**Form 11-1: Minor's Trust — I.R.C. 2503(c)**

[[Text Box Start]]

Irrevocable Trust Agreement for the Benefit of a named Minor

Appointment of Trustee with Successor Trustee

Until Beneficiary reaches age 21 discretionary distributions subject to

ascertainable standard

After Beneficiary reaches age 21 mandatory distributions of principal at 21

unless Beneficiary indicates in writing his intent to extend Trust terms

If terms extended, mandatory distributions of income and discretionary distributions of principal mandatory principal distributions at 25, 30, and 35

[[Text Box End]]

**(*insert name of Trust*)**

**Irrevocable Trust Agreement**

IRREVOCABLE TRUST made this \_\_\_day of \_\_\_\_\_\_, 20\_\_, between (*insert name of Settlor*) of (*insert county of domicile*), Maryland (hereinafter called the "Settlor") and (*insert name of Trustee)* (hereinafter called the "Trustees").

**I. Irrevocable Assignment**

The Settlor hereby relinquishes all power to amend or revoke any provisions of this Trust agreement. The Settlor hereby expressly acknowledges that he shall have no right or power, whether alone or in conjunction with others, in whatever capacity, to alter, amend, revoke or terminate the Trust or any of the terms of this agreement in whole or in part or to designate the persons who shall possess or enjoy the Trust property, or income therefrom. The Trust shall be irrevocable and not subject to amendment by Settlor or any other person.

**II. Purpose**

Settlor in creating this Trust intended to enable the Trustee to receive, hold, manage, and invest assets in such a manner as the Trustees in the Trustee’s discretion shall deem reasonable and necessary for the general welfare, support and education of Settlor's *(insert relationship*), (*insert name of Minor)*. For the purposes of this trust the term "Beneficiary" shall be deemed to refer to as Settlor's *(insert relationship*), (*insert name of Minor)*.

**III. Trust Property**

The Settlor does hereby irrevocably transfer and assign to the Trustees all the Settlor’s title and interest in and to the property listed in "Schedule A" attached hereto. The Trust created hereunder shall be known as the "(*insert name of Minor*) Irrevocable Trust Agreement" and is being established in accordance with Section 2503(c) of the Internal Revenue Code for the benefit of *(insert name of Minor*), a Minor.

**IV. Additions to Trust**

Other property, real, tangible, or intangible may be transferred to the Trust by the Settlor, or any other person, at any time, either by gift during lifetime, or by designating the Trust hereof as beneficiary under Settlor’s Will, or under any policy of life insurance on Settlor’s life, or under any employee benefit plan. Any property transferred shall become a part of the Trust and the property transferred becomes irrevocable, and subject to the terms and conditions of this Agreement.

**V. Dispositive Provisions**

The Trustee shall distribute the net income and principal of the Trust in the following manner:

**A. Payments Until Beneficiary Reaches Age Twenty-One (21)**

Until the Beneficiary attains the age of twenty-one (21) years, Trustee may distribute to, or for the benefit of, the Beneficiary, from time to time, as much of the net income or principal, or both, of the Trust as Trustee in Trustee’s sole discretion, determines to be necessary for the Beneficiary's health, education (including college, graduate, professional and technical), support or maintenance in accordance with Beneficiary's accustomed standard of living; provided, however, that Trustee shall not distribute the net income or principal the Trust in satisfaction of the Trustee's legal obligation to support the Beneficiary. Any net income in any year that is not distributed to, or for the benefit of, the Beneficiary shall be accumulated and added to the principal of the Trust at the end of the year.

**B. Payments Upon Beneficiary Attaining Age Twenty-One (21)**

1. If the Beneficiary attains the age of twenty-one (21) years, Trustee shall distribute to the Beneficiary the entire remaining balance of this Trust as then constituted, and upon such final distribution, this Trust shall terminate this Trust. However, the Beneficiary shall have the right, upon attaining the age of twenty-one (21) years, to extend the term of the trust to the Beneficiary's attaining the age of thirty-five (35) years, by notifying the Trustee in writing of Beneficiary's desire to extend the term of the Trust.

