

ALABAMA FAMILY TRUST AGREEMENT

THIS IS A BINDING LEGAL DOCUMENT. YOU MAY WISH TO OBTAIN PROFESSIONAL ADVICE BEFORE SIGNING.

The Donor hereby makes the following contribution, IN TRUST, to the Alabama Family Trust Corporation (hereinafter called the "Corporation" or "Trustee") its successors and assigns, as Trustee, of the Alabama Family Trust (hereinafter called the "AFT Trust"), to be held for the benefit of the Life Beneficiary pursuant to the following terms and conditions:

1. The name(s) of the Donor(s) is (are):

What is the source of the Trust assets? (e.g.: Gift, Estate or Legal Settlement, Proceeds from Sale of Property; **not Checking or Savings Account, IRA, etc.**)

Do the assets belong to the life beneficiary or the life beneficiary's spouse? { } Yes { } No Please check one.

The Donor(s) address is (are):

The Donor(s) phone number is (are):

The Donor's Social Security Number is:
(If more than one donor, complete both)

A. Name: _____
Social Security Number: _____

B. Name: _____
Social Security Number: _____

The Donor(s) relationship to the Beneficiary is (are):

(If the Donor is the same as the Beneficiary then please mark above with "SAME AS BENEFICIARY".)

C. The name of the Donor to whom earnings, gains and losses of the Life Beneficiary's Account are to be charged for income tax purposes if the Life Beneficiary's Account is **revocable** is:
_____ NOT APPLICABLE _____

D. In the event of an **irrevocable** trust, earnings, gains and losses of the Life Beneficiary's Account are to be charged for income tax purposes to the Life Beneficiary's Account in the AFT Trust.

2. A. The name of the **Life Beneficiary** is:

Whose address is:

Whose disability is :¹

Whose telephone number is: _____

Whose Social Security Number is _____

Whose date of birth is: _____

¹ At the time of trust establishment, the AFT requires a medical doctor's written statement regarding the beneficiary's disability. It can be mailed along with the completed agreements, or faxed to 205-944-3988.

B. The name of the Successor Life Beneficiary is:²

Whose address is: _____

Whose Phone Number is: _____

Whose Social Security Number is: _____

Whose date of birth is: _____

3. The contribution of the Donor consists of:

A. Cash in the amount of:

\$_____ [minimum of \$500 to create an account, which shall include the one-time establishment fee of \$400. This \$400 fee is non-refundable and is assessed upon signing off on the application by AFT upon receipt. Thus, technically the minimum is \$100 into the initial trust account.]³

B. Other property consisting of: _____

(Any non-cash contribution must be approved by the Trustee and is subject to immediate liquidation.)

4. A Quarterly disbursement will/will not [strike the inapplicable word or words] be paid to the Co-Trustee on behalf of the Life Beneficiary. If a Quarterly disbursement is to be issued, complete the following:

² By law, a Successor Life Beneficiary is defined as a legal sibling of the Life Beneficiary and who otherwise qualifies as a Life Beneficiary under the conditions set forth in AL Code Sections 38-9B-1 ~ 7.

³ If the amount contributed to establish the trust is less than \$40,000.00, then it will be placed into the Reserved Investment Account (RIA). Please call the AFT office at 800.711.1303 or 205-944-3987 for further information regarding the policies that govern this pooled account.

On a Quarterly basis, a check in the amount of \$ _____ shall be issued to (Co-Trustee name) _____ (to the degree that there are sufficient assets in the Life Beneficiary's Account), for the purpose of providing supplemental benefits to the above-named Life Beneficiary. In no event may the disbursements cause the Account balance to fall below \$100.

The Co-Trustee will annually receive a Quarterly Disbursement Request form in the month preceding the account establishment date to enable adjustment of the Quarterly amount requested based upon the most current needs of the Life Beneficiary. If, upon opening the Life Beneficiary Account, the Donor does not wish to establish a Quarterly disbursement, a Quarterly Disbursement Request form will be sent to the Co-Trustee upon request.

5. The Donor designates the following Co-Trustee(s) of the AFT Trust, whose name(s), address(es), telephone number(s), and social security number(s) is/are:

A. Name: _____ E-Mail: _____
Address: _____
Address: _____
Telephone#: _____ Fax#: _____
Social Security Number: _____

B. Name: _____
Address: _____
Telephone Number: _____
Social Security Number: _____

C. Name: _____
Address: _____
Telephone Number: _____
Social Security Number: _____

The above designated Co-Trustee(s) of the AFT Trust shall/shall not [strike the inapplicable word(s)] be compensated from the Trust fund for his/her/their [strike the inapplicable words] legitimate expenses as such. Such compensation shall be (circle selection):

- a. In an amount as determined as reasonable by the Trustee, or
- b. In the amount of \$_____ per year.

