\_\_  
\_\_\_\_\_, Grantor

SIGNED AND DECLARED by \_\_\_\_\_ on this on this \_\_\_\_\_ day of the month of \_\_\_\_\_ of the year \_\_\_\_\_ to be their Living Trust, in our presence, in the City of \_\_\_\_\_, the State of Alabama, who at their request, in their presence and in the presence of each other, all being present at the same time, have signed our names as witnesses. We do hereby attest that the Grantor signs this instrument willingly (or willingly directs another to sign for the Grantor), and that each of us, in the presence and hearing of the Grantor, hereby signs this Living Trust as witness to the Grantor's signing, and that to the best of our knowledge the Grantor is eighteen (18) years of age or older, of sound mind, and under no constraint or undue influence.

\_\_\_\_\_  
Witness #1 Signature

\_\_\_\_\_  
Witness #1 Printed Name

\_\_\_\_\_  
Witness #1 Street Address

\_\_\_\_\_  
Witness #1 City, State

\_\_\_\_\_  
Witness #2 Signature

\_\_\_\_\_  
Witness #2 Printed Name

\_\_\_\_\_  
Witness #2 Street Address

\_\_\_\_\_  
Witness #2 City, State

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Witness #3 Signature

---

Witness #3 Printed Name

---

Witness #3 Street Address

---

Witness #3 City, State

STATE OF Alabama

COUNTY OF \_\_\_\_\_

Subscribed, sworn to, and acknowledged before me by \_\_\_\_\_, the Grantor,  
and subscribed and sworn to before me by \_\_\_\_\_,  
\_\_\_\_\_, and \_\_\_\_\_, witnesses,  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(seal)

(signed) \_\_\_\_\_

\_\_\_\_\_  
(Official capacity of officer)

## **SCHEDULE A**

### *List of Assets to be Held in the Trust*

The Grantor has transferred, assigned, conveyed, and delivered to the Trustee the following assets to be held, managed, and distributed under the terms of this Living Trust as described above:

\_\_\_\_\_