

BOONE SUBSTITUTE FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2333

I move the following SUBSTITUTE amendment to the BANKING AND INSURANCE Committee amendment to

HOUSE BILL 2333 (Reference to printed bill)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Section 14-1201, Arizona Revised Statutes, is amended to  
3 read:

4 14-1201. Definitions

5 In this title, unless the context otherwise requires:

6 1. "Agent" includes an attorney-in-fact under a durable or nondurable  
7 power of attorney, a person who is authorized to make decisions concerning  
8 another person's health care and a person who is authorized to make decisions  
9 for another person under a natural death act.

10 2. "Application" means a written request to the registrar for an order  
11 of informal probate or appointment under chapter 3, article 3 of this title.

12 3. "Beneficiary", as it relates to a trust beneficiary, includes a  
13 person who has any present or future interest, vested or contingent, and also  
14 includes the owner of an interest by assignment or other transfer. As it  
15 relates to a charitable trust, beneficiary includes any person entitled to  
16 enforce the trust. As it relates to a beneficiary of a beneficiary  
17 designation, beneficiary refers to a beneficiary of an insurance or annuity  
18 policy, an account with pay on death designation, a security registered in  
19 beneficiary form or a pension, profit sharing, retirement or similar benefit  
20 plan, or any other nonprobate transfer at death. As it relates to a  
21 beneficiary designated in a governing instrument, beneficiary includes a  
22 grantee of a deed, a devisee, a trust beneficiary, a beneficiary of a  
23 beneficiary designation, a donee, appointee or taker in default of a power of  
24 appointment and a person in whose favor a power of attorney or a power held  
25 in any person, fiduciary or representative capacity is exercised.

1           4. "Beneficiary designation" refers to a governing instrument naming a  
2 beneficiary of an insurance or annuity policy, of an account with pay on  
3 death designation, of a security registered in beneficiary form or of a  
4 pension, profit sharing, retirement or similar benefit plan, or any other  
5 nonprobate transfer at death.

6           5. "Child" includes a person who is entitled to take as a child under  
7 this title by intestate succession from the parent whose relationship is  
8 involved. Child excludes a person who is only a stepchild, a foster child, a  
9 grandchild or a more remote descendant.

10           6. "Claims", in respect to estates of decedents and protected persons,  
11 includes liabilities of the decedent or the protected person, whether arising  
12 in contract, in tort or otherwise, and liabilities of the estate that arise  
13 at or after the death of the decedent or after the appointment of a  
14 conservator, including funeral expenses and expenses of administration.  
15 Claims do not include estate or inheritance taxes or demands or disputes  
16 regarding title of a decedent or a protected person to specific assets  
17 alleged to be included in the estate.

18           7. "Community property" means that property of a husband and wife that  
19 is acquired during the marriage and that is community property as prescribed  
20 in section 25-211.

21           8. "Conservator" means a person who is appointed by a court to manage  
22 the estate of a protected person.

23           9. "Court" means the superior court.

24           10. "Dependent child" means a minor child who the decedent was  
25 obligated to support or an adult child who was in fact being supported by the  
26 decedent at the time of the decedent's death.

27           11. "Descendant" means all of the decedent's descendants of all  
28 generations, with the relationship of parent and child at each generation.

29           12. "Devise", when used as a noun, means a testamentary disposition of  
30 real or personal property and, when used as a verb, means to dispose of real  
31 or personal property by will.

1           13. "Devisee" means a person designated in a will to receive a  
2           devise. For the purposes of chapter 3 of this title, in the case of a devise  
3           to an existing trust or trustee, or to a trustee on trust described by will,  
4           the trust or trustee is the devisee and the beneficiaries are not devisees.

5           14. "Disability" means cause for a protective order as described in  
6           section 14-5401.