Donor agrees that any such compensation shall be paid in the sole discretion of the Trustee, taking into account the amount of income earned by the Account and other expenses charged to the Account.

6. If for any reason the above designated Co-Trustee(s) is (are) unwilling, unable or unqualified to serve as such at any time, then the Donor designates, in order of preference, the following successor Co-Trustee(s) of the AFT Trust, whose name(s), address(es), telephone number(s) and social security number(s) is/are:

A. Name: _____ E-Mail: _____
Address: _____
Address: _____
Telephone#: _____ Fax#: _____
Social Security Number: _____

B. Name: _____
Address: _____
Telephone Number: _____
Social Security Number: _____

C. Name: _____
Address: _____
Telephone Number: _____
Social Security Number: _____

The above designated Co-Trustee(s) of the AFT Trust shall/shall not [strike the inapplicable word(s)] be compensated from the Trust fund for his/her/their [strike the inapplicable words] legitimate expenses as such. Such compensation shall be (circle selection):

a. In an amount as determined as reasonable by the Trustee, or

b. In the amount of \$_____ per year.

Donor agrees that any such compensation shall be paid in the sole discretion of the Trustee, taking into account the amount of income earned by the Account and other expenses charged to the Account.

7. The Donor designates the following Trustee(s) of the Successor Trust, whose name(s), address(es), telephone number(s), and social security number(s) is/are:

A. Name: _____
Address: _____
Telephone Number: _____
Social Security Number: _____

B. Name: _____
Address: _____
Telephone Number: _____
Social Security Number: _____

C. Name: _____
Address: _____

Telephone Number: _____
Social Security Number: _____

The above designated Trustee(s) of the Successor Trust shall/shall not [strike the inapplicable word(s)] be compensated from the Successor Trust fund for his/her/their [strike the inapplicable words] legitimate expenses as such. Such compensation shall be (circle selection):

- a. In an amount as determined as reasonable by the Trustee, or
- b. In the amount of \$_____ per year.

8. If for any reason the above designated Trustee(s) of the Successor Trust is/are unwilling, unable or unqualified to serve as such, at any time, then the Donor designates the following Successor Trustee(s) of the Successor Trust, if any, whose name(s), address(es), telephone number(s), and social security number(s) is/are:

A. Name: _____ E-Mail: _____
Address: _____
Address: _____
Telephone#: _____ Fax#: _____
Social Security Number: _____

B. Name: _____
Address: _____
Telephone Number: _____
Social Security Number: _____

C. Name: _____
Address: _____
Telephone Number: _____
Social Security Number: _____

The above designated successor Trustee(s) of the Successor Trust shall/shall not [strike the inapplicable word(s)] be compensated from the Successor Trust fund for his/her/their [strike the inapplicable words] legitimate expenses as such. Such compensation shall be (circle selection):

a. In an amount as determined as reasonable by the Probate Court in the City of Birmingham, Jefferson County, Alabama, or

b. In the amount of \$_____ per year.

9. The duly appointed guardian(s)/conservator(s) for the Life Beneficiary and his/her/their name(s), address(es), telephone number(s), and social security number(s) is/are:

A. Name: _____

Address: _____

Telephone Number: _____

Social Security Number: _____

B. Name: _____

Address: _____

Telephone Number: _____

Social Security Number: _____

C. The Court who appointed the guardian(s)/conservator(s) is:

Whose address is:

The case number is : _____

10. Upon the death of the Life Beneficiary, the “applicable portion”⁴ of the current fair market value of the Life Beneficiary’s Account, as determined on the date of death, not to exceed the contribution for the Life Beneficiary, as permitted by this Agreement and Sections 38-9B-1 through 38-9B-7 of the Code of Alabama, 1975, shall be distributed to the following designated person(s), and in the percentages indicated:

Name	Current Address	Date of Birth	Social Security #	Day Phone	%

*** In completing the above beneficiary section, it is not permissible that the beneficiary designation be to “the estate” or to “the heirs” of the primary beneficiary. It is permissible that the beneficiary designation be to “the children, or issue, or descendants” of the primary beneficiary and it is also permissible that a specific person or entity be designated as beneficiary.**

11. It is recommended that the Donor receive professional advice, with regard to the AFT Trust and this Agreement, and if such advice was sought, it was received from:

Name: _____ E-Mail: _____

Address: _____

Telephone#: _____ Fax#: _____

⁴ “Applicable Portion” is defined as those monies remaining in the account after the Charitable Trust has retained 10% for the purpose of assisting indigent disabled individuals with no association whatsoever with this special needs trust and Medicaid reimbursement, if relevant, as defined in Section 13 of this Agreement has occurred.

