

Return Address:

William R. Thomas, Attorney
1411 Fourth Ave. Bldg., #1530
Seattle, WA 98101



20010702000860

WILLIAM R THOM J
PAGE 001 OF 008
07/02/2001 11:49
KING COUNTY, WA

15.00

Please print or type information WASHINGTON STATE RECORDER'S Cover Sheet (RCW 65.04)

Document Title(s) (or transactions contained therein) (all areas applicable to your document must be filled in)

- 1 Nonjudicial Dispute Resolution Agreement
- 2 In the Matter of the Estate of Mabel E. Sutter
- 3 King County Superior Court No. 194692
- 4

COPY

Reference Number(s) of Documents assigned or released:

Additional reference #'s on page _____ of document

Grantor(s) (Last name first, then first name and initials)

- 1 Pitts, Phyliss Sutter, Co-Executrix/Co-Trustee; Beneficiary
- 2 Charles, Stuart Dean, Co-Executor/Co-Trustee; Beneficiary
- 3 The First Church of Christ, Scientist in Boston, Massachusetts
- 4 Beneficiary

Additional names on page _____ of document.

Grantee(s) (Last name first, then first name and initials)

- 1 Mabel E. Sutter Family Trust
- 2
- 3
- 4

Additional names on page _____ of document.

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

The north 30 feet of Lot 3, Block 87, D.T. Denny's Park
Addition to North Seattle, acc/to plat in Vol 2, page 46
records of King County, WA

Additional legal is on page 7 of document.

Assessor's Property Tax Parcel/Account Number

199120-1355-04

Assessor Tax # not yet assigned

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

20010702000860

2001076 000980

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KING

IN THE MATTER OF THE ESTATE)	
)	NO. 194692
OF)	
)	NONJUDICIAL DISPUTE
MABEL E. SUTTER,)	RESOLUTION AGREEMENT
)	
<u>Deceased.</u>)	(RCW 11.96A.210-230)

Agreement

Agreement entered into as of the 21st day of June, 2001, by the trustees and beneficiaries of the Family Trust under the Will of Mabel E. Sutter and the personal representatives of the Estate of Mabel E. Sutter, Deceased.

Recitals

A. Parties. The parties to this agreement are all persons interested in the estate and testamentary trust of Mabel E. Sutter, Deceased, namely:

1. Personal Representatives: Phyllis Sutter Pitts and Stuart Dean Charles
2. Co-Trustees: Phyllis Sutter Pitts and Stuart Dean Charles
3. Beneficiaries: Phyllis Sutter Pitts, Stuart Dean Charles, and The First Church of Christ, Scientist in Boston, Massachusetts.

B. Authority. This Nonjudicial Agreement is entered into pursuant to RCW 11.96A.210 and RCW 11.96.220.

C. Jurisdiction. Mabel E. Sutter died on April 10, 1968. She was a resident of Seattle, King County, Washington and left property subject to probate in King County. Her estate was probated under King County Probate No. 194692, but due to disputes and complications which had arisen since the commencement of the probate proceeding, the estate administration has not yet been completed. Accordingly, the King County Superior Court has jurisdiction over these matters and their resolution.

D. Terms of Will. In her Will, and a subsequent Codicil

20010702000860

1 thereto, Mabel E. Sutter left all of her household furniture,
2 furnishings, appliances, personal effects and belongings to her
3 daughter, Phyllis Sutter Pitts and all cash remaining on hand,
4 after the payment of debts and expenses, she left to her
5 daughter and her grandson, Stuart Dean Charles, in equal
6 shares. In addition, Mrs. Sutter established in her Will, as
7 modified by her Codicil thereto, a Family Trust to which she
8 left all of the rest, residue, and remainder of her estate for
9 the primary benefit of her daughter and her grandson during
10 their respective lifetimes, and thereafter to her church,
11 Fourth Church of Christ, Scientist, Seattle, Washington, but
12 which was dissolved on June 17, 1998. The First Church of
13 Christ, Scientist in Boston, Massachusetts has become its
14 successor in interest.

9 **D.1. Co-Trustees.** Phyllis Sutter Pitts, Stuart Dean
10 Charles, and Seattle-First National Bank were designated and
11 named as Co-Trustees of the Family Trust. However, Seattle-
12 First National Bank declined to serve as such Co-Trustee.
13 Formal declination was never filed in behalf of the bank in the
14 estate proceeding, but Bank of America, as Successor in
15 Interest to Seattle-First National Bank, has currently agreed
16 to execute and file a declination to serve as the corporate Co-
17 Trustee of the Sutter Family Trust.