7           15. "Distributee" means any person who has received property of a  
8           decedent from that person's personal representative other than as a creditor  
9           or purchaser. Distributee includes a testamentary trustee only to the extent  
10          of distributed assets or increment that remains in that person's hands. A  
11          beneficiary of a testamentary trust to whom the trustee has distributed  
12          property received from a personal representative is a distributee of the  
13          personal representative. For the purposes of this paragraph, "testamentary  
14          trustee" includes a trustee to whom assets are transferred by will, to the  
15          extent of the devised assets.

16          16. "Estate" includes the property of the decedent, trust or other  
17          person whose affairs are subject to this title as originally constituted and  
18          as it exists from time to time during administration. As it relates to a  
19          spouse, the estate includes only the separate property and the share of the  
20          community property belonging to the decedent or person whose affairs are  
21          subject to this title.

22          17. "Exempt property" means that property of a decedent's estate that  
23          is described in section 14-2403.

24          18. "Fiduciary" includes a personal representative, guardian,  
25          conservator and trustee.

26          19. "Foreign personal representative" means a personal representative  
27          appointed by another jurisdiction.

28          20. "Formal proceedings" means proceedings conducted before a judge  
29          with notice to interested persons.

30          21. "Governing instrument" means a deed, will, trust, insurance or  
31          annuity policy, account with pay on death designation, security registered in  
32          beneficiary form, pension, profit sharing, retirement or similar benefit

1 plan, instrument creating or exercising a power of appointment or a power of  
2 attorney or a dispositive, appointive or nominative instrument of any similar  
3 type.

4 22. "Guardian" means a person who has qualified as a guardian of a  
5 minor or incapacitated person pursuant to testamentary or court appointment  
6 but excludes a person who is merely a guardian ad litem.

7 23. "Heirs", except as controlled by section 14-2711, means persons,  
8 including the surviving spouse and the state, who are entitled under the  
9 statutes of intestate succession to the property of a decedent.

10 24. "Incapacitated person" has the same meaning prescribed in section  
11 14-5101.

12 25. "Informal proceedings" means those proceedings conducted without  
13 notice to interested persons by an officer of the court acting as a registrar  
14 for probate of a will or appointment of a personal representative.

15 26. "Interested person" includes any trustee, heir, devisee, child,  
16 spouse, creditor, beneficiary, **PERSON HOLDING A POWER OF APPOINTMENT** and  
17 other person who has a property right in or claim against a trust estate or  
18 the estate of a decedent, ward or protected person. Interested person also  
19 includes a person who has priority for appointment as personal representative  
20 and other fiduciaries representing interested persons. Interested person, as  
21 the term relates to particular persons, may vary from time to time and must  
22 be determined according to the particular purposes of, and matter involved  
23 in, any proceeding.

24 27. "Issue" of a person means descendant as defined in this section.

25 28. "Joint tenants with the right of survivorship" and "community  
26 property with the right of survivorship" includes co-owners of property held  
27 under circumstances that entitle one or more to the whole of the property on  
28 the death of the other or others but excludes forms of co-ownership  
29 registration in which the underlying ownership of each party is in proportion  
30 to that party's contribution.

31 29. "Lease" includes any oil, gas or other mineral lease.

1           30. "Letters" includes letters testamentary, letters of guardianship,  
2 letters of administration and letters of conservatorship.

3           31. "Minor" means a person who is under eighteen years of age.

4           32. "Mortgage" means any conveyance, agreement or arrangement in which  
5 property is encumbered or used as security. Mortgage does not include leases  
6 or easements.

7           33. "Nonresident decedent" means a decedent who was domiciled in  
8 another jurisdiction at the time of the decedent's death.

9           34. "Organization" means a corporation, limited liability company,  
10 business trust, estate, trust, partnership, joint venture, association,  
11 government or governmental subdivision or agency or any other legal or  
12 commercial entity.

13           35. "Parent" includes any person entitled to take, or who would be  
14 entitled to take if the child died without a will, as a parent under this  
15 title by intestate succession from the child whose relationship is in  
16 question and excludes any person who is only a stepparent, foster parent or  
17 grandparent.

