

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
9.19
(ID # 5994)

MEETING DATE:
Tuesday, January 23, 2018

FROM : TREASURER-TAX COLLECTOR:

SUBJECT: TREASURER-TAX COLLECTOR: Public Hearing on the Recommendation for Distribution of Excess Proceeds for Tax Sale No. 207, Item 79. Last assessed to: Norma J. Brown as Trustee of The Norma Brown 2009 Trust dated Jun 24 2009, District 5. [\$9,688 - Fund 65595 Excess Proceeds from Tax Sale]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the claim from Unclaimed Financial, agent for Norma Brown, last assessee for payment of excess proceeds resulting from the Tax Collector's public auction sale associated with parcel 310043013-1;
2. Authorize and direct the Auditor-Controller to issue a warrant to Unclaimed Financial, agent for Norma Brown, in the amount of \$9,688.63, no sooner than ninety days from the date of this order, unless an appeal has been filed in Superior Court, pursuant to the California Revenue and Taxation Code Section 4675.

ACTION: Policy

Jon Christensen, Treasurer-Tax Collector 1/10/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: January 23, 2018
xc: Treasurer

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:
COST	\$9,688	\$ 0	\$9,688	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Fund 65595 Excess Proceeds from Tax Sale.			Budget Adjustment:	N/A
			For Fiscal Year:	17/18

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

In accordance with Section 3691 et seq. of the California Revenue and Taxation Code, and with prior approval of the Board of Supervisors, The Tax Collector conducted the May 24, 2016 public auction sale. The deed conveying title to the purchasers at the auction was recorded July 14, 2016. Further, as required by Section 4676 of the California Revenue and Taxation Code, notice of the right to claim excess proceeds was given on August 10, 2016, to parties of interest as defined in Section 4675 of said code. Parties of interest have been determined by an examination of lot book reports as well as Assessor's and Recorder's records, and various research methods were used to obtain current mailing addresses for these parties of interest.

The Treasurer-Tax Collector has received one claim for excess proceeds:

1. Claim from Unclaimed Financial, agent for Norma Brown based on an Authorization for Agent to Collect Excess Proceeds dated May 05, 2017, a Trust Transfer Deed recorded March 29, 2010 as Instrument No. 2010-0141569 and the Norma Brown 2009 Trust dated June 24, 2009.

Pursuant to Section 4675 of the California Revenue and Taxation Code, it is the recommendation of this office that Unclaimed Financial, agent for Norma Brown be awarded excess proceeds in the amount of \$9,688.63. Supporting documentation has been provided. The Tax Collector requests approval of the above recommended motion. Notice of this recommendation was sent to the claimant by certified mail.

Impact on Residents and Businesses

Excess proceeds are being released to the last assessee of the property.

ATTACHMENTS (if any, in this order):

ATTACHMENT A. Claim Unclaimed

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA


Stephanie Parisi 1/17/2018

CLAIM FOR EXCESS PROCEEDS FROM THE SALE OF TAX-DEFAULTED PROPERTY
(SEE REVERSE SIDE FOR FURTHER INSTRUCTIONS)

RECEIVED

To: Don Kent, Treasurer-Tax Collector

2017 MAY 18 PM 1:55

Re: Claim for Excess Proceeds

RIVERSIDE COUNTY
TREAS-TAX COLLECTOR

TC 207 Item 79 Assessment No.: 310043013-1

Assessee: BROWN, NORMA J TR

Situs: 250 E 6TH ST PERRIS 92570

Date Sold: May 24, 2016

Date Deed to Purchaser Recorded: July 14, 2016

Final Date to Submit Claim: July 14, 2017

I/We, pursuant to Revenue and Taxation Code Section 4675, hereby claim excess proceeds in the amount of \$ 9,648.63 from the sale of the above mentioned real property. I/We were the lienholder(s), property owner(s) [check in one box] at the time of the sale of the property as is evidenced by Riverside County Recorder's Document No. Enclwd; recorded on Enclwd. A copy of this document is attached hereto. I/We are the rightful claimants by virtue of the attached assignment of interest. I/We have listed below and attached hereto each item of documentation supporting the claim submitted.

NOTE: YOUR CLAIM WILL NOT BE CONSIDERED UNLESS THE DOCUMENTATION IS ATTACHED.

Grant Deed Enclwd

If the property is held in Joint Tenancy, the taxsale process has severed this Joint Tenancy, and all Joint Tenants will have to sign the claim unless the claimant submits proof that he or she is entitled to the full amount of the claim, the claimant may only receive his or her respective portion of the claim.

I/We affirm under penalty of perjury that the foregoing is true and correct.

Executed this 12 day of May, 2017 at Nassau NY
County, State

Signature of Claimant

[Signature]
Signature of Claimant

Print Name

Unclaimed Financial POA
Norma J Brown
Print Name

Street Address

1030 Neilson St Suite 2A
Street Address

City, State, Zip

Far Rockaway NY 11691
City, State, Zip

Phone Number

845 521 6666
Phone Number

AUTHORIZATION FOR AGENT TO COLLECT EXCESS PROCEEDS

To expedite processing of this claim, we would strongly suggest you use this form. For this form to be valid it must be completed in its entirety and documentation establishing the assignor's claim as a "party of interest" must be provided at the time this document is filed with the Treasurer-Tax Collector. PLEASE SEE REVERSE SIDE OF THIS DOCUMENT FOR FURTHER INSTRUCTIONS.

As a party of interest (defined in Section 4675 of the California Revenue and Taxation Code), I, the undersigned, do hereby make JACOB R THOMPSON my agent to apply for and collect the excess proceeds which you are holding and to which I am entitled from the sale of assessment number 310043013-1 sold at public auction on May 24th 2016. I understand that I AM NOT SELLING MY RIGHT TO THE REFUND, but merely naming an agent for collection purposes for my convenience.

I also understand that the total of excess proceeds available for refund is \$9,688.03 and that I have a right to file a claim for this refund on my own, without the help of an agent. For valuable consideration received my agent is appointed to act on my behalf.

Norma Brown
(Signature of Party of Interest)

Norma Brown
(Name Printed)

(Address) 2393 Louisiana St.

Beaumont, TX 77702
(City/State/Zip)

597
STATE OF CALIFORNIA TX) ss.
COUNTY OF JEFFERSON)

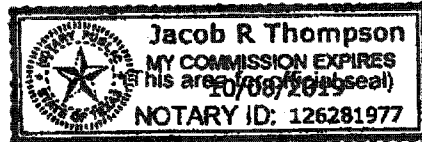
(Area Code/Telephone Number)

On 5/15/2017 before me, JACOB R THOMPSON, personally appeared Norma Brown, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

J.R.T.
(Signature of Notary)



I, the undersigned, certify under penalty of perjury that I have disclosed to the party of interest, pursuant to Section 4675 of the California Revenue and Taxation Code, the full amount of excess proceeds available and ADVISED HIM OF HIS RIGHT TO FILE A CLAIM ON HIS OWN, WITHOUT THE HELP OF AN AGENT.

M. T.
(Signature of Agent)

Unclaimed Financial McGroubain
(Name Printed)

(Address) 1030 Nelson St Suite 2A

(City/State/Zip) Far Rockaway NY 11891

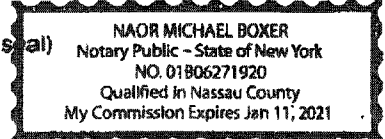
STATE OF CALIFORNIA New York) ss.
COUNTY OF NASSAU)

On 12th day of May 2017 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

[Signature]

(This area for official seal)



LIMITED POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS:

I, Norma Brown ("Principal") maintaining an address at 2395 Louisiana St. Bmt, TX 77022 do hereby make and appoint Unclaimed Financial Assets LLC ("Agent") maintaining an address at: 1030 Neilson st Suite 2A Far Rockaway NY 11691 my true and lawful attorney-in-fact for me and in my name, and in my behalf.

My Agent shall have full power and authority to perform the following in my place and stead:

I, do hereby designate Unclaimed Financial Assets LLC as my true and lawful attorney-in-fact, or agent, to act in, manage, and conduct my affairs, and for that purpose to do and execute acts, documents or things including any or all of the following acts, documents or things:

1. to retain legal counsel to represent me in obtaining the surplus
2. to execute any and all documents necessary to fulfill my claim
3. to endorse and deposit checks issued for the claim:
4. to pay Unclaimed Financial Assets LLC an agreed upon percentage of the proceeds obtained on my behalf;
5. To turn over the net proceeds of any claim to me.

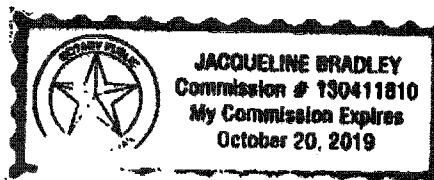
The above especially enumerated powers are to aid in giving examples of the power herein granted, and they are not to be constructed in limitation or definition thereof. We hereby reserve the right of revocation. We further state that this limited Power of Attorney shall not be affected by my subsequent disability or incapacity or by lapse of time.

Durable

This Power of Attorney and the rights, powers, and authority of my Agent shall be a Durable Power of Attorney. This Durable Power of Attorney and the rights, powers, and authority of my Agent shall become effective immediately upon execution of this instrument. The rights, powers, and authority of this document shall remain in full force and effect thereafter until my death. This Power of Attorney shall not terminate on my subsequent disability, incapacity or lack of mental competence (except as provided by any applicable statute).

Signed on March 16, 2017 (date), at Beaumont (city),
Texas (state).

Signature of Principal



DOC # 2010-0141569 ✓

03/29/2010 08:00A Fee:18.00

Page 1 of 2

Recorded in Official Records

County of Riverside

Larry M. Ward

Assessor, County Clerk & Recorder



RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO
AND MAIL TAX STATEMENTS TO

Norma J. Brown
8708 S. 11th Avenue ✓
Inglewood, CA 90305 ✓

A.P.N. 310-043-013-1 ✓

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TRUST TRANSFER DEED ✓

(Excluded from Reappraisal Under Proposition 13, i.e., Calif. Const. Art. 13A §1 et seq.)

19



The undersigned Grantor, NORMA BROWN, declares under penalty of perjury under the laws of the State of California that the following is true and correct:

This conveyance is a Trust Transfer under Section 62 of the California Revenue and Taxation Code. By this Trust Transfer Deed, the Grantor transfers her interest in the property described below to Grantor's revocable inter vivos trust. There is no consideration given for this transfer. Accordingly, there is no documentary transfer tax per California Revenue and Taxation Code Section 11911.

Documentary transfer tax is \$ NONE.

GRANTOR: NORMA J. BROWN, a widow, hereby GRANTS to

GRANTEE: NORMA J. BROWN as Trustee of THE NORMA BROWN 2009 TRUST dated ✓
JUN 24 2009

all that real property situated in the City of Perris in the County of Riverside, California, described as:

Lot 17, in Block 6 of Carpenters addition to the Town of Perris, as shown by map of file in Book 4, Page 244 of Maps, San Diego County Records.

Also known as: 250 East 6th Street, Perris, California ✓

Dated: JUN 24 2009

Norma J. Brown

STATE OF CALIFORNIA)

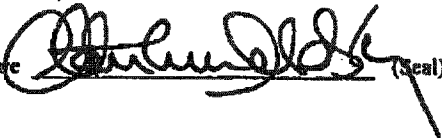
COUNTY OF LOS ANGELES)

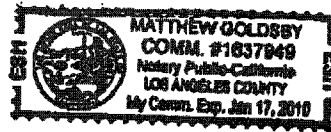
On JUN 24 2009, before me, Matthew Goldsby, Notary Public, personally appeared Norma J. Brown, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

 (Seal)



RECORDING REQUESTED BY:

MATTHEW W. GOLDSBY, Esq.
909 East Green Street
Pasadena, CA 91106

AND WHEN RECORDED MAIL TO:
AND MAIL TAX STATEMENTS TO:

Norma J. Brown
8708 S. 11th Avenue
Inglewood, CA 90305

DOC # 2010-0141568

03/29/2010 08:00A Fee:27.00

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Recorded in Official Records
County of Riverside

Larry W. Ward
Assessor, County Clerk & Recorder



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FACE PAGE

28-



SPOUSAL PROPERTY ORDER

THE ESTATE OF LEONARD ALEXANDER BROWN
Los Angeles Superior Court
BP 114 184

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):
 After recording return to:
MATTHEW W. GOLDSBY (State Bar # 143885)
 840 East Green Street, #307
 Pasadena, CA 91101

TELEPHONE NO.: (626) 792-3419
 FAX NO. (Optional): (626) 792-9728
 E-MAIL ADDRESS (Optional):
 ATTORNEY FOR (Name):

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
 STREET ADDRESS: 111 North Hill Street
 MAILING ADDRESS: 111 North Hill Street
 CITY AND ZIP CODE: Los Angeles CA 90012
 BRANCH NAME: Central

FOR RECORDER'S USE ONLY

ESTATE OF (Name): LEONARD ALEXANDER BROWN	DECEDENT	CASE NUMBER: BP 114 184
<input checked="" type="checkbox"/> SPOUSAL <input type="checkbox"/> DOMESTIC PARTNER <input type="checkbox"/> PROPERTY ORDER		FOR COURT USE ONLY

1. Date of hearing: January 29, 2009 Time: 8:30 a.m.
 Dept.: 5 Room:

THE COURT FINDS

2. All notices required by law have been given.
3. Decedent died on (date): October 2, 2008
 - a. a resident of the California county named above.
 - b. a nonresident of California and left an estate in the county named above.
 - c. intestate. testate.
4. Decedent's surviving spouse surviving registered domestic partner
 is (name): **NORMA J. BROWN**

FILED
 LOS ANGELES SUPERIOR COURT
 APR 22 2009
 JOHN A. CLARKE, CLERK
 BY *[Signature]* V. DOVE, DEPUTY

THE COURT FURTHER FINDS AND ORDERS

5. a. The property described in Attachment 5a is property passing to the surviving spouse or surviving registered domestic partner named in item 4, and no administration of it is necessary.
 - b. See Attachment 5b for further order(s) respecting transfer of the property to the surviving spouse or surviving registered domestic partner named in item 4.
 6. To protect the interests of the creditors of (business name):
 an unincorporated trade or business, a list of all its known creditors and the amount owed each is on file.
 - a. Within (specify): _____ days from this date, the surviving spouse or surviving registered domestic partner named in item 4 shall file an undertaking in the amount of \$ _____
 - b. See Attachment 6b for further order(s) protecting the interests of creditors of the business.
 7. a. The property described in Attachment 7a is property that belonged to the surviving spouse or surviving registered domestic partner under Family Code section 297.5 and Probate Code sections 100 and 101, and the surviving spouse's or surviving domestic partner's ownership upon decedent's death is confirmed.
 - b. See Attachment 7b for further order(s) respecting transfer of the property to the surviving spouse or surviving domestic partner.
 8. All property described in the Spousal or Domestic Partner Property Petition that is not determined to be property passing to the surviving spouse or surviving registered domestic partner under Probate Code section 13500, or confirmed as belonging to the surviving spouse or surviving registered domestic partner under Probate Code sections 100 and 101, shall be subject to administration in the estate of decedent. All of such property is described in Attachment 8.
 9. Other (specify): _____
- Continued in Attachment 9.

