

Sample Revocable Trust Agreement

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THE JAMES JOSEPH COLLINS REVOCABLE TRUST AGREEMENT

On this ____ day of _____, 2008, I, James Joseph Collins (as Grantor) hereby transfer, assign and convey to myself (as Co-Trustee) and Tony Collins (Co-Trustee) the sum of One Dollar (\$1.00), to be held in trust for the beneficiaries and upon the uses and purposes hereinafter set forth. This trust shall hereafter be known as THE JAMES JOSEPH COLLINS REVOCABLE TRUST AGREEMENT.

WITNESSETH:

The Grantor is desirous of creating a trust for the purposes and upon the terms and provisions hereinafter set forth. Accordingly, the Grantor hereby transfers and delivers unto the Trustee \$1.00 and, in the future, such other assets as the Grantor (or other persons) may choose to convey. Also, if a Schedule "A" is attached hereto, the Grantor hereby transfers and delivers unto the Trustee all assets properly described therein for inclusion and administration according to this trust agreement. The Trustee shall hold and administer said properties, and all subsequently acquired properties (whether contributed by the Grantor or by another party), in trust, pursuant to the terms of this agreement as set forth below.

ARTICLE I DEFINITIONS

1.01 Grantor. James Joseph Collins shall be referred to herein as the "Grantor".

1.02 Trustees. Grantor And Tony Collins shall serve as the initial co-trustees of the trust.

1.03 Successor Trustees. If either of the initial Co-Trustees shall become unable to serve as trustee for any reason or resign, Beth Faithcloth shall serve as Successor Co-Trustee. In the event either Co-Trustee shall become unable to serve as Trustee for any reason or resign, Mo Howard shall serve as Successor Co-Trustee. Any then-acting trustee shall have the power to add to this list of successor trustees through a written declaration. The term "Successor Trustee" or "Co-Trustee" should be substituted hereinafter, where applicable, for the term "Trustee." The pronoun "he" may be used generically herein to refer to the Trustee regardless of the true gender of the Trustee or Successor Trustee actually referred to. An incapacitated individual is "unable to serve" as trustee under this trust agreement.

1.04 Spouse. Grantor is currently married to Mary Sue Collins who is referred to herein as "Grantor's spouse".

1.05 Children. Grantor is the parent of the following children: Tony Collins. All references to "Grantor's children" shall include Grantor's current children listed herein, as well as, any biological children born to Grantor after the date of execution of this Trust Agreement or other children legally adopted by him after the date of execution of this Trust Agreement.

1.06 Incapacitation. The term "incapacitated" or "incapacitation" shall mean the inability, whether due to physical or mental infirmity, to handle the business affairs of another as a fiduciary which is attested to in a

written instrument executed by at least two medical doctors, one of whom is the individual in question's treating physician.

ARTICLE II DISTRIBUTIONS DURING GRANTOR'S LIFE

During Grantor's lifetime, the Trustee shall pay so much or all of the income and principal of the trust estate to the Grantor upon his or her request or otherwise as Grantor directs unless and until Grantor becomes incapacitated. At any time after the Grantor becomes incapacitated, the Trustee may use such sums from the income and principal of the trust estate as are reasonably necessary to provide for the health, maintenance, education and support of Grantor and Grantor's Spouse.

ARTICLE III UPON GRANTOR'S DEATH

As soon as practical after the Grantor's death, the Trustee shall pay all of the expenses of Grantor's last illness, burial, and funeral expenses. Should the Grantor fail to dispose of his or her body by anatomical gift, such funeral expenses shall include the cost of any casket, burial marker, and funeral service. The Trustee is further authorized to pay honorarium to any clergymen in conjunction with grantor's funeral and the travel costs of any trust beneficiaries who have traveled from their residence to attend Grantor's funeral.

As soon as practical after grantor's death, the Trustee shall pay any debt or claim such as (but not limited to) state or federal taxes which he determines to be legally enforceable against Grantor's estate (whether or not a probate estate has been established). However, if at the time of grantor's death any of the real property herein devised is subject to a mortgage, the Trustee is directed that the devisee taking said mortgaged property shall take it subject to such mortgage and that the devisee shall **not** be entitled to have the mortgage paid out of the trust estate.

Should a probate estate be opened for Grantor, the Trustee shall only pay the expenses referred to in this Article III to extent that the Grantor's probate estate lacks the assets to do so.