18           36. "Payor" means a trustee, insurer, business entity, employer,  
19 government, governmental agency or subdivision or any other person who is  
20 authorized or obligated by law or a governing instrument to make payments.

21           37. "Person" means ~~a person~~ AN INDIVIDUAL or an organization.

22           38. "Personal representative" includes executor, administrator,  
23 successor personal representative, special administrator and persons who  
24 perform substantially the same function under the law governing their status.  
25 A general personal representative excludes a special administrator.

26           39. "Petition" means a written request to the court for an order after  
27 notice.

28           40. "Proceeding" includes action at law and suit in equity.

29           41. "Property" has the same meaning prescribed in section 14-10103.

30           42. "Protected person" has the same meaning prescribed in section  
31 14-5101.

1           43. "Protective proceeding" has the same meaning prescribed in section  
2 14-5101.

3           44. "Registrar" means the official of the court designated to perform  
4 the functions of registrar as provided in section 14-1307.

5           45. "Security" includes any note, stock, treasury stock, bond,  
6 debenture, evidence of indebtedness, certificate of interest or participation  
7 in an oil, gas or mining title or lease or in payments out of production  
8 under that title or lease, collateral trust certificate, transferable share  
9 or voting trust certificate and, in general, includes any interest or  
10 instrument commonly known as a security, or any certificate of interest or  
11 participation, any temporary or interim certificate, receipt or certificate  
12 of deposit for, or any warrant or right to subscribe to or purchase, any of  
13 these securities.

14           46. "Separate property" means that property of a husband or wife that  
15 is the spouse's separate property as defined in section 25-213.

16           47. "Settlement", in reference to a decedent's estate, includes the  
17 full process of administration, distribution and closing.

18           48. "Special administrator" means a personal representative as  
19 described by sections 14-3614 through 14-3618.

20           49. "State" has the same meaning prescribed in section 14-10103.

21           50. "Successor personal representative" means a personal  
22 representative, other than a special administrator, who is appointed to  
23 succeed a previously appointed personal representative.

24           51. "Successors" means persons, other than creditors, who are entitled  
25 to property of a decedent under a will or this title.

26           52. "Supervised administration" refers to the proceedings described in  
27 chapter 3, article 5 of this title.

28           53. "Survive" means that a person has neither predeceased an event,  
29 including the death of another person, nor is deemed to have predeceased an  
30 event under section 14-2104 or 14-2702.

31           54. "Testacy proceeding" means a proceeding to establish a will or  
32 determine intestacy.

1           55. "Testator" includes a person of either sex.

2           56. "Trust" includes an express trust, private or charitable, with any  
3 additions, wherever and however created. Trust also includes a trust created  
4 or determined by judgment or decree under which the trust is to be  
5 administered in the manner of an express trust. Trust excludes other  
6 constructive trusts and excludes resulting trusts, conservatorship, personal  
7 representatives, trust accounts, custodial arrangements pursuant to chapter  
8 7, article 7 of this title, business trusts providing for certificates to be  
9 issued to beneficiaries, common trust funds, voting trusts, security  
10 arrangements, liquidation trusts and trusts for the primary purpose of paying  
11 debts, dividends, interest, salaries, wages, profits, pensions or employee  
12 benefits of any kind, trusts created by a city or town for the payment of  
13 medical insurance, health care benefits or expenses, long-term or short-term  
14 disability, self insurance reserves and similar programs administered by a  
15 city or town, **LEGAL DEFENSE TRUSTS** and any arrangement under which a person  
16 is nominee or escrowee for another.

17           57. "Trustee" includes an original, additional or successor trustee,  
18 whether or not appointed or confirmed by court.

19           58. "Ward" has the same meaning prescribed in section 14-5101.

