

The Smith Family Trust

ARTICLE 1 - OUR TRUST

We, John Smith and Jane Smith (the *Settlers and Trustees*) are creating a trust under the laws of California. Our trust may be referred to as the Smith Family Trust dated January 1, 2018.

1.1 TRUST CERTIFICATION

To protect our confidentiality, our Trustee may use a certification of trust that identifies our Trustee and details the authority of our Trustee to conduct business on behalf of our trust instead of providing a copy of this Trust as authorized under California Probate Code Section 18100.5(h). The certification may include relevant pages from this Trust, including title or signature pages.

1.2. PROPERTY OF OUR TRUST

By executing this Trust, we intent to transfer property to our Trust and the property must be accepted by our Trustee. Our Trustee shall control all trust property for our benefit and for the benefit of our beneficiaries, as directed by the terms of this Trust. Any community property transferred to our trust will retain its community property character while we are alive and married. Separate property transferred to our trust will retain its separate property character. All property transferred to our Trust may be identified in Attachments at the end of our Trust. We both have the right to remove all or any part of our property at any time from our Trust.

ARTICLE 2 - FAMILY INFORMATION

We are married and have two children: Mary Smith, born January 1, 1990; and Bob Smith, born December 31, 1992.

References to *our children* are references to these children. References to *our descendants* are to our children and their descendants, including any deceased child's descendants.

ARTICLE 3 - ADMINISTRATION DURING INCAPACITY

If a Trustee is incapacitated, our Trustee shall make distributions authorized in this Article.

Our Trustee shall make appropriate distributions of the income and principal for the general welfare and comfort of an incapacitated Settlor under the circumstances existing at the time those distributions are made. Our Trustee may make distributions for the

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benefit of an incapacitated Settlor to the incapacitated Settlor if he or she is able to manage these distributions; to other persons and entities for the incapacitated Settlor's use and benefit; to an agent or attorney in fact authorized to act for the incapacitated Settlor under a legally valid durable power of attorney executed by the Settlor prior to incapacity; and to a guardian or conservator for the incapacitated Settlor, who has assumed responsibility for the incapacitated Settlor under any court order, decree, or judgment issued by a court of competent jurisdiction.

Our Trustee may distribute as much of the income and principal as our Trustee considers necessary for the health, education, maintenance or support of the non-incapacitated Settlor or support of other persons that our Trustee determines to be dependent on the incapacitated Settlor for support.

Our Trustee shall give consideration first to our needs and then to the needs of those persons dependent on us. When making distributions, we request that our Trustee, with sole and absolute discretion, consider other income and resources available to the dependents. Our Trustee may make unequal distributions, distributions to some but not all dependents, or no distributions.

ARTICLE 4 - DEATH OF A SETTLOR

4.1 EXPENSES AND TAXES

Our Trustee may pay the deceased Settlor's expenses of his or her last illness, funeral, and burial or cremation, including expenses of memorials and memorial services; legally enforceable claims against the deceased Settlor or the deceased Settlor's estate; expenses of administering the trust and the deceased Settlor's estate; and court-ordered allowances for those dependent upon the deceased Settlor.

These payments are discretionary with our Trustee. Our Trustee may make decisions on these payments without regard to any limitation on payment of the expenses and may make payments without any court's approval. No third party may enforce any claim or right to payment against the trust by virtue of this discretionary authority.

4.2 DEATH TAXES AND PORTABILITY ELECTIONS

Death taxes refers to any taxes by federal, state, or local authorities, including estate, inheritance, gift, and direct-skip generation-skipping transfer taxes. Our Trustee shall pay death taxes as per the laws in effect on the date of the deceased Settlor's death.

After the death of the first of us, we nominate our Trustee to serve as the deceased Settlor's executor or administrator for purposes of reporting Death taxes. We authorize our Trustee, in its sole and absolute discretion to make a timely election for Death tax portability so that the surviving Settlor may take the deceased Settlor's deceased spousal unused exclusion amount (DSUE), if any, into account in calculating the surviving Settlor's applicable exclusion amount.

Our Trustee, acting as executor or administrator will not be liable to the beneficiaries of our Trust or the beneficiaries of the surviving Settlor's estate for the failure to make a DSUE election.