14 **D.2. Successor Trustee.** The Trust makes no provision for
15 a successor corporate trustee. Since under the terms of the
16 trust the income properties of the trust are to be supervised
17 and managed exclusively by the income beneficiaries as Co-
18 Trustees during their respective lifetimes, following which on
19 the death of the surviving personal income beneficiary, the
20 charitable remainder interest of The First Church of Christ,
21 Scientist becomes the resultant beneficial interest of the
22 trust, it is now necessary to make provision in this agreement
23 for the procedure of the naming of a successor trustee to
24 administer the trust at that time.

20 **D.3. Estate/Family Trust Assets.** The assets of the
21 estate which were to fund the trust consisted of two parcels
22 of real estate located in Seattle, Washington and which
23 are producing rental income. However, neither parcel was
24 distributed or transferred to the trust from the estate. Under
25 the terms of the trust the "corporate" co-trustee was not to
26 participate in the management and supervision of those income
27 producing properties, but they were to be managed and
28 supervised exclusively by Mrs. Sutter's daughter and grandson.
In the intervening years since the death of Mabel E. Sutter,
the properties have been managed and supervised by them in
their capacity as Co-Executors of the estate and should now be
transferred and conveyed to them in their capacity as co-
trustees to administer the Family Trust.

As part of the trust management and administration by the
co-trustees, Phyllis Sutter Pitts and Stuart Dean Charles, and

2001070000980

1 the fact that no corporate trustee will be involved therein, a
2 further matter needs to be resolved, as it is noted that
3 Article III, B.1 of the Last Will and Testament of Mabel E.
Sutter, entitled Family Trust, Trustees and Trust Management
provided, in part,

4 "...that in the case of any transaction
5 involving the sale or liquidation of any of the
6 trust assets, the corporate trustee shall
7 participate in the deliberations and decisions
8 and if said transactions involve the expenditure
of any portion or all of the principal of the trust,
the decision of the corporate trustee shall be
binding upon the other trustees."

9 **D.4. Principal Distributions of Trust.** The Sutter Family
10 Trust provides that the primary beneficiaries of the trust,
Phyllis Sutter Pitts and Stuart Dean Charles shall be entitled
11 to secure funds from the principal of the trust to meet certain
emergency needs as defined in the trust, but which expenditure
12 of principal should be determined solely by the named corporate
trustee. However, the corporate trustee has declined to serve.
13 The primary beneficiaries have no need or desire for principal
distributions.

14 **D.5. Final Distribution of Trust.** Article III A.3 of the
15 Last Will and Testament of Mabel E. Sutter, as further amended
by a Codicil to the will, provided that after the death of the
16 surviving primary beneficiary of the trust, the net income of
the trust would be paid to The First Church of Christ,
17 Scientist in Boston, Massachusetts for a period of twenty-
one years at the conclusion of which the trust would terminate
18 and the remaining trust assets and funds were to be transferred
and delivered to the church after any and all remaining
19 expenses, debts, fees, taxes, and any other charges had been
paid. Such a prolonged period of time to continue to
20 administer the trust for the sole purpose of only distributing
net income to a charitable entity would appear to entail the
21 incurring of unnecessary administrative fees and expenses to
the trust and thereby reduce the amount of net income available
for distribution.

22 The parties also note that had the trust been executed or
23 taken effect after 1969, it would have been subject to the
Federal Tax Reform Act of 1969 and thereunder the twenty-
24 one year provision would have invalidated the charitable nature
of the trust, as a nonindividual (the church) could not be a sole
25 income recipient of a charitable remainder trust, thus
defeating the charitable intent of the decedent. Such
26 prohibition is also current law governing such trusts and
expressive of public policy.

27 **Purposes of Agreement**

28 The purposes of this agreement are: (1) To facilitate the

20010705000220

1 final administration, distribution, and closing of the Estate
2 of Mabel E. Sutter, Deceased; (2) to provide for amendments to
3 provisions in the Mabel E. Sutter Family/Testamentary Trust
4 relating to the role of a designated corporate trustee, based
5 upon a construction of the intent of the decedent, Mabel E.
6 Sutter, in light of the declination of such corporate trustee
7 to serve as such trustee; and (3) to amend the said trust under
8 RCW 11.96A.030 in order to comply with statutes and regulations
9 of the United States Internal Revenue Service to achieve
10 qualification of a Charitable Remainder Trust to the extent
11 permitted by federal law for tax benefits.

