

Interstate Commerce Commission
12 and Constitution Avenue N.W.
Washington, D.C. 20423

July 8, 1991

1-191A014

17424A

REGISTRATION NO. FILED 1425

Attention: Mildred Lee

JUL 10 1991 -2 00 PM

17424

REGISTRATION NO. FILED 1425

JUL 10 1991 -2 00 PM

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

Gentlemen:

We have prepared a Revocable Living Trust and would appreciate your efforts in changing the ownership of two railroad cars which are presently registered with the I.C.C.

I request the registered owners name to be changed from:

Jerome W. & Elizabeth Thompson

4599 Blanca Drive

Cypress, California 90630

to registered and legal owners:

Jerome W. Thompson and Ella E. Thompson,

TRUSTEES OF THE THOMPSON FAMILY TRUST

UNDER INSTRUMENT DATED NOVEMBER 22, 1989.

I have included the following documents:

1. Installement note-paid in Full
2. Two copies of California Railcar Invoice showing registration number 14032
3. Fee Receipt from ICC
4. Copy of Living Trust

NA

A general description of the equipment is as follows:

Two (2) 100 Ton Roller Bearing DOT
111A100 WL exterior coiled and insulated tank cars 23,500 Gal.
Serial number CALX 3040 & CALX 3041

The equipment is managed and operated by California Railcar Corporation
1510 West Verdugo Ave, Burbank
California 91506.

When the recording has been revised please return the instruments

JUL 10 1 49 PM '91

Jerome W. Thompson
7-10-91
Clara...

to Jerome Thompson
4599 Blanca Drive , Cypress, Calif. 90630.

Thank You

Jerome Thompson
Jerome Thompson

Interstate Commerce Commission
Washington, D.C. 20423

7/10/91

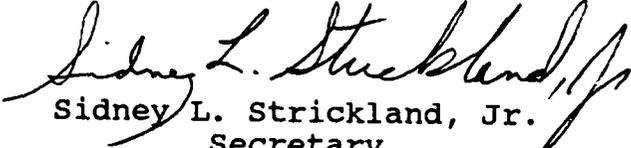
OFFICE OF THE SECRETARY

Jerome Thompson
4599 Blanca Drive
Cypress, California 90630

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/10/91 at 2:00pm, and assigned recordation number(s). 17424 & 17424-A

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

ORIGINAL

REGISTRATION NO. 17424 FILED 1991

JUL 10 1991 -2 00 PM
INTERSTATE COMMERCE COMMISSION

THE THOMPSON FAMILY TRUST
DATED November 22, 19 89

A Revocable Living Trust Declaration
Prepared by

The Law Offices of
ADLER & ROGOFF
A Professional Corporation

Main Office
215 Long Beach Blvd., Suite 705-708
Long Beach, California 90802
(213) 432-2433
(800) 752-6748

THE THOMPSON FAMILY TRUST
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REVOCABLE TRUST DECLARATION

ARTICLE ONE

INTRODUCTION, PARTIES, TRUSTEES

1.1. Declaration. We, JEROME W. THOMPSON of Orange County, California, and ELLA E. THOMPSON, also known as ELLA K. THOMPSON, of Orange County, California, are the creators of this trust declaration. We are referred to as the "trustors" in this document.

1.2. Beneficiaries. We, JEROME W. THOMPSON and ELLA E. THOMPSON, are the present beneficiaries of this trust.

1.3. Identification of Trust. This trust may be referred to as the THOMPSON FAMILY TRUST.

1.4. Trust Revocable. We reserve the right to both amend or revoke the trust during our joint lives. We have set forth the provisions for revocation and amendment of the trust in Article Four.

1.5. Initial Trustees. We, JEROME W. THOMPSON and ELLA E. THOMPSON, appoint ourselves as the initial co-trustees of this trust.

