

Declaration of Trust

Part 1. Trust Name

This revocable living trust shall be known as the John Doe and Mary Doe Special Items Revocable Living Trust.

Part 2. Declaration of Trust

John Doe and Mary Doe, called the grantors, declare that they have transferred and delivered to the trustees all their interest in the property described in Schedules A, B and C attached to this Declaration of Trust. All of that property is called the "trust property." The trustees hereby acknowledge receipt of the trust property and agree to hold the trust property in trust, according to this Declaration of Trust.

Either grantor may add property to the trust.

Part 3. Terminology

The term "this Declaration of Trust" includes any provisions added by valid amendment.

Part 4. Character of Trust Property

While both grantors are alive, property held in this trust shall retain its original character as community or separate property, as the case may be.

If the trust is revoked, the trustee shall distribute the trust property listed on Schedule A to the grantors as their community property. The trust property listed in Schedule B shall be distributed to Mary Doe as her separate property, and the trust property listed in Schedule C shall be distributed to John Doe as his

separate property.

Part 5. Amendment and Revocation

A. Revocation by Grantor

Either grantor may revoke this trust at any time, without notifying any beneficiary. Revocation may be made in writing or any manner allowed by law.

B. Amendment by Grantors

While both grantors are alive, this Declaration of Trust may be amended only by both of them acting together. All amendments must be in writing and signed by both grantors.

C. Amendment or Revocation by Other Person

The power to revoke or amend this trust is personal to the grantors. A conservator, guardian or other person shall not exercise it on behalf of either grantor, unless a grantor specifically grants a power to revoke or amend this trust in a Durable Power of Attorney.

Part 6. Payment from Trust During Grantors' Lifetimes

The trustees shall pay to or use for the benefit of the grantors as much of the net income and principal of the trust property as the grantors request. Income shall be paid to the grantors at least annually. Income accruing in or paid to trust accounts shall be deemed to have been paid to the grantors.

Part 7. Trustees

A. Original Trustees

John Doe and Mary Doe are the trustees of this trust. Either alone may act for or represent the trust in any transaction.

B. Trustee at Death of Original Trustee

Upon the death of John Doe or Mary Doe, the surviving trustee shall serve as sole trustee.

C. Trustee's Responsibilities

The trustee in office shall serve as trustee of all trusts created under this Declaration of Trust, including children's subtrusts.

D. Terminology

In this Declaration of Trust, the term "trustee" includes successor trustees or alternate successor trustees serving as trustee of this trust. The singular "trustee" also includes the plural.

E. Successor Trustee

Upon the death or incapacity of the surviving spouse, or the incapacity of both spouses, Suzy Successor shall serve as trustee. If Suzy Successor is unable or unwilling to serve as successor trustee, Sharon Doe shall serve as trustee.

F. Resignation of Trustee

Any trustee in office may resign at any time by signing a notice of resignation. The resignation shall be delivered to the person or institution who is either named in this Declaration of Trust, or appointed by the trustee under Section G of this Part, to next serve as the trustee.

G. Power to Appoint Successor Trustee

If no one named in this Declaration of Trust as a successor trustee or alternate successor trustee is willing or able to serve as trustee, the last acting trustee may appoint a successor trustee and may require the posting of a reasonable bond, to be paid for from the trust property. The appointment must be made in writing, signed by the trustee and notarized.

H. Bond

No bond shall be required for any trustee named in this Declaration of Trust.

I. Compensation

No trustee shall receive any compensation for serving as trustee, unless the trustee serves as a trustee of a child's subtrust created by this Declaration of Trust.

J. Liability of Trustee

With respect to the exercise or non-exercise of discretionary powers granted by this Declaration of Trust, the trustee shall not be liable for actions taken in good faith. Such actions shall be binding on all persons interested in the trust property.

Part 8. Trustee's Management Powers and Duties

A. Powers Under State Law

The trustee shall have all authority and powers allowed or conferred on a trustee under Arizona law, subject to the trustee's fiduciary duty to the grantors and the beneficiaries.

B. Specified Powers

The trustee's powers include, but are not limited to:

1. The power to sell trust property, and to borrow money and to encumber trust property, including trust real estate, by mortgage, deed of trust or other method.
2. The power to manage trust real estate as if the trustee were the absolute owner of it, including the power to lease (even if the lease term may extend beyond the period of any trust) or grant options to lease the property, to

make repairs or alterations and to insure against loss.

3. The power to sell or grant options for the sale or exchange of any trust property, including stocks, bonds, debentures and any other form of security or security account, at public or private sale for cash or on credit.