12 NOW, THEREFORE, in consideration of the mutual benefits to
13 be derived, the parties agree as follows:

14 **A. Successor Trustee.** The First Church of Christ,
15 Scientist in Boston, Massachusetts, as the charitable remainder
16 beneficiary of the Mabel E. Sutter Family Trust, shall select,
17 name and appoint a Successor Trustee to the last to serve of
18 Phyllis Sutter Pitts, Trustee, or Stuart Dean Charles, Trustee,
19 in the event of her or his death, resignation or inability to
20 serve as Trustee of the Mabel E. Sutter Family Trust.
21 Accordingly, the church shall be promptly notified of such
22 event causing the need for the services of a Successor Trustee.

23 **B. No Principal Distributions of Trust.** The primary
24 beneficiaries of the Mabel E. Sutter Family Trust, Phyllis
25 Sutter Pitts and Stuart Dean Charles state and agree that they
26 have never taken any principal distribution from either the
27 estate or trust assets designated to fund the trust, or any
28 principal of the trust, that they do not intend to do so, and,
further that they specifically waive and disclaim any further
ability to do so, either for themselves, or their heirs,
estates, creditors or assigns.

C. Notice of Sale or Liquidation of Trust Asset. Because
a sale or liquidation of an asset of the Mabel E. Sutter Family
Trust, including any trust real estate, would directly affect
the remainder interest of The First Church of Christ, Scientist
in Boston, Massachusetts, the Co-Trustees, or Trustee of the
trust, as the case may be, shall, prior to any such sale or
liquidation, notify and consult with the church regarding such
anticipated sale or liquidation so that any possible tax
benefits due to the charitable nature of the remainder interest
could be secured and not inadvertently overlooked.

D. Final Distribution of Trust. To avoid unnecessary
continuing expenses of administration of the trust following the
death of the surviving primary beneficiary of the trust to the
detriment of the beneficial charitable interest of the church,
and, further, since it may well occur that on the event of the
death of the last primary beneficiary of the trust, a
coincidence of the legal title, the right to income of the
trust, and the remainder interest in the principal of the trust
may have vested in the church so as to constitute a merger of

2001070-000860

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28


those interests, the parties agree that at that time the church may elect to terminate and liquidate the trust, notwithstanding the trust provision referred to hereinabove for a twenty-one year period of net income distribution to the church.

E. Augmented Amendments. The parties agree that the provisions of Sections A through D as set forth hereinabove shall constitute amendments to the trust where applicable, thereby augmenting the Mabel E. Sutter Family Trust. The parties agree and believe that such amendments will facilitate the trust administration by the Co-Trustees, Phyllis Sutter Pitts and Stuart Dean Charles, and their Successor Trustee and be of benefit to all of the beneficiaries of the trust without violating the construed intent of the decedent and applicable laws relating to the needed resolution of issues and disputes which have arisen during the administration of the Estate of Mabel E. Sutter.

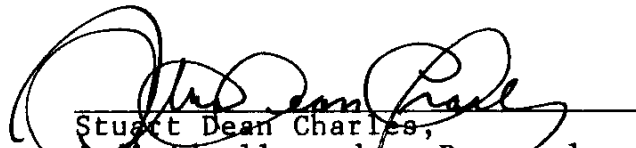
F. Counterparts; Filing. This Agreement may be executed in counterparts, all of which, taken together, shall constitute a single agreement. This Agreement shall be effective upon signature by all parties. The parties waive notice of the filing of this Agreement, but the Agreement and all executed signature pages shall be filed with the court.

G. Governing Law. This Agreement shall be interpreted under the laws of the State of Washington.

Date: June 21 2001


Phyllis Sutter Pitts,
individually and as Personal
Representative, Co-Trustee, and
Trust Beneficiary

Date: JUNE 21, 2001


Stuart Dean Charles,
individually and as Personal
Representative, Co-Trustee, and
Trust Beneficiary

20010200000360

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Date: June 27, 2001

The First Church of Christ,
Scientist in Boston,
Massachusetts, Trust Beneficiary

By Barbara F. Burley
Barbara F. Burley
Title: Assistant Treasurer

20010702000920

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NONJUDICIAL DISPUTE RESOLUTION
AGREEMENT

Schedule A

The two parcels of real estate referred to in Recitals, D.3 Estate/Family Trust Assets and Purposes of Agreement, C. Notice of Sale or Liquidation of Trust Asset are more fully described as follows:

The North 30 feet of Lot 3, Block 87, D. T. Denny's Park Addition to North Seattle, according to plat recorded in Volume 2 of Plats at page 46, Records of King County, Washington; (Tax Account #199120-1355-04) and

Lots 7 and 8, Block 28, supplemental plat of G. Kinnear Addition to the City of Seattle according to plat recorded in Volume 2 of Plats at page 62, Records of King County, Washington; except that portion of Lots 7 and 8 condemned for street. (Tax Account #387990-1980-05)