1.6. Successor Trustees. Should either of us resign, become incapacitated, die, or otherwise fail or cease to act as a co-trustee before the natural termination of the trust, the

remaining spouse shall thereafter serve as sole trustee. If that remaining spouse should resign or cease to act, ERIC WARNER THOMPSON shall become the trustee of this trust. If ERIC WARNER THOMPSON fails to act or ceases to serve, then KYLE SHAWN THOMPSON shall become the successor trustee of this trust. If KYLE SHAWN THOMPSON fails to act or ceases to serve, then KURT SAYLOR THOMPSON shall become the successor trustee of this trust.

1.7. Final Successor. If at any time there is no trustee acting, and there is no person or institution designated as provided in this article who qualifies as a successor trustee, the majority of the adult beneficiaries of the trust who are then entitled to receive present income, acting together, shall appoint the successor trustee. If they fail to act or agree, then the law firm of Adler & Rogoff, A Professional Corporation, 215 Long Beach Blvd., Suite 705, Long Beach, Ca. 90802, shall appoint the successor trustee.

1.8. Trustors' Right to Remove Trustees. While we are both living, we may remove any individual or corporate trustee, at any time, with or without cause, and we may appoint another trustee. That trustee may be an individual or corporate trustee (such as a bank or trust company). After the death of the first spouse, if there is an individual trustee who is serving as the successor trustee of an irrevocable trust (established to hold assets of the first of us to die) that trustee may not be removed by the survivor of us without good cause. However, the surviving spouse may remove a corporate trustee with or without cause, and shall appoint another corporate trustee.

1.9. Trustees Rights and Duties. Our successor trustees shall be entitled to reasonable compensation. The trustees shall assume the trusteeship, resign and give notices as we have directed in Article Eight of this trust.

END OF ARTICLE ONE

ARTICLE TWO
DISTRIBUTIONS AFTER DEATH
OF TRUSTOR

TRUST ADVISORY "A-B/C" TRUST

Upon the death of the first of us to die, the entire trust shall be divided up into three shares. All of the assets of the survivor of us shall be placed into a trust called the SURVIVOR'S "A" TRUST. The assets which were owned by the deceased spouse shall be divided into two shares. The share that is estate-tax-free (presently \$600,000.00) shall be held in a trust called the CREDIT SHELTER "B" TRUST. If the deceased spouse then owns more assets than would be estate tax free, those assets (constituting the third share) shall be held in the QTIP "C" TRUST, which enjoys death tax deferment until the death of the surviving spouse. These assets held in the "C" trust will be taxed as though they are a part of the surviving spouse's estate. However, upon the death of the surviving spouse, the "C" trust assets shall be distributed to the heirs that the first of us to die has directed. For purposes of clarity, after the death of the survivor of us the remaining property in the SURVIVOR'S "A" TRUST, CREDIT SHELTER "B" TRUST, and the QTIP "C" TRUST, are recombined in the Credit Shelter "B" trust. The provisions for the final distribution of all three shares of assets are stated in the Credit Shelter "B" trust.

Below we have set out our rights to income and principal, and the terms of the final distribution of our trust property. In order to properly make our after death tax elections, and properly allocate our assets to the "A", "B" and "C" trusts, the technical paragraphs are set forth at the end of this article, and they are written for the benefit of our successor trustees, attorneys and accountants, and other professionals in technical language which they will understand, and as this language may be required by the Internal Revenue Service.

2.1. Definitions. In this article, the first of us to die is referred to as "the deceased spouse" and the survivor of us, "the surviving spouse."

2.2. Gifts To Be Made Immediately at Death of Each Spouse. At the death of each spouse, the trustee shall immediately make those gifts that the deceased spouse may direct by the provisions contained in this article, or by a will or other directive to the

trustee indicating an intent to make immediate gifts from the trust at that spouse's death. The following gifts shall be made only from the assets of each spouse from their respective "A" or "B" trust:

(a) Gifts at the death of JEROME W. THOMPSON. Upon the death of JEROME W. THOMPSON, the trustee shall make the following gifts:

1. The trustor elects to not make any gifts at the time of the execution of this trust instrument, and instead reserves his right to make gifts by separate written instrument. His share of trust property shall be retained in trust and administered as set forth below.