4. The power to invest trust property in every kind of property and every kind of investment, including but not limited to bonds, debentures, notes, mortgages, stock options, futures and stocks, and including buying on margin.

5. The power to receive additional property from any source and add it to any trust created by this Declaration of Trust.

6. The power to employ and pay reasonable fees to accountants, lawyers or investment experts for information or advice relating to the trust.

7. The power to deposit and hold trust funds in both interest-bearing and non-interest bearing accounts.

8. The power to deposit funds in bank or other accounts, whether or not they are insured by the FDIC.

9. The power to enter into electronic fund transfers or safe deposit arrangements with financial institutions.

10. The power to continue any business of either grantor.

11. The power to institute or defend legal actions concerning this trust or the grantors' affairs.

12. The power to execute any documents necessary to administer any trust created by this Declaration of Trust.

13. The power to diversify investments, including authority to decide that some or all of the trust property need not produce income.

Part 9. Incapacity of Grantors

If either John Doe or Mary Doe becomes physically or mentally incapacitated, whether or not a court has declared the grantor incompetent or in need of a conservator or guardian, the other spouse shall be sole trustee until the incapacitated grantor is again able to manage his or her affairs.

The determination of a grantor's capacity to manage this trust shall be made by those of the people listed here who are reasonably available when the other grantor or successor trustee requests their opinion. These people are: Mike Doe, Kim Doe and Jack Doe. If a majority of them state, in writing, that in their opinion a grantor is no longer reasonably capable of serving as trustee, that grantor shall be considered incapacitated for the purposes of this Part.

If both grantors become incapacitated, the successor trustee named in Part 7 of this Declaration of Trust shall serve as trustee until at least one grantor is again able to manage his or her affairs. The determination of a grantor's capacity to again manage this trust shall be made in the manner specified above.

The trustee shall manage the trust property and use any amount of trust income or trust principal necessary for the proper health care, support, maintenance, comfort and welfare of both grantors, in accordance with their accustomed manner of living. Income shall be paid to the grantors at least annually. Income accruing in or paid to trust accounts shall be deemed to have been paid to the grantors.

Part 10. Death of a Grantor

The first grantor to die shall be called the "deceased spouse." The other grantor

shall be called the "surviving spouse."

Upon the deceased spouse's death, the trustee shall divide the property of the John Doe and Mary Doe Special Items Revocable Living Trust listed on Schedules A, B and C into two separate trusts, Trust #1 and Trust #2. The trustee shall serve as trustee of Trust #1 and Trust #2.

Trust #1 shall contain all the property of the John Doe and Mary Doe Special Items Revocable Living Trust owned by the deceased spouse before it was held in trust, plus accumulated income, except trust property left by the terms of this trust to the surviving spouse. Trust #1 shall become irrevocable at the death of the deceased spouse. The trustee shall distribute the property in Trust #1 to the beneficiaries named in Part 11 of this Declaration of Trust.

Trust #2 shall contain all the property of the John Doe and Mary Doe Special Items Revocable Living Trust owned by the surviving spouse before it was held in trust, plus accumulated income, and any trust property left by the deceased spouse to the surviving spouse. It shall remain revocable until the death of the surviving spouse.

The trustee may pay out of trust property such amounts as necessary for payment of debts, estate taxes and expenses of the last illness and funeral of the deceased or surviving spouse.

Part 11. Beneficiaries

A. Husband's Beneficiaries

At the death of John Doe, the trustee shall distribute the trust property listed on Schedule C, plus accumulated interest; the share of the property on Schedule A owned by John Doe before it was transferred to the trustee, plus accumulated interest; and if John Doe is the second spouse to die, any property listed on Schedule B left to him by the deceased spouse, plus

accumulated interest; as follows:

1. Xavier Doe shall be given John Doe's interest in One United States dollar. If Xavier Doe does not survive John Doe, that property shall be given to Tom Doe.
2. Dave Doe shall be given John Doe's interest in the trust property not otherwise specifically and validly disposed of by this Part. If Dave Doe does not survive John Doe, that property shall be given to Robert Doe.

B. Wife's Beneficiaries

At the death of Mary Doe, the trustee shall distribute the trust property listed on Schedule B, plus accumulated interest; the share of the property on Schedule A owned by Mary Doe before it was transferred to the trustee, plus accumulated interest; and if Mary Doe is the second spouse to die, any property listed on Schedule C left to her by the deceased spouse, plus accumulated interest; as follows:

1. Melanie Doe shall be given Mary Doe's interest in One United States dollar. If Melanie Doe does not survive Mary Doe, that property shall be given to Adam Doe.
2. Donna Doe shall be given Mary Doe's interest in the trust property not otherwise specifically and validly disposed of by this Part. If Donna Doe does not survive Mary Doe, that property shall be given to Tammy Doe.