20           59. "Will" includes a codicil and any testamentary instrument that  
21 merely appoints an executor, revokes or revises another will, nominates a  
22 guardian or expressly excludes or limits the right of an individual or class  
23 to succeed to property of the decedent passing by intestate succession."

24 Renumber to conform

25 Page 1, between lines 16 and 17, insert:

26           "Sec. 3. Section 14-2907, Arizona Revised Statutes, is amended to  
27 read:

28           14-2907. Honorary trusts; trusts for pets; conditions

29           A. If a trust is for a specific lawful noncharitable purpose or for  
30 lawful noncharitable purposes to be selected by the trustee and there is no  
31 definite or definitely ascertainable beneficiary designated, the trust may be

1 performed by the trustee for not longer than ~~twenty-one~~ NINETY years whether  
2 or not the terms of the trust contemplate a longer duration.

3 B. A trust for the care of a designated domestic or pet animal is  
4 valid. The trust terminates when no living animal is covered by the  
5 trust. A governing instrument shall be liberally construed to bring the  
6 transfer within this subsection, to presume against the merely precatory or  
7 honorary nature of the disposition and to carry out the general intent of the  
8 transferor. Extrinsic evidence is admissible in determining the transferor's  
9 intent.

10 C. In addition to the provisions of subsection A or B, a trust created  
11 under this section is subject to the following:

12 1. Except as expressly provided otherwise in the trust instrument, no  
13 portion of the principal or income may be converted to the use of the trustee  
14 or to any use other than for the trust's purposes or for the benefit of a  
15 covered animal.

16 2. On termination, the trustee shall transfer the unexpended trust  
17 property in the following order:

18 (a) As directed in the trust instrument.

19 (b) If the trust was created in a nonresiduary clause in the  
20 transferor's will or in a codicil to the transferor's will, under the  
21 residuary clause in the transferor's will.

22 (c) If no taker is produced by the application of subdivision (a) or  
23 (b) of this paragraph, to the transferor's heirs under section 14-2711.

24 3. For the purposes of section 14-2707, the residuary clause is  
25 treated as creating a future interest under the terms of a trust.

26 4. The intended use of the principal or income can be enforced by a  
27 person who is designated for that purpose in the trust instrument or, if  
28 none, by a person appointed by a court on application to it by any person.

29 5. Except as ordered by the court or required by the trust instrument,  
30 no filing, report, registration, periodic accounting, separate maintenance of  
31 funds, appointment or fee is required by reason of the existence of the  
32 fiduciary relationship of the trustee.

1           6. A court may reduce the amount of the property transferred if it  
2 determines that amount substantially exceeds the amount required for the  
3 intended use. The amount of the reduction, if any, passes as unexpended  
4 trust property under paragraph 2 of this subsection.

5           7. If no trustee is designated or no designated trustee is willing or  
6 able to serve, a court shall name a trustee. A court may order the transfer  
7 of the property to another trustee if this is necessary to assure that the  
8 intended use is carried out and if no successor trustee is designated in the  
9 trust instrument or if no designated successor trustee agrees to serve or is  
10 able to serve. A court may also make other orders and determinations that it  
11 determines advisable to carry out the intent of the transferor and this  
12 section."

13 Renumber to conform

14 Page 6, between lines 9 and 10, insert:

15           "5. "DISTRIBUTE" MEANS A PERSON WHO RECEIVES PROPERTY FROM A TRUST  
16 OTHER THAN AS A CREDITOR OR PURCHASER."

17 Renumber to conform

18 Page 7, line 13, after the period insert "FOR THE PURPOSES OF THIS PARAGRAPH,  
19 "DISABLED PERSON" MEANS AN INDIVIDUAL WHO IS DISABLED PURSUANT TO 42 UNITED  
20 STATES CODE SECTION 1382c."

