

Living Trust

This Living Trust Agreement ("Agreement"), dated _____, between _____ ("Grantor" or "Beneficiary") of _____ and _____ ("Trustee").

In consideration of the mutual covenants and promises set forth in this Agreement, Grantor and Trustee agree as follows:

1. **PURPOSE.** The purpose of this Agreement is to establish a Trust to receive and manage assets for the benefit of Grantor during Grantor's lifetime, and to further manage and distribute the assets of Trust upon the death of Grantor.

2. **FUNDING OF TRUST.** This Trust shall be funded with assets transferred to this Trust by Grantor at the time of creating this Trust, or at any later time. During the lifetime of Grantor, any interest in community property transferred into or out of this Trust shall retain its original character and such property shall not be commingled. This Trust may also receive property from any person or entity that is acting under the authority granted to that person or entity by Grantor. It is also expected that this Trust may receive assets pursuant to the terms of Grantor's Last Will and Testament.

3. **MANAGEMENT OF TRUST ASSETS.** Trustee shall manage and distribute Trust assets for the benefit of Grantor and Grantor's successor(s) in interest in accordance with the terms of this Agreement.

4. **PAYMENTS DURING GRANTOR'S LIFETIME.** During Grantor's lifetime, Trustee shall pay all of the net income of this Trust, and also such sums from principal as Grantor may request at any time in writing, to or for the benefit of Grantor, or as Grantor may designate. Such payments shall be made at least every ___ days. Grantor may change the amount of the payments at any time by providing written notice to Trustee. Any excess income shall be added to principal at the discretion of the Trustee.

A. **Payments During a "Disability" of Grantor.** During any period that Grantor has a "disability", Trustee may pay to or for the benefit of Grantor such amounts of income and principal as Trustee believes in Trustee's sole discretion to be required for (i) Grantor's support, comfort and welfare, (ii) Grantor's accustomed manner of living, or (iii) any purpose that Trustee believes to be in the best interest of Grantor.

B. **Disability Defined For the purposes of this Trust.** "Disability" shall mean a legal disability or the inability to provide prompt and intelligent consideration to financial matters by reason of illness or mental or physical disability. The determination of whether Grantor has a disability shall be made by Grantor's most recent attending physician. Trustee shall be entitled to rely on written notice of that determination.

5. **DEATH OF GRANTOR.** Upon the death of Grantor, and after the payment of Grantor's just debts, funeral expenses, and expenses of last illness, the following distributions shall be made:

A. **Specific Distributions.** The following specific distributions shall be made from the assets of the Trust. However, such distributions (other than distributions, if any, to Grantor's spouse) shall be made only if the Grantor's spouse does not survive Grantor. _____ shall be distributed to _____. If this beneficiary does not survive Grantor and Grantor's spouse, this bequest shall be distributed with the residuary assets of this Trust.

B. **Tangible Personal Property.** Upon the death of Grantor and subject to the preceding provisions of this Trust, all clothing, jewelry, automobiles, household furniture and furnishings, recreational equipment, all personal effects used by Grantor about Grantor's person or home, and other items of tangible personal property shall be distributed to _____ of _____. If this person does not survive Grantor, the tangible personal property shall be distributed to _____ of _____. If this person does not survive Grantor and Grantor's spouse, the tangible personal property shall be distributed with the residuary assets of this Trust.