10. Number of pages attached: _____

Date: _____

 JUDICIAL OFFICER
 SIGNATURE FOLLOWS LAST ATTACHMENT

Form Adopted for Mandatory Use
 Judicial Council of California
 DE-226 (Rev. January 1, 2005)

SPOUSAL OR DOMESTIC PARTNER PROPERTY ORDER
 (Probate—Decedent's Estates)

Family Code, § 297.5;
 Probate Code, § 13600

ESTATE OF LEONARD ALEXANDER BROWN

Spousal Property Order – Attachments

ATTACHMENT 5a

The legal description of the property that passes to the surviving spouse from the deceased spouse is an undivided one-half interest in and to the properties listed below:

- (1). 250 East 6th Street, Perris, California and more particularly described as:
Lot 17, in Block 6 of Carpenters addition to the town of Perris,
as shown by map on file in Book 4, Page 244 of Maps, San
Diego County Records.

(APN 310-043-013-1)

- (2). Vacant land located in the city of Lancaster, California and more particularly
described as:

Lot 4, block XIV, Manzana colony, in the county of Los
Angeles, State of California as shown on map recorded in book
53 , page 78 of miscellaneous records in the office of the
county recorder of Los Angeles County. Except therefrom that
portion thereof which lies without that certain parcel of land
described as parcel 4 of final order of condemnation in favor of
the state of California a certified copy of which was recorded as
document No. 3276 on June 11, 1968 in book D4029 page 102,
official records in the office of Los Angeles County Recorder.
Also excepting to the county of Los Angeles all oil, gas,
hydrocarbons or other minerals in and under the above
described parcel of land without the right of surface entry for
development thereof, as excepted in deed recorded June 5, 1980
as instrument No. 80-551001.

(APN: 3279-010-039)

ESTATE OF LEONARD ALEXANDER BROWN

Spousal Property Order – Attachments

ATTACHMENT 7a

The legal description of the property that belongs to the surviving spouse under Probate Code §§100 and 101 upon the decedent's death is an undivided one-half interest in and to the properties listed below:

- (1). 250 East 6th Street, Perris, California and more particularly described as:

Lot 17, in Block 6 of Carpenters addition to the town of Perris, as shown by map on file in Book 4, Page 244 of Maps, San Diego County Records.

(APN 310-043-013-1)

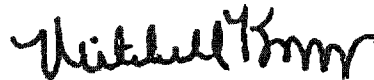
- (2). Vacant land located in the city of Lancaster, California and more particularly described as:

Lot 4, block XIV, Manzana colony, in the county of Los Angeles, State of California as shown on map recorded in book 53, page 78 of miscellaneous records in the office of the county recorder of Los Angeles County. Except therefrom that portion thereof which lies without that certain parcel of land described as parcel 4 of final order of condemnation in favor of the state of California a certified copy of which was recorded as document No. 3276 on June 11, 1968 in book D4029 page 102, official records in the office of Los Angeles County Recorder. Also excepting to the county of Los Angeles all oil, gas, hydrocarbons or other minerals in and under the above described parcel of land without the right of surface entry for development thereof, as excepted in deed recorded June 5, 1980 as instrument No. 80-551001.

(APN: 3279-010-039)

APR 22 2009

Date: _____



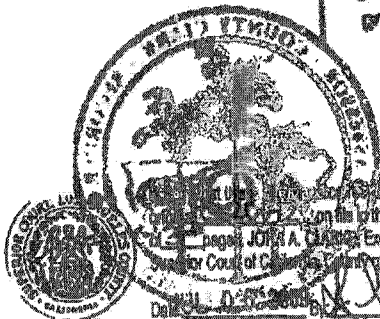
MITCHELL L. BECKLOFF
Judge of the Superior Court



MS 114184

This must be in red ink
"CERTIFIED COPY"

I hereby certify that the foregoing is a true and correct copy of the original as the same appears in my office.



[Handwritten signature]

Deputy

"CERTIFIED COPY"

JON CHRISTENSEN
ASSISTANT TREASURER-TAX COLLECTOR

DEBBIE BASHE
INFORMATION TECHNOLOGY OFFICER

GIOVANE PIZANO
INVESTMENT MANAGER

KIEU NGO
FISCAL MANAGER

August 9, 2017

Unclaimed Financial Assets LLC
1030 Neilson St Suite 2A
Far Rockaway, NY 11691

Re: APN: 310043013-1
TC 207 Item 79
Date of Sale: May 24, 2016

To Whom It May Concern:

This office is in receipt of your claim for excess proceeds from the above-mentioned tax sale. The documentation you have provided is insufficient to establish your claim.

Please submit the necessary proof to establish your right to claim the excess proceeds. The document(s) listed below may assist the Tax Collector in making the determination.

- ___ Notarized Affidavit for Collection of Personal Property under California Probate Code 13100
- ___ Notarized Statement of different/misspelled
- ___ Notarized Authorization to for Agent to Collect Excess Proceeds
- ___ Certified Death Certificate for
- ___ Copy of Birth Certificates for

- ___ Copy of Marriage Certificate for


- ___ Original Note/Payment Book
- ___ Updated Statement of Monies Owed (as of date of tax sale)
- ___ Articles of Incorporation (if applicable Statement by Domestic Stock)
- ___ Court Order Appointing Administrator
- ___ Deed (Quitclaim/Grant etc...)
- Other - Copy of The Norma Brown 2009 Trust Dated Jun 24, 2009

Please send in all documents within 30 days (September 09, 2017). If you should have any questions, please contact me at the number listed below.

Sincerely,

Jennifer Romero

Tax Sale Operations Unit
(951) 955-3945
(951) 955-3990 Fax
jiromero@RivCo.org

SENDER - COMPLETE THIS SECTION	COMPLETE THIS SECTION ON
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature X
1. Article Addressed to: EP 207 ITEM 79 Unclaimed Financial Assets LLC 1030 Neilson St Suite 2A Far Rockaway, NY 11691	B. Received by (Printed Name)
 9590 9402 2133 6132 3928 14	D. Is delivery address different from if YES, enter delivery address
2. Article Number (Transfer from service label) 7003 2260 0004 1556 9093	3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)
PS Form 3811, July 2015 PSN 7530-02-000-9053	

COUNTY OF RIVERSIDE, TREASURER-TAX COLLECTOR

4080 LEMON STREET, 4TH FLOOR * P.O. BOX 12005 * RIVERSIDE, CALIFORNIA 92502
WWW.COUNTYTREASURER.ORG * (951) 955-3900 * 1 (877) 748-2688 * FAX (951) 955-3923

TRUST AGREEMENT
NORMA BROWN 2009 TRUST

Prepared by
Matthew W. Goldsby
Attorney at Law
840 East Green Street #307
Pasadena, California 91101
(626) 792-3419

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**TRUST AGREEMENT
FOR THE
NORMA BROWN 2009 TRUST**

Norma Brown, as Trustor and Trustee, declares that she has entered into this Trust Agreement on the date below.

The Trustees agree to administer all property added to the trust estate, in trust, under the terms of this Trust Agreement. Definitions of certain important terms used in this Trust Agreement are provided in ARTICLE 19.

The revocable trust initially established under this Trust Agreement shall be known as the Norma Brown 2009 Trust. Successor trusts established under this Trust Agreement shall be known by the names designated below in this Trust Agreement or as named by the Trustees. The Trustees may refer to these trusts by reference to the name of the income beneficiaries of these trusts or the tax elections made with respect to these trusts.

**ARTICLE 1
DECLARATIONS**

1.1 **Family Information.** The Trustor is a widow. The Trustor has four (4) children, namely, Coy Brown Taylor, born June 10, 1968; Leonard A. Brown Jr., born December 10, 1970; Tobias Q. Brown, born November 23, 1974; and Kevin Lloyd Craven, born October 19, 1965. The Trustor has one (1) deceased child, Floyd F. Craven, who died on December 2, 2005, leaving one (1) issue who survived him. The Trustor has no other living or deceased children.

1.2 **Property Information.** At this time, all the Trustor's property is her separate property.

**ARTICLE 2
RIGHTS RESERVED BY THE TRUSTOR**

The Trustor reserves the following rights under this Trust Agreement.

2.1 **Right to Add Property to the Trust Estate.** The Trustor reserves the right to transfer additional property to the Trustees during her lifetime and at her death. All such property transferred to the Trustees shall be added to the trust estate and administered as provided in this Trust Agreement. The Trustees are authorized and directed to accept the additions to the trust estate. Any other person may transfer property to the Trustees to be added to the trust estate, provided the property is acceptable to the Trustor (if living) and the Trustees.

2.2 **Right to Withdraw Property from the Trust Estate.** The Trustor reserves the right to withdraw at any time all or any portion of her property held in the trust estate. The property described in any notice of withdrawal shall be delivered immediately to the Trustor. Upon any withdrawal, the property shall be transferred to the Trustor as if the trust had not been created.

2.3 **Right to Amend the Trust Agreement.** The Trustor reserves the right to amend at any time all or any part of this Trust Agreement, without obtaining the consent of or giving notice to any beneficiary.

2.4 **Right to Revoke the Trust Agreement.** The Trustor reserves the right to revoke at any time all or any part of this Trust Agreement, without obtaining the consent of or giving notice to any beneficiary. If this Trust Agreement is revoked in whole or in part during the Trustor's lifetime, the Trustees shall immediately deliver to her the entire trust estate or the portion of the trust estate subject to revocation. Upon any such revocation, the property shall be transferred to the Trustor as if the trust had not

been created. Upon the Trustor's death, this Trust Agreement, and all trusts established under this Trust Agreement, shall become irrevocable and not subject to amendment.

2.5 Right to Appoint and Remove Trustees. The Trustor reserves the right to appoint, designate, and remove trustees.

2.6 Right to Direct and Approve the Trustees' Actions. The Trustor reserves the right to direct and approve the Trustees' actions, including the Trustees' investment decisions and the use of trust property as collateral for any personal obligations of the Trustor. The Trustor's approval of the Trustees' actions shall be binding upon all other beneficiaries.

2.7 Exercise of the Trustor's Reserved Rights by Others. The rights reserved to the Trustor as described above are personal to her and shall not be exercisable on her behalf by any other person.

2.8 Manner of Exercise of the Trustor's Reserved Rights. The Trustor may exercise the rights reserved to her only by a signed writing delivered to the Trustees. This Trust Agreement may not, however, be revoked or amended by the Trustor in the Trustor's Will.

ARTICLE 3 THE TRUSTOR'S TRUST

The following provisions shall apply to the distribution of the trust estate during the Trustor's lifetime.

3.1 Distributions of Income and Principal. During the Trustor's lifetime, the Trustees shall distribute to the Trustor that amount of net income and principal as the Trustor directs. Also, the Trustees are authorized to distribute to the Trustor that amount of net income and principal, up to the whole of the trust estate, as the Trustees deem appropriate in the exercise of their discretion, using the Trustor's accustomed manner of living as a guide and without regard to her other sources of support. The Trustees shall exercise this discretion in a liberal manner, and the rights of remainder beneficiaries shall be of no importance. The Trustees shall accumulate and add any undistributed net income to principal.

3.2 Qualification for Government Benefits. The Trustor authorizes the Trustees to take any actions that the Trustees determine to be appropriate or necessary in connection with the Trustor's qualification for or receipt of government benefits, including benefits (whether income, medical, disability, or otherwise) from any agency (whether state, federal, or otherwise), such as Social Security, Medical, Medicare, or supplemental security income/state supplemental programs.

ARTICLE 4 ALLOCATION AND DISPOSITION OF THE TRUST ESTATE

Upon the Trustor's death, subject to the payment of, or satisfactory provision being made for, all debts and taxes (including Estate taxes), the following allocations and dispositions of the trust estate shall be made by the Trustees.

4.1 Disposition Upon the Trustor's Death. Upon the Trustor's death, the Trustees shall allocate the entire trust estate, including the property held in the trust estate at the date of the Trustor's death and the property transferred to the trust estate by reason of her death, as follows:

(a) **Gifts of Tangible Personal Property.** The Trustees shall make distributions of the Trustor's tangible personal property as provided in ARTICLE 5.

(b) **Balance of the Trust Estate.** The balance of the trust estate shall be allocated to the Residuary Trust. The Trustees shall administer the property allocated to the Residuary Trust as provided in ARTICLE 6.

4.2 Disposition of Otherwise Undisposed of Property. If at any time before the complete distribution of the trust estate of any trust created under this Trust Agreement, the disposition of all or any portion of that trust estate is not otherwise directed under the provisions of this Trust Agreement, or if all the beneficiaries otherwise described in this Trust Agreement die before the complete distribution of the trust estate, the Trustees shall distribute the remaining trust estate to the Trustor's then living heirs at law. If, however, after nine months of reasonable search following the occurrence of the event, the Trustees have been unable to identify and locate the heirs, the undisposed of property shall be distributed to one or more charitable organizations selected by the Trustees.