21 Page 8, lines 22 and 23, strike "TRUST INSTRUMENT" insert "SETTLOR'S INTENT"

22 Strike lines 28 through 44

23 Page 9, strike lines 1 through 8, insert:

24           "Sec. 9. Section 14-10108, Arizona Revised Statutes, is amended to  
25 read:

26           14-10108. Principal place of administration

27           A. Without precluding other means for establishing a sufficient  
28 connection with the designated jurisdiction, terms of a trust designating the  
29 principal place of administration are valid and controlling if either:

30           1. A trustee's principal place of business is located in or a trustee  
31 is a resident of the designated jurisdiction.

1           2. All or part of the administration occurs in the designated  
2 jurisdiction.

3           B. A trustee is under a continuing duty to administer the trust at a  
4 place appropriate to its purposes, its administration and the interests of  
5 the beneficiaries.

6           C. Without precluding the right of the court to order, approve or  
7 disapprove a transfer, the trustee, in furtherance of the duty prescribed by  
8 subsection B of this section, may transfer the trust's principal place of  
9 administration to another state or to a jurisdiction outside of the United  
10 States AND, SUBJECT TO THE REQUIREMENTS OF SECTION 14-10818, MAY CHANGE THE  
11 APPLICABLE LAW GOVERNING THE TRUST.

12           D. The trustee shall notify the qualified beneficiaries of a proposed  
13 transfer of a trust's principal place of administration at least sixty days  
14 before initiating the transfer. Unless a corporate trustee indicates an  
15 intent to change the principal place of business in a notice to qualified  
16 beneficiaries, a transfer by the corporate trustee of some of the functions  
17 of a trust to another state or states is not a transfer of the trust's  
18 principal place of business if the corporate trustee maintains an office in  
19 this state. The notice of proposed transfer must include:

20           1. The name of the jurisdiction to which the principal place of  
21 administration is to be transferred.

22           2. The address and telephone number of the new location at which the  
23 trustee can be contacted.

24           3. An explanation of the reasons for the proposed transfer.

25           4. The date on which the proposed transfer is anticipated to occur.

26           5. The date, at least sixty days after the giving of the notice, by  
27 which the qualified beneficiary must notify the trustee of an objection to  
28 the proposed transfer.

29           E. The authority of a trustee under this section to transfer a trust's  
30 principal place of administration terminates if a qualified beneficiary  
31 notifies the trustee in writing of ~~an~~ A REASONABLY FOUNDED objection to the  
32 proposed transfer on or before the date specified in the notice.

1           F. In connection with a transfer of the trust's principal place of  
2 administration, the trustee may transfer some or all of the trust property to  
3 a successor trustee designated in the terms of the trust or appointed  
4 pursuant to section 14-10704.

5           Sec. 10. Section 14-10111, Arizona Revised Statutes, is amended to  
6 read:

7           14-10111. Nonjudicial settlement agreements; definition

8           A. Except as otherwise provided in subsection B of this section, and  
9 except for modification or termination of a trust as otherwise permitted  
10 pursuant to the trust instrument, interested persons may enter into a binding  
11 nonjudicial settlement agreement with respect to any matter involving a  
12 trust.

13           B. A nonjudicial settlement agreement is valid only to the extent it  
14 does not violate a material purpose of the trust and includes terms and  
15 conditions that could be properly approved by the court under this chapter or  
16 other applicable law.

17           C. Matters that may be resolved by a nonjudicial settlement agreement  
18 include:

- 19           1. The interpretation or construction of the terms of the trust.
- 20           2. The approval of a trustee's report or accounting.
- 21           3. Direction to a trustee to refrain from performing a particular act  
22 or the grant to a trustee of any necessary or desirable power.
- 23           4. The resignation or appointment of a trustee and the determination  
24 of a trustee's compensation.

- 25           5. The transfer of a trust's principal place of administration.
  - 26           6. The liability of a trustee for an action relating to the trust.
- 27           D. Any interested person may request the court to approve a  
28 nonjudicial settlement agreement to determine whether the representation as  
29 provided in article 3 of this chapter was adequate and to determine whether  
30 the agreement contains terms and conditions the court could have properly  
31 approved.

