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Sample Trust Review: Irrevocable Trust

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Trust Agreement Review

Parties to the Trust:

Grantor(s)	Mr. Valued Client
Trustee(s)	Mr. Trustee
Beneficiaries	Beneficiary 1, Beneficiary 2

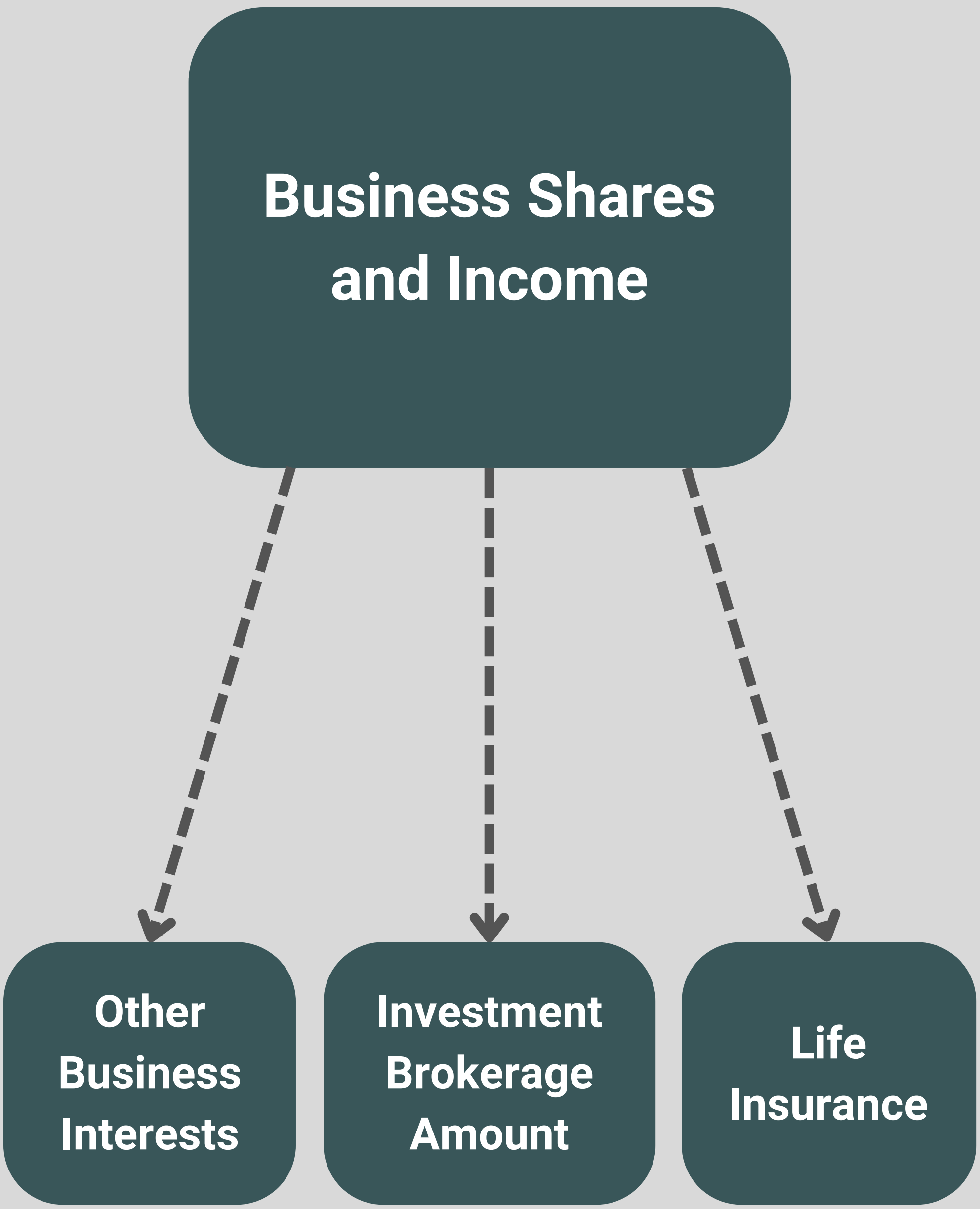
Distribution Provisions:

During Grantor(s) Lifetime	Trustee has broad discretion to distribute income and principal for Health, Education, maintenance or support (HEMS).
At Death of the Grantor(s) if Spouse is Predeceased	Single Trust to be administered for all children under HEMS standard plus for home purchases or start of a business until youngest child reaches age 21, then separate trust shares there after. At age 35 1/2 of trust shares distributed to
At death of Grantor(s) Spouse survives	Division into two separate trusts, Marital and Nonmarital Trusts. The Marital trust is a qualified terminal interest trust(QTIP). Interest must be paid at least annually with the right of the trustee to distribute principal under HEMS Standard. The amount to fund this trust at death is determined by the Trustee, which will generally be the unused portion of Bruce's Lifetime Exemption.

Trustee Powers to Change:	Jurisdiction, Merge, Divide, Subadvisors, Taxation by surrender of powers
Trust Type:	Irrevocable, Family, Complex, Intentionally Defective for Income Tax Only
Taxation:	Grantor trust taxed to the Grantor unless Grantor Powers Surrendered
Grantor Rights:	To swap assets for FMV without fiduciary permission
Governing Law:	South Dakota
Date of Trust:	2/26/2009

Trust Asset Management and Coordination

Intentionally Defective Grantor Trust (IDGT):



Trust Income- Business Income is owned by the trust and held in a trust checking account.

Trust Assets- Trustee can use funds in the trust to apply towards life insurance premiums, brokerage account, the business purposes or make distributions to beneficiaries depending on the powers and discretion given in the trust agreement.

Taxes- The Trust applies for its own tax ID number though the income taxes flow through to the Grantors tax return. The Grantor should have the power to stop being responsible for income taxes if he or she surrenders the powers that made the trust income taxable to him or her. The trust or trust beneficiaries would then be responsible.