2. If the Beneficiary extends the term of the Trust, then upon extension of the term of this Trust, Trustee shall distribute to or for the benefit of, the Beneficiary all of the net income of the Trust. Trustee may continue to distribute to, or for the benefit of, the Beneficiary, from time to time, as much of the principal of this Trust as Trustee in Trustee's sole discretion, determines to be necessary for the Beneficiary's health, education, support or maintenance in accordance with Beneficiary's accustomed standard of living.

3. If the Beneficiary extends the term of this Trust, then when the Beneficiary attains the age of twenty-five (25), Beneficiary shall have the absolute right to withdraw from the principal and income of his share by written demand as follows: at any time after Beneficiary attains the age of twenty-five (25), cash or assets valued as of the date of demand which, when added to the value of all previous withdrawals at their respective demand dates will not exceed in the aggregate one-third (1/3) of the total of (1) the principal and income valued as of the date of the demand and (2) all previous withdrawals valued at their respective demand dates; at any time or times after he attains the age of thirty (30) years, cash or assets valued as of the date of demand, which, when added to the value of all previous withdrawals at their respective demand dates, will not exceed in the aggregate two-thirds (2/3) of the total of (1) the principal and income valued as of the date of the demand, and (2) all previous withdrawals valued at their respective demand dates; at any time or times after Beneficiary attains the age of thirty-five (35) years, any portion or all of the principal and income of such share.

4. If the Beneficiary does not live to attain the age of twenty-one (21) years, or if the Beneficiary does not live to attain the age of thirty-five (35) years if Beneficiary extended the term of this Trust, Beneficiary shall have a general testamentary power of appointment to direct the disposition of the principal of this Trust, or any part thereof, that shall be in existence at the time of the Beneficiary's death to such person or persons as Beneficiary, in Beneficiary's absolute discretion, shall determine, including Beneficiary’s estate, Beneficiary’s creditors and creditors of Beneficiary’s estate. Such general testamentary power of appointment is to be exercised in the Beneficiary's Last Will and Testament, executed after the date of this Agreement, which refers specifically to this power. Subject to the above restrictions in the exercise of this general testamentary power of appointment Beneficiary shall have the right to appoint by Last Will and Testament who, following Beneficiary’s death, shall be entitled to the remainder thereof, and the portions to which and the manner in which such appointees shall be entitled, in Trust or otherwise. To the extent that a valid appointment is not exercised in accordance with the terms hereof, then the Trustee shall distribute any unappointed principal of this Trust (including any accrued or collected but undistributed net income) to those of the Beneficiary's issue who are then living, such issue to take *per stirpes*: or if none the Beneficiary's issue survives Beneficiary, any unappointed property of the Trust shall distributed to those of Settlor's issue who are then living, such issue to take *per stirpes*. If none of Settlor's issue are then living, any unappointed property of the Trust shall be distributed to Settlor's heirs.

5. Notwithstanding any provision herein, any payment which would be made to a beneficiary, pursuant to the terms of this Trust, who has not attained the age of majority may, in the discretion of my Trustee, shall be distributed to a Custodian under the Maryland Uniform Transfers to Minors Act, such Custodian to hold such payment for the benefit of such Minor under the terms of said Act. The Trustee shall have the power to select any qualified person as Custodian.