ARTICLE 5 – TRUST AFTER FIRST DEATH

Our Trustee shall distribute the income and principal, up to the total of the trust assets, of our Trust to the surviving Settlor as he or she directs for any reason.

Our Trust becomes irrevocable upon the surviving Settlor's death, and any unappointed balance or remainder of the Survivor's assets shall be distributed as provided in Article 6.

5.1 NO CHANGE OF NAME

Upon the death of the first Settlor, our Trust shall not necessitate a change of title. However, the surviving Settlor may remove the deceased Settlor's name as Trustee by amendment to the Trust.

The surviving Settlor may serve as sole Trustee of the Trust. The surviving Settlor may remove and replace the Trustee of the Trust at any time, with or without cause. The surviving Settlor may appoint any individual or corporate fiduciary to serve as Trustee of the Trust.

5.2 RIGHT TO AMEND

The surviving Settlor also has the absolute right to amend, restate, or revoke the Trust, in whole or in part, for any purpose. The amendment, restatement, or revocation of the Trust must be in writing and signed by the surviving Settlor and the Trustee of the Trust. The right to amend, restate, or revoke may be exercised only by the surviving Settlor.

ARTICLE 6 - DISTRIBUTION OF TRUST ESTATE

6.1 PERSONAL PROPERTY

Each of us may dispose of items of personal property by a signed written list executed after we sign this Trust. The list may be in any format, but must refer to our trust and must reasonably identify the items and the beneficiary designated to receive each item. If either or both of us executes a list, our Trustee shall incorporate the list by reference into this trust.

Our Trustee shall distribute the items of personal property listed in the list as promptly as practicable after the death of a Settlor who completed the list. If either or both of us leave multiple written lists that conflict as to the distribution of the property, the list with the most recent date will control as to that item. Until property is delivered to the appropriate beneficiary or his or her Legal Representative, our Trustee shall pay the reasonable expenses of securing, storing, insuring, packing, transporting, and otherwise caring for the property as an administration expense. Except as otherwise provided in our trust, our Trustee shall distribute property under this Article subject to all liens, security interests, and other encumbrances on the personal property.

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If the law does not permit incorporation of the list by reference, the list will then serve as an amendment to our trust, but only to the extent this amendment solely disposes of personal property. We request that our Trustee follow our wishes and distribute the items of personal property in the list according to its terms.

Our Trustee shall distribute any of the personal property not disposed of by a written list to the other Settlor if alive. If we are both deceased, our Trustee shall distribute the property under the terms of this Trust below.

6.4 DISTRIBUTION OF REMAINING TRUST PROPERTY

Our Trustee shall distribute our remaining property outright and free of trust to our children, by representation. If a share is to be distributed to an incapacitated beneficiary or a beneficiary under the age of 21, our Trustee shall distribute the share as per the Trust provisions below.

Whenever a distribution is to be made to a beneficiary by representation, the distribution will be divided into as many equal shares as there are then-living descendants in the nearest degree of kinship and then-deceased descendants in the same degree who left then-living descendants. Each then living descendant in the nearest degree will receive one share, and the share of each then deceased descendant in the same degree will be divided among his or her descendants in the same manner.

6.5 CHILDREN'S TRUSTS

Our Trustee shall administer the trust for each beneficiary descendant under the age of 21 or to an incapacitated beneficiary as follows:

Our Trustee shall distribute all of the net income and as much of the principal of the beneficiary's trust to the beneficiary as our Trustee determines necessary or advisable for the health, education, maintenance or support of the beneficiary.

We intend to provide for the well-being and happiness of the beneficiary. Although we request that our Trustee consider the other known resources available to the beneficiary before making distributions, we also request that our Trustee be liberal in making any distributions to the beneficiary. We acknowledge that the principal of the trust established for the beneficiary may be exhausted in making these distributions.

When the beneficiary has reached the age of 21, or if the beneficiary has already reached 21, the beneficiary may withdraw all or any portion of the accumulated trust income and principal.

