FAMILY TRUST AGREEMENT

This Trust Agreement is made between Norman and Donnamae , herein in context referred to as "Grantors", and also herein in context referred to as "Trustees".

ARTICLE 1: FAMILY

The Grantors are married. The Grantors have an adult child, Denis and an adult grandchild, Melanie Except as Except as provided herein, I make no provision in this Trust for any of my children who survive me, whether or not named in this Will or hereafter born to or adopted by me, nor for the descendants of any child who does not survive me.

ARTICLE 2: TRUST ESTATE & COMMUNITY PROPERTY AGREEMENT

- 2.1 <u>Trust Property</u>. The Trustees acknowledge receipt in trust from Grantors of the transfer and delivery of all non-titled tangible personal property owned by the Grantors. This property, together with any other property subsequently transferred to and accepted by the Trustees, for the purposes of this Trust, shall constitute the "Trust Estate" and shall be administered by the Trustees as provided in this Trust Agreement. This Trust shall be known as the "Trust" (the "Trust").
- 2.2 <u>Creation of Community Property</u>. Pursuant to the provisions of RCW 26.16.120, providing for agreements between spouses for the fixing of the status of community property the Grantors hereby agree that all property owned by the Grantors, and wheresover situated, now owned, or hereafter acquired by them or either of them shall be considered, and is hereby declared to

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be community property under the Laws of the State of Washington. This provision shall apply to all property owned by the Grantors, whether included as a part of this Trust or not. All prior Community Property Agreements are hereby revoked.

ARTICLE 3: REVOCATION; WITHDRAWAL OF ASSETS; MODIFICATION

- 3.1 Power to Revoke or Modify. The Grantors reserve the right at all times to completely or partially revoke or modify this Trust Agreement, including the right to withdraw assets and change beneficiaries, their shares and the plan of distribution as to each such beneficiary. Any such revocation, withdrawal of assets or modification shall be valid and fully accomplished whenever the Trustees shall receive from a Grantor written notice thereof. This provision shall apply both during the lives of both Grantors and after the death of the first Grantor.
- 3.2 General Power of Appointment. The Grantors hereby reserve to themselves a general inter vivos and/or testamentary power of appointment, to appoint among anyone, including, but not limited to such Grantors or such Grantors' estates by written inter vivos instrument or by their last Will, any and all of the assets of the Trust Estate over which Grantors have retained a power to revoke or withdraw. Such general power of appointment shall be exercised by specific reference in the Grantors' last Will or in the inter vivos written instrument to this Trust Agreement and express exercise therein of this general power of appointment. In the absence of an effective exercise of this general power of appointment by such Grantors, the assets of the Trust Estate subject to such general power of appointment shall be held, administered and distributed as otherwise provided herein. This provision shall apply both during the lives of both Grantors and after the death of the first Grantor.



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ARTICLE 4: TRUST PROVISIONS, BENEFICIARIES AND DISTRIBUTIONS

- 4.1 Purpose of Trust. The purpose of the Trust shall be to provide for the reasonable health, support and maintenance of the Grantors while both Grantors are living and after the death of the first Grantor. The Trustees shall distribute all income of the Revocable Trust to Grantors, not less frequently than annually and preferably monthly. The Trustees may make such distributions out of the principal of the Trust Estate as the Trustees shall from time to time deem advisable to accomplish the purposes provided by this Paragraph 4.1.
- **4.2** <u>Death of First Grantor</u>. Upon the death of the first Grantor, the Trustees shall hold and administer the Trust Estate as set forth in Paragraph 4.1 for the surviving Grantor.
- 4.3 Qualification of Trust for the Marital Deduction. If the granting of any right, power, privilege, authority or immunity to the Trustees, or any other person, or the imposition of any duty upon the Trustees, or any other person, by any provision of this Trust Agreement would disqualify any share or interest of a beneficiary hereunder from qualifying for the marital deduction provided by Section 2056 of the Internal Revenue Code, as amended, such provision shall be ineffective if and to the extent that such provision, if effective, would so disqualify such share or interest from such deduction. It is also my intention that any property passing under this Trust outright to the surviving Grantor qualify for such marital deduction, and in that respect the provisions of RCW Chapter 11.108 and other applicable law shall apply, and any provision of this Trust Agreement which would otherwise disqualify property so passing from such marital deduction shall be subordinate to this intent. These provisions shall apply to my probate estate, my personal representatives, the Trustees under this Trust Agreement, and all beneficiaries.
 - 4.4 Conduit Trust for Qualified Plans, IRA's, Etc. In the event any Trust created in



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this Trust Agreement is named (including naming the trustee), as beneficiary of any 401k, 403(b), IRA, or any other similar qualified retirement plan (hereinafter "plan"), then the trustee shall comply with the requirements of the Internal Revenue Code for the trust to qualify as a beneficiary of the plan and to receive the plan benefits over the beneficiary(ies)' life expectancy. It is intended that the trust is valid under state law, is irrevocable upon my (the participant) death, and the beneficiaries are individuals and are identifiable. The trustee shall deliver the required documentation to the plan administrator or IRA custodian, in a timely basis.