In allocating payments of debt after grantor's death against interests of post-death beneficiaries, any payments under this Article III shall first come out of what is termed the "residuary" of the trust estate, next from charitable gifts, and lastly from specific gifts. Allocation shall be pro-rata within each class and applied to a class (i.e., residuary gifts) until that class is exhausted before moving to the next-named class.

ARTICLE IV TRUST BENEFICIARIES AFTER THE DEATH OF THE GRANTOR

A. Charitable Gifts:

Upon Grantor's death, the following distributions to charities shall be made free from trust:

Name of Charity	Description of Gift
The Boys and Girls Club	\$10,000
My Church	\$1,000

B. Distributions of Specific Property at Grantor's Death Other Than Charitable:

1. **Personal Effects.** Upon Grantor's death, all of his personal effects of every kind excepting those items bequeathed by gift, shall be distributed to Grantor's spouse and, if he/she shall not survive Grantor, to Grantor's children in equal shares, per stirpes.

If there is more than one beneficiary named for Grantor's personal effects under this Article IV and these beneficiaries do not agree to the division of property among themselves in equal shares, then Trustee shall divide Grantor's personal effects into approximately equal shares and his/her decision on this point shall be binding on all of Grantor's beneficiaries and all other parties. The term "personal effects" as used in this Article shall mean: "items of clothing, jewelry, mementos, personal papers, awards, photographs, and other similar items owned by me at the time of Grantor's death except that no single item shall be included in this category if it has a fair market value in excess of \$500."

No distribution of specific property other than charitable or personal effect items is made under this paragraph.

**ARTICLE V
RESIDUARY ESTATE**

As soon as practical after the death of Grantor and after completion of all distributions and payments called for in Articles II, III, and IV of this trust agreement (and after payment of all expenses and debts of this trust estate), the rest, residue and remainder of this trust estate shall be distributed to Grantor's spouse and, if she shall not survive Grantor, to Grantor's children in equal shares, per stirpes.

**ARTICLE VI
BENEFICIARIES FOR WHOM GIFTS SHALL BE HELD IN TRUST BEYOND THE DATE OF
GRANTOR'S DEATH**

No provision has been made in this trust agreement for the Trustee to hold a gift in trust until a beneficiary reaches a certain age.

**ARTICLE VII
DISTRIBUTIONS TO ARTICLE VI SEPARATE TRUST BENEFICIARIES**

No separate trust has been created under Article VI, therefore, Article VII is not active in this trust agreement.

**ARTICLE VIII
TERMINATION OF EACH ARTICLE VI SEPARATE TRUST**

No separate trust has been created under Article VI, therefore, Article VIII is not active in this trust agreement.

ARTICLE IX TRUSTEE'S POWERS

9.01 In administration of the trust estate, the Trustee shall have all of the powers authorized by California law (which are incorporated herein by reference) and include, but are not limited to, the following powers—

(a) To engage agents, including legal counsel, accountants, investment advisors, custodians, appraisers and other experts for the proper administration of this trust, and to compensate said persons for their services out of income or principal comprising the trust estate.

(b) To claim expenses as either income tax deductions or to permit the claiming thereof as estate tax deductions when an election is permitted by law, without thereafter making any adjustment between income and principal on account of any such determination.

(c) To enter into transactions with any other decedent's estate or any living or testamentary trust in which any of the beneficiaries of this trust shall have a beneficial interest, even though any fiduciary under such other estate or trust is also a fiduciary under this trust.

(d) To make allocations of charges and credits between principal and income of the trust estate with the Trustee's determination thereof to be final and binding upon all parties.

(e) To make apportionment between principal or income any revenue or expenditure in connection with said trust estate as the Trustee deems just and equitable with the Trustee's determination thereof to be final and binding upon all parties.

(f) To allocation expenses that are common to one or more separate trust between each trust as the Trustee deems just and equitable with the Trustee's determination thereof to be final and binding upon all parties.

9.02 In the exercise of the powers of management, control and investment herein conferred upon the Trustee, all decisions of the Trustee made in good faith shall be conclusive and binding upon all parties in interest.

9.03 **Unanimous Trustee Vote Required.** If there is more than one Trustee serving, then the vote of the Trustees for any action hereunder must be an unanimous vote of all then-serving Trustees.

