

SECTION 11  
BASIC TRUST OPERATIONS AND DEFINITIONS

Organization of the Trust - As with the foundation, your understanding of the devices and procedures used to create the trust is not as vital as your understanding of continuing management principles. Your attorney is the man to organize your trust. He will prepare your trust's initial documents, explain them to you and show you where to sign. Once these initial documents are signed and, if necessary, recorded, your trust is in existence. You should have some understanding, however, of some of the initial creating documents so that you will be able to pass this knowledge on and refer to these documents by name.

Trusts are created through simple step by step procedures. These steps must be in chronological order, however, or the organization is not legally complete. This order is quite simple to follow. First, an individual whom we will call the creator, contracts in writing with two or more other individuals, the trustees, to create a business organization to own property and conduct activities for the benefit of other individuals or organizations. These other individuals or organizations are not his beneficiaries in most cases. The written contract known as