**VI. Spendthrift Provision**

Except as otherwise specifically provided in this Trust, the Trustee shall make payments only into the hands of Beneficiary entitled thereto so that neither the income nor principal shall be subject to assignment, nor be anticipated, nor be liable for the debts or contracts of Beneficiary, nor be taken in execution by attachment, garnishment or other proceeding while in the hands of the Trustee; provided, however, that deposit to the credit of a beneficiary in any banking institution in an account established by Beneficiary shall be deemed payment to Beneficiary; and provided further, that if a beneficiary be a Beneficiary or, in the judgment of the Trustees based on professional medical advice, shall be of unsound mind, whether adjudicated an incompetent or not, or be suffering from physical or mental disorder which renders Beneficiary incapable of the management of the payments to which Beneficiary may be entitled hereunder, then the Trustee may in Trustee’s discretion expend for the benefit of Beneficiary the amounts otherwise payable to Beneficiary; may make such payments to Beneficiary’s duly appointed guardian; or to the person who in Trustee’s judgment has assumed responsibility for disbursing funds available for beneficiary's care and support, and the receipt of any such person or corporation shall be an absolute discharge to the Trustee for the sums so paid over.

**VII. Rule Against Perpetuities**

The Rule Against Perpetuities shall not apply to the Trust. The Trustee hereunder have the power, under the terms of this Trust Agreement, to sell, lease, or mortgage property for any period of time beyond the period that is required for an interest created hereunder to vest, so as to be good under the Rule Against Perpetuities.

**VIII. Appointment of Successor Trustee and Resignation**

I hereby nominate and appoint *(insert name of Successor Trustee*), to be the Successor Trustee of this Trust.

The Trustee of any Trust created hereunder may resign at any time with our without cause by an instrument in writing which expresses such intention and which is delivered to Settlor if then living, but if not, to Beneficiary or Beneficiary’s guardian. If the Trustee named herein, or any Successor Trustee, shall wish to resign, or shall for any reason fail to be able to continue as such, such Trustee or Successor Trustee shall have the right, power and authority to designate a Successor Trustee, other than the Settlor, provided that no Trustee so appointed shall be a related or subordinate party who is subservient to the wishes of the Settlor. Any Successor Trustee shall be authorized to exercise all powers, authority and discretions granted to the initial Trustee.

**IX. Trustee Powers**

In the administration of the Trust, the Trustees shall have the following powers, all of which shall be exercised in a fiduciary capacity, primarily in the interest of the beneficiary or beneficiaries. The powers herein granted to the Trustees shall be deemed to be supplementary to and not exclusive of the general powers of Trustees pursuant to law, and shall include all powers necessary to carry the same into effect.

A. To hold any or all of the Trust estate in the form of investment in which received.

B. To sell at public or private sale, to mortgage, create a security interest in, pledge, or hypothecate, or to exchange or lease (including lease for a period extending beyond the term of this Trust), any stocks, notes, securities, real estate, minerals, and other Trust property, upon such terms, cash or credit, or both, as Trustee may deem advisable.

C. To invest and reinvest the Trust estate, without limitation to Trust or chancery investments, in investments of any kind, real or personal, including, without limitation, stocks, bonds, notes, mortgages, lands, minerals, royalties, leaseholds, participations in partnerships, joint ventures, and other business enterprises.

D. To construct, add to, repair, or demolish (in whole or in part) any improvements upon any Trust property.

E. To participate in any reorganization, consolidation, merger or dissolution of any corporation, the stocks, bonds, or other securities which may be held at any time as part of the Trust estate and to receive and continue to hold any property which may be allocated or distributed to Trustee by reason of participation in any such reorganization, consolidation, merger or dissolution.

F. To make or hold investments or any part of the Trust estate in common or undivided interests with other persons, corporations or Trusts.

G. To demand, receive, receipt for, sue for and collect any and all rights, money, properties, or claims to which this Trust may be entitled, and to compromise, settle, arbitrate, or abandon any claim or demand in favor of or against this Trust.

H. To borrow funds for this Trust in such amounts and for such purposes as to Trustee shall seem for the best interest of this Trust and Beneficiary thereof, and to purchase property on the credit of this Trust, and, in connection with such borrowing or such purchase, to execute and deliver promissory notes or other evidences of indebtedness of this Trust and to mortgage, create a security interest in, or pledge all or any part of the Trust estate to secure payment of such indebtedness, and to repay such indebtedness out of the Trust estate.