4.3 Rules Governing the Allocation of Trust Property. The Trustees shall select a date or dates of allocation or distribution for purposes of satisfying gifts and funding shares. The Trustees may provide for allocations prior to the final determination of federal estate taxes, with the allocations being made upon the information then available to the Trustees. The Trustees may thereafter from time to time adjust properties among the shares or trusts created under this Trust Agreement, when and if it is determined that the allocation should have been made differently.

In allocating property to satisfy gifts and fund shares, the Trustees are authorized to allocate property in appropriate undivided interests. Each gift or share may be satisfied or funded in cash or in kind, or partly in each. Assets allocated in kind shall be deemed to satisfy gifts or fund shares on the basis of their fair market values at the date or dates of allocation or distribution.

In selecting assets to satisfy gifts and fund shares, property that would produce income recognition if allocated to fund a pecuniary amount shall, if possible, be allocated to fund non-pecuniary shares. These assets should be allocated on a non-pro rata basis when funding fractional shares. These assets include: items of income in respect of a decedent (particularly interests in pension plans or contracts of deferred compensation paid in installments); installment sale contracts; and life insurance contracts to which the transfer for value rule under I.R.C. §101 may apply.

ARTICLE 5 GIFTS OF TANGIBLE PERSONAL PROPERTY

Upon the Trustor's death, subject to the payment of, or satisfactory provision being made for, all her debts and taxes (including all Estate taxes), the following distributions shall be made by the Trustees from the trust estate.

All the Trustor's interest in her tangible personal property, together with any insurance on such property, shall be distributed by the Trustees outright to the Trustor's children who survive her, to be divided among them, in equal shares, as they agree. If the Trustor's children fail to agree, the Trustees shall divide this property among them, in as nearly equal shares as the Trustees may determine in their discretion. Also, if any child of the Trustor is a minor, the Trustees shall act on his or her behalf in the division of this property. The decision of the Trustees as to the division shall be conclusive and binding upon all persons interested in the trust. If none of the Trustor's children survive her, such property shall pass as part of the Trustor's residuary estate.

ARTICLE 6 THE RESIDUARY TRUST

All trust property allocated to the Residuary Trust shall be administered as one or more separate trusts, according to the terms of this Trust Agreement, specifically including the following provisions. All references in this Trust Agreement to the "Residuary Trust" shall be to the trust or trusts established under this article.

6.1 Division into Shares. All property in the Residuary Trust and any property added to the Residuary Trust shall be divided, by right of representation, into separate trust shares, one trust share for each of the Trustor's children then living and one trust share collectively for the living issue of any deceased child of the Trustor. Any collective share for the living issue of a deceased child shall be divided (or continue to be divided) among further successor trust shares for those issue by right of representation. Each trust share shall be held in trust as provided in the remaining sections of this article subject, however, to the provisions of any exercised power of appointment. Each trust share shall be a separate trust for all purposes and be named for its current income beneficiary.

6.2 Distributions of Net Income. The Trustees shall distribute to the current beneficiary of each trust the net income of the trust established for him or her in convenient installments, but at least annually, during his or her lifetime or until termination of his or her trust. However, until the current beneficiary attains age 21, the income of his or her trust may be distributed in the amounts and at the times that the Trustees, in their discretion, determine as reasonably necessary for the beneficiary's health, education, maintenance, and support in his or her accustomed manner of living. Similarly, if the current beneficiary is declared incompetent, or becomes physically or mentally disabled or incapacitated, the Trustees shall have the discretion not to make income distributions to him or her. The income not distributed shall be accumulated and added to principal, subject always to the Trustees' discretionary power to restore the items to income and then to distribute them as income.

6.3 Distributions of Principal. The Trustees may distribute to the current beneficiary of each trust the sums from the principal of the beneficiary's trust, up to the entire trust estate, that the Trustees, in their discretion, determine as reasonably necessary for the beneficiary's health, education, maintenance, and support in his or her accustomed manner of living. In particular, the Trustees are authorized in their discretion to pay for each current beneficiary, from the principal of the beneficiary's trust, all tuition, reasonable living expenses, books, educational equipment, and other incidental expenses, while the beneficiary is attending a preparatory school, college, university, or other institution of higher learning, and to assist a beneficiary in establishing the business or profession of the beneficiary's choosing or in purchasing a residence.

6.4 Additional Distributions of Principal. After a trust has been established under the provisions of this article for a beneficiary and has been administered for at least six (6) months, the following provisions shall apply.

When the current beneficiary is or attains the age of 21 years, the entire balance of the then-current principal of the beneficiary's trust shall be distributed to the beneficiary upon his or her written demand to the Trustees and the beneficiary's trust shall terminate. To be effective, any demand must be in writing, signed by the beneficiary, and delivered to the Trustees prior to the beneficiary's death. The Trustees shall notify each beneficiary as to his or her rights to demand distributions of trust property.

If a beneficiary fails to exercise his or her right to demand a distribution, until the time, if ever, that the beneficiary exercises his or her demand right, the trust property otherwise distributable shall remain in trust and continue to be administered according to its terms. Similarly, if a beneficiary is incompetent or incapacitated at the time distribution would be made under this provision, until the beneficiary is no longer incompetent or incapacitated, the beneficiary's trust shall continue and shall be administered as otherwise provided in this Trust Agreement. In all events, on a beneficiary's death, property remaining in the beneficiary's trust shall be allocated to the successor beneficiaries as provided in this article. Notwithstanding the foregoing provisions, the Trustees may distribute to a beneficiary all or any part of the trust property subject to a beneficiary's right to demand distribution even if the beneficiary does not exercise that right.

6.5 Limited Power of Appointment. The current beneficiary of each trust administered under this article shall have a Limited Power of Appointment over the trust estate of his or her trust remaining at his or her death. If the beneficiary dies before receiving full distribution of his or her trust, the Trustees shall distribute all or any part of the property remaining in the current beneficiary's trust as he or she may direct by the exercise of such Limited Power of Appointment.

6.6 Establishment of Trusts for Successor Beneficiaries. Unless otherwise provided in this Trust Agreement, if a current beneficiary (including any successor current beneficiary) dies after a separate trust has been established for him or her, but before receiving full distribution of that trust, the portion of the trust not appointed by the beneficiary pursuant to any power of appointment granted to him or her shall continue in trust for successor beneficiaries to be determined as follows:

(a) **For the beneficiary's issue.** If the current beneficiary's children or other issue survive him or her, the Trustees shall divide the property, by right of representation, into separate trusts for the surviving issue of the deceased beneficiary.

(b) **For the beneficiary's brothers and sisters.** If the current beneficiary dies without surviving issue, the Trustees shall divide the property into separate equal trust shares among his or her surviving brothers and sisters, provided that one equal share shall pass, by right of representation, for the benefit of the surviving issue of any deceased brother or sister.

(c) **For the Trustor's issue.** If the current beneficiary dies without surviving issue and without any surviving brothers or sisters or surviving issue of deceased brothers or sisters, the property shall be allocated to a separate trust for the beneficiary's nearest then living ancestor who is the Trustor's issue. If there is no such ancestor, the Trustees shall divide the property, by right of representation, among separate trust shares for the surviving issue of the beneficiary's nearest ancestor who was the Trustor's issue, and if there are no such issue then living, by right of representation among separate trust shares for the Trustor's issue who survive the beneficiary.

(d) **For other existing shares.** If the current beneficiary dies without surviving issue and without surviving brothers or sisters or surviving issue of deceased brothers or sisters and none of the Trustor's issue survives the beneficiary, the whole of the beneficiary's remaining trust shall be added to the remaining trusts established under this article, whether distributed or undistributed, in the proportions in which those trusts participated in the original trust estate. Any addition to a trust that at that time has been wholly distributed shall be distributed to the beneficiary of the trust. If a trust's beneficiary is then deceased, the addition shall be distributed in the manner provided in this Trust Agreement as if the beneficiary had died before becoming entitled to distribution of his or her entire trust. Any addition to a trust that at that time has been partially distributed shall augment proportionately the distributed and undistributed portions of the trust. Any addition to a trust over which a power of appointment has been exercised shall be held in a separate trust or distributed as if the power had not been exercised, unless the instrument exercising the power specifies the manner in which a subsequent addition to the trust shall be distributed.

6.7 Administration of Trusts for Successor Beneficiaries. Except as otherwise expressly provided above, each of the trust shares and subdivided trust shares created under the foregoing provisions for successor beneficiaries shall be administered as separate trusts for the successor beneficiaries under the same provisions as applied to the prior beneficiary's trust.

ARTICLE 7 DISCLAIMERS

7.1 Disclaimers Allowed. In addition to any rights granted by law, any person granted any right, title, interest, benefit, privilege, or power under this Trust Agreement may at any time renounce, release, or disclaim all or any part of that right, title, interest, benefit, privilege, or power, including his or her right, title, and interest in and to trust income or principal. The natural or legal guardians of a minor shall have the authority and power to disclaim the interests of the minor; the conservator of the estate of the person shall have the authority and power to disclaim the interests of the conservatee; the fiduciary of a trust or estate shall have the authority and power to disclaim the interests of the trust or estate; and the youngest adult ancestor of any unborn, unknown, or unascertained issue shall have the power to disclaim the interests of those issue.

7.2 Disclaimers of Property Interests. In general, a disclaimer or renunciation of a property interest shall accelerate the succeeding interest. Except as otherwise expressly provided in this Trust Agreement, any interest in property so disclaimed shall be allocated or distributed as if the beneficiary had predeceased the person from whom the interest in the property would have been received. Further, except as otherwise expressly provided in this Trust Agreement, if a beneficiary disclaims his or her entire interest in one or more specific assets held in any trust, the assets shall be distributed from the trust as if the beneficiary predeceased the person from whom the interest in the assets would have been received. If all living current and contingent beneficiaries of a trust provided for under this Trust Agreement disclaim their interests in the trust, any contingent remainder interest shall be destroyed and the remaining trust property shall pass as provided in Section 4.2.

7.3 Disclaimers by Trustees. Any person granted any fiduciary power, authority, right, privilege, or discretion ("Fiduciary Power") under this Trust Agreement or under the law applicable to this trust may at any time renounce, release, or disclaim all or any part of such Fiduciary Power. Unless otherwise expressly provided in the disclaimer, if any Fiduciary Power shall be disclaimed, the power shall cease to exist and shall not pass to any successor fiduciary. The disclaimer may expressly provide that the Fiduciary Power shall be exercisable by the remaining Trustees, if any, or any successor Trustees.

7.4 Effective Disclaimers. To be effective, disclaimers must be in writing, signed by the disclaiming person, and irrevocable. Disclaimers shall be effective only upon delivery to the Trustees or to a court having jurisdiction over the administration of the trust.

ARTICLE 8 POWERS OF APPOINTMENT

The following provisions apply to Powers of Appointment granted under this Trust Agreement:

8.1 Manner of Exercise. A Power of Appointment may be exercised by an acknowledged written instrument delivered to the Trustees during the beneficiary's lifetime or by the provisions of the beneficiary's Will (whether or not admitted to probate), but, in either case, only by specific reference to the power being exercised.

8.2 Permissible Donees—Powers Exercisable by Descendants. The following provisions shall apply to Powers of Appointment granted to children and grandchildren of the Trustor:

- (a) A General Power of Appointment granted to a child or grandchild (the "holder") may be exercised only in favor of one or more creditors of the holder's estate.
- (b) A Limited Power of Appointment granted to a child or grandchild may be exercised only in favor of the holder's spouse, and the Trustor's issue.
- (c) In no event, however, may a Limited Power of Appointment be exercised in favor of the holder, the holder's estate, the creditors of the holder, or the creditors of the holder's estate.

8.3 Terms and Conditions of Exercise. Any Power of Appointment granted to a beneficiary may be exercised outright or in further trust, in such shares and on such terms and conditions as the holder may specify.

8.4 Limitation on Appointments in Favor of Spouses of Issue. Notwithstanding the provisions of Section 8.3, no portion of a trust may be appointed outright in favor of a spouse of the Trustor's issue. Any appointment in favor of a spouse of the Trustor's issue must be in trust, and the maximum benefits that may be given to such spouse are: (1) the right to income from the trust for his or her lifetime (or a unitrust amount not to exceed five percent (5%) of the net value of the trust assets valued as of the first day of each taxable year of the trust); and (2) the right to receive principal payments as determined

by the Trustees for the spouse's proper health, maintenance, support, and education, after taking into consideration the spouse's outside income and resources that are known to the Trustees.

ARTICLE 9 PAYMENT OF DEBTS AND EXPENSES

The following provisions shall apply upon the Trustor's death to the payment of her debts and expenses.

9.1 Payment of Debts and Expenses. Upon the Trustor's death, the Trustees may pay on the Trustor's behalf, in the manner and at the time the Trustees determine, any and all of the Trustor's outstanding unsecured debts (including unpaid tax liabilities arising prior to the Trustor's death and interest and penalties imposed on those tax liabilities), expenses of last illness, burial and funeral claims, expenses of estate administration, any allowances by court order for those persons dependent upon the Trustor, and any other proper expenses of the Trustor's estate.

9.2 Payment from Trust. The Trustees are authorized to pay from the assets of the trust the Trustor's debts and expenses that the Trustor's Executor may request. If there are insufficient assets in the Trustor's probate estate to make any gifts provided under the Trustor's Will or to pay the Trustor's debts and expenses, or if there are sufficient assets in the Trustor's probate estate but, in the sole judgment of the Trustees, it would be to the advantage of the estate that those gifts or payments be made from the assets in the trust, the Trustees may pay from the assets of the trust all of those gifts, debts, and expenses. If the assets of the Trustor's probate estate (exclusive of residential real property and tangible personal property) are insufficient to pay all unsecured debts, funeral expenses, and expenses of administration, the Trustees may pay to the Trustor's estate from the principal of the trust estate that amount that the Trustor's Executor may request for those purposes. The Trustees shall not be under any duty to take part in determining the amount of those debts or expenses, and may rely upon the written certification of the Trustor's Executor for the amount to be paid as authorized by these provisions. The Trustees shall be under no duty to see to the application of any such payment. The Trustees shall not require any reimbursement for payments made to the Trustor's Executor.