1 ~~E. This section applies only to any trust that becomes irrevocable on~~  
2 ~~or after January 1, 2009.~~

3 ~~F.~~ E. For the purposes of this section, "interested person" has the  
4 same meaning prescribed in section 14-1201."

5 Renumber to conform

6 Page 9, between lines 17 and 18, insert:

7 "Sec. 12. Section 14-10410, Arizona Revised Statutes, is amended to  
8 read:

9 14-10410. Modification or termination of trust; proceedings for  
10 approval or disapproval

11 A. In addition to the methods of termination prescribed by sections  
12 14-10411, 14-10412, 14-10413 and 14-10414, a trust terminates to the extent  
13 the trust is revoked or expires pursuant to its terms, no purpose of the  
14 trust remains to be achieved or the purposes of the trust have become  
15 unlawful, contrary to public policy or impossible to achieve.

16 B. A proceeding to approve or disapprove a proposed modification or  
17 termination under sections 14-10411, 14-10412, 14-10413, 14-10414, 14-10415  
18 and 14-10416, or trust combination or division under section 14-10417, may be  
19 commenced by a trustee or beneficiary, ~~and a proceeding to approve or~~  
20 ~~disapprove a proposed modification or termination under section 14-10411 may~~  
21 ~~be commenced by the settlor.~~ The settlor of a charitable trust may maintain  
22 a proceeding to modify the trust under section 14-10413.

23 Sec. 13. Title 14, chapter 11, article 4, Arizona Revised Statutes, is  
24 amended by adding section 14-10418, to read:

25 14-10418. Name change

26 THE TRUSTEE MAY MODIFY A TRUST AGREEMENT TO CHANGE THE NAME OF THE  
27 TRUSTEE OR BENEFICIARY IF THE TRUSTEE OR BENEFICIARY'S NAME HAS BEEN LEGALLY  
28 CHANGED."

29 Renumber to conform

30 Page 12, strike lines 1 through 19, insert:

31 "E. FOR THE PURPOSES OF THIS SECTION, AMOUNTS AND PROPERTY CONTRIBUTED  
32 TO THE FOLLOWING TRUSTS ARE NOT DEEMED TO HAVE BEEN CONTRIBUTED BY THE

1           SETTLOR, AND A PERSON WHO WOULD OTHERWISE BE TREATED AS A SETTLOR OR A DEEMED  
2           SETTLOR OF THE FOLLOWING TRUSTS SHALL NOT BE TREATED AS A SETTLOR:

3           1. AN IRREVOCABLE INTER VIVOS MARITAL TRUST THAT IS TREATED AS  
4           QUALIFIED TERMINABLE INTEREST PROPERTY UNDER SECTION 2523(f) OF THE INTERNAL  
5           REVENUE CODE IF THE SETTLOR IS A BENEFICIARY OF THE TRUST AFTER THE DEATH OF  
6           THE SETTLOR'S SPOUSE.

7           2. AN IRREVOCABLE INTER VIVOS MARITAL TRUST THAT IS TREATED AS A  
8           GENERAL POWER OF APPOINTMENT TRUST UNDER SECTION 2523(e) OF THE INTERNAL  
9           REVENUE CODE IF THE SETTLOR IS A BENEFICIARY OF THE TRUST AFTER THE DEATH OF  
10          THE SETTLOR'S SPOUSE.

11          3. AN IRREVOCABLE INTER VIVOS TRUST FOR THE SETTLOR'S SPOUSE THAT DOES  
12          NOT QUALIFY FOR THE GIFT TAX MARITAL DEDUCTION IF THE SETTLOR IS A  
13          BENEFICIARY OF THE TRUST AFTER THE DEATH OF THE SETTLOR'S SPOUSE.