The trustee shall withdraw the minimum required distributions from the plan, and has the discretionary authority to withdraw additional amounts from the plan. The trustee, notwithstanding any discretionary power or other distribution requirement contained in a trust with regard to making distributions of income shall distribute, contemporaneously with the withdrawal from a plan, the amounts so withdrawn to the income beneficiaries, in proportion to their interests in the trust estate. The trustee does not have the power to hold and retain inside the trust any plan distributions made during the lifetime of the beneficiary(ies) or of the oldest beneficiary. It is the intent that the trust(s) qualify as minimum required distribution conduit trusts.

The special trustee is authorized to amend a trust, if necessary, to qualify the trust as a minimum required distribution conduit trust.

4.5 <u>Distribution of Tangible Personal Property</u>. Upon the death of the surviving Grantor, then the Trustees shall distribute all of tangible personal property pursuant to this paragraph. If the Grantor(s) have drafted a separate document, which disposes of certain tangible personal property, then that writing shall control the disposition of the tangible personal property contained therein.

Any such writing shall be drafted pursuant to the terms of RCW 11.12.260, as amended. However,

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any reference in that statute to the Grantor's(s') Will(s) shall also be interpreted to include this Trust Agreement.

- 4.6 <u>Distribution of Remaining Trust Estate</u>. Upono the death of the surviving Grantor the remaining Trust Estate shall be shall be distributed to our son, Denis ______. If he has predeceased the distribution date, then the such remaining Trust Estate shall be distributed to our granddaughter, Melanie ______. Provided, however, that no distribution shall be made of the remaining Trust Estate prior to July 1, 2010.
- 4.7 Spendthrift Trust Provision. No share or interest of any beneficiary shall vest in the beneficiary until actually paid or delivered to him or her by the Trustees. No share or interest of a beneficiary shall be liable for his or her debts, or be subject to the process or seizure of any court, or be an asset in a bankruptcy of any beneficiary. No beneficiary hereunder shall have power to anticipate, alienate or encumber his or her interest in the Trust Estate or in the income therefrom. If by reason of any bankruptcy, judgment or any other cause, any income or principal would, except for this provision, vest in or be enjoyed by any person other than the beneficiary intended by the terms of this Trust Agreement, then such principal or income shall not be distributed, but shall be withheld by the Trustees during the life of the beneficiary or any shorter period or periods in the absolute discretion of the Trustees.

4.8 Gifts by Agent to Effectuate Estate Plan.

A. Gifts in the Event of Disability. In the event either or both Grantors shall become disabled, then during such period of such disability the Trustees may make distributions from the Trust Estate to the Grantors, or after the death of the first Grantor the Trustees may make distributions from the Surviving Grantor's Trust to the Surviving Grantor, in care of the Grantors' attorney-in-fact under any durable general power of attorney which authorizes the attorney-in-fact to make gifts from the Grantors' estates, if any, or to the Grantors' court appointed estate guardian.

Hereinafter such attorney-in-fact or estate guardian

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shall collectively be referred to as "Agent." Such a distribution shall only be made if requested by the Agent, and no such distribution shall be made at the Trustee's instigation. From such amounts distributed by the Trustee to Agent, Agent may, but need not, make gifts to the Grantor's lineal ancestors, lineal descendants or spouses of such ancestors or descendants.

- **B.** Same Powers as Guardian. Such gifts may be made by Agent pursuant to the provisions of RCW 11.92.140 (which is incorporated herein by this reference as if fully set forth), as amended, as if the Agent had all of the rights, powers, privileges and immunities of a guardian of the Grantor; provided, however, Agent shall not be required to seek court approval of any action pursuant to Paragraph 4.8 of this Trust Agreement, nor shall Agent be required to petition the court or give notice to any person as would a guardian otherwise be required.
- C. <u>Minors</u>. Any gifts under Paragraph 4.8 of this Trust Agreement by an Agent made to a donee who is under the age of 21 years, hereunder may be made, at Agent's sole and absolute discretion, to a Custodian under the Washington Uniform Gifts to Minors Act pursuant to RCW 11.98.020, as amended.
- D. Medicaid. Solely at the Agent's request Trustees shall make transfers to Agent, which Agent may in turn transfer to Grantors' aforementioned family members pursuant to RCW 11.94.050, as amended, which would not be prohibited by applicable law or regulation, including RCW Chapter 74.09 and applicable rules and regulations thereunder, as amended, for the purposes of qualifying the Grantor for medical or other assistance such as Medicaid, Community Options Program Entry System Project, the limited casualty program for the medically needy or other similar public or private assistance programs. This paragraph shall not be construed to prohibit transfers which would cause there to be a waiting period or disqualification, if in the Agent's judgment, incurring the waiting period or disqualification is in the long run best interest of the Grantors and the Grantors' Trust. This paragraph is subject to the other distribution limitations set forth previously in Paragraph 4.8 of this Trust Agreement.
 - E. Limitation of Liability. In exercising such powers under Paragraph 4.8 of this



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Trust Agreement, the Trustees and/or Agent shall be relieved and discharged of any and all liability to any person, provided that the Trustees or Agent, is not guilty of intentional misconduct or gross negligence in the exercise of such powers.