C. Property Left to the Surviving Spouse

Any trust property left by the deceased spouse to the surviving spouse shall remain in the surviving spouse's revocable trust, Trust #2.

D. Terms of Property Distribution

All distributions are subject to any provision in this Declaration of Trust that creates a child's subtrust or a custodianship under the Uniform Transfers to Minors Act.

A beneficiary must survive the grantor for 120 hours to receive property under this Declaration of Trust. As used in this Declaration of Trust, to survive means to be alive or in existence as an organization.

All personal and real property left through this trust shall pass subject to any encumbrances or liens placed on the property as security for the repayment of a loan or debt.

If property is left to two or more beneficiaries to share, they shall share it equally unless this Declaration of Trust provides otherwise. If any of them does not survive the grantor, the others shall take that beneficiary's share, to share equally, unless this Declaration of Trust provides otherwise.

Part 12. Homestead Rights

If the grantors' principal residence is held in this trust, the grantors have the right to possess and occupy it for life, rent-free and without charge, except for taxes, insurance, maintenance and related costs and expenses. This right is intended to give the grantors a beneficial interest in the property and to ensure that the grantors, or either of them, do not lose eligibility for a state homestead tax exemption for which either grantor otherwise qualifies.

Part 13. Severability of Clauses

If any provision of this Declaration of Trust is ruled unenforceable, the remaining provisions shall stay in effect.

Certification of Grantors

We certify that we have read this Declaration of Trust and that it correctly states the terms and conditions under which the trust property is to be held, managed and disposed of by the trustees, and we approve the Declaration of Trust.

_____ Dated: _____

John Doe, Grantor and Trustee

_____ Dated: _____

Mary Doe, Grantor and Trustee

CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC

State of Arizona)

) ss.

County of _____)

On _____, _____ before me,

_____, a notary public for said state, personally appeared

John Doe and Mary Doe, personally known to me (or proved on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public for the State of Arizona

[NOTARIAL SEAL]

My commission expires: _____

SCHEDULE A

SHARED PROPERTY PLACED IN TRUST

1. One United States dollar.

SCHEDULE B

WIFE'S SEPARATE PROPERTY PLACED IN TRUST

No schedule property.

SCHEDULE C

HUSBAND'S SEPARATE PROPERTY PLACED IN TRUST

No schedule property.

Assignment of Property

We, John Doe and Mary Doe, as grantors of the John Doe and Mary Doe Special Items Revocable Living Trust, dated _____, _____, hereby assign and transfer all of our rights, title and interest in the following property:

1. One United States dollar.

to John Doe and Mary Doe, as trustees of the John Doe and Mary Doe Special Items Revocable Living Trust, dated _____, _____.

Executed at _____, _____, on
_____, _____.

John Doe, Grantor and Trustee

Mary Doe, Grantor and Trustee

INSTRUCTIONS: Letter to the Successor Trustee

Accompanying these instructions is a document called "Letter to the Successor Trustee," which outlines the tasks your successor trustee will be asked to handle. You may use this document in a couple of ways. You may show it to your proposed choice for successor trustee so that he or she will have an idea of what is involved. You may also want to attach it to your trust document, for your successor trustee to read when it comes time to deal with your trust.

Please understand that using this document is strictly up to you. It in no way will affect the validity of your trust or what you hope to accomplish with it.

Letter to the Successor Trustee

You have been nominated to serve as successor trustee for John Doe and Mary Doe, the grantors, to be in charge of carrying out the plan expressed in their revocable living trust. To perform this role well, you do not need special financial or legal knowledge. Common sense, conscientiousness and honesty are the main requirements.

Your Duties

While the grantors are alive and well, they serve as the trustees of their trust. You won't have any responsibilities until both of them have died or can no longer manage their affairs.

Your Duties If a Spouse Becomes Incapacitated

If one spouse becomes unable to manage his or her affairs—for example, because of illness or hospitalization—the other will serve as sole trustee. But if one spouse has died, and the survivor becomes incapacitated (or if both spouses become incapacitated), you'll have to step in as trustee. Before you can assume authority, you must ask the three people named in Part 9 of the trust document to give you, in writing, their opinion of whether or not the grantor is capable of managing the trust. (If you make reasonable efforts to contact all of them, but one or more isn't available, you may rely on the opinions of the ones you can reach.) If a majority of them (or if you can reach only one of them, that person) think the grantor can no longer manage the trust, you are authorized to begin serving as trustee.