9.04 **Trustee Resignation.** A trustee may resign his or her trusteeship at any time by sending written notice (that has been acknowledged before a notary) to (a) any then-serving cotrustee (if one exists) and (b) the designated successor trustee next in line to serve as trustee. The resigning trustee must also obtain the written agreement of the successor trustee first in line to serve as trustee or, if said successor trustee refuses to serve, from the successor trustee next in line. Should no designated successor trustee be willing to serve at the time of resignation, the resigning trustee must name a successor trustee in his or her resignation notice and, also, obtain written agreement from the designated successor trustee to serve in the office of trustee. The resignation of the trustee shall become effective ten (10) days after delivery of the notices called for in this paragraph; however, in no case shall the resignation become effective until after the written agreement of a successor trustee to server in the office of trustee.

9.05 **Discretion of Trustee to Terminate Small Trusts.** If at any time the assets of any trust created hereunder should have a fair market value of less than Ten Thousand Dollars (\$10,000), the Trustee, in his absolute discretion, may determine it is uneconomical to continue said trust and may, as soon as practical thereafter, terminate said trust and distribute the trust property to the person or persons then entitled to receive or have the income therefrom. If the beneficiary entitled to distribution from a terminated trust under this paragraph is a minor, the trustee may make said distribution to the parent or guardian of the minor beneficiary as custodian for the minor as provider for in the Uniform Transfers to Minors Act.

ARTICLE X GENERAL PROVISIONS

10.01 **Spendthrift Clause.** No beneficiary of this trust shall have the power to transfer, sell, assign, or

otherwise encumber any rights to distribution of assets under this trust agreement. Furthermore, the right of distribution under this trust agreement held by any beneficiary shall not be subject to judicial attachment or process prior to the time distribution is actually made by the Trustee.

10.02 Rule Against Perpetuities. Despite any provisions in this trust agreement to the contrary, this trust shall terminate no later than twenty-one (21) years after the death of the last survivor of the beneficiaries hereunder who are living at the date of creation of this trust agreement. Upon termination pursuant to this paragraph, the corpus of the trust estate shall be distributed free of trust to the then income beneficiaries, each receiving the trust assets from which he or she derives the income or a proportionate share thereof based upon the proportion said beneficiary is currently entitled to income therefrom.

10.03 Trustee Compensation. The Trustee shall be entitled to reasonable compensation for his services rendered hereunder. A corporate trustee shall be entitled to compensation in accordance with its published schedule of fees in effect at the time such services are rendered.

10.04 State Law. The Grantor declares that this agreement and the trust created hereby shall be construed under and be regulated by the laws of the State of California, and the validity and effect of this agreement shall be determined in accordance with the laws of California.

10.05 Reservation of Right to Alter, Amend or Revoke. Grantor hereby reserves the right to alter, amend, or revoke this trust agreement at any time prior to his or her death.

10.06 Community Property. In the event that any property transferred to this trust, at the time of Grantor's death is found by a court, or determined by the Trustee, to be community property under the laws of the appropriate state for this determination, then this trust agreement shall be construed as referring only to Grantor's community-property interest in an item of property. In no case shall this agreement be construed as attempting to convey or control property owned by Grantor's spouse.

10.07 Trustee's Bond. Should the laws of California allow it, then Trustee shall not be required to furnish a bond for the faithful performance of his or her duties as Trustee.

10.08 The Grantor hereby retains the power, right, and authority to alter, amend or revoke this trust agreement at any time prior to his death or a determination that he is incompetent as defined by this agreement.

10.09 Per Stirpes. If in this trust agreement a distribution is made "per stirpes" in equal shares to a group of beneficiaries and one of said beneficiaries is deceased at the date of distribution **without** being survived by at least one lineal descendant, then, and only then, shall his or her share be divided among the remaining beneficiaries for this bequest (including shares for those who are deceased at the date of distribution but are survived by at least one lineal descendant) in equal shares and completely omitting a share for the deceased beneficiary who was not survived by at least one lineal descendant.

10.10 If any beneficiary shall die within 24 hours of the time of death of Grantor, said beneficiary shall be treated as predeceasing Grantor for purposes of this trust agreement.

(Note: This page is **not** to be attached to your trust.)