9.3 Charging of Payments. Debts and expenses paid by the Trustees, as authorized above, shall first be charged against and paid from the Trustor's property passing to the Residuary Trust. Those amounts shall not be prorated or apportioned against any beneficiary's interest under this Trust Agreement. The Trustees shall also make payments in a manner to preserve, in so far as is possible, all tax exemptions applicable to life insurance proceeds that become part of the trust estate. In allocating the payment of expenses, the Trustees shall have the power to determine which expenses are chargeable to income or principal or partly to each. In making these determinations, the Trustees shall be guided by the principles set forth in the California Uniform Principal and Income Act, but the final determination of the Trustees shall control and be binding.

ARTICLE 10 THE APPOINTMENT OF TRUSTEES

The following provisions shall apply to the appointment, designation, and removal of the Trustees of each of the trusts established under this Trust Agreement.

10.1 The Trustor's Powers of Appointment, Designation, and Removal. During the Trustor's lifetime, the Trustor shall have the power to appoint, designate, and remove, with or without cause, Trustees and Cotrustees. The Trustor may appoint or designate individuals or entities to serve as Trustee. The Trustor may appoint or designate Trustees to serve alone, to serve with her, or to serve with other persons and to serve currently or in the future. The Trustor may also prescribe the conditions and terms governing the actions, authority, and duties of the Trustees she appoints or designates. Further, the Trustor may designate a series of persons to serve as Trustees following her death or following the death, resignation, or inability, failure, or refusal to serve of any Trustee. There shall be no limit on the number of times the Trustor may exercise the foregoing powers. The appointments and designations shall be in

writing and shall be filed with the current Trustees of the trust. All the Trustor's appointments and designations shall be revocable and amendable by her unless she provides otherwise. All the Trustor's appointments and designations shall continue to be effective after her death and shall take precedence over the appointments made under any other provisions of this article.

10.2 Initial Trustees. Pursuant to the Trustor's powers to appoint Trustees, the Trustor appoints herself as the initial Trustee under this Trust Agreement.

10.3 Successor Trustees. Upon the Trustor's death or incapacity, the Trustor appoints Coy L. Brown Taylor to serve as Trustee of each of the trusts established under this Trust Agreement. If Coy L. Brown Taylor should fail or become unable or unwilling to serve as Trustee, the Trustor appoints Leonard A. Brown Jr. to serve as Trustee of each of the trusts created under this Trust Agreement.

10.4 Filling Vacancies. If a vacancy in a Trustee position is not filled as otherwise provided in this Trust Agreement, a successor Trustee shall be appointed by a majority of the beneficiaries currently entitled to receive trust income, or if none, a majority of beneficiaries who are entitled to distribution in the discretion of the Trustees (with the guardian of any minor beneficiary acting on his or her behalf). If the beneficiaries entitled to appoint the successor trustee fail to act, the court having jurisdiction over the trust shall appoint one or more Trustees upon the application of any former Trustee or any trust beneficiary, current or contingent.

10.5 Temporary Incapacity of a Trustee. If, due to illness or other cause, an individual Trustee is temporarily, but not permanently, unable to give prompt and intelligent consideration to the financial and administrative matters affecting the trusts for which he or she serves as Trustee, the other Trustees may, during such temporary incapacity, make any and all decisions regarding the trust estate as though the incapacitated Trustee were not then serving. In determining the temporary incapacity of an individual Trustee, the other Trustees may rely on a certificate or other written statement from a licensed physician who has examined the incapacitated individual Trustee. The other Trustees shall incur no liability whatsoever to any beneficiary as a result of any action taken under this section.

10.6 Removal of Trustees. Following the Trustor's death, a majority of the current beneficiaries of any trust currently entitled to receive trust income, or if none, a majority of beneficiaries who are entitled to distribution in the discretion of the Trustees, may remove any corporate Trustee (with or without cause). Notwithstanding Section 10.4 any corporate Trustee removed by the majority of the current beneficiaries shall be replaced only with a corporate Trustee. In addition, a majority of the current beneficiaries of any trust currently entitled to receive trust income, or if none, a majority of beneficiaries who are entitled to distribution in the discretion of the Trustees, with the concurrence of a majority of the presumptive remainder beneficiaries of such trust, may remove any individual Trustee of the trust, provided at least one presumptive remainder beneficiary joins in the exercise of this power. The natural or legal guardians of any minor beneficiary shall exercise the vote of such minor beneficiary.

10.7 Effective Dates. Any and all appointments, designations, removals, or revocations affecting a Trustee position shall be made by a written instrument executed by the person entitled to make the appointment, designation, removal, or revocation. The written instrument shall be effective upon its delivery to the current Trustees of the trust affected; provided, however, that the appointment of a successor Trustee or Cotrustee shall become effective only upon the new Trustee's written acceptance of the appointment and the delivery of this written acceptance to the person who appointed him or her, the other Trustees, or the current beneficiaries.

10.8 No Bond. No bond or other security shall be required of any Trustee named in this Trust Agreement or of any Trustee appointed or designated in the manner provided under this Trust Agreement unless the terms of the appointment or designation require a bond. The foregoing provisions shall apply whether the Trustee serves alone or together with one or more other Trustees.

**ARTICLE 11
THE PROTECTION PROVIDED THE TRUSTEES**

The following provisions shall apply to each of the trusts established under this Trust Agreement.

11.1 Resignation. Each Trustee shall have the right to resign his or her position at any time without the consent of any beneficiary or the approval of any court. A Trustee shall have the right to resign as Trustee of one or more separate trusts created under this Trust Agreement without resigning as Trustee of all separate trusts. A Trustee may resign for any reason by delivering a written resignation signed by him or her to the other currently serving Trustees or the successor Trustees. The resignation shall be effective according to its terms. But, if the resigning Trustee is the sole Trustee, the resigning Trustee shall continue to be responsible for the trust property until it is delivered to the successor Trustee and shall continue to hold title and custody to the trust assets and administer the trust assets and perform the actions that are reasonably necessary to preserve the trust property and to complete the Trustee's administration of the trust, until a successor Trustee has been appointed and has accepted the position of Trustee.

11.2 Compensation. As to each separate trust, the Trustees shall be entitled to pay themselves a reasonable compensation for the performance of their duties and services rendered as Trustees. A Trustee that is a corporation or partnership shall be entitled to compensation for its services in the amount and at the time specified in its Schedule of Fees and Charges established from time to time by it for the administration of trust accounts of a character similar to this one and in effect when services are rendered. This compensation may be paid without prior court approval. All Trustees shall be reimbursed for reasonable expenses actually and properly incurred by them in the administration of the trusts for which they serve as Trustees.

The Trustees also are authorized to pay to the attorneys and accountants retained by the Trustees to advise them in the administration of the trust those amounts for fees and costs as the Trustees shall determine in their discretion. The Trustees are authorized to pay these fees and costs without first obtaining approval of the trust beneficiaries or the court having jurisdiction over the trust. These fees and costs shall not be offset against the compensation payable to the Trustees.

A Trustee may waive his or her right to compensation for his or her services to be rendered to the trust estate. The waiver must be in writing and signed by the person in advance of rendering the services for which compensation is being waived. A waiver may be limited in duration or limited to specific services.

11.3 Dual Compensation. A Trustee serving as a director, officer, partner, or employee of any corporation, partnership, or other business in which the trust owns an interest shall also be entitled to receive reasonable compensation for his or her services rendered as Trustee in addition to the compensation being paid to him or her by such business. The compensation paid to the Trustee in either capacity shall not be offset against the other. A Trustee who is an investment advisor, attorney, accountant, or other professional shall not be disqualified from rendering professional services to the trust and being compensated on a reasonable basis therefore in addition to any compensation that he or she otherwise is entitled to receive as Trustee. Neither shall a firm with which a Trustee is associated as a partner, officer, or employee be disqualified from dealing with, rendering services to, or discharging duties for the trust and being compensated therefore on a reasonable basis. A Trustee is authorized to retain himself or herself or any firm with which he or she is associated to render investment, legal, accounting, or other professional services. Fees may be paid for such services without respect to such relationship and without respect to any agreement that the Trustee may have with his or her firm concerning the division of fees and commissions after complying with the requirements of Probate Code §15687, if applicable.

11.4 Right of Indemnification and Reimbursement. A Trustee shall be entitled to indemnification and reimbursement from the trust estate of which that person serves as Trustee for any expense, loss, damage, liability, costs, or claim (including, without limitation, attorney's fees and costs of litigation) incurred by the Trustee by reason of any act performed or omitted to be performed by the Trustee, acting in good faith, in the administration of the trust. The Trustee shall be deemed to have acted

in good faith on behalf of the trust if the Trustee acted in a manner reasonably believed by the Trustee to be within the scope of his or her authority and in the best interest of the trust and its beneficiaries. Notwithstanding the foregoing, a Trustee shall not be indemnified or reimbursed with respect to any expense, loss, damage, or claim incurred by reason of any breaches of trust, by acts or omissions, committed intentionally, with gross negligence, in bad faith, or with reckless indifference to the interests of the beneficiaries.

11.5 Notice to the Trustees. Until the Trustees receive written notice of any birth, marriage, death, or other event affecting the rights of beneficiaries to payments or distributions from the trust, the Trustees shall incur no liability to any persons whose interests may have been affected by that event for payments or distributions made by the Trustees in good faith as though the event had not occurred.

11.6 Confidentiality of Trust Agreement. Except as otherwise provided in this Trust Agreement, the Trustees shall not disclose the contents of this Trust Agreement, or the fact of its existence unless required to do so by law or applicable regulation, regulatory authorities, or legal process, without the Trustor's prior written consent. The Trustees may, however, disclose the terms of this Trust Agreement where necessary to carry out their powers, to enforce the rights and remedies belonging to the trust, or as required by a court in its supervision of the trust. The Trustees may also disclose the contents of this Trust Agreement to persons employed by them to advise or assist them in the administration of the trusts, including attorneys and accountants, provided these professionals agree to keep the disclosed information confidential on the same terms as provided in this section.

11.7 Disclosure to the Beneficiaries. During the Trustor's lifetime, the Trustees shall have no duty to provide any information regarding the trust to anyone other than the Trustor.

11.8 Reports and Accounts. The Trustor hereby waives all statutory requirements, including the requirement under Probate Code §16062(a), that the Trustees of any trust created under this Trust Agreement render a report or account to the beneficiaries of the trust. The Trustees shall not be required to make any current reports or render any annual or other periodic accounts to any trust beneficiary or to any court, whether or not required by statute, except pursuant to court order. The Trustees may take action for the approval of their accounts at the times and before the courts, or without court proceedings, as they determine in the exercise of their discretion. Any Trustees' account may, at the Trustees' option, either be settled pursuant to the provisions of Probate Code §16060 et seq. or by sending the account to all beneficiaries of such trust, at their respective last known addresses by certified mail, return receipt requested. Unless written objections are received by the Trustees within one hundred eighty (180) days of mailing such account, the account and all transactions set forth in the account shall be deemed settled and approved. The Trustees shall pay the costs and expenses of such action, including the compensation and expenses of accountants, attorneys, and guardians, from the principal or income, or both, of the trust as they determine.

11.9 The Trustor's Right to Release Trustees. The Trustor reserves the right to execute a release, with or without an account, approving the administration of the trust by the Trustees. A release shall discharge the Trustees from any accountability and liability to the Trustor or her estate or to any other persons interested or claiming to be interested in the trust as to all matters covered by the release or in the account, if any, with the same effect as if an account of the Trustees for the period concerned had been judicially settled and allowed in a proceeding to which these other persons (including all interested persons) were parties. No beneficiary other than the Trustor or her Executor shall have the right to question or assert any liability by the Trustees for the Trustees' acts or omissions during the Trustor's lifetime.

11.10 Right of Trustees to Secure Releases. As to each separate trust, the Trustees are authorized to secure from any beneficiary a full and complete release from any and all liabilities arising from the Trustees' administration of the trust and the beneficiary's written approval of any account or report of the Trustees. The release or approval shall be binding and conclusive upon the beneficiary and upon all of the beneficiary's issue (including then unborn, unknown, and unascertained issue) and other successors in interest who may then have or later acquire any interest in the separate trust. All written instruments to be delivered to or executed by a beneficiary may be delivered to or executed by the legally appointed

conservator of any incompetent beneficiary or a parent or legal guardian of a minor beneficiary. When so delivered or executed, the written instrument shall be binding upon the beneficiary and shall be of the same force and effect as if delivered to or executed by a beneficiary acting under no legal disability. The foregoing provisions shall apply to all reports, statements, accounts, releases, and notices, as well as documents appointing, removing, or designating Trustees. However, the Trustees may not condition the performance of their duties on the delivery of such a release.

11.11 Consultation with Legal Counsel. The Trustees may retain and consult with legal counsel on any matters related to the administration of the trusts created under this Trust Agreement or the construction or interpretation of this Trust Agreement, and the Trustor encourages the Trustees to do so. The Trustees may select the legal counsel to advise or represent them, and the Trustees are expressly authorized to pay the fees and costs of the legal counsel from the trust estate. The time, place, subject matter, and content of any such consultation with legal counsel, all communication (written or oral) between the Trustees and legal counsel, and all work product of legal counsel shall be privileged and confidential and shall be absolutely protected and free from any duty or right of disclosure to any successor Trustee or any beneficiary and any duty to account. The Trustees shall, however, include the amount of any disbursement for the legal counsel fees and costs in any report or account prepared by the Trustees for the period during which the expenses were paid.

11.12 Reliance on Experts and Others. The Trustees shall be entitled to rely on the information, opinions, reports, or statements (including financial statements and other financial data) prepared by their managers, attorneys, accountants, brokers, investment counselors, and other experts, even if they are associated with a Trustee, prepared by such persons as to matters which the Trustees reasonably believe to be within that person's profession or expert competence, and shall not be liable for losses resulting therefrom. The Trustees may act without independent investigation upon the recommendations of any attorneys, auditors, accountants, investment advisers, appraisers, or other qualified experts retained by the Trustees, even if they are associated or affiliated with the Trustees. The written opinion of any such expert submitted to the Trustees shall be a full and complete authorization and protection with respect to any action taken or not taken by the Trustees in good faith.

11.13 Extent of Liability. The Trustor does not want the Trustees to be personally liable for their good faith efforts in administering the trust estate.