The people should sign a single document recording their decision about the grantor's capacity, so you have some documentation that shows your authority

to act on behalf of the trust. There is no standard form for this document, but you'll want them to sign something along these lines:

"Each of the signers below has determined that John Doe, surviving grantor of the John Doe and Mary Doe Special Items Revocable Living Trust dated June 5, 2007, has become incapacitated and is no longer reasonably able to manage trust matters. Each signer's determination was made on the basis of his or her knowledge of the grantor's circumstances and condition. Under the terms of the trust document, this determination allows the successor trustee named in that document to serve as trustee."

In this situation, you have broad authority to manage the property in the living trust and use it for the spouses' health care, support and welfare. The law requires you to act honestly and prudently and in the grantors' best interests. And because the spouses are no longer the trustees, you must file an annual income tax return for the trust. If you need professional help—from an accountant, lawyer or tax preparer, perhaps—you can pay for it out of trust assets.

Your Duties After Both Spouses' Deaths

After the second spouse has died, you will take over as trustee. Your primary responsibility is to distribute trust property to the beneficiaries named in the trust document. That is usually a straightforward process that can be completed in a few weeks. For example, you might need to prepare, sign and file a deed, transferring trust real estate to its new owner.

Your Duties If You Must Manage a Child's Subtrust

The trust document may direct that if any of the trust beneficiaries are under 35 when they become entitled to inherit, a separate child's subtrust be created for each young beneficiary. Your job would be to manage the trust property,

and use it for the beneficiary's health and welfare. The subtrust will end when the beneficiary reaches the age set out in the trust document.

Your Duties If There Is No Executor

If the deceased person didn't leave a will appointing an executor, or no one has taken on the responsibility of distributing the person's non-trust property, that job will fall to you. You'll also need to make sure that debts are paid (from the deceased person's assets) and that final tax returns are filed.

Payment

You are not entitled to payment for serving as successor trustee unless you manage the property in a child's subtrust. In that case, you are entitled, under the terms of the trust document, to "reasonable compensation." You decide what is reasonable and take it from the trust property left to the young beneficiary. A beneficiary who feels that the fees are much too high can go to court to challenge them.

If You Cannot Serve, or Choose Not To

Being named as a successor trustee does not obligate you to serve. When it comes time, you can choose whether to accept this responsibility. And even if you do agree to serve as successor trustee, you can resign at any time.

If you do not serve, for whatever reason, the person named as alternate in the trust document will become trustee. If no one named in the trust document can serve, the last trustee to serve can appoint another successor trustee.

If There Is More Than One Successor Trustee

All cotrustees must agree before any of you can act on behalf of the trust. If one of you cannot serve, the others will serve. If none of you can serve, the alternate will take over.

Getting Help

Many successor trustees handle the paperwork themselves with little difficulty. But you may want some expert help, at least once in a while.

Self-Help Resources

Quicken WillMaker Plus 2007 (Nolo). The Legal Manual that comes with the software will help you understand how living trusts work. And it contains several chapters that can help you through your duties, including Chapter 21, *After a Grantor Dies*. (To view the Quicken WillMaker Legal Manual, open the Help menu or click the "Legal Manual" icon.)

The Executor's Guide: Settling a Loved One's Estate or Trust, by Mary Randolph (Nolo). This book is a thorough guide to an executor's or trustee's duties. It explains how to wrap up someone's affairs with a minimum of heartache and hassle, from finding and protecting assets to transferring property to beneficiaries with or without formal probate.

How to Probate an Estate in California, by Julia Nissley (Nolo). This book shows you, step by step, how to wrap up a living trust and handle a California probate. It contains all probate court forms.

Experts

It might be useful to hire a lawyer to act as a coach, answering your legal questions as they come up. You might also want the lawyer to do some research for you or look over documents. And if you must prepare and file an estate tax return or other complicated document, it is a good idea to work with an experienced lawyer or CPA.

Names Mentioned in the Trust

Here are the people and organizations mentioned in the trust. (If the original

document has been amended, this list may no longer be accurate.) If address and phone information was entered, it appears after the name.

Suzy Successor

Successor trustee

Sharon Doe

Alternate successor trustee

Mike Doe

Incapacity committee member

Kim Doe

Incapacity committee member

Jack Doe

Incapacity committee member

Donna Doe

Residuary beneficiary

Tammy Doe

Alternate residuary beneficiary

Melanie Doe

Beneficiary

Adam Doe

Alternate beneficiary

Dave Doe

Residuary beneficiary

Robert Doe

Alternate residuary beneficiary

Xavier Doe

Beneficiary

Tom Doe

Alternate beneficiary