(b) Gifts at the death of ELLA E. THOMPSON. Upon the death of ELLA E. THOMPSON, the trustee shall make the following gifts:

1. The trustor elects to not make any gifts at the time of the execution of this trust instrument, and instead reserves her right to make gifts by separate written instrument. Her share of trust property shall be retained in trust and administered as set forth below.

2.3. Governing Provisions of Survivor's "A" Trust. The trustee shall hold, deal with, and dispose of the trust property set apart for the surviving spouse in a survivor's trust, subject to the terms and conditions set forth below.

(a) Payment of Net Income. Upon the death of the deceased spouse, the surviving spouse shall receive the entire net income of the trust so long as he or she lives, in monthly or other convenient installments as the surviving spouse acting as trustee, or as the surviving spouse and the successor trustee may agree upon.

(b) Discretionary Payment of Principal by Trustee. In addition, the successor trustee, in the trustee's discretion, may pay to or apply for the benefit of the surviving spouse so much of principal as the trustee deems necessary or proper from time to time to pay for the surviving spouse's medical care, support, or maintenance, taking into consideration to the extent the trustee deems advisable, other income or resources of the surviving spouse known to the trustee.

(c) Right of Withdrawal of Principal. The successor trustee shall pay to the surviving spouse those amounts of the principal of the trust, up to the whole thereof, as the surviving spouse may from time to time demand in

a writing delivered to the trustee and signed by the surviving spouse.

(d) Power To Direct Further Gifts by Will. The surviving spouse may write a handwritten will or formal directive to the successor trustee of this trust directing the trustee to make further or different gifts of his or her assets which are held in trust. This power shall be called a "power of appointment." Any exercise of this power shall be in writing and shall be both signed and dated. The will or directive need not be witnessed or notarized. The will or directive should contain words to this effect: "I hereby exercise my power of appointment and direct the trustee of my living trust dated _____ to make the following gifts to the following persons". If the successor trustee receives no notice of the existence of a will of the surviving spouse within forty-five (45) days after the death of the surviving spouse, the trustee may distribute the trust assets and income as though this power of appointment had not been exercised and shall in that event be conclusively presumed to have acted in good faith, even if a valid will is thereafter discovered.

(e) Distribution of Trust. If there is no direction to make a different distribution of the survivor's trust, or to the extent that an attempt to exercise the power was ineffectual, the entire remaining principal, all net income then held by the trustee, and all income then accrued but not collected by the trustee, after any payment of taxes, debts, and expenses pursuant to the preceding subparagraph, shall be added to and become a part of the credit shelter trust and shall be held and administered or distributed in whole or in part, as if they had been an original part of the credit shelter trust as directed in paragraph 2.5 below.

2.4. Governing Provisions of QTIP "C" (Qualified Terminable Interest Property) Trust. The trustee shall hold, deal with, and dispose of the trust property directed to be set apart in the qualified terminable interest property trust for the surviving spouse, subject to the following terms and conditions:

(a) Payment of Net Income. Upon the death of the deceased spouse, the trustee (who could be either the surviving spouse acting as the trustee, or the successor trustee) shall pay the entire net income of the trust to the surviving spouse so long as he or she lives, in monthly or other convenient installments (but not less often than annually) as the surviving spouse and the trustee may agree upon from time to time. In determining the net income of the trust distributable

to the surviving spouse the trustee shall include all income that must be considered as income in order for the trust to qualify for the marital deduction under the federal estate tax law applicable to the deceased spouse's estate, and shall make no deductions from gross income that would prevent the trust from qualifying for the marital deduction, notwithstanding any contrary provisions of this instrument or any applicable provisions of state law. Assuming the trust has qualified under section 2056(b)(7), then any grant of rights, powers, discretion, and authority to the trustee in any provision of this instrument or any statute relating thereto shall not be effective if and to the extent the grant, if effective, would disqualify for federal estate tax purposes the marital deduction trust held under this article, it being the trustors' intention that the surviving spouse, as the beneficiary of a marital deduction trust, shall have substantially that degree of beneficial enjoyment of the trust during his or her lifetime that the principles of the law of trusts accord to a person who is unqualifiedly designated as the life beneficiary of a trust, and the trustee shall not exercise the trustee's discretion in a manner that is not in accord with this expressed intention.

