# PET TRUST

This Agreement is entered into by and between JOHN R. SAMPLE, as Grantor (the "Grantor") and ELIZABETH SMITH, as Trustee (the "Trustee").

**ARTICLE I**

# TRUST ESTATE

**A. Name of Trust.** This Trust shall be known as THE PET TRUST FOR THE PETS OF JOHN R. SAMPLE.

**B. Identity of Trust Estate.** The Grantor hereby transfers and conveys to the Trustee the property described on Exhibit "A" to this Agreement. Such property, and any other property hereafter transferred to the Trustee, shall be managed and distributed in accordance with the provisions of this Agreement.

**C. Power to Amend or Revoke.** The Grantor shall have the power at any time to amend or revoke this Agreement, in whole or in part, by a writing.

**D. Right to Withdraw Assets.** The Grantor shall have the right at any time to withdraw all or any part of the trust estate by delivering a written request to the Trustee, except that such requests need not be in writing so long as the Grantor is acting as Trustee.

**ARTICLE II**

# DISTRIBUTIONS DURING GRANTOR'S LIFE

**A. Distribution of Income.** The Trustee shall pay to the Grantor, during the Grantor's lifetime, the entire net income of the trust estate, quarter-annually or more often in the discretion of the Trustee.

**B. Distribution of Principal.** The Trustee is authorized, at any time and from time to time, to pay to or apply for the benefit of the Grantor such part or all of the principal of the Trust as the Trustee shall deem necessary or appropriate for the care and happiness of the Grantor.

**ARTICLE III**

# DISTRIBUTION OF TRUST ESTATE

# ON DEATH OF GRANTOR

**A. Distribution to Trustee for Care of Pets.** The sum of Ten Thousand Dollars shall be distributed to ELIZABETH SMITH, if she survives the Grantor, provided that she has accepted responsibility for caring for any pets owned by the Grantor at the time of the Grantor's death, as provided in the Grantor's Will. If she fails to satisfy such conditions, then such amount shall be distributed to THOMAS JONES, provided such same conditions are satisfied. The sums distributed under this Article shall be used solely for the care, support, and maintenance of the Grantor’s pets. Upon the death of the last surviving pet of the Grantor, any remaining sums in the trust estate shall be distributed to ELIZABETH SMITH.

**ARTICLE IV**

# ALTERNATE DISTRIBUTION

If at any time before termination of each of the trusts created under this Agreement the Grantor shall be deceased without issue surviving, and provided that no other disposition is directed herein, then all of the remaining trust estate, or the portion for which no other disposition is directed, shall be distributed to the heirs at law of the Grantor, such heirs to be determined as if the Grantor had then died and according to the laws of the State of California then in effect relating to the intestate succession of separate property not acquired from a predeceased spouse.

**ARTICLE V**

# TRUSTEE POWERS

To carry out the purposes of any trust subject to this Agreement, and subject to any limitations stated elsewhere in this Agreement, the Trustee shall exercise all rights and perform all acts that are necessary or advisable in the prudent management of the trust estate. The Trustee is vested with the following powers with respect to the trust estate, in addition to all of those powers enumerated in California Probate Code Sections 16200-16249, as amended from time to time:

**A. Operate Business.** To operate at the risk of the trust estate any business or other enterprise that the Trustee receives or acquires under the Trust, or to sell or liquidate such property or business;

**B. Loans.** To make loans, either secured or unsecured, including loans to the estate of the Grantor; to borrow, and to encumber or hypothecate trust property by mortgage, deed of trust, pledge, or otherwise, for the debts of the Trust or the joint debts of the Trust and a co-owner of Trust property;

**C. Securities.** To buy, sell, and trade in securities of any nature, including short sales, puts, calls, and other options, covered and uncovered, of any kind or nature, on margin, and for such purposes, to maintain and operate margin accounts with brokers, and to pledge any securities;

**D. Manner of Holding Title.** While the Grantor is acting as Trustee, to hold any property in his or her name without designation as Trustee or in the name of a nominee or in another form without disclosure of the Trust;

**E. Rights and Options.** To exercise or dispose of any or all options, privileges or rights;

**F. Foreclosure.** To foreclose mortgages and to exercise powers of sale under deeds of trust and to consent to the modification, renewal, or extension of any note, bond, deed of trust, or mortgage;