I. To employ agents, legal counsel, brokers, and assistants, and to pay their fees and expenses, as Trustee may deem necessary or advisable to carry out the provisions of this Trust.

J. To vote in person or by proxy any shares of stock which may form part of this Trust.

K. To lend money to any person or persons upon such terms, but with adequate interest and security, as Trustee may deem advisable for the best interest of this Trust and the beneficiaries hereunder.

L. To elect, appoint, and remove directors of any corporation, the stock of which shall constitute Trust property, and to act as a director and officer of any such corporation.

M. To exercise options, rights and privileges contained in a life insurance policy, annuity, or endowment contract constituting property of the fiduciary estate, including the right to obtain the cash surrender value, convert a policy to another type of policy, revoke any mode of settlement, and pay any part or all of the premiums on the policy or contract.

N. The Settlor directs that no person acting as a co-Trustee hereunder shall participate in any discretionary decision regarding whether, and the extent to which, any payment shall be made to or for Trustee’s benefit, or the benefit of any other person for whose support such co-Trustee may be legally liable, and such decision shall be made solely by the remaining Trustee.

O. Generally, and without limitation by any specific enumeration herein, to manage, control, operate, convert, reconvert, invest, reinvest, sell, exchange, lease, mortgage, create a security interest in, pledge, pool, or otherwise encumber and deal with the property of this Trust, for and on behalf of this Trust and Beneficiary thereof, to the same extent and with the same powers that any individual would have in respect to their own property and funds.

**X. Trustee Compensation**

In addition to reasonable expenses incurred in the performance of Trustee’s duties under the Trust hereby created, the Trustee shall be entitled to receive for Trustee’s services hereunder just and reasonable compensation.

**XI. Trustee Bond**

No bond or other security shall be required of the Trustee or any Successor Trustee.

**XII. Premature Termination**

If the current value of the principal of any trust at any time becomes less than One Hundred Thousand, $ 100,000 Dollars (after allowances for expenses and commissions), the Trustee may, in Trustee’s sole discretion, terminate such trust and pay over the remainder thereof to the Beneficiary then entitled to the income therefrom, in the proportions to which Trustee is then entitled to such income; provided, however, that any payment which would be made to a Beneficiary who has not attained the age of twenty-one (21) shall be distributed to a Custodian under the Maryland Uniform Transfers to Minors Act, such Custodian to hold such payment for the benefit of such minor under the terms of said Act. The Trustees shall have the power to select any qualified person as custodian. Upon any such payment under this Paragraph, the interests, whether vested or contingent, of all succeeding beneficiaries of such trust shall be terminated, and my Trustee shall be relieved of all duties in connection with such trust and shall not be required to account therefore in any court.

**XIII. Acceptance By Trustee**

The Trustee hereby accepts the Trust created by this Agreement and agrees to carry out the provisions hereof on Trustee’s part according to the best of Trustee’s ability, but no Trustee shall be responsible for any mistake in judgment or for any decrease in value of or loss to the Trust estate or for any cause whatever except Trustee’s own bad faith or gross negligence.

**XIV. Validity of Trust**

All questions pertaining to the validity of any trust hereunder and its construction and administration shall be determined in accordance with the laws of Maryland, unless otherwise expressly provided.

**XV. Limitations on Powers**

Notwithstanding anything herein contained to the contrary, no powers enumerated herein or accorded to the Trustee generally pursuant to law shall be construed to enable the Trustee, or any other person to purchase, exchange, or otherwise deal with or dispose of the principal or income of the Trust for less than an adequate or full consideration in money or money's worth, or to enable the Trustee to borrow the principal or income of the Trust, directly or indirectly, without adequate interest or security. No person, other than the Trustee, shall have or exercise the power to vote or direct the voting of any stock or other securities of the Trust, to control the investment of the Trust either by directing investments or reinvestments or by vetoing proposed investments or reinvestments or to reacquire or exchange any property of the Trust by substituting other property of an equivalent value.

