

Form: Operating trust agreement for jointly owned property after divorce

PREVIEW
**OPERATING TRUST AGREEMENT FOR JOINTLY OWNED
PROPERTY AFTER DIVORCE**

Joint owners, [Trustee Name], Trustee, and [Beneficiary], Beneficiary, make this Operating Trust Agreement for Jointly Owned Property After Divorce, and agree as follows:

1. Property Owned

1.1 Schedule 1 to this Agreement describes certain properties which are owned by the Trustee and Beneficiary following their divorce and which they wish to own as tenants in common. The parties agree that Trustee will act as trustee for Beneficiary's undivided interest in the property, for the reason that the difficulty of management dictates that one person can more properly make expeditious decisions of sale, refinancing, and forfeiture. The Trustee's rights and powers are more fully described in the following paragraphs.

2. Beneficiary Consent

2.1 Beneficiary consents to Trustee's serving as trustee for the one-half undivided interest of Beneficiary in the Schedule 1 properties to this agreement. Trustee acknowledges the duty of reasonable care and prudence in the management of Beneficiary's property as if the property belongs to Trustee. Beneficiary acknowledges that each is the one-half undivided interest of the Trustee and that unitary management and preservation of the property by Trustee is mutually beneficial to each owner.

THIS DOCUMENT

3. Discretion to Sell

3.1 This agreement gives Trustee the sole and undivided discretion to sell or vote for the sale of any Schedule 1 asset held individually or in a further partnership under the terms as deemed appropriate by Trustee. Trustee's discretion extends to any election to make such cash contributions as may be required for the property's preservation. By the terms of this agreement, Beneficiary must be given an opportunity to make such cash contributions prior to forfeiture of the property, by being given ten days' written notice of any property forfeitures. Upon being given the option to take full ownership of the subject property, Beneficiary's election to make cash contributions shall permit Beneficiary to take over the property without further claim by Trustee. This agreement confers the power on Trustee to declare any Schedule 1 property to be worthless, and upon such declaration the property is removed from the Schedule 1 property and may be claimed by Beneficiary as Beneficiary's sole and separate property.

THANK YOU

4. Maintenance of Separate Operating Account

4.1 This agreement mandates the maintenance of a separate operating account by Trustee for the receipt and contribution of cash payments. This agreement confirms that Trustee will not be compensated for managing and preservation of the Schedule 1 properties. The agreement confers the right of periodical examination of the books and records of the trust, including

Beneficiary's designation of a third party for such examination. By agreement, all receipts of sale rental or otherwise from the property, shall be deposited by the Trustee in the operating account. No disbursements of any kind will be made from the operating account other than for the purpose of this agreement in operating or maintaining the property or for placement in another interest-bearing account. Upon sale, transfer or forfeiture of all Schedule 1 assets, any remaining funds shall be distributed by the trustee in the following manner:

- a. Trustee shall receive reimbursement for all of Trustee's contributions and expenses in regard to management of trust assets; and
- b. Beneficiary and Trustee shall equally divide (50%-50%) all remaining funds.

5. The agreement confers the power on Trustee to make such reasonable and necessary expense for the preservation and management of Schedule 1 properties including the right to hire contractors, workers, attorneys, accountants or others as necessary. Trustee shall have the further power and discretion to execute or deliver such instruments as are necessary to carry out the trust purposes.

SIGNED on _____.

[Trustee Name], Trustee

THIS DOCUMENT

[Beneficiary], Beneficiary

State of Texas
County of _____

[Trustee Name], Trustee, acknowledged this Operating Trust Agreement under oath before me on _____.

Notary Public, State of Texas

THANK YOU

Notary's typed or printed name
My commission expires: _____

[or Notary's Stamp]

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