**G. Contracts and Options.** To enter into contracts or grant or take options at such times, in such manner, and upon such terms and conditions, as the Trustee shall deem advisable in connection with the exercise of any of the rights, powers, duties, authority, and privileges given to him or her by this Agreement;

**H. Reconveyance.** To reconvey, and to execute and deliver requests for reconveyance of, any deed of trust or mortgage upon full satisfaction of all indebtedness secured by such deed of trust or mortgage, and to partially reconvey any deed of trust or mortgage upon compliance with the terms of a prior agreement;

**I. Real Property.** To buy, sell, acquire, exchange, and dispose of real property of every kind, including undivided interests therein, improved or unimproved, for cash or credit;

**J. Investment Manager.** The Trustee is authorized to employ attorneys, accountants, investment advisors, specialists, and such other agents as the Trustee shall deem necessary or desirable. The Trustee shall have the authority to appoint an investment manager or managers to manage all or any part of the assets of the Trust and to delegate to said manager investment discretion. Such appointment shall include the power to acquire and dispose of such assets. The Trustee may charge the compensation and expenses of such attorneys, accountants, investment advisors, investment managers, specialists, and other agents against the Trust.

**K. Nonprorata Distributions.** When making any division or distribution of property, the Trustee may, in the Trustee's discretion, make the division and distribution in undivided interests, in kind, or partly in kind and partly in money, prorata or nonprorata. The Trustee may make sales of the trust property that the Trustee considers necessary to accommodate such distributions.

**ARTICLE VI**

# CUSTODIANSHIP ACCOUNTS

If any person who is a beneficiary under this Agreement is under the age of twenty-five (25) years at the time title vests in him or her, and a trust is not otherwise provided for such person, then his or her share shall be retained by an individual selected by the Trustee as custodian for such person until age twenty-five (25) under the California Uniform Transfers to Minors Act.

**ARTICLE VII**

# DISINHERITANCE AND NO CONTEST PROVISIONS

**A. Disinheritance.** Except as otherwise provided in this Agreement, the Grantor has intentionally made no provision for any child of the Grantor, or for the issue of any deceased child of the Grantor, or for any other person or relative, whether claiming to be an heir of the Grantor or not.

**B. No Contest Provision.** If any beneficiary under this Trust Agreement ("Trust"), or any legal heir of the Grantor or any person claiming under any of them shall contest this Trust, or shall seek to impair or invalidate any of the provisions of this Trust, or shall conspire with or voluntarily assist anyone attempting to do any of those things, then in that event the Grantor specifically disinherits such contesting person and all interests given to such contesting person under this Trust shall be forfeited and shall be disposed of in the same manner provided in the Trust, as if that contesting person had predeceased the Grantor without issue.

**C. Defense of Trust.** The Trustees are authorized to defend, at the expense of the trust estate, any contest or other attack of any nature of this Agreement or any trust created under this Agreement or any of the provisions of this Agreement.

**ARTICLE VIII**

# MISCELLANEOUS PROVISIONS

**A. Payment of Expenses.** Notwithstanding any other provision in this Agreement, the Trustee may, in the Trustee's discretion, pay out of the Trust the Grantor's last illness and funeral expenses, attorney's fees, and other fees and costs incurred in administering the Grantor's estate, and other obligations incurred for the Grantor's support.

**B. Notice of Birth or Death.** Until the Trustee has received notice of any birth, death, or other event upon which the right to receive payment from the trust estate might depend, the Trustee shall incur no liability for payments or distributions of principal or income made in good faith to any person whose interest may have been affected by that event.

**C. Spendthrift Provision.** No interest in the principal or income of any trust created under this Agreement shall be anticipated, assigned or encumbered, or subject to any creditor's claim or to legal process, prior to its actual receipt by the beneficiary.

**D. Rule Against Perpetuities.** Each trust created hereunder shall terminate in any and all events no later than twenty-one (21) years after the death of the last survivor of the beneficiaries of the trusts created hereunder who are living at the time of the execution of this Agreement, it being the intent of the Grantor that this Agreement be interpreted so as not to violate the rule against perpetuities. All principal and undistributed income of any trust so terminated shall be distributed to the then income beneficiaries of that trust in the proportions in which they are, at the time of termination, entitled to receive the income; provided, however, that if the rights to income are not then fixed by the terms of the trust, distribution under this clause shall be made, by right of representation, to such persons as are then entitled or authorized at the Trustee's discretion to receive income payments.