12. Donor May Revoke. Unless otherwise elected to be irrevocable, so long as the Donor or his or her spouse is not the Life Beneficiary, then the Donor, from time to time, during his or her lifetime, may revoke, in whole or in part, any gift made hereunder; provided, however, the Donor first shall have given reasonable notice to the Trustee in accordance with the then rules and regulations of the Trustee, of the amount to be returned to the Donor upon revocation; and, provided further however, except in the case of a revocation in whole, the amount remaining in the Life Beneficiary's Account, after any such partial revocation, shall not be less than the then minimum contribution required to open an Account for a Life Beneficiary. Every notice of revocation must be signed by all contributors to an Account. If the Donor has died or becomes incapacitated, the Co-Trustee shall have the right to transfer the funds to a Successor Trust pursuant to Section 5 of the Addendum and Section 38-9B-5(c)(6) of the Code of Alabama, 1975. If at the time the Donor revokes, by written notice, his or her gift to the AFT Trust, and the Life Beneficiary has not received any benefits provided by use of AFT Trust income or principal, then an amount equal to the current fair market value of the Life Beneficiary's Account, as determined on the date of distribution, shall be returned to the Donor. If at the time the Donor revokes his or her gift to the AFT Trust and the Life Beneficiary has received any benefits provided by the use of trust income or principal, then an amount equal to 95% of the current fair market value of the Life Beneficiary's Account, as determined on the date of distribution, shall be returned to the Donor. The remaining balance of the Life Beneficiary's Account shall be distributed to the AFT Charitable Trust.

*****If the Donor and the Life Beneficiary are one and the same or share a spousal relationship, and the Donor/Beneficiary is a Medicaid recipient, then the trust must be established as irrevocable.*****

**THE DONOR ELECTS THAT THE CONTRIBUTIONS
TO THE AFT TRUST FOR THE ACCOUNT
ESTABLISHED HEREUNDER FOR THE BENEFIT OF
THE LIFE BENEFICIARY BE
REVOCABLE/IRREVOCABLE [STRIKE ONE]. _____
(DONOR'S INITIALS)**

(Donor's
Initials)

THE UNDERSIGNED, BY HIS/HER/THEIR INITIALS IN THE MARGIN HEREOF, HEREBY ACKNOWLEDGES THAT HE/SHE/THEY HAS/HAVE READ AND UNDERSTAND THE ATTACHED PROVISIONS OF THE ALABAMA FAMILY TRUST INCLUDING THE ADDENDUM TO THIS DOCUMENT, ATTACHED HERETO AND MADE A PART OF THIS AGREEMENT. THE UNDERSIGNED FURTHER ACKNOWLEDGE(S) THAT THIS AGREEMENT CONTAINS A **BINDING ARBITRATION PROVISION** WHICH MAY BE ENFORCED BY THE PARTIES.

- 13. Medicaid Reimbursement.** If the Donor and the Life Beneficiary are one and the same, and this person is a Medicaid recipient, then a medical assistance assessment will be taken at the end of the active life of the trust to accurately determine monies disbursed during the Beneficiary's life, and an affidavit will be filed on behalf of Alabama Medicaid with the AFT Director for estate recovery to ensue. This process will occur **prior** to the enactment of Section 10 of this Agreement. Alabama Medicaid will accept the lower of the two; the fair market value, or balance, of the trust at the time of its closing, or the amount spent by Medicaid for the life beneficiary's medical assistance.

This Agreement is executed by the Donor, intending to be bound by the terms hereof, and the Alabama Family Trust Corporation as the Trustee of the Alabama Family Trust, acting through an authorized agent, has signed this Agreement, hereby accepting this trust, this _____ day of _____, 20_____.

Donor(s):

1. Name: _____

2. Name: _____

Print Name: _____

Print Name: _____

WITNESSES:

1. Name: _____

2. Name: _____

Print Name: _____

Print Name: _____

Address: _____

Address: _____

Date: _____

Date: _____

**ALABAMA FAMILY TRUST CORPORATION
TRUSTEE:**

By: _____

Print Name: _____

Title: _____

Date: _____