(a) **In general.** A Trustee shall not be personally liable to the trust or its beneficiaries, and shall be held harmless, for any loss, expense, damage, or claim incurred by the Trustee by reason of any act performed or omitted to be performed by the Trustee, acting in good faith, in the administration of the trust. The Trustee shall be deemed to have acted in good faith on behalf of the trust if the Trustee acted in a manner reasonably believed by the Trustee to be within the scope of his or her authority and in the best interest of the trust and its beneficiaries. Further, a Trustee shall not be personally liable for obligations arising from the Trustee's ownership or control of trust property or for torts committed in the course of the Trustee's administration of the trust unless the Trustee is personally at fault. Notwithstanding the foregoing, a Trustee shall be personally liable for his or her breach of trust by acts or omissions, committed intentionally, with gross negligence, in bad faith, or with reckless indifference to the interests of the beneficiaries, and as to any profit that the Trustee derives from any breach of trust.

(b) **While trust is revocable.** During the Trustor's lifetime, the Trustees shall follow all written directions given from time to time to them by the Trustor or by the person or persons to whom the Trustor delegates the right to direct the Trustees. In consenting to and carrying out those directions, the Trustees shall not be liable to any person having a vested or contingent interest in the trust for any act performed or omitted pursuant to those directions. Moreover, the Trustees may follow those directions regardless of any fiduciary obligations to which the directing party may also be subject. These provisions shall be construed consistently with Probate Code §§ 16001 and 16462.

(c) **As to other Trustees.** The liability of the Trustees is further limited as follows.

(i) **As to prior Trustees.** No successor Trustee shall be responsible or liable for any acts, omissions, or default of any prior Trustee. Unless requested in writing by a beneficiary within 60 days of the appointment of the successor Trustee, no successor Trustee shall be required or have any duty to review or investigate the actions or omissions of a prior Trustee. A successor Trustee shall not be required or have any duty or obligation to review, audit, or examine the transactions, accounts, or records of any prior Trustee, or any allocation of the trust estate made by any prior Trustee. No successor Trustee shall have any obligation to take any action to obtain redress for any breach of trust by any prior Trustee unless instructed by a court to do so. Each Trustee is responsible only for those assets that are actually delivered to the Trustee's custody or control.

(ii) **As to Cotrustees.** A Trustee shall be liable to the beneficiaries for the acts or omissions of a Cotrustee only as provided in Probate Code §16402.

(d) **As to agents and investment managers.** The Trustor wants the Trustees to be able to rely on the advice of professionals hired to advise them. Accordingly, the Trustees' liability is further limited as follows.

(i) **As to agents.** A Trustee shall be liable to the beneficiaries for the acts or omissions of an agent only as provided in Probate Code §16401.

(ii) **As to investment managers.** A Trustee shall not be liable for the acts or omissions of any investment manager, or be under an obligation to invest or otherwise manage any asset that is subject to the management of an investment manager.

(e) **As to taxes.** The Trustor wants the Trustees to be aggressive in minimizing the taxes, including estate and income taxes, imposed on the trust estate. Accordingly, the Trustees shall not be liable for any accuracy-related penalty, such as is currently imposed under I.R.C. §6662, arising from the preparation and filing of any income tax or estate tax return.

(f) **Liability insurance.** Individual Trustees may carry errors and omissions or fiduciary liability insurance and may charge the premiums to trust income or principal, or both, as a cost of administration.

ARTICLE 12 THE AUTHORITY OF THE TRUSTEES

The following provisions shall apply to each of the trusts established under this Trust Agreement. A successor Trustee shall be vested with all the rights, powers, and authority of an original Trustee.

12.1 Trustee Authority. Except as otherwise expressly provided, all successor Trustees upon commencing to serve as Trustee shall immediately become vested with all the rights, titles, powers (including discretionary powers), and obligations, with like effect as if named as an initial Trustee. Where this Trust Agreement states that the Trustee "shall" perform an act, the Trustees are required to perform that act. Where this Trust Agreement states that the Trustees "may" do an act or Trustees are "authorized" to act, the Trustees are expressly permitted or authorized to do the act described, and their decision to do or not to do the act shall be made in the Trustees' sole discretion in the exercise of their fiduciary powers and duties. The decision of the Trustees as to all discretionary actions and decisions shall be conclusive and binding on all persons.

12.2 Trustee Discretion. The discretionary powers granted to the Trustees under this Trust Agreement shall be absolute. This means that the Trustees can act arbitrarily, so long as they do not act in bad faith, and that no requirement of reasonableness shall apply to the exercise of their absolute discretion. This does not mean that the Trustees may do as they please, but rather that the Trustor wants the Trustees to use their own personal, subjective best judgment. For this purpose, the Trustor waives the requirement that the Trustees' conduct at all times must satisfy the standard of judgment and care exercised by a reasonable,

prudent person. In particular, the decision of the Trustees as to the distributions to be made to beneficiaries under the distribution standards provided in this Trust Agreement shall be conclusive on all persons.

12.3 Release of Power or Authority by a Trustee. The Trustees, or any one or more of them, may at any time release, surrender, disclaim, relinquish, either in whole or in part, or may reduce or restrict in scope, any of the powers, rights, authority, or discretion granted to the Trustees under this Trust Agreement, either expressly or implied. Such action shall be taken by means of a written notice filed in the records of the trust, signed and dated by the releasing Trustee, and mailed to all of the adult current beneficiaries. Unless otherwise specified by the releasing Trustee, any such action as it affects that Trustee shall be irrevocable. Such action shall be effective only as to the Trustee giving such written notice and shall in no way affect the rights, powers, authority, and discretion of successor Trustees. The powers, rights, authority, or discretion released or restricted shall continue to exist as to all Trustees and successor Trustees other than the releasing Trustee.

12.4 Trustees' Consideration of Beneficiary's Other Assets. Except as otherwise provided in this Trust Agreement, in exercising their discretion to distribute trust funds to any beneficiary, the Trustees may, but shall not be required or have any duty to, consider all income and assets, including other sources of income or financial support, reasonably available to the beneficiary, as are actually known to the Trustees. The Trustees shall have no duty of inquiry as to the property owned by or held for the benefit of the beneficiary. In making discretionary distributions from any trust created under this Trust Agreement, the Trustees may rely absolutely upon a declaration executed under penalty of perjury by the beneficiary describing his or her expenses and financial needs and any other financial resources available to him or her, without further investigation. The Trustees may continue to rely upon a declaration until otherwise advised in another declaration from the beneficiary.

12.5 Limitation on Discretion of a Beneficiary Serving as Trustee. Notwithstanding any other provisions of this Trust Agreement, a Trustee who is also a beneficiary of the trust shall not have, and shall not participate in the exercise of, the power to use, apply, or distribute trust principal for his or her own benefit, except as necessary to provide for his or her health, education, maintenance, and support in his or her accustomed manner of living. Further, a Trustee who is also a beneficiary of the trust shall not participate in the exercise of any power to advance or loan funds to himself or herself or to guarantee or secure any debt of such beneficiary/Trustee.

12.6 Voting. While more than two Trustees are serving, the decision of the majority of the Trustees shall prevail and be binding with respect to all matters affecting the trust estate. If one or more Trustees are excluded or precluded from participating in making a decision with respect to a particular matter, the remaining Trustees acting by majority vote shall make the decision. Any act by or instrument executed by the majority of the Trustees shall constitute the action of the Trustees as if done by all Trustees. Any dissenting or nonconcurring Trustee shall not be liable to any person for the action or failure to act of the other Trustees acting by majority vote.

12.7 Delegation by One Trustee. Each Trustee may at any time, by a signed revocable instrument, delegate to another Trustee the exercise of all or less than all of the powers conferred on a Trustee. Nonetheless, the delegating Trustee shall be liable for the proper exercise of the delegated powers by the other Trustee.

12.8 Delegation by All Trustees. The Trustees may delegate their powers to one or more of the Trustees in a writing signed by all of them. The writing must state the powers delegated to the particular Trustees and provide a date when the delegation will terminate automatically if not previously terminated. Any delegation shall be revocable by any one Trustee in a writing delivered to the delegate. Trustees acting pursuant to a delegation shall have the authority to bind the trust and third persons may rely on their authority to act for the trust. Any act by or instrument executed by Trustees acting pursuant to this delegation shall constitute the action of the Trustees as if done by all Trustees.

12.9 Delegation of Power to Expend. The Trustees may delegate to one or more of the Trustees, for any period, the power to bind the trust in any transaction obligating the trust to expend up to or less than a certain sum of money as specified by the delegating Trustees. The Trustee to whom the power is delegated may be the sole signatory of all checks necessary to accomplish the expenditure. The Trustees may also delegate to a property management company authority to be the sole signatory of all checks written on behalf of the trust relating to real estate owned by the trust or on checks written on behalf of the trust in an amount less than the amount specified by the Trustees.

12.10 Delegation of Investment Authority. The Trustees, acting by majority vote, may delegate to one or more Trustees or to agents (including independent investment advisors, investment counsel or managers, banks, or trust companies) the power and authority to act for the Trustees in the investment and reinvestment of trust assets. The Trustees, acting by majority vote, may also authorize the payment of compensation for investment advisory or management services. The Trustees may delegate to the retained investment counsel the power to instruct the custodian of trust property with respect to all matters affecting the property, and the custodian shall comply with those instructions.

12.11 Agents. The Trustees may act under this Trust Agreement through an agent or attorney-in-fact acting under a power of attorney duly executed by the Trustees.

12.12 Dealing with the Trustees. In accordance with Probate Code §18100, if a third person dealing with the Trustees or assisting them in the conduct of a transaction acts in good faith and for a valuable consideration and without actual knowledge that the Trustees are exceeding the Trustees' powers or improperly exercising them, the third person is not bound to inquire whether the Trustees have power to act or are properly exercising a power and may assume without inquiry the existence of a trust power and its proper exercise. That third person shall be fully protected in dealing with or assisting the Trustees just as if the Trustees have and are properly exercising the powers the Trustees purport to exercise. In addition, that person has no duty to see to the application of any money paid or property transferred to or upon the order of one or more Trustees.

12.13 Reliance on Representations by the Trustees. A third person dealing with the Trustees also shall be fully protected in relying on written statements of fact, certified or declared under penalty of perjury by any one or more of the persons who appear from the original or certified copy of this Trust Agreement (or documents of appointment) to be a Trustee or successor Trustee, regarding the Trustees' authority to act under this Trust Agreement, the calling of any meeting of the Trustees, the giving of any notice of a meeting, the action taken at a meeting, and other facts concerning the trusts established under this Trust Agreement. Anyone may rely on a copy of this Trust Agreement certified by a Trustee, by the Trustee's legal counsel, or by a Notary Public, to be a counterpart or true copy of this Trust Agreement.

12.14 Reliance on the Authority of Trustees. No persons or organizations employed by the Trustees or retained by the Trustees as provided in this article shall be required to oversee or supervise the activities of the Trustees or to inquire into the Trustees' powers, authority, or discretion. Each person or organization so employed or retained may rely implicitly upon the written instructions of the Trustees with respect to the property and business of the trust, including instructions of the Trustees to deal directly with investment counsel employed by the Trustees.

ARTICLE 13 THE POWERS OF THE TRUSTEES

Subject in all instances to their fiduciary duties and the limitations set forth elsewhere in this Trust Agreement, with regard to the entire trust estate and all trusts established under this Trust Agreement, the Trustees shall have all the powers described below, all powers granted by law (including all the powers set forth in Probate Code §16220 et seq.), and all powers reasonably necessary to carry out their duties as Trustees to administer, manage, protect, and invest the trust estate. The Trustees in their discretion, without court approval, authorization, or supervision, may exercise these powers except as expressly required in this Trust Agreement.

13.1 To Accept Property. The Trustees may accept or receive additions and contributions to the trust estate from the Trustor or any other person and hold the property in trust under the provisions of this Trust Agreement. If the Trustees receive property from another fiduciary and if the Trustees believe the action to be in the best interests of the trust estate, the Trustees are authorized to waive an accounting from the fiduciary, to approve his or her actions, to consent to his or her proposed actions, and to consent to his or her discharge.

13.2 To Disclaim or Reject Property. The Trustees may renounce or otherwise disclaim all or any part of any interest in property passing to the trust, by gift or bequest, and any right, power, privilege, or discretion granted the Trustees under this Trust Agreement. The Trustees may reject any property or interest in property passing to the trust, including property that by reason of hazardous materials or substance the Trustees determine (after investigation at the expense of the trust) would be detrimental to the trust purpose.

13.3 To Retain Property. The Trustees may retain trust property received at the inception of the trust or at any other time, from the Trustor or any other person until, in the judgment of the Trustees, disposition or distribution of the property should be made. The property may be retained even though the property is unproductive, is property in which a Trustee is personally interested or in which the Trustee owns an undivided interest personally or as trustee of another trust, or there is known or later discovered to be hazardous materials or substances requiring remedial action pursuant to environmental laws. Notwithstanding Probate Code §§16048 and 16049, the Trustees shall have no duty to dispose of any part of the trust property included in the trust at the time of its creation, or later added to the trust by the Trustor or another person, that would not be a proper investment for the Trustees to make. The Trustees may, without liability, continue to hold that property. The Trustees may hold trust property in bearer form so that title may pass by delivery, or in the name of any one Trustee or a nominee without indication of any fiduciary capacity by the nominee. The Trustees may keep all or part of the trust property at any place within the United States or abroad.

13.4 To Operate a Business. The Trustees may continue or participate in the operation of any business or other enterprise (including a partnership as a general or limited partner) that is part of the trust property for as long as the Trustees deem advisable, at the risk of the trust estate and not at the risk of the Trustees. The Trustees may incorporate, dissolve, or change the form of the organization of the business or enterprise, or operate it as a partnership or in any other form. The profits and losses from any business or other enterprise shall be chargeable to and borne by the trust, and not the Trustees. A Trustee, as an individual, may continue to be a shareholder, director, officer, employee, or partner of any business or enterprise in which the trust holds any interest.