**E. Definitions.** As used in this Agreement, "children" includes all legally adopted as well as biological children; and "issue" includes the lawful descendants of all degrees, including adoptive descendants.

**F. Applicable Law.** This Agreement is entered into in the State of California, and its validity and construction shall be governed by the laws of the State of California.

**G. IRA/Deferred Compensation/Retirement Accounts**. If this Trust is named as and becomes the beneficiary of an IRA, qualified plan, 403(b) annuity contract, custodial account or retirement income account, or other retirement or deferred compensation account, (1) the Trustee shall withdraw an annual amount from the account balance equal to the greater of the “minimum distribution amount” which is required to be distributed annually under Internal Revenue Code section 401(a)(9), as amended, or the annual income earned on the undistributed portion of the account balance, (2) if distributions for any year are less than the income earned by the account, the Trustee shall demand additional distributions from the account so that at least annually all of the income of the account for the year will be distributed to the trust, (3) the Trustee shall treat all distributions from the account as income for Trust accounting and distribution purposes, (4) the greater of the minimum distribution amount or the annual net income shall be distributed as income of the Trust to which the account is allocated in the same manner as income generated by other Trust assets, (5) at the request of the beneficiary, the Trustee shall invest the account assets in income-producing property. If the Trust is named as a beneficiary of the account, the participant shall give to the plan administrator a copy of the trust instrument and agree that if the trust instrument is amended at any time in the future, the participant will within a reasonable time provide to the plan administrator a copy of each such amendment. By the end of the ninth month beginning on the death of the participant, the Trustee shall provide the plan administrator with a copy of the trust document for this trust. This section shall at all times be construed to meet the requirements of Internal Revenue Code 401(a)(9) and applicable regulations thereunder, and may from time to time be amended by the Trustee solely to meet such requirements. No part of distributions received from an IRA, qualified plan, 403(b) annuity contract, custodial account or retirement income account, or other retirement or deferred compensation account may be made to or for the benefit of the Grantor’s estate, any charity, or any non-individual beneficiary, or be used to pay any of the debts, expenses, or taxes of the trust or of the Grantor.

**ARTICLE IX**

# TRUSTEE PROVISIONS

**A. Appointment of Trustee.** ELIZABETH SMITH shall be the Trustee of the Trust created by this instrument. If ELIZABETH SMITH fails, for any reason, to continue to act as Trustee, then in such event THOMAS JONES shall act as Trustee. The last Trustee in office shall have the right to appoint a successor to himself or herself as Trustee.

**B. Replacement and Additional Trustees.** Notwithstanding the foregoing, the Grantor, by an instrument in writing, shall have the right to designate and appoint any individual or individuals or corporate Trustee to act as Trustee or as Co-Trustee in lieu of any Trustee named in this Agreement.

**C. Incapacity.** The incapacity of a Trustee, as may be established by the written certification of the Trustee's attending physician, stating that the Trustee is substantially unable to manage his or her financial affairs, shall be deemed a resignation of the Trustee as of the date of the certification.

**D. Acceptance by Successor Trustee.** The appointment and qualification of a successor Trustee shall be effective without any court proceeding or decree. Each successor Trustee shall indicate acceptance of the trusteeship **(i)** by giving written notice of intention to accept the position of Trustee to the adult income beneficiary or beneficiaries of the Trust or, if there are none, to the guardian or guardians of the minor income beneficiary or beneficiaries; and **(ii)** by giving a copy of the same notice to the resigning Trustee, if any.

**E. Bond.** No bond shall be required of any Trustee named in this Agreement.

IN WITNESS WHEREOF, the Grantor and the Trustee have executed this Agreement on October 30, 2016 at Santa Rosa, California.

**"GRANTOR" "TRUSTEE"**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

JOHN R. SAMPLE ELIZABETH SMITH

|  |  |  |
| --- | --- | --- |
|  | | |
|  | A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document. |  |
| State of \_\_\_\_\_\_\_\_\_\_ )  County of )  On before me,  (here insert name and title of the officer),  personally appeared , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.  I certify under PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_\_\_\_\_\_\_\_\_ that the foregoing paragraph is true and correct.  WITNESS my hand and official seal.  Signature **(Seal)** | | |

**EXHIBIT "A"**

# PROPERTY TRANSFERRED TO THE TRUST