

# Trust Document Example

*(added March 7, 2002)*

**Warning! Do not use this example in its present form; perform the necessary research to modify the example to meet your needs and legal requirements. Definitive variables are colored red; this example is designed specifically for the common law of the united States of America, however, it contents may be altered to become applicable under the organic laws of other nations.**

## CONTRACT AND DECLARATION OF TRUST

FOR VALUABLE CONSIDERATION, receipt of which is acknowledged. [creator], hereinafter referred to as the "CREATOR," and [first trustee], hereinafter referred to as the "FIRST TRUSTEE," enter into this CONTRACT AND DECLARATION OF TRUST on the day, month and year hereinafter set forth.

### ARTICLE I. THE CONTRACT.

1.01. This document establishes a common law contractual relationship whereby the Trustee(s) agree(s) to accept title to certain property exchanged in Trust for Certificates of Beneficial Interest.

1.02. The Trustee(s), recognizing a fiduciary obligation, agree to manage the Trust property for the Beneficial Certificate Holders. Should more than one Trustee be appointed to manage the affairs of the Trust, the Trust's property shall be held in joint tenancy.

1.03. The Trust through its Trustee(s) shall allocate 100 units of beneficial interest in the form of Certificates of Beneficial Interest.

1.04. The Creator by this instrument offers certain property to the Trustee(s).

All private property is set forth in Exhibit "A" attached to this agreement and incorporated herein by reference.

All real property is set forth in Exhibit "B" attached to this agreement and incorporated herein by reference.

1.05. The First Trustee, by executing this instrument, accepts the terms and conditions of this Trust Indenture.

1.06. The First Trustee accepts on behalf of the Trust the property conveyed by the Creator in exchange for Units of Beneficial Interest. The transfer made the subject of this paragraph shall not be characterized as either a gift or a sale.

### ARTICLE II. TRUST NAME.

2.01. The name of the Trust shall be:

[trust name]

### ARTICLE III. TRUST DOMICILE.

3.01. The Trust shall be domiciled as follows:

[trust domicile address]

3.02. The Trust shall be interpreted and construed under the **common law of the united States of America.**

3.03. The domicile of the Trust may be changed to any other sites deemed wise, prudent and necessary by the Trustee(s).

#### ARTICLE IV. TRUST CLASSIFICATION.

4.01. The Trust shall not operate as a partnership, association, joint venture, corporation or statutory Trust. It shall be construed, and in fact and in common law is, an irrevocable complex Trust.

4.02. The Creator retains no control over the administration of the Trust and/or the ability to revoke, modify, terminate or change in any manner the Trust document. The Creator has no sub rosa or other arrangement with the Trustee(s) of the Trust that would cause the Trustee(s) to act at the direction of the Creator. The Trustee(s) shall only act as an independent fiduciary in the best interest of the Beneficial Unit Holders.

4.03 This Trust shall be construed by way of legal principles which guarantee the right of Common Law Contract.

#### ARTICLE V. TRUST DURATION.

5.01. The Trust shall come into legal existence upon its execution by the creator and First Trustee and shall endure for [trust life] years. The Trustee(s) shall have the power, by unanimous decision, to terminate the Trust at an earlier date or to renew the Trust for an additional [trust life] years. Unless the Trust's term is appropriately renewed, its corpus shall be distributed to the holders of the units of Beneficial Interest.

#### ARTICLE VI. TRUSTEE CAPACITY AND POWERS.

6.01. The Trustee(s) may engage in any type of activity which the Trustee(s) deem in the best interest of the Trust including, but not limited to, buying, selling, borrowing, loaning, pledging, or hypothecating assets, and owning stock or entire charters of corporations, partnerships, associations or other Trusts.

6.02. No bond shall be required of the First Trustee. Any future Trustee shall not be required to be bonded unless the First Trustee or all of the members of a Board of Trustee require a bond.

6.03. The Trustee(s) shall possess all powers necessary to operate and manage the Trust for the benefit of the Beneficial Unit Holders.

6.04. The number of Trustees may be increased if such an increase acts as a benefit to the Trust. The decision of a Board of Trustees must always be unanimous.

6.05. The Trustee(s) shall, at the Trust's first regular meeting, designate one or more contingent Trustees who shall replace the then existing Trustee(s) in the event all of the Trustee(s) shall die or simultaneously become incapacitated.

6.06. Should all of the "sitting" Trustee(s) and contingent Trustees simultaneously die or become incapacitated, a Beneficial Unit Holder may apply to a Court of competent jurisdiction requesting a replacement or replacements.

6.07. The Trustee(s)' liability hereunder shall be that of one who holds a fiduciary relationship with another.

6.08. The Trustee(s) shall have the authority to appoint one or more agents of the Trust to act as signators for the Trust on all checking and savings accounts.

6.09. The Trustee(s) shall have the authority to appoint one or more agents to manage Trust assets and to advise the Trustee(s) and to accomplish any other functions endemic to the Trust purpose and operation.

6.10. The Trustee(s) shall have the authority to reasonable compensate Trustees and others who perform services beneficial to the Trust.

