

appropriate for that Settlor's support, health, comfort and well-being. Any income of the separate estate of a Settlor shall be accumulated and added to the principal of that Settlor's separate estate.

(b) In addition, at the written request of either Settlor delivered to the trustee, the trustee shall pay either to JOHN DOE or to MARY DOE, or to both, as community property, or shall apply for their benefit, as much of the income or principal of the community estate as the Settlor requests. The trustee shall also pay to either Settlor, or shall apply for his or her benefit, as much of the income or principal of the requesting Settlor's separate estate as that Settlor requests. If the Settlor requesting a distribution is acting as trustee or co-trustee, a written request is not required.

2.2 Payment of Debts and Expenses Upon the Death of the deceased Settlor. Upon the death of the deceased Settlor, the trustee may, in the trustee's discretion, pay out of the Disclaimer Trust, without apportionment, deduction or reimbursement therefor, the deceased Settlor's debts, last illness and funeral expenses, other legal obligations, attorneys' fees and other costs incurred in administering his or her estate, including a probate estate, if any.

2.3 Division and Allocation of the Trust Estate Upon the Death of a Settlor. Upon the death of the deceased Settlor, the trustee shall thereafter divide the trust estate into two shares, called the surviving Settlor's share and the deceased Settlor's share.

(a) The surviving Settlor's share shall consist of the following:

(i) The surviving Settlor's interest in the community estate. The trustee shall have the discretion to determine how the the Settlor's community property will be divided and allocated. The assets selected shall be valued at the date or dates of allocation.

(ii) The surviving Settlor's separate estate, if any, included in the trust estate and, unless otherwise directed by the surviving Settlor, any other property of the surviving Settlor added to the trust estate (whether during the surviving Settlor's lifetime or by reason of his or her death) following the death of the deceased Settlor; and

(b) The deceased Settlor's share shall consist of the following:

(i) The deceased Settlor's separate property, if any, and;

(ii) The remaining trust estate not allocated to the surviving Settlor's share.

(c) The trustee shall allocate the surviving Settlor's share to a separate trust, called the Survivor's Trust. The trustee shall also allocate the deceased Settlor's share to the Survivor's Trust. In the event of a valid disclaimer by or on behalf of the surviving Settlor of any portion of the deceased Settlor's share, such portion shall instead pass to a separate trust called the Disclaimer Trust, as more specifically provided in subparagraph d, immediately below. The Survivor's Trust and the Disclaimer Trust shall be held and administered as separate trusts, as provided below.

(d) Disclaimer by Surviving Settlor. The surviving Settlor shall have the power to disclaim all or any portion of or interest in the deceased Settlor's property allocable to or otherwise passing to the Survivor's Trust. Notwithstanding any other provision of this Trust Agreement, if the surviving Settlor effectively disclaims all or any portion of his or her interest in the property in or passing to the Survivor's Trust, the portion of the property or interest so