This right may be exercised at any time by delivering written notice to our Trustee, stating the desired withdrawal amount. Upon receiving a notice, our Trustee shall distribute the requested amount to the beneficiary, free of trust. This right of withdrawal is a privilege that may be exercised only by the beneficiary, and is not subject to the

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claims of any creditor or to legal process, and may not be voluntarily or involuntarily alienated or encumbered.

If the beneficiary dies after the beneficiary's trust is established, but before the complete distribution of the beneficiary's trust, our Trustee shall distribute the remaining trust property by representation in trusts to the beneficiary's descendants. If the beneficiary has no then-living descendants, our Trustee shall distribute the balance of the trust property by representation in trusts to our descendants. Our Trustee shall administer the trusts under the same terms as the beneficiary's trust.

If we have no then-living descendants, our Trustee shall distribute the balance of the trust property as provided below in Alternative Remote Distribution.

6.6 ALTERNATIVE REMOTE DISTRIBUTION

If there are no beneficiaries above to receive distribution of our trust estate, our trust estate must be distributed one-half to the legal heirs of John Smith and one-half to the legal heirs of Jane Smith.

6.7 DISTRIBUTION ON NON-PRO RATA BASIS

The Trustee may allocate trust assets between beneficiaries on a non-pro rata basis, provided that the distribution is based on the assets' total fair market value.

ARTICLE 8 - OTHER PROVISIONS

8.1 RULE AGAINST PERPETUITIES

Any trust created by this trust document will terminate no later than 21 years after the death of an individual then alive at the time of the death of the first of us, or within 90 years of that date.

At that time, the remaining trust property will vest in and be distributed to the persons entitled to receive distributions of the trust's assets.

8.2 SPENDTHRIFT PROVISION

No beneficiary may assign, anticipate, encumber, alienate, or otherwise voluntarily transfer the income or principal of any trust created under this trust. In addition, neither the income nor the principal of any trust created under this trust is subject to attachment, bankruptcy proceedings or any other legal process, the interference or control of creditors or others, or any involuntary transfer.

This Section does not restrict a beneficiary's right to disclaim any interest or exercise of any power of appointment granted in this trust.

8.3 NO CONTEST PROVISION

If any beneficiary under this trust singularly or in combination with any other person or persons, directly or indirectly does any of the following acts, by way of direct contest or pleading, then the right of that person to take any interest given to him or her by this instrument shall be void, and any gift or other interest in the trust property to which the beneficiary would otherwise have been entitled shall pass as if he or she had predeceased the settler without descendants. The terms *direct contest*, and *pleading* have the same meanings as set forth in California Probate Code Section 21310. This trust and any trusts created in this trust are *protected instruments* as provided in California Probate Code Section 21310(e).

Without probable cause challenges the validity of this instrument on any of the following grounds:

Forgery;

Lack of due execution;

Lack of capacity;

Menace, duress, fraud, or undue influence;

Revocation pursuant to the terms of this instrument or applicable law;

Disqualification of a beneficiary who is a “disqualified person” as described in California Probate Code section 21350 or applicable successor statute.

Files a pleading to challenge the transfer of property on the grounds that it was not the transferor’s property at the time of the transfer;

Files a creditor’s claim or prosecutes any action against the trust for any debt alleged to be owed to the beneficiary-claimant.

8.4 SURVIVORSHIP

If a beneficiary is living at the death of a Settlor, but dies within 45 days after the Settlor’s death, then the beneficiary will be considered to have predeceased the Settlor for purposes of this trust.

8.5 INCAPACITY

Except as otherwise provided in this trust, a person is considered incapacitated whenever two licensed physicians give the opinion that the individual is unable to effectively manage his or her property or financial affairs. If an individual whose capacity is in question refuses to provide necessary documentation or otherwise submit to examination by licensed physicians, that individual will be considered incapacitated.

8.6 COPIES

Any person may rely on a paper or electronic copy of this trust that the Trustee certifies to be a true copy as if it were an original.

8.7 GOVERNING STATE LAW

This trust is governed, construed, and administered according to the laws of California, as amended except as to trust property required by law to be governed by the laws of another jurisdiction and unless the situs of administration is changed per this Trust.

8.8 SEVERABILITY

The invalidity or unenforceability of any provision of this trust does not affect the validity or enforceability of any other provision of this trust. If a court of competent jurisdiction determines that any provision is invalid, the remaining provisions of this trust are to be interpreted as if the invalid provision had never been included.