13.5 To Invest and Reinvest Trust Property. The Trustees may invest and reinvest trust property (including income and principal) in any kind of property, whether real, personal, or mixed, including (1) real property (including leaseholds; royalty interests; interests in mines, oil and gas wells, timberlands, and other wasting assets), (2) intangible personal property (including common and preferred stock and all other kinds of securities (on margin or otherwise); investment company shares, mutual funds, index funds, common trust funds (including any common trust fund under the management of a corporate trustee) and other sole or collective business and investment vehicles; interests in partnerships (whether as a general or limited partner); commodities; governmental obligations of every kind; obligations of corporations or unincorporated associations; and patents, copyrights, trademarks, and other intangible rights), and (3) tangible personal property (including precious metals, works of art, and other collectibles). The Trustees are authorized to establish and maintain brokerage accounts, including margin accounts, for the purpose of purchasing, acquiring, possessing, pledging, hypothecating, selling and otherwise disposing of, and generally dealing in and with any of the foregoing types of investments.

13.6 To Administer Securities. The Trustees may purchase, exchange, or sell stocks, bonds, futures contracts, and other securities, and puts, calls, straddles, and other options. The Trustees may maintain brokerage accounts, including margin and commodity accounts, and in connection with such accounts, may borrow, pledge securities, make short sales, and sell on margin or otherwise. With respect to all securities held by in the trust estate, the Trustees may exercise the rights, powers, and privileges, and

responsibilities of an owner, including the right to vote; to give general or limited proxies; to pay calls, assessments, and other sums; to participate in voting trusts, pooling arrangements, foreclosures, reorganizations, consolidations, mergers, and liquidations; to deposit securities with and transfer title to any protective or other committee; and to exchange, exercise, or sell stock subscription or conversion rights. The Trustees may also accept and retain as an investment any securities received through the exercise of any of the foregoing powers.

13.7 To Conduct Banking Activities. The Trustees may establish financial accounts of any kind, including checking, money market, and savings accounts, with any bank, savings and loan association, credit union, brokerage firm, or other financial institution (including such accounts in the banking department of a Trustee that is a corporation or partnership). The Trustees may deposit trust funds into such accounts, withdraw funds from such accounts, and transfer funds among such accounts. The Trustees may designate in writing the persons, whether or not Trustees, who may conduct such banking activities, and the financial institutions may rely, without liability, on such designations.

13.8 To Purchase and Sell Trust Property. The Trustees may buy, purchase, acquire, sell, convey, dispose of, exchange, or otherwise transfer any trust property, or any interest in property, for cash or on credit, at public or private sale, with or without notice, and for the prices and upon the terms as the Trustees determine. The Trustees may grant or acquire options and rights of first refusal involving the acquisition or disposition of any trust property.

13.9 To Manage Trust Property. The Trustees may manage, control, divide, develop, improve, repair, exchange, partition, change the character of, or abandon trust property or any interest in trust property. The Trustees may enter into a lease for any purpose as lessor or lessee with or without the option to purchase or renew and for a term within or extending beyond the term of the trust. The Trustees may amend or extend existing leases. The Trustees may also demolish or remove buildings or other improvements on trust property.

13.10 To Borrow Money and Encumber Trust Property. The Trustees may borrow money for any trust purpose from any person upon such terms and conditions as may be determined by the Trustees, and obligate the trust to make repayment from trust property. The Trustor or the Trustees may loan or advance funds to the trust, and the loans or advances together with the interest charged shall be treated as a first lien on the trust estate until repaid. The Trustees may also encumber, mortgage, or pledge trust property for a term within or extending beyond the term of the trust in connection with the exercise of any power vested in the Trustees, or to create restrictions, easements, or other servitudes on trust property.

13.11 Providing Guarantees. The Trustees may guarantee any indebtedness incurred by the Trustor, or by any entity owned directly or indirectly by the Trustor or by the trust, as the Trustor may direct.

13.12 To Make Loans. The Trustees may loan or advance trust property of any kind (including money) for any trust purpose to any person on terms and conditions as determined by the Trustees, subject to limitations stated in this Trust Agreement. The Trustees may make loans out of trust property to the current beneficiary on terms and conditions that the Trustees determine are fair and reasonable under the circumstances, and guarantee loans to the current beneficiary by encumbrances on trust property.

13.13 To Purchase Liability Insurance. The Trustees may purchase and pay the premiums on policies to insure the property of the trust estate against damage or loss and to insure the Trustees against liability with respect to third persons. The Trustees shall not be liable for any omission to purchase any type or amount of insurance. The premiums shall be a proper expense to be charged against the trust.

13.14 To Purchase and Administer Life Insurance. The Trustees may purchase, own, and pay the premiums on life insurance on the Trustor's life, and collect the proceeds of life insurance policies payable to the trust. The Trustees shall have the power to compromise, arbitrate, or otherwise adjust any claim, dispute, or controversy arising under any policy payable to the trust and shall have authority to initiate, defend, settle, and compromise any legal proceeding necessary in the Trustees' discretion to collect

the proceeds of any policy. The Trustees' receipt to any insurer shall be a sufficient release of the insurer. The insurer shall not be under any duty to inquire concerning the Trustees' application of the policy proceeds.

13.15 To Pay, Contest, and Settle Claims. The Trustees may pay or contest any claim; settle a claim by or against the trust by compromise, arbitration, or otherwise; and release, in whole or in part, any claim belonging to the trust.

13.16 To Litigate. In accordance with their duties to enforce claims and defend actions as set forth in Probate Code §§16010 and 16011, the Trustees may prosecute or defend actions, claims, or proceedings for the protection of the trust estate and the Trustees in the performance of their duties.

13.17 To Deal with Environmental Hazards. The Trustees may deal with matters involving the actual or threatened contamination of trust assets (whether real or personal) by hazardous substances, or involving compliance with environmental laws and regulations, including conducting environmental assessments, audits, and site monitoring, and taking remedial action (whether or not required by governmental authorities) to contain, clean up, or remove any environmental hazard.

13.18 To Pay and Allocate Trust Expenses. The Trustees may pay taxes and other assessments imposed on the trust estate or trust income; reasonable compensation of the Trustees and of the employees and agents of the trust; and other expenses incurred in the collection, care, management, administration, and protection of the trust estate. In allocating the payment of expenses, the Trustees shall have the power to determine which expenses are chargeable to income or principal or partly to each. The Trustees are authorized, but not directed, to allocate and charge post-death expenses incurred in the administration of the trusts or sub-trusts to post-death income. In particular, all expenses of administration claimed as income tax deductions may be entirely allocated to and charged against post-death income. In making these determinations, the Trustees shall be guided by the principles set forth in the California Uniform Principal and Income Act, but their final determination shall be binding.

13.19 To Hire and Employ Persons. The Trustees may hire and employ persons (including individuals, corporations, partnerships, associations, and other companies), including accountants, attorneys, auditors, investment advisers, appraisers, or other agents or experts, even if they are associated or affiliated with a Trustee, to advise or assist the Trustees in the performance of their duties and obligations. The Trustees may grant discretionary authority to such persons, but may not delegate either the administration of the trust or acts that are not delegable except as expressly provided in this Trust Agreement.

13.20 To Maintain Custody. The Trustees may keep any or all of the trust property at any place in California or elsewhere, within the United States or abroad, or with a depository or custodian at those places. If no bank or trust company is acting as sole or a Cotrustee hereunder, the Trustees are authorized to appoint a bank or trust company as custodian for securities and any other trust assets. Any appointment shall terminate when a bank or trust company begins to serve as sole or as a Cotrustee under this Trust Agreement. The custodian shall keep the deposited property; collect and receive the income and principal; and hold, invest, disburse, or otherwise dispose of the property or its proceeds (specifically including selling and purchasing securities and delivering securities sold and receiving securities purchased) upon the order of the Trustees. The custodian shall not be liable to any person interested in the trust for any action taken pursuant to the order or instructions of the Trustees or their authorized agents.

13.21 To Use a Nominee. The Trustees may hold securities or other property of the trust estate in the names of the Trustees, in the name of a nominee, or in street name accounts with brokers, or in the name of a custodian (or its nominees) selected by the Trustees, with or without disclosure of this Trust Agreement. The Trustees shall be responsible for the acts of such custodian, broker, or nominee affecting such property. The Trustees may also acquire and retain securities in unregistered form so that ownership passes by delivery.

13.22 To Execute and Deliver Instruments. The Trustees may execute and deliver all documents and instruments (including checks withdrawing or disbursing trust funds, stock powers, deeds and other conveyances, receipts, releases, contracts, and other agreements and transfer documents) which are needed to accomplish or facilitate the exercise of the powers vested in the Trustees, and to disclose the provisions of this Trust Agreement whenever in the Trustees' discretion disclosure is appropriate.

13.23 Other Powers.

- (a) The Trustees may invest in obligations of the United States Government as authorized in Probate Code §16224.
- (b) The Trustees may deposit trust funds at reasonable interest in any of the accounts listed in Probate Code §16225, whether or not the account is insured by a government agency or collateralized. The accounts may be maintained in the name of any one of the Trustees or in the name of a nominee.
- (c) The Trustees may make repairs, alterations, and improvements, and perform the other acts affecting trust property as authorized in Probate Code §16229.
- (d) The Trustees may develop land in the ways authorized in Probate Code §16230.
- (e) The Trustees may enter into leases and other arrangements regarding minerals as authorized in Probate Code §16232.
- (f) The Trustees may grant or take options as authorized in Probate Code §16233.
- (g) The Trustees may exercise the powers granted in Probate Code §16234 (voting rights), Probate Code §16235 (payment of calls and assessments), Probate Code §16236 (stock subscriptions and conversions), and Probate Code §16237 (consent to change in form of business and participation in voting trusts).
- (h) The Trustees may hold securities as authorized in Probate Code §16238, and deposit securities in a securities depository as authorized in Probate Code §16239.

**ARTICLE 14
SPECIAL DISCRETIONARY POWERS OF THE TRUSTEES**

The following provisions shall apply to each of the trusts established under this Trust Agreement.

14.1 To Deal with the Trustor's Estate. The Trustees may loan money to and borrow money from, sell property to and buy property from, exchange property with, and otherwise deal with, on reasonable, arm's-length terms (including adequate security, fair market prices, and market rates of interest), the Trustor's estate or the Trustees of other trusts created by the Trustor, for the purpose of providing liquidity to the estate or trusts or for any other purpose. The Trustees shall not be obligated to make any such loans or purchases.

14.2 To Make Payments and Distributions. The Trustees shall have the discretion to make any payments or transfers of income or principal or other sums distributable to a beneficiary in any one or more of the following ways. The Trustees shall not be required to supervise or inquire into the application of any funds so paid or applied, and the receipt of the payes shall be full acquittance and discharge of the Trustees. The Trustees may withhold from distribution all or any part of any trust property, so long as the Trustees, exercising their discretion, determine that such property may be subject to conflicting claims, tax deficiencies, or liabilities (contingent or otherwise) properly incurred in the administration of the trust.

- (a) By payment directly to the beneficiary or by deposit in any bank or similar account designated by the beneficiary even if the beneficiary is a minor or under a legal disability, without the intervention of a custodian, guardian, or conservator. Payments may be made directly to minor beneficiaries who, in the Trustees' judgment, have attained sufficient age and discretion to manage their own funds.
- (b) By payment to the legally appointed guardian or conservator of the beneficiary's person or estate or by payment for the benefit of the beneficiary to any person with whom the beneficiary resides or to any person who has custody of the beneficiary, without the intervention of a guardian or conservator.
- (c) If the beneficiary entitled to distribution is a minor, by transferring the trust property to a custodian for the beneficiary under the California Uniform Transfers to Minors Act, Probate Code §3900 et seq., or a similar law of any other state in which the beneficiary or custodian resides. The custodian shall be named by the Trustees, and may, but need not be, the beneficiary's parent or legal guardian or person already serving as custodian for other property. The Trustees shall provide that the trust property shall be held under the custodianship until the minor reaches a certain age selected by the Trustees, but not past age 25 or the maximum age then allowed under the applicable Uniform Transfers to Minors Act. Alternatively, the Trustees may deposit the payment for the beneficiary in a savings or similar account in the minor's name payable to the minor when he or she reaches age 18, or the Trustees may distribute the share to the Trustees of any other trust maintained for the minor, provided no other person will become entitled to any interest in the funds, and all the accumulated income and principal of the funds will be distributed to the minor when he or she reaches age 18 or, upon the minor's death, to his or her estate.
- (d) By payment to any person or organization furnishing health care, education, maintenance, or support of the beneficiary.
- (e) By making expenditures directly for the benefit of the beneficiary or for the reasonable health, education, maintenance, and support of persons whom the beneficiary has a legal obligation to support.
- (f) By purchasing an annuity contract or other property for the benefit of a beneficiary entitled to receive a distribution.

14.3 To Sell Trust Assets. The Trustees may sell trust assets to obtain cash with which to pay the Trustor's debts, income taxes, Estate taxes, expenses of administration, and other liabilities of the trust, or to satisfy pecuniary gifts provided for under this Trust Agreement. The Trustees' selection of assets to be sold for these purposes, and the tax effects of that selection, shall not be subject to question by any beneficiary. Property, assets, or funds otherwise excludable from the Trustor's gross estate for federal estate tax purposes shall not be used to make any of these payments.

14.4 To Postpone Distributions. Notwithstanding other provisions of this Trust Agreement, the Trustees shall have the power to postpone the distribution of any fractional portion or part of the principal of any trust estate or of an entire trust estate of any trust created under this Trust Agreement for any person other than the Trustor if the Trustees determine that there is a compelling reason to postpone the distribution. Compelling reasons shall include, but are not limited to, a serious disability, drug addiction or dependency, a pending divorce, a potential financial difficulty, pending or threatened litigation, a serious tax disadvantage, or similar substantial cause affecting the beneficiary who otherwise would be entitled to the distribution. In that event, the distribution from or termination of any trust may be postponed, and any postponement may be continued from time to time, up to and including the entire lifetime of the

beneficiary. During the postponement, the retained portion or part of the trust estate shall be administered under the same terms as applied immediately prior to the postponement.

