



Commonwealth Trust Company

“an independent Trust Company”

We would like to make sure that you are aware of the following:

1. **Real Property.** Commonwealth Trust Company will not serve as Trustee of a trust that owns any real property. However, we can serve as Trustee of a trust that owns an interest in an entity (e.g., a limited liability company) that owns real property.
2. **Closely Held Entities.** If the trust will acquire (by purchase, gift or otherwise) an interest in a closely held entity:
 - a. If the entity is a limited liability company or a partnership, we require a copy of the LLC Operating Agreement or the Partnership Agreement and any amendments thereto.
 - b. If the entity is a corporation, we require a copy of (i) the formation document (Articles of Incorporation or equivalent) and any amendments thereto and (ii) any Shareholders' Agreement (including any buy-sell agreement) and any amendments thereto.
3. **Asset Protection Trusts.** If the trust is an asset protection trust (generally, any trust where the contributor is a current or future beneficiary except for a revocable trust), we perform enhanced due diligence.
 - a. We may limit the amount of property we will accept as contributions to the trust. In general, we will not accept assets valued at more than one-third of the proposed contributor's net worth (certain assets, such as retirement plans and tenancy-by-the-entireties property, are excluded from the calculations).
 - b. We require a copy of a solvency letter from each person who would like to contribute assets to the trust, as well as a statement of such person's assets and liabilities.
 - i. The copy of the solvency letter must be dated, signed, and notarized and must be addressed to the attorney of the proposed contributor. The date of the solvency letter must be no more than 30 days prior to the date we execute the trust agreement.
 - ii. The statement of assets and liabilities must (1) be dated no more than six months prior to the date we execute the trust agreement; (2) clearly indicate how assets are owned if they are not owned solely by the proposed contributor (e.g., as tenants by the entireties); and (3) clearly indicate whether liabilities are individual or joint liabilities.
4. **Additional Requirements.** Additional requirements are set forth in our Client Packet. One of our Trust Administrators will send you our Client Packet if you do not already have it. We also require that certain provisions be included in the governing instrument of the trust. We will provide those provisions upon request.