INSTRUCTIONS REGARDING EXECUTION OF YOUR TRUST

- A. The trust is to be executed before a notary by the grantor. If a person other than the grantor shall act as the initial trustee or as a co-trustee, that individual must also execute the trust agreement before a notary with the grantor.
- B. Each trustee and the first named successor trustee should have either a copy of the trust and pourover will. **KEEP THE TRUST AND POUROVER WILL TOGETHER** (preferably in a safe deposit box). They are designed to work together.
- C. Where do I get a notary? Your local bank is the best place to find a notary. If you cannot find a notary at your bank, please consult your local Yellow Pages which has them listed under "notaries public".
- D. What if I decide to make changes to my document? We will keep your responses to the online questionnaire in our database **for 60 days after the date of purchase**. During this time, you may go to the User Administration section of our site to call up your form questionnaire and make changes—the URL is <https://www.medlawplus.com/user/>. You shall need your "user name" and "password" to re-enter the system. Once in the User Administration area, click on the text link to your form questionnaire which is located on the upper-left of the page. Make the desired changes to your responses in the questionnaire and submit to create a revised document. If you have problems calling up your old data, email us at administrator@medlawplus.com. We do our best to give a prompt response to all inquiries, usually within a few hours. NOTE: Upon registration, our system emailed to you our record of your "user name" and "password".

INSTRUCTIONS FOR FUNDING YOUR TRUST

"Funding" your revocable trust refers to transferring title to the assets you own to the trust. If you fail to fund your Trust, you will lose the two main benefits of creating a revocable trust: (a) avoiding probate and (b) having an easy mechanism for your family members to administer your assets should you become incapacitated. Remember, assets that remain titled in your name at death will have to be probated and passed to your trust through the pour-over Last Will.

The transfer of your assets will be from yourself as an individual to yourself and Tony Collins as Co-Trustees. When transferring title to assets from yourself to the trust for all items, the title or document that evidences ownership should read as follows:

James Joseph Collins and Tony Collins, Trustees of THE JAMES JOSEPH COLLINS REVOCABLE TRUST AGREEMENT dated _____, as amended.

The method of transfer varies according to the asset. In the case of stocks, bonds, mutual funds, life insurance, and bank accounts, talk to your banker, stockbroker or insurance agent who can usually handle the transfer for you. Generally they will want to see a copy of the executed revocable trust agreement.

Real Estate: In the case of real estate, there are two methods for transfer: (a) quit claim deed and (b) beneficiary deed. A quitclaim deed transfers the property immediately to the trust. A beneficiary deed transfers the assets after your death.

Life Insurance: If you own an insurance policy on your own life, it not necessary for probate purposes to transfer ownership of the policy into the trust; however, you should make the trust the beneficiary of the policy using the designation above. If you have greater than \$600,000 in assets, we highly recommend that you speak with a estate planning attorney or account regarding methods of keeping this the proceeds of this life insurance policy out of your estate for federal estate tax purposes. Using our revocable trust form will **not** keep life insurance you own on your own life out of your taxable estate for federal estate tax purposes.

Retirement Plans: Your surviving Spouse, if any, should be the first beneficiary of your pension plan and any other retirement plans, such as IRAs, Keoghs, 401(k)s, SEPs, Corporate Pension or Profit-Sharing Plans, or ESOPs. If you are unmarried or do not wish to name your spouse for any reason, you may name your revocable; however, such a decision may limit the rollover choices for your beneficiaries. The tax issues in this area are quite complicated and, if you desire guidance in this area, we recommend that you speak with an attorney or accountant knowledgeable in the area of retirement planning.

Taxes: Although the trust becomes the legal owner of any assets transferred to it, all income is still taxed to you for income tax purposes as you have retained the right to alter, amend or revoke the trust during your life. Therefore, the trust does not file a separate tax return or obtain a separate tax identification number until after your death.

- What if I decide to make changes to my document? We will keep your responses to the online questionnaire in our database **for 60 days after the date of purchase**. During this time, you may go to the User Administration section of our site to call up your form questionnaire and make changes—the URL is <https://www.medlawplus.com/user/> . You shall need your "user name" and "password" to re-enter the system. Once in the User Administration area, click on the text link to your form questionnaire which is located on the upper-left of the page. Make the desired changes to your responses in the questionnaire and submit to create a revised document. If you have problems calling up your old data, email us at administrator@medlawplus.com. We do our best to give a prompt response to all inquiries, usually within a few hours. NOTE: Upon registration, our system emailed to you our record of your "user name" and "password".

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