14.5 To Determine Values and Allocate Property. The Trustees, in their discretion, shall determine the valuations of trust property for purposes of divisions, allocations, and distributions, and those valuations, reasonably determined, shall be final and binding on all beneficiaries and other persons having an interest in the trust. The Trustees may adjust any valuations retroactively if a different valuation is finally determined for federal estate tax purposes. The Trustees are authorized to effect the division, allocation, or distribution of trust property in divided or undivided interests, in cash or in kind or partly in both, pro rata or non-pro rata, as the Trustees shall determine, and to sell any property in connection with the division, allocation, or distribution if the Trustees deem that action necessary or appropriate. A distribution in kind may be made pro rata or non-pro rata, and a beneficiary may receive all or a portion of any asset as part of a distribution or allocation in kind. The Trustees may allocate or distribute property (or the right to receive property) which is subject to estate tax and federal income tax as income in respect of a decedent ("IRD") to any one or more of the trusts created under this Trust Agreement or the beneficiaries of any trust; in such case, other trust assets shall be used to equalize any disproportionate allocation or distribution of items of IRD to any one or more trusts or beneficiaries. In making such divisions, allocations, and distributions, the Trustees are not required to consider the income taxes bases of such assets or the potential income tax consequences to the beneficiaries receiving the assets.

14.6 To Make Allocations between Principal and Income. Except as expressly provided otherwise herein, the Trustees shall be governed by the provisions of the then existing California Uniform Principal and Income Act in determining which funds shall be classified as income or principal and which expenses shall be chargeable to income or principal, but if any matter related to such determination is not provided for either in this Trust Agreement or in said law, the Trustees shall have the authority to determine such matter, according to the recognized rules of good trust accounting practice.

14.7 To Retain or Purchase Unproductive or Under-productive Property. The Trustees may retain, purchase, or otherwise acquire property that is unproductive or under-productive of current income. Because of the substantial potential for appreciation presented by unproductive assets such as unimproved real estate and growth stocks, the Trustor wants the Trustees to have broad discretion to acquire those assets. The Trustees shall have a duty to make the trust property productive (Probate Code §16007), but property may be made productive by appreciation in value as well as by the production of income. The Trustees may acquire and retain assets for appreciation as part of a portfolio that produces a reasonable level of current income.

14.8 To Invest Trust Assets Together. Each of the trusts and trust shares created under this Trust Agreement shall be a separate trust for trust, accounting, tax, and all other purposes. The Trustees shall keep an account for each trust and may, but shall not be required to, segregate trust assets. Rather, the Trustees may invest together the property of the separate trusts, allotting to each separate trust its proportionate undivided interest in the collective fund. The undivided interest always shall be equal to that trust's proportionate contribution to the mingled assets.

14.9 To Consolidate Trusts. If a trust is to be established or exists under this Trust Agreement for a beneficiary for whom another trust has been established under this Trust Agreement, the Trustees may allocate the property for the one trust to the other trust. Similarly, if the Trustor has established a trust for a beneficiary for whom a trust is to be established or exists under this Trust Agreement, and the dispositive provisions of that trust are substantially the same as the dispositive provisions of the trust to be established or existing under this Trust Agreement, the Trustees may transfer the property for the trust to be established or existing under this Trust Agreement to the Trustees of the other trust, to be held on the terms of that other trust. Further, where the dispositive provisions of each trust or trust share are substantially similar, the Trustees shall have the discretion to combine any trusts or trust shares into one trust because of changed circumstances, litigation among beneficiaries, administrative difficulties, or other reasons suggesting a need for such a combination. A combination must not materially impair the interests of any beneficiaries. Trusts may be combined or consolidated whether created inter vivos or by will, by the same or different trust instruments, whether the Trustees are the same, and

regardless of where the trusts were created or administered. When combining trusts, however, the Trustees shall only combine Exempt Trusts with other Exempt Trusts.

14.10 To Divide Trusts. With respect to all trusts established under this Trust Agreement, the Trustees shall have the discretionary power, exercisable without need of court approval, to divide the trust into two or more separate trusts for any purpose, including, without limitation, any of the following purposes.

- (a) To create one or more separate trusts that qualify as a qualified S corporation shareholder or as any other type of special trust provided for under the I.R.C.
- (b) To create one or more separate trusts with assets completely exempt from any application of any generation-skipping transfer tax. If the Trustees exercise the election provided by I.R.C. §2652(a)(3) as to any trust, the Trustees are authorized in their discretion to hold the property of the trust in two separate fractional share trusts, one in an amount equal to the Trustor's GST exemption allocated to the trust and one in an amount equal to the balance of the property of the trust.
- (c) To create one or more separate trusts to accomplish other proper tax planning purposes.
- (d) To create a separate trust as to any share or portion of a trust disclaimed by a beneficiary, and to sever the disclaimed portion to be administered as a separate trust.
- (e) To create a separate trust for each current income beneficiary of a trust or trust share, and to divide any trust along family lines to be administered as separate trusts.
- (f) To create one or more separate trusts because of changed circumstances, litigation among beneficiaries, administrative difficulties, or other reasons suggesting a need for a division.

The allocation of property between or among separate trusts created from a single trust or trust share may be unequal in amount and in the type of assets, and the division may be non-pro rata. The fair market values of the trust property at the date or dates of allocation shall be used in making the allocations. All trusts so established shall be designated and named by the Trustees and the property allocated to the divided trusts shall be held and administered under the same terms and provisions as would have applied to the undivided trust or trust share. With regard to planning for the S corporation election, the GST tax inclusion ratio, or other tax purposes, this power to divide trusts shall be exercised in a manner that complies with the I.R.C. and applicable Treasury regulations.

14.11 To Terminate Trusts. The Trustor recognizes that circumstances may change so that continuation of a trust provided for in this Trust Agreement may not be in the best interests of its current beneficiary, taking into account all relevant factors, including the costs of administration and tax consequences. Accordingly, after the Trustor's death, the Trustees may for any reason terminate any trust created under this Trust Agreement and distribute any remaining trust estate, including principal and undistributed income, to any one or more of the current beneficiaries or the presumptive remainder beneficiaries of the trust in those proportions as the Trustees determine, in a manner that conforms as nearly as possible to the Trustor's intention. In exercising their discretion to terminate a trust, the Trustees may, but shall have no obligation to, consider the interests of any person other than the current income beneficiary, including any remainder beneficiaries.

If the Trustees determine that the size of a trust does not warrant the cost of continuing that trust or that continued administration of any trust would be impractical for any reason, the Trustees, without further

responsibility or liability, may transfer that trust property outright to the person or persons then authorized or entitled to the income from it. If the principal of the trust has a fair market value less than fifty thousand dollars (\$50,000), a decision of the Trustees to distribute the trust shall not be subject to question by anyone.

The existence of spendthrift or similar protective provisions in this Trust Agreement shall not make this section inapplicable. A Trustee may not terminate a trust under this section if the Trustee is a beneficiary of the trust or has a duty of support for the beneficiary of the trust.

14.12 To Permit Use of Personal Residence. The Trustees are authorized to permit the Trustor and, following her death, the current beneficiary of a trust to occupy rent-free any residence held in the trust and to use the furnishings in the residence. The Trustees shall pay from the trust all taxes, insurance premiums, assessments, costs of repairs, and maintenance for these residences. The Trustees may sell the residence and, in their discretion, acquire other residences from trust property. The Trustees may also permit the guardian of a minor current beneficiary of the trust, along with the guardian's family, to reside rent free with the minor beneficiary in the residence so long as the minor beneficiary is entitled to reside there.

14.13 To Hold Personal Articles in Trust. If the Trustees of any trust receive furniture or furnishings, household items, clothing and other personal effects, or vehicles or accessories to vehicles, the Trustees may distribute that property to the current beneficiary or beneficiaries of the trust, at the times and in the manner the Trustees, in their discretion, determine to be proper. In addition, the Trustees may allow the current beneficiaries to use this property. Neither the Trustees nor any beneficiary who uses this property shall be liable to other beneficiaries for permitting the use of this property or for the loss or damage of this property.

14.14 To Make Distributions from Qualified S Trusts. The Trustees are authorized to distribute to the beneficiary of any trust that has made a qualified S Corporation election under I.R.C. §1361 et seq. from income or principal, or both, funds sufficient to pay the federal and state income taxes imposed on the beneficiaries for the income or gain passing to the beneficiary from the S Corporation. No such distribution is required.

ARTICLE 15 DISINHERITANCE AND NO CONTEST

15.1 Disinheritance Clause. The Trustor has intentionally omitted from this Trust Agreement any provision for any of her heirs, issue, relatives, or other persons who are not named, mentioned, designated, or described in this Trust Agreement. The Trustor has intentionally omitted any person who would be a pretermitted heir under the provisions of the Probate Code and those persons referred to in Probate Code §§21600 through 21623. Except as specifically provided in this Trust Agreement, the Trustor has intentionally omitted any provision for any of her children now alive or hereafter born or adopted, or for the issue of any of her children who may predecease her. After-born children shall have no rights in the Trustor's trust estate other than those expressly given the Trustor's children in the Trustor's Will or this Trust Agreement. The Trustor also intentionally does not provide for any stepchildren or foster children that she now has or may later acquire. The Trustor generally and expressly disinherits each and every person whomsoever claiming to be and who may be determined to be her heirs at law, except as they are otherwise expressly provided for in this Trust Agreement.

15.2 No Contest Clause. The Trustor wants the greatest deterrence against interference with the Trustor's estate plan that the law allows. If any heir, issue, relative, legatee, devisee, beneficiary, or other interested person; or any person who is provided for under this Trust Agreement, the Trustor's Will, any beneficiary designation, or any Will substitute; or any person who would be entitled to any of the Trustor's property under the laws of succession or otherwise, alone or in conjunction with any other person or persons, directly or indirectly (1) institutes any legal proceeding that attacks or contests this Trust Agreement or the Trustor's Will (or any amendment or codicil to this Trust Agreement or the Trustor's Will), or seeks to impair, nullify, void, or invalidate such documents or any of their provisions; (2) asserts

or pursues in any manner any claim, including any creditor's claim, against the Trustor's estate or property other than as permitted in this Trust Agreement and the Trustor's Will; (3) attacks or contests or seeks to change any beneficiary designation under an insurance policy, employee benefit plan, deferred compensation plan, retirement plan, annuity, or other Will substitute of the Trustor; or (4) conspires with or voluntarily assists any person or persons attempting to do any of these things, the Trustor directs that that person (the "Contestant") and all persons conspiring with or assisting him or her shall take none of the Trustor's property and nothing from the Trustor's estate. All these persons are expressly disinherited. Any and all gifts or property that otherwise would have gone to these persons shall be forfeited and shall pass as if these persons had predeceased the Trustor without leaving living issue. The foregoing provisions shall apply to any persons who claim that the Trustor entered into an oral agreement providing for the disposition or transfer of property to those persons or others in any way inconsistent with the provisions of this Trust Agreement or the Trustor's Will. The foregoing provisions shall also apply to any action or proceeding brought by any person, other than the Trustor (or the Trustor's authorized agents) during the Trustor's lifetime, to change the ownership title of the Trustor's property already characterized in a document signed by the Trustor (excluding any action by the Trustor's Executor or Trustees to confirm ownership of the Trustor's property in the trust or the Trustor's estate) and any challenge to the validity of an instrument, contract, agreement, beneficiary designation, or other document providing for or directing the disposition of the Trustor's property.

Pursuant to Probate Code Section 21305, the foregoing provisions shall not be violated by the filing of the following: (1) a petition seeking relief under Chapter 3 (commencing with Section 15400) of Part 2 of Division 9 ("Modification and Termination of Trusts"); (2) a petition under Part 3 (commencing with Section 1800) of Division 4 ("Conservatorship"); (3) a petition under Part 2 (commencing with Section 4100) of Division 4.5 ("Powers of Attorney Generally"); (4) a petition pursuant to Section 2403 (instructions in a guardianship or conservatorship); (5) a petition challenging the exercise of a fiduciary power; (6) a petition objecting to the appointment of a fiduciary or seeking the removal of a fiduciary; and (7) objections or other responsive pleadings to the accounting of a fiduciary. Nor shall any acts done or omitted pursuant to a final judgment in any judicial proceeding violate these provisions.

In addition, the foregoing provisions shall not be violated by (1) the disclaimer of any right or interest in trust property; (2) the assertion or submission of any creditors' claims, supported by consideration, by any person to the Trustor's Executor or the Trustees that are believed by such person, in good faith, to be owed by the Trustor to that person or the prosecution of an action based upon any such creditor's claims; (3) the participation in a mediation or settlement discussions or the filing of a petition for settlement or compromise affecting the terms of this Trust Agreement, the Trustor's Will, or other documents governing the disposition of the Trustor's estate or property; (4) the filing of any petition or the taking of other action by the Trustees or the Trustor's Executor seeking judicial construction or interpretation of this Trust Agreement or the Trustor's Will, or of any amendment or codicil to this Trust Agreement or the Trustor's Will, or (5) the commencement of any proceeding for declaratory relief to determine whether any action by any person would constitute a contest under these provisions.

15.3 Expenses of Contest. The Trustor's Executor and the Trustees serving under this Trust Agreement are expressly authorized to defend against any and all of the actions described in Section 15.2, including any contest or attack of any nature upon this Trust Agreement, the Trustor's Will, or any of their provisions. All expenses incurred in the defense of any of the actions or matters described in Section 15.2 shall be paid, as the Trustees determine, from either the Trustor's probate estate or the trust estate as expenses of administration. If, however, a Contestant is or becomes entitled to receive any property or property interests included in the Trustor's probate estate or the trust estate, whether under this Trust Agreement, the Trustor's Will, or any other instrument, then all expenses incurred by the Trustees or the Trustor's Executor in the defense of the actions undertaken by the Contestant shall be charged against and paid from the property or property interests that the Contestant otherwise would be entitled to receive, whether or not the Trustees or the Trustor's Executor were successful in the defense of the Contestant's actions.

