

TABLE OF CONTENTS

<b>I.</b>	<b>INTRODUCTION</b> .....	<b>1</b>
<b>II.</b>	<b>GENERAL</b> .....	<b>1</b>
<b>A.</b>	<b>STATE LAW</b> .....	<b>1</b>
<b>1.</b>	<b>DEFINITIONS</b> .....	<b>1</b>
<b>A.</b>	<b>POWER OF APPOINTMENT</b> .....	<b>1</b>
<b>B.</b>	<b>DONOR</b> .....	<b>1</b>
<b>C.</b>	<b>DONEE</b> .....	<b>2</b>
<b>D.</b>	<b>OBJECTS</b> .....	<b>2</b>
<b>E.</b>	<b>PROPERTY/APPOINTIVE ASSETS</b> .....	<b>2</b>
<b>F.</b>	<b>GENERAL POWER OF APPOINTMENT/SPECIAL POWER OF APPOINTMENT</b> .....	<b>2</b>
<b>B.</b>	<b>FEDERAL LAW</b> .....	<b>2</b>
<b>1.</b>	<b>DEFINITION</b> .....	<b>2</b>
<b>2.</b>	<b>GENERAL V. NON-GENERAL POWERS OF APPOINTMENT</b> .....	<b>3</b>
<b>A.</b>	<b>OVERVIEW</b> .....	<b>3</b>
<b>B.</b>	<b>GENERAL POWERS OF APPOINTMENT</b> .....	<b>3</b>
<b>C.</b>	<b>NON-GENERAL POWERS OF APPOINTMENT</b> .....	<b>3</b>
<b>3.</b>	<b>CREATION OF GENERAL POWERS OF APPOINTMENT</b> .....	<b>4</b>
<b>4.</b>	<b>TAXATION OF GENERAL POWERS OF APPOINTMENT</b> .....	<b>4</b>
<b>III.</b>	<b>DRAFTING POWERS OF APPOINTMENT</b> .....	<b>4</b>
<b>A.</b>	<b>PRACTICAL REASONS FOR INCLUDING (OR EXCLUDING) POWERS OF APPOINTMENT</b> .....	<b>5</b>
<b>1.</b>	<b>ADVANTAGES OF INCLUDING POWERS OF APPOINTMENT</b> .....	<b>5</b>
<b>2.</b>	<b>DISADVANTAGES OF INCLUDING POWERS OF APPOINTMENT</b> .....	<b>5</b>
<b>B.</b>	<b>CATEGORIES OF POWERS OF APPOINTMENT</b> .....	<b>5</b>
<b>1.</b>	<b>BROAD GENERAL POWER OF APPOINTMENT</b> .....	<b>5</b>
<b>2.</b>	<b>NARROW GENERAL POWER OF APPOINTMENT</b> .....	<b>6</b>
<b>3.</b>	<b>CONDITIONAL GENERAL POWER OF APPOINTMENT</b> .....	<b>6</b>
<b>4.</b>	<b>FORMULA GENERAL POWER OF APPOINTMENT</b> .....	<b>7</b>
<b>5.</b>	<b>COMBINED CONDITIONAL FORMULA GENERAL POWER</b> .....	<b>8</b>
<b>6.</b>	<b>BROAD SPECIAL POWER OF APPOINTMENT</b> .....	<b>8</b>
<b>7.</b>	<b>NARROW SPECIAL POWER OF APPOINTMENT</b> .....	<b>8</b>
<b>C.</b>	<b>PITFALLS INVOLVING SPECIAL POWERS OF APPOINTMENT</b> .....	<b>8</b>
<b>1.</b>	<b>DISCHARGE OF LEGAL OBLIGATION</b> .....	<b>8</b>
<b>2.</b>	<b>LIMITED CLASS OF DESIGNEES</b> .....	<b>9</b>
<b>IV.</b>	<b>UNINTENTIONALLY CREATED POWERS OF APPOINTMENT</b>	
<b>A.</b>	<b>POWERS HELD AS TRUSTEE</b> .....	<b>9</b>
<b>1.</b>	<b>GENERAL RULE</b> .....	<b>9</b>
<b>2.</b>	<b>IS THERE A DEFENSE BASED ON LIMITS FOR FIDUCIARY DUTY?</b> .....	<b>9</b>
<b>3.</b>	<b>ACCEPTANCE OF TRUST</b> .....	<b>9</b>
<b>4.</b>	<b>INCAPACITY OF TRUSTEE</b> .....	<b>9</b>
<b>B.</b>	<b>ADVERSE PARTY</b> .....	<b>10</b>
<b>1.</b>	<b>GENERAL RULE</b> .....	<b>10</b>
<b>2.</b>	<b>BENEFICIARY RIGHTS</b> .....	<b>10</b>
<b>3.</b>	<b>CREATION OF AN ADVERSE INTEREST</b> .....	<b>10</b>
<b>4.</b>	<b>MULTIPLE TRUSTEES</b> .....	<b>10</b>
<b>C.</b>	<b>CONTINGENCIES</b> .....	<b>10</b>
<b>D.</b>	<b>ASCERTAINABLE STANDARD</b> .....	<b>11</b>
<b>1.</b>	<b>ACCEPTABLE STANDARDS</b> .....	<b>11</b>
<b>E.</b>	<b>HIDDEN PROBLEMS</b> .....	<b>11</b>

1.	<b>POWER TO AMEND</b> .....	11
2.	<b>EARLY TERMINATION</b> .....	12
3.	<b>FACILITY OF PAYMENT</b> .....	12
4.	<b>POWER OF DISTRIBUTE TO ANOTHER TRUST</b> .....	12
5.	<b>POWER TO GRANT A GENERAL POWER OF APPOINTMENT</b> .....	12
6.	<b>RECIPROCAL TRUST DOCTRINE</b> .....	13
7.	<b>DRAFTING INCONSISTENCIES</b> .....	13
8.	<b>REMOVAL AND REPLACEMENT POWER</b> .....	13
F.	<b>POWERS OF ATTORNEY</b> .....	13
G.	<b>UNIFORM TRANSFER TO MINORS ACT</b> .....	14
V.	<b>EXERCISING POWERS OF APPOINTMENT</b> .....	14
A.	<b>GENERALLY</b> .....	14
B.	<b>EXERCISE BY WILL OR BY DEED</b> .....	14
C.	<b>APPOINTMENT IN TRUST OR CREATING ADDITIONAL POWERS</b> .....	15
D.	<b>TIMING OF EXERCISE</b> .....	16
E.	<b>RESTRICTIONS IMPOSED BY DOCUMENT</b> .....	17
F.	<b>RULE AGAINST PERPETUITIES</b> .....	17
G.	<b>POTENTIAL TAX PROBLEMS</b> .....	18
1.	<b>BUSTING GST EXEMPTION</b> .....	18
2.	<b>DELAWARE TAX TRAP</b> .....	19
	<b>APPENDIX A</b> .....	20
	<b>APPENDIX B</b> .....	21
	<b>APPENDIX C</b> .....	22
	<b>APPENDIX D</b> .....	23