F. No Direct Transfers. Any distribution or transfer made pursuant to Paragraph 4.8 of this Trust Agreement shall be made to Agent, and not directly to the donee or transferee. Agent may then retransfer the property to the donee or transferee. The Trustees shall make no such distribution unless first requested by the Agent.

ARTICLE 5: POWERS AND DUTIES OF TRUSTEE

- 5.1 General Powers. The Trustees shall have those powers, duties and limitations provided for in the Washington Trust Act, RCW Chapter 11.98, as amended, and the investments of the Trustees shall be governed by the provisions of RCW Chapter 11.100, as amended. The Trustees shall have full power, authority and discretion to hold and retain in the same form as received any and all property transferred to the Trustees for administration, even though such property may not be of a nature or character authorized under the laws of the State of Washington. Neither the Trustees nor any Trust shall be subject to the provisions of the Washington Principal and Income Act, RCW Chapter 11.104, as amended, to the extent the Trustees, in the Trustees' discretion, deem deviation necessary in order to carry out the purpose of any Trust or to equitably administer it.
- **5.2.** Waiver of Bond. Any trustee named in this Trust Agreement shall not be required to post a bond.
- **5.3** Administration of Residential Property. The Trustees may retain or purchase any residential property and maintain it at the expense of the Trust Estate (including payment of taxes and assessments) so long as the Trustees deems it practicable to do so in furtherance of Trust

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purposes.

Grantor's Trust. In carrying out the division of the Trust Estate upon the death of the first Grantor, the Trustees are authorized to exercise all powers granted to the personal representative at law or in equity, including, but not limited to, the powers granted by RCW 11.68.090 and RCW 11.98.070(15) to make an approximately equal division of the community property and to make a non-prorata distribution of such property. Any division or non-prorata distribution of community property in the Trust Estate shall be made in a manner not to disqualify the Surviving Grantor's

estate from claiming the marital deduction, generation-skipping tax exclusion, and is intended to

qualify assets for purposes of making qualified disclaimers.

5.4 Non-Pro Rata Distribution to Surviving Grantor's Trust and to Deceased

- 5.5 Annual Accountings. The Trustees are relieved of duties established by statute with respect to trust accounting, provided that the Trustees shall submit to the beneficiaries at least annually, statements showing the true condition of the Trust Estate. For this purpose, during the life of the Grantors, the Grantors shall be deemed to be the only beneficiaries of the Trust.
- 5.6 Taxes. All estate, inheritance, and other death taxes imposed by reason of a Grantor's death on property included in such Grantor's gross estate for federal estate tax purposes shall be paid and discharged from the Trust Estate. The Trustees shall allocate all generation skipping taxes to the property constituting a generation skipping transfer of property. The Trustees are authorized to exercise all tax elections (including generation skipping tax elections) available under federal, state or foreign laws in accordance with what the Trustees believe to be in the best interest of the Trust and its beneficiaries. The Grantors relieve the Trustees of any duty to make adjustment to the shares of interests of any person who may be adversely affected by all such elections.



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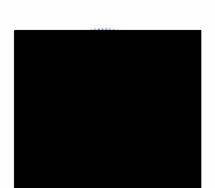
5.7 Appointment of Successor Trustee. If at any time both Grantor-Trustees should decline, fail, die, become disabled, incapacitated, resign or for any reason is unable to act as Trustees, then the Grantors' son, Denis shall act as a co-Successor Trustee of this Trust. If he is unable or unwilling to act as co-Successor Trustee of this Trust at any time, then the Grantors' granddaughter, Melanie , shall act as a co-Successor Trustee of this Trust. A Trustee may resign without approval of the court upon providing an accounting of Trust assets in a manner satisfactory to the successor Trustee as indicated by the written acceptance of trust assets and approval of such accounting by the successor Trustee. Appointment of a successor Trustee as provided herein shall not require court approval. 5.8 Law Governing and Situs. The laws of the State of Washington shall govern the provisions of this Trust Agreement. The situs of any Trust established hereunder shall be the State of Washington. Executed by Grantors and by the Trustees on the 6 day of Au 6, 2009. Jonnamae Donnamae Grantor-Trustee STATE OF WASHINGTON) : SS. County of On this day of AVCOV, 2009, before me, the undersigned, a Notary Public, personally appeared Norman and Donnamae , known to me to be the persons described in and who executed the within Trust Agreement as Grantors and Trustees, and acknowledged that they executed the same as their free and voluntary act and deed for the uses and purposes therein mentioned and as the free and voluntary act and deed of the Trust for the uses and ATTORNEYS AT LAW

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purposes therein mentioned.

Witness my hand and official seal the day and year first written above.





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