(b) Payment of Principal. At any time after the death of the deceased spouse, should the trustee (either the surviving spouse who may be serving as the trustee, or the successor trustee) determine, in the discretion of the trustee, that the surviving spouse is in need of funds for his or her support in accordance with the surviving spouse's accustomed manner of living, maintenance, or medical, dental, hospital, and nursing services, and other costs relating to the health care of the surviving spouse, the trustee may pay to or apply for the benefit of the surviving spouse, in addition to any payments of the net income from the QTIP trust, those amounts from the principal of the QTIP trust, up to the whole thereof, as the trustee, in the discretion of the trustee may from time to time deem necessary or advisable for those purposes, giving the consideration that the trustee deems proper to all other income and resources then readily available to the surviving spouse for use for those purposes and that are then known to the trustee, and no amount or amounts so paid or applied need thereafter be repaid to the trustee or restored to the trust.

(b)(1) Power to Withdraw Principal. At any time after the death of the deceased spouse, the surviving spouse shall have the power to withdraw from the principal each calendar year those amounts as shall not exceed the greater of five thousand dollars (\$5,000) or five (5) percent of the assets at the time of the lapse of

the power by a written instrument signed by him or her and delivered to the trustee. This power shall be noncumulative and shall lapse as to any amount not so withdrawn in any calendar year at the end of that calendar year. This power shall exist each year until the death of the surviving spouse. The surviving spouse may exercise this power each year during the month of January.

(c) Termination of Trust. The qualified terminable interest property trust shall terminate upon the death of the surviving spouse. Upon termination of the trust, the entire trust (including the net income of the trust then accrued but uncollected and all net income remaining in the hands of the trustee) shall be dealt with as set forth below.

(d) Payment of Taxes. The trustee shall determine from the personal representative of the surviving spouse's estate the amount of the federal estate tax allocable to the property of the trust by reason of section 2207A of the Internal Revenue Code, and shall set aside a portion of the trust principal for the purpose of paying that tax upon written demand by the personal representative.

(e) Distribution of Balance of Trust Principal. The trustee shall dispose of the balance of the trust principal (or the entire trust principal if the personal representative of the surviving spouse's estate does not in due course make a written demand) by adding that principal to the credit shelter trust to be held and administered or distributed in whole or in part, as if that principal had been an original part of the credit shelter trust.

2.5. Governing Provisions of Credit Shelter "B" Trust Until the Death of Surviving Spouse. The trustee shall, until the death of the surviving spouse, hold, deal with, and dispose of the trust property hereinabove directed to be set apart in the credit shelter trust, subject to the following terms and conditions.

(a) Payment of Net Income. Upon the death of the deceased spouse, the surviving spouse shall receive the entire net income of the trust so long as he or she lives, in monthly or other convenient installments as the surviving spouse acting as trustee, or as the surviving spouse and the successor trustee may agree upon.

(b) Payment of Principal. At any time after the death of the deceased spouse, should the trustee (either the surviving spouse who may be serving as the trustee, or

the successor trustee) determine, in the discretion of the trustee, that the surviving spouse is in need of funds for his or her support in accordance with the surviving spouse's accustomed manner of living, maintenance, or medical, dental, hospital, and nursing services, and other costs relating to the health care of the surviving spouse, the trustee may pay to or apply for the benefit of the surviving spouse, in addition to any payments of the net income from the credit shelter trust, those amounts from the principal of the credit shelter trust, up to the whole thereof, as the trustee, in the discretion of the trustee may from time to time deem necessary or advisable for those purposes, giving the consideration that the trustee deems proper to all other income and resources then readily available to the surviving spouse for use for those purposes and that are then known to the trustee, and no amount or amounts so paid or applied need thereafter be repaid to the trustee or restored to the trust.