ARTICLE 10 - SETTLOR'S POWERS

As Settlers, we retain the powers set forth in this Section in addition to any powers that we reserve in other provisions of this trust and under the law.

Whenever both of us are serving as Trustee, either or both of us may act for and conduct business on behalf of our trust without the consent of any other Trustee.

10.1 AMENDMENT, RESTATEMENT, OR REVOCATION

Acting jointly, we may amend, restate, or revoke this trust, in whole or in part, for any purpose.

Each of us, individually and acting alone, may:

amend, restate, or revoke this trust, in whole or in part, as it relates to the acting Settlor's separate property; and

amend, restate, or revoke this trust, in whole or in part, as it relates to the acting Settlor's interest in the community property, so long as it does not affect either of our rights and interests in the community property.

Any amendment, restatement, or revocation must be made in writing and delivered to our then-serving Trustee.

10.2 ADDITION OR REMOVAL OF PROPERTY

Either of us may add property to our trust. Both of us, acting jointly may remove any property from our trust. Each of us, acting alone, may remove our own separate property from our trust.

ARTICLE 11 - TRUSTEE SUCCESSION, ADMINISTRATION, POWERS AND DUTIES

11.1 RESIGNATION OF A TRUSTEE

A Trustee may resign by giving written notice to either of us. If we are both incapacitated or deceased, a Trustee may resign by giving written notice to the trust's beneficiaries and to any Co-Trustees.

11.2 TRUSTEE SUCCESSION

This Section governs the removal and replacement of our Trustees during a Settlor's incapacity or after the death of either or both of us. Upon the incapacity or death of a Settlor, the other Settlor may serve as sole Trustee of all trusts created under this trust.

If the other Settlor is unable or unwilling to serve for any reason, then we name Trustee #1 to serve as successor Trustee. If Trustee #1 is unable or unwilling to serve, then we name Trustee #2 to serve as successor Trustee.

After the death of one of us, the surviving Settlor may remove any Trustee with or without cause.

If the surviving Settlor is incapacitated or after both of our deaths, a Trustee may be removed only for cause, and only if the removal is approved by a court of competent jurisdiction upon the petition of any beneficiary. The court petitioned to approve the removal of a Trustee will acquire jurisdiction over the trust only to the extent necessary to approve or disapprove removal of the Trustee.

11.3 COURT PETITION TO FILL VACANCY

Any beneficiary may petition a court of competent jurisdiction to name a successor Trustee to fill any vacancy remaining unfilled after a period of 30 days. The court petitioned to name a Trustee will acquire jurisdiction over the trust only to the extent necessary to make the appointment. A minor or incapacitated beneficiary's parent or Legal Representative may act on his or her behalf.

Any corporate fiduciary serving under this trust as a Trustee must be a bank, trust company, or public charity that is qualified to act as a fiduciary under applicable federal or state law and must be an Independent Trustee.

11.4 INCAPACITY OF A TRUSTEE

If any Trustee other than one of us becomes incapacitated, a written, good-faith declaration of incapacity by the Co-Trustee or by the successor Trustee, will terminate the trusteeship. If the incapacitated Trustee objects in writing to termination of the trusteeship within five days of receiving the declaration of incapacity, a written opinion of incapacity signed by a physician who has examined this Trustee must be obtained before the trusteeship will be terminated for

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incapacity. The Trustee objecting to termination of trusteeship must sign the necessary medical releases needed to obtain the physician's written opinion of incapacity, or the trusteeship will be terminated without the physician's written opinion.

11.5 CHANGE OF TRUSTEE

Any appointment, removal, resignation, or other change in trusteeship must be in writing and signed by the person or persons exercising the power. The written notice must be dated, must specify the effective date and other terms regarding the change of Trustee status, and must be delivered to all beneficiaries, Co-Trustees and relevant institutions.

7.6 DESCENDANT TRUSTEES

If a descendant of ours is serving as our Trustee, he or she may engage in acts of self-dealing so long as the terms of such transaction are fair to our trust and the beneficiaries. For example, a descendant of ours who is serving as our Trustee may purchase property from our trust at its fair market value without court approval.