6.11. The Trustee(s) shall maintain books, accounts and records and minutes of all regular meetings relative to Trust administration and business.

#### ARTICLE VII. RESTRICTIONS.

7.01. All remunerations of money or fair value, in any form, taken into the Trust, shall not be available to the Creator in his capacity as Creator.

7.02. The Trust shall not be held directly liable for any obligations of whatsoever nature of the Creator, Trustee(s) or the Beneficial Unit Holders.

7.03. The Beneficial Unit Holders may not, in any manner whatsoever, control the activities of the Trustee(s) including decisions relating to the disbursement of the remunerations of money or fair value, in any form, or corpus of the Trust.

7.04. The death, insolvency, bankruptcy or incapacity of any Trustees or Beneficial Unit Holder shall not affect the operation or continuity of the Trust.

#### ARTICLE VIII. MEETINGS.

8.01. The Trustee(s) shall provide for meetings at stated intervals without notice. Special meetings may be called by one or more of the Trustees upon three (3) days notice, which notice may not be waived. Participation at such meetings may not require the physical presence of the participants, but may be conducted by telephone or other acceptable medium.

#### ARTICLE IX. BENEFICIAL UNIT HOLDERS.

9.01. The interest of any Beneficial Unit Holder shall be freely transferable or assignable.

9.02. Death, insolvency or bankruptcy of any certificate holder, or the transfer of his/her certificate by sale, gift, devise or descent, shall not operate as a dissolution of this instrument or in any manner affect the instrument or its operation. Ownership of certificates shall not entitle the holder to any legal title in or to the property, nor shall the death of a certificate holder entitle his/her heirs or legal representative to demand any portion or division of the property of the Trust, but said successor may succeed to the same equitable or distributable interest.

9.03. To the extent permitted by law, the interests of Beneficial Unit Holders shall not be subject to attachment or the claims of creditors.

9.04. The Certificates of Beneficial Interest of this Trust are divided into 100 units or parts thereof. The units are non-assessable, non-taxable and non-negotiable.

9.05. Any Beneficial Unit Holder may surrender to the Trustee(s) all right, title and interest to any Beneficial Units held by said unit holder. The Trustee(s) may issue or not said units taking into account any suggestions made by the previous holder of said units.

9.06. Any Beneficial Unit Holder may name any person or persons to receive his/her units upon death. Such desire shall be conveyed to the Trustee(s) for the Trustee(s) approval.

9.07. The Trustee(s) may, but are not required to, distribute any and all remunerations of money or fair value, in any form, to Beneficial Unit Holders if there are any distributable remunerations of money or fair value, in any form, and not to distribute would cause the Trust to suffer a tax impact.

9.08. The Trustee(s) will make a determination as to the existence or non-existence of distributable remunerations of money or fair value, in any form, periodically but at no greater interval than semi-annually.

9.09. Any Beneficial Unit Holder may waive right to any distribution if a written declaration of such waiver is delivered to the Trustee(s) prior to the date of distribution and such waiver is accepted by the Trustee(s). If the waiver is accepted, that portion of the distribution shall be allocated to the remaining Beneficial Unit Holders on a pro rata basis.

Said waiver would not be effective for future distributions, and the process set forth in this paragraph would have to be reemployed for each subsequent distribution if the Beneficial Unit Holders did not want to receive same.

#### ARTICLE X. MISCELLANEOUS.

10.01. This Indenture is irrevocable and may only be amended to better carry out its purpose or in order to comply with any applicable laws or regulation.

10.02. In the event it becomes necessary to remove a Trustee, Beneficial Unit Holders may apply to a court of competent jurisdiction as an appropriate forum.

10.03. If any word, phrase or heading is deemed to be unenforceable, then the remainder of the agreement shall remain in full force and effect.

10.04. Should the Trustee(s) disagree concerning a given course of action or the construction of any portion of this agreement, then any Trustee may initiate an arbitration under the common law.

10.05. The purpose of this Trust is:

[trust purpose]

10.06. The goal of this Trust is:

[trust goal]

#### CERTIFICATION OF TRUST INDENTURE

[trust name]

IN WITNESS WHEREOF, THE CREATOR AND FIRST TRUSTEE have hereunto set into their hands and seal in recognition of the fact that the verbiage contained in this Trust Instrument was drawn in recognition of the conveyance and acceptance of the property and the obligations and the duties herein assigned.

CREATOR: [creator signature]

FIRST TRUSTEE: [first trustee signature]

#### ACKNOWLEDGEMENT

## NOTARY PUBLIC

State of [\[state\]](#), County of [\[county\]](#)

On this date [\[date\]](#), before me, the undersigned Notary Public in and for said State, personally appeared the above named Creator and First Trustee, who are known to me or proved to me on the basis of satisfactory evidence, to be the persons who executed this Trust Indenture and who have read its terms and conditions and who have agreed to be bound by them.

Notary in & for said State & County: [\[notary state & county\]](#)

My Commission Expires: [\[notary expiration\]](#)

Seal: [\[notary seal\]](#)

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