**XVI. Definitions**

The following definitions shall apply to this Trust Agreement:

A. The word "issue" means naturally born descendants and legally adopted descendants. A legally adopted descendant shall be deemed to be a descendant at the date of entry of the final decree of adoption. Any descendant who is born out of wedlock shall be deemed a descendant of the mother, and shall be deemed a descendant of the father whose paternity is established under the law of the jurisdiction in which the descendant is born. A naturally born descendant who was in gestation upon the death of any person or upon the termination of any trust established under this Agreement and who is later born alive shall be regarded as a descendant during the period of gestation in determining whether any person has died without leaving issue surviving him or her, and in determining, on the termination of any trust established under this Agreement, whether such descendant is entitled to a share in the disposition of the remaining trust property, but for other purposes such descendant's rights shall accrue from the date of birth.

B. The term "Settlor's heirs" means those persons, other than creditors, who would take Settlor's personal property under the laws of the State of Maryland if Settlor had died intestate at the time stipulated for distribution, unmarried and domiciled in the State of Maryland . Distributions to such persons shall be made in the manner and in the proportion that my personal property would be distributed under the laws of the State of Maryland if Settlor had died intestate at the time stipulated for distribution, unmarried, owning the property available for distribution and no other property, and domiciled in the State of Maryland.

C. Whenever distribution is to be made to designated issue on a "*per stirpes*" basis, the property shall be divided into as many equal shares as there are children of the decedent who survive the decedent and children of the decedent who did not survive the decedent but of whom issue did survive the decedent. Each child of the decedent who did survive the decedent shall receive one share and the issue of each child of the decedent who did not survive the decedent but of whom issue did survive the decedent shall receive one share apportioned by applying to the children and other issue of each non-surviving child of the decedent the pattern of representation provided for the children and other issue of the decedent and repeating the pattern with respect to succeeding generations until all shares are determined.

D. Wherever in this Trust Agreement reference is made to the masculine gender, it shall be construed to include the feminine gender unless the context clearly indicates otherwise, and vice versa. Wherever in this Trust reference is made to the Trustee either in the singular or plural as "it" or "its", "they" or "them", it shall be construed to include any person or persons who shall be acting in said capacity from time to time.

E. References to the Internal Revenue Code or "the Code" are to the Internal Revenue Code of 1986, as amended, and references to specific code sections of the Internal Revenue Code shall include references to corresponding provisions of any subsequent federal tax laws.

F. The captions of the Articles of this Trust Agreement have been inserted as a matter of convenient reference only and shall not control or affect the meaning or construction of any of the terms or provisions of this Agreement.

IN WITNESS WHEREOF, the Settlor and the Trustee have executed this instrument as of the day first above written.

Witness: Settlor:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(SEAL) *(insert name of Settlor*)

Witness: Trustee:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(SEAL) (*insert name of Trustee)*

STATE OF MARYLAND, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, to wit:

I HEREBY CERTIFY, that on this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_, 20\_\_\_, before me, the subscriber, a Notary Public in and for the state aforesaid, personally appeared (*insert name of Settor*), known to me to be the person whose name is subscribed to the foregoing instrument as Settlor, and made oath in due form of law that Settlor executed the same voluntarily for the purposes therein contained.

IN WITNESS my hand and Notarial Seal.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public

My Commission Expires:

STATE OF MARYLAND, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, to wit:

I HEREBY CERTIFY, that on this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_, 20\_\_\_, before me, the subscriber, a Notary Public in and for the state aforesaid, personally appeared (*insert name of Trustee*), known to me to be the person whose name is subscribed to the foregoing instrument as Trustee, and made oath in due form of law that Trustee executed the same voluntarily for the purposes therein contained.

IN WITNESS my hand and Notarial Seal.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public

My Commission Expires:

**(*insert name of Trust* ) Irrevocable Trust Agreement**

**Schedule A**

Description of Asset and valuation basis Fair Market Value on date of transfer