11.7 TRUSTEE COMPENSATION

An Individual serving as Trustee is entitled to 1% of the Trust asset value as compensation for the services provided as a fiduciary and may be reimbursed for reasonable expenses incurred in carrying out the Trustee's duties under this trust, including fees for legal services, tax return preparation, and corporate finance or investment banking services.

11.8 NO COURT

This trust is to be administered expeditiously, consistent with the provisions of this trust, free of judicial intervention, and without order, approval, or action of any court. Our trust will be subject to the jurisdiction of a court only if our Trustee or another interested party institutes a legal proceeding. To the extent permissible by law, our Trustee is not required to be bonded, provide surety, or security, inventories, appraisals, or accountings to any court.

11.9 DETERMINING BENEFICIARIES

Until a Trustee receives notice of the incapacity, birth, marriage, death, or other event determining a beneficiary's right to receive a distribution, the Trustee is not liable for acting or not acting regarding the event, or for distributions made in good faith to persons whose interests may have been affected by the event. Unless otherwise provided in this trust, the parent or Legal Representative may act on behalf of a minor or incapacitated beneficiary.

11.10 DELEGATION OF AUTHORITY

Any Trustee may delegate the right to exercise any power granted to our Trustee in this trust to any other Trustee by a written instrument. During the time a delegation is in effect, the Trustee to whom the delegation was made may exercise the power to the same extent as if the delegating

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Trustee had personally joined in the exercise of the power. The delegating Trustee may revoke the delegation at any time by giving written notice of revocation to the Trustee to whom the power was delegated.

11.11 TRUSTEE LIABILITY

Successor Trustees are not obligated to examine the accounts, records, or actions of any previous Trustee or of the Personal Representative of a deceased Settlor. Successor Trustees are not responsible for any act, forbearance, or omission of any prior Trustee or the Personal Representative of a deceased Settlor.

Any Trustee may request and obtain agreements in writing from the beneficiaries or their Legal Representatives releasing and indemnifying the Trustee from any liability that may have arisen from the prior Trustee's acts, omissions, or forbearances. Any agreement, if acquired from all the trust's living beneficiaries or their Legal Representatives, is conclusive and binding on all parties, born or unborn, who have or will have an interest in the trust.

11.12 TRUST TERMINATION

If it is no longer economical to administer a trust created under this trust, our Trustee may terminate the trust and distribute the trust property, including any undistributed net income, to the beneficiaries who are then entitled to distributions of the trust assets in the same proportions without any further obligation or liability.

11.13 TRUST REPORTS

A Trustee other than a Settlor shall prepare a report, at least annually, showing the receipts, disbursements, and distributions of income, principal, and the assets of the trust. The Trustee shall deliver the report to the beneficiaries unless a beneficiary waives the right to the report. Delivery of a federal fiduciary income tax return filed for the trust will satisfy the annual report requirement of this Section for the year of the return unless a report of more specificity has been requested.

11.14 TRUSTEE POWERS

Our Trustee may exercise all the powers conferred by this trust without prior approval from any court, and may perform every act reasonably necessary to administer our trust estate as established under this trust. The powers set forth in the California Probate Code are specifically incorporated into this trust. The powers conferred upon our Trustee by law are to be subject to any express limitations or contrary directions contained in this trust.

Our Trustee shall exercise these powers in the manner our Trustee determines to be in the beneficiaries' best interests. Our Trustee may not exercise any of its powers in a manner that is inconsistent with the beneficiaries' right to the beneficial enjoyment of the trust property in accordance with the general principles of the law of trusts. The Trustee of a trust may have duties and responsibilities in addition to those described in this trust. We encourage our Trustee

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to obtain appropriate legal advice if our Trustee has any questions concerning the duties and responsibilities as Trustee.

We have executed this trust on January 1, 2018. This trust instrument is effective when signed by us as Settlers of the Smith Family Trust dated January 1, 2018.

John Smith, Settlor and Trustee

Jane Smith, Settlor and Trustee

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____ before me, Kira Wattenburg King a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument to be the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

NOTARY PUBLIC

Smith Family Trust