14          4. AN IRREVOCABLE INTER VIVOS TRUST CREATED BY THE SETTLOR'S SPOUSE  
15          FOR THE BENEFIT OF THE SETTLOR, REGARDLESS OF WHETHER OR WHEN THE SETTLOR  
16          ALSO CREATED AN IRREVOCABLE INTER VIVOS TRUST WITH RESPECT TO WHICH SUCH  
17          SPOUSE IS A BENEFICIARY.

18          F. FOR THE PURPOSES OF SUBSECTION E, A PERSON IS A BENEFICIARY WHETHER  
19          SO NAMED UNDER THE INITIAL TRUST INSTRUMENT OR THROUGH THE EXERCISE BY THAT  
20          PERSON'S SPOUSE OR BY ANOTHER PERSON OF A LIMITED OR GENERAL POWER OF  
21          APPOINTMENT."

22    Reletter to conform

23    Page 12, line 38, strike ", including" insert ". THESE POWERS, DELEGATIONS AND  
24    FUNCTIONS MAY INCLUDE"

25    Page 13, line 15, after the period strike the remainder of line; strike lines 16  
26    through 19, insert:

27           "This subsection does not apply to trusts that become irrevocable  
28           before ~~the effective date of this section.~~ JANUARY 1, 2009 IF THE TRUST  
29           INSTRUMENT ALLOWS THE SETTLOR TO REMOVE AND REPLACE THE TRUST PROTECTOR."

30    Line 24, strike "ABSOLUTE"

1 Page 13, line 25, after "TO" strike the remainder of line; strike line 26, line 27,

2 strike "INCOME" insert "MAKE DISTRIBUTIONS, REGARDLESS OF WHETHER A STANDARD

3 IS PROVIDED IN THE INSTRUMENT OR AGREEMENT, FOR THE BENEFIT OF A BENEFICIARY"

4 Line 28, strike "PRINCIPLE OF THE" insert "ESTATE"

5 Line 30, strike "INVADE" insert "MAKE DISTRIBUTIONS"

6 Line 31, after "FIXED" strike remainder of line; strike line 32, insert

7 "NONDISCRETIONARY INCOME PAYMENT TO A BENEFICIARY."

8 2. DOES NOT ALTER ANY NONDISCRETIONARY ANNUITY OR UNITRUST PAYMENT TO

9 A BENEFICIARY."

10 Renumber to conform

11 Line 33, strike "BENEFICIARY" insert "BENEFICIARIES"

12 Between lines 33 and 34, insert:

13 "4. RESULTS IN ANY ASCERTAINABLE STANDARD APPLICABLE FOR DISTRIBUTIONS

14 FROM THE TRUST BEING THE SAME OR MORE RESTRICTIVE STANDARD APPLICABLE FOR

15 DISTRIBUTIONS FROM THE RECIPIENT TRUST WHEN THE TRUSTEE EXERCISING THE POWER

16 DESCRIBED IN THIS SUBSECTION IS A POSSIBLE BENEFICIARY UNDER THE STANDARD.

17 5. DOES NOT ADVERSELY AFFECT THE TAX TREATMENT OF THE TRUST, THE

18 TRUSTEE, THE SETTLOR OR THE BENEFICIARIES."

19 Renumber to conform

20 Between lines 40 and 41, insert:

21 "D. THE TRUSTEE, IN THE TRUSTEE'S SOLE DISCRETION, PRIOR TO OR AFTER

22 THE EXERCISE OF THE TRUSTEE'S DISCRETION UNDER THIS SECTION, MAY REQUEST THE

23 COURT TO APPROVE THE EXERCISE."

24 Page 14, between lines 8 and 9, insert:

25 "4. REASONABLE REMUNERATION FOR SERVICES PERMITTED PURSUANT TO SECTION

26 6-246."

27 Amend title to conform

---

TOM BOONE

2333-f1-boone

4/6/09

1:13 PM

H:jjb