**ARTICLE 16
RULE AGAINST PERPETUITIES**

Notwithstanding any other provision of this Trust Agreement, unless terminated at an earlier date, all trusts created under this Trust Agreement (including any interest created by the exercise of any limited power of appointment granted under this Trust Agreement, other than an appointed trust in which some or all of the appointed interests are allowed a new perpetuities period because of a new power of appointment or withdrawal conferred by the exercise of the original power) shall terminate one day prior to the date that is twenty-one (21) years after the date of death of the last survivor of the class of persons consisting of the Trustor, the Trustor's issue, and the issue of the Trustor's grandparents living on the Trustor's date of death, and each natural person who is designated in this Trust Agreement by name as a beneficiary. Any trust created by the exercise of a general power of appointment granted under this Trust Agreement shall terminate as provided in the instrument by which the power is exercised.

Upon termination, the Trustees shall immediately distribute the remaining trust estate of each separate trust to the person or persons who would have been entitled to receive income distributions from the trust estate if it had not been terminated under this provision. If more than one person would have been entitled to receive income distributions, the Trustees shall immediately distribute the property among these persons in the proportions in which income would have been distributed to them. If these proportions are not described in this Trust Agreement, the Trustees shall distribute the property in the proportions they determine in the exercise of their discretion. If no person would have been entitled to receive income distributions, but the income would have been held for possible distribution to one or more persons, the Trustees shall immediately distribute the property among those persons in the proportions in which income could have been distributed to them, or if those proportions cannot be determined from this Trust Agreement, in the proportions as the Trustees determine in the exercise of their discretion. If no person is identified under the foregoing provisions, the remaining trust estate shall be distributed to the presumptive remainder beneficiaries of the remaining trust estate, in proportion to their respective interests, or if none, to those persons and in those shares as determined by the Trustees, in their discretion, taking into account the other terms of this Trust Agreement.

Notwithstanding the foregoing provisions of this article, no trust shall terminate pursuant to the provisions of this article if the trust would otherwise be legally valid and lawfully permitted to continue under applicable state law without the application of the provisions of this article. For purposes of this provision, the state law of the situs of the trust as of the time such determination is to be made shall be the applicable state law.

**ARTICLE 17
SPENDTHRIFT PROVISIONS**

The following provisions shall apply only as to the separate irrevocable trusts established under this Trust Agreement following the Trustor's death.

17.1 No Voluntary Transfers of Trust Interests. A beneficiary's interest in trust income or principal shall not be subject to his or her voluntary transfer. Specifically, a beneficiary may not sell, transfer, assign, alienate, encumber, hypothecate, or otherwise dispose of his or her interest in trust income or principal. This provision does not, however, prohibit a beneficiary from exercising any power of appointment granted under this Trust Agreement or from disclaiming or renouncing at any time all or any part of his or her interest in trust property. Also, a beneficiary may assign the right to receive the actual payment of any sum otherwise distributable to him or her under this Trust Agreement to his or her own revocable living trust. Further, the Trustees may deposit in any account at any financial institution designated in writing by the beneficiary, to his or her credit, income or principal immediately payable to such beneficiary. Notwithstanding the foregoing, a beneficiary may transfer all or any part of his or her interest in the trust to one or more of his or her descendants or siblings.

17.2 No Involuntary Transfers of Trust Interests. A beneficiary's interest in trust income or principal also shall not be subject to involuntary transfer. Specifically, a beneficiary's interest shall not be subject to the beneficiary's liabilities, contracts, debts, or other obligations; to the claims of the beneficiary's creditors or assignees or others; to the enforcement of a money judgment against the beneficiary; or to assignment, attachment, anticipation, levy, execution, garnishment, pledge, claims arising from bankruptcy proceedings, or any other form of legal or equitable levy or lien or legal process or proceedings. Income or principal of any trust created under this Trust Agreement shall not be used to discharge, in whole or in part, (1) the legal obligations of any person to support any beneficiary of the trusts, or (2) the legal obligation of any beneficiary to support any other person, except if required by court order.

ARTICLE 18 GENERAL TRUST PROVISIONS

The following provisions shall apply in all matters of construction and interpretation of this Trust Agreement.

18.1 Rules of Construction. Unless the specific provision or term being construed or the context of the provision or term otherwise requires, and except as otherwise expressly provided in this Trust Agreement, the general provisions and rules of construction and interpretation set forth in the Probate Code and in this article and the definitions set forth in ARTICLE 19 (Definitions) shall govern the construction and interpretation of this Trust Agreement. Where the provisions and rules of construction or definitions set forth in the Probate Code and in this article and ARTICLE 19 conflict, the provisions and rules and definitions set forth in this article and ARTICLE 19 shall govern. As to any questions of construction or interpretation of this Trust Agreement, the construction or interpretation that would favor the Trustor's children shall be adopted or applied.

18.2 Governing Law. This Trust Agreement has been executed in California, and its validity and construction, including the determination of all rights of the beneficiaries, shall be governed by the laws of California regardless of where the trusts are administered. Further, except as otherwise provided in this section, the trusts established under this Trust Agreement shall be administered in California regardless of where the Trustees or beneficiaries reside, and all matters and questions related to their administration shall be governed by the laws of California. Notwithstanding the foregoing, with the consent of a majority in percentage interest of all the beneficiaries of the trust then entitled to trust income (whether discretionary or not), the Trustees may transfer the situs of a trust established under this Trust Agreement to another state of the United States as they determine to be in the best interests of the trust beneficiaries. After any change of situs for a trust, the laws of the state of the new situs shall govern the administration of the transferred trust, but the validity of this Trust Agreement and its construction shall continue to be governed by the laws of California.

18.3 Successors in Interest. This Trust Agreement shall be binding upon the Trustor's heirs, executors, successors, and assigns, the Trustees and the successor Trustees, and all the beneficiaries and interested persons under this Trust Agreement.

18.4 Court Supervision. Under California law the California courts have jurisdiction to consider petitions concerning each trust created by this Trust Agreement. The Trustor intends that the provisions of Probate Code §17000 et seq. shall be applicable to the trusts established under this Trust Agreement.

18.5 References to Statutes. Whenever a reference is made to any portion of the Internal Revenue Code, the Probate Code, or to any other law, the statutory reference shall be construed to refer to the statutory section mentioned, related successor or substitute sections, and corresponding provisions of any subsequent law, including all amendments and additions.

18.6 Gender, Tense, and Numbers. Unless the context clearly requires another construction, the masculine, feminine, and neuter genders shall each include the others as appropriate; the present tense

shall include the past and future tenses, and the future tense shall include the present tense; and the singular number shall include the plural, and the plural shall include the singular.

18.7 Effect of Headings. Article, section, and paragraph numbers and headings, as well as titles, used in this Trust Agreement are used for convenience of reference only and shall not be considered in the construction or interpretation of this Trust Agreement. They are not intended to have any legal effect or to affect the scope, meaning, or intent of the provisions of this Trust Agreement.

18.8 Severability. If any part, clause, or provision of this Trust Agreement, or the application of any part, clause, or provision of this Trust Agreement to any person or circumstances, is held to be void, invalid, unenforceable, or inoperative, this invalidity shall not affect any other parts, clauses, or provisions or applications of this Trust Agreement that can be given effect without the invalid provision or application. The remaining provisions of this Trust Agreement shall be effective and fully operative as though the part, clause, or provision had not been contained in this Trust Agreement. To this end, the provisions of this Trust Agreement are severable.

ARTICLE 19 DEFINITIONS

The following definitions shall apply in all matters of construction and interpretation of this Trust Agreement.

19.1 Administer. The term "administer" means to hold, manage, administer, allocate, and distribute.

19.2 Child, Parent, and Issue. The term "child" means any individual entitled to take as a child under the Probate Code by intestate succession from the parent whose relationship is involved. References to "child" or "children" mean descendants in the first degree of the parent designated. A child of the Trustor shall include a child born or adopted after the execution of the Trustor's Will and this Trust Agreement. The term "parent" means any individual entitled to take as a parent under the Probate Code by intestate succession from the child whose relation is involved. The terms "issue" or "descendants" of a person means all the person's lineal descendants of all generations, with the relationship of parent and child at each generation being determined by the definitions of parent and child. The term "grandchild" includes only a child of a child of the person referred to.

(a) **Limitations as to Adopted Children.** The terms "child," "children," "issue," and "descendant" shall include "adopted children." The term "adopted children" means all persons adopted by someone other than the Trustor only if the person was adopted before reaching the age of eighteen (18), or lived in the home of the adopting parent before reaching the age of eighteen (18) if not actually adopted before that time. Anyone that the Trustor adopts shall be included as a child of hers regardless of the adopted person's age at the time of the adoption. An adopted child and the adopted child's issue shall be considered issue of the adopting parent or parents and of anyone who is by blood or adoption an ancestor of the adopting parent or of either of the adopting parents.

(b) **Limitations as to Stepchildren and Foster Children.** The terms "child," "children," "issue," and "descendants" shall not include a foster child or a stepchild, even if a parent-child relationship existed between the foster parent and the foster child or between the stepparent and the stepchild.

19.3 Distribute. The term "distribute" means to pay directly to, or apply for the benefit of, the designated beneficiary, donee, or transferee or that person's agent.

19.4 Estate Taxes. The term "Estate taxes" means all estate, inheritance, transfer, succession, legacy, death, and other similar taxes, including any interest or penalties on these taxes, that may be imposed by reason of the Trustor's death. "Estate taxes" excludes any income tax, generation-skipping transfer tax, excise tax, and other similar taxes.

19.5 Executor. The term "Executor" means an executor, administrator, administrator with the will annexed, special administrator, personal representative, or a person who performs substantially the same function under the law of another jurisdiction governing the person's status, including all successors or persons holding the office temporarily. If, however, there is no Executor serving within the United States, the term means the Trustees of this trust for purposes of the property held in the trust estate, as provided in I.R.C. §2203. The terms "Executor" and "Executors" each include both the singular and the plural.

19.6 Heirs at Law. The terms "heirs at law" or "heirs" mean the persons determined according to the California laws of intestate succession then in effect relating to separate property not acquired from a previously deceased spouse.

19.7 Internal Revenue Code. The term "Internal Revenue Code" or "I.R.C." means the United States Internal Revenue Code of 1986, as amended from time to time, and corresponding provisions of any subsequent federal internal revenue law.

19.8 May and Shall. Wherever used in this Trust Agreement, the term "may" is discretionary and means the Executor or Trustees are authorized, at their option, to take or not take an action as they determine, in their sole discretion. The term "shall" is mandatory and means that the Executor or Trustees must take the designated action.

19.9 Probate Code. The term "Probate Code" means the California Probate Code, as amended from time to time, and corresponding provisions of any subsequent California laws.

19.10 Residue. The term "residue" means the property remaining after the payment of all expenses of administration and debts and the distribution of all specific gifts and tangible personal property, and before the payment of Estate taxes. Estate taxes shall be handled separately, and shall be paid and charged as specifically provided in this Trust Agreement.

19.11 Right of Representation. The term "right of representation" means that the property shall be distributed, divided, or taken in the manner provided in Section 246 of the Probate Code. Unless otherwise specified, distributions or allocations of property to or among children or issue, and among successor beneficiaries, shall in all cases be made in the manner provided in Section 246 of the Probate Code.

19.12 Survivorship. The term "survive" or "survivorship" means to live for at least thirty (30) days past the designated event. No beneficiary shall be considered to have survived the Trustor's death, the death of a prior beneficiary, or the event terminating any trust (and be entitled to any trust funds) unless the beneficiary survives for at least thirty (30) days after the event. Any beneficiary required to survive any other person, who fails to survive the other person by thirty (30) days, shall be deemed to have predeceased that person. If it cannot be established whether a beneficiary has survived by thirty (30) days, the beneficiary shall be deemed to have failed to survive for the required time. Except as otherwise expressly provided, any gift or bequest to any person made contingent upon the survivorship of that person shall lapse and shall not be made if the conditions of survivorship stated in this section or elsewhere in this Trust Agreement are not met. The lapsed gifts or bequests shall pass instead as part of the residue of the trust from which the gifts or bequests were directed to be made.

19.13 Tangible Personal Property. The term "tangible personal property" includes clothing, jewelry, and other personal effects; household furniture, furnishings, equipment, and appliances (including rugs, linen, and other household decorations); china, silverware, glassware, crystal, and other household items of use and decoration; books, pictures, precious metals, works of art (including paintings, sculptures, and works on paper), antiques, stamp and coin collections, wine, and other collectibles; automobiles, boats, other vehicles, and accessories to vehicles; and other items of domestic, household, or personal use. "Tangible personal property" shall not include ordinary currency, cash, or bullion or property primarily held for investment purposes, such as investment funds, or any property held for use in a trade or business. "Tangible personal property" also shall not include any works of art, antiques, or collections of tangible

personal property having a fair market value (or an aggregate fair market value in the case of any collection) greater than ten thousand dollars (\$10,000).

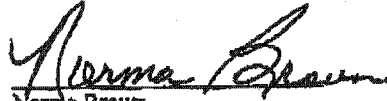
19.14 Trust Estate. The term "trust estate" means property transferred to the Trustees, in trust, to be administered under the terms of this Trust Agreement, including the property transferred to the Trustees upon the establishment of the trusts and following the Trustor's death, and all the income from and appreciation in the property transferred to the Trustees. As a matter of convenience, all property at any time subject to this Trust Agreement is collectively referred to as the "trust estate."

ARTICLE 20
RELIANCE ON CERTIFIED COPIES

To the same effect as if it were the original, anyone may rely upon a copy of this Trust Agreement, or any part of this Trust Agreement, certified by a Trustor or Trustee or their legal counsel to be a true and correct copy of all or any part of this Trust Agreement, or of any document required to be filed with or maintained at the office of the Trustees. Anyone may rely upon any statements of fact concerning this trust certified by anyone who appears from an original document, or a certified copy, to be serving as a Trustee under this Trust Agreement, including a certification of trust made pursuant to Probate Code §18100.5.

The Trustor and Trustee has executed this Trust Agreement as of this day at Pasadena, California.

DATED: JUN 24 2009


Norma Brown

Trustor and Trustee

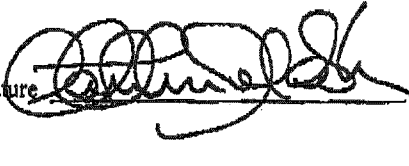
STATE OF CALIFORNIA)

COUNTY OF LOS ANGELES)

On JUN 24 2009, before me, Matthew Goldsby, Notary Public, personally appeared Norma Brown, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