(c) Power to Withdraw Principal. At any time after the death of the deceased spouse, the surviving spouse shall have the power to withdraw from the principal each calendar year those amounts as shall not exceed the greater of five thousand dollars (\$5,000) or five (5) percent of the assets at the time of the lapse of the power by a written instrument signed by him or her and delivered to the trustee. This power shall be noncumulative and shall lapse as to any amount not so withdrawn in any calendar year at the end of that calendar year. This power shall exist each year until the death of the surviving spouse. The surviving spouse may exercise this power each year during the month of January.

2.6. Governing Provisions of Credit Shelter "B" Trust Upon Death of Surviving Spouse. Upon the death of the surviving trustor, the trustee shall hold, deal with, and dispose of the property subject to the credit shelter trust as provided below.

(a) Final Distribution of Trust. The entire remaining principal and all net income then held by the trustee and all income then accrued but not collected by the trustee, after any payment of taxes, debts, and expenses pursuant to the preceding subparagraph, shall be distributed as follows:

(b) Division Into Shares. The trustee shall divide all the rest and remainder of the trust and shall distribute each share to the named beneficiary in the specified amount or percentage. Should the beneficiary predecease the distribution of this trust the gift shall pass in equal shares to the naturally born or

adopted children, or direct lineal descendants by blood of the beneficiary:

1. To ERIC WARNER THOMPSON, ONE-THIRD (1/3RD);
2. To KYLE SHAWN THOMPSON, ONE-THIRD (1/3RD); and,
3. To KURT SAYLOR THOMPSON, ONE-THIRD (1/3RD).

2.7. No Distributions to Beneficiary Under Age TWENTY-FIVE (25). Notwithstanding any other provision of this instrument, if any person otherwise entitled to an outright distribution of trust properties (referred to in this paragraph as "the beneficiary") has not attained the age of TWENTY-FIVE (25) on the date on which the properties become so distributable, the trustee shall retain and administer the beneficiary's properties in trust for his or her benefit. The trustee may pay to or apply for the benefit of the beneficiary so much of the net income or principal of the trust as the trustee deems proper giving the consideration that the trustee deems proper to all other income and resources then readily available to the beneficiary for use for these purposes and that are then known to the trustee, to meet the reasonable expenses of the following:

- (a) support in accordance with the beneficiary's accustomed manner of living;
- (b) medical, dental, hospital, and nursing services, and other costs relating to the health care of the beneficiary; and
- (c) education of the beneficiary.

No amount or amounts so paid or applied need thereafter be repaid to the trustee or restored to the trust. The trustee is authorized to make payments pursuant to this paragraph either to the beneficiary or to the guardian of the beneficiary's person or estate or to any other person or persons as the trustee may deem proper to be used for the benefit of the beneficiary. All decisions of the trustee as to the person or persons to whom, and the purposes for which, these payments are to be made and the amount or amounts, if any, to be paid out of the trust from time to time are within the trustee's discretion and shall be final and incontestable by anyone. Any income not expended under the foregoing provisions of this paragraph shall be accumulated and added to the principal of the trust at any time or times as the trustee determines. The trust shall terminate upon the attainment of age TWENTY-FIVE (25) by the beneficiary or upon the death of the beneficiary, whichever event occurs first. The time of termination is hereinafter in this paragraph referred to as "then." Upon termination, the trustee shall distribute the trust (including the principal of the trust, all net income then in the hands of the trustee and all income then accrued but not

collected by the trustee) as follows:

(i) To the beneficiary, if the beneficiary is then living;

(ii) If the beneficiary is not then living, to the then living issue of the beneficiary, those issue to take the same by right of representation; and

(iii) If neither the beneficiary nor any issue of the beneficiary are then living, to the trustors' issue then living, those issue to take the same by right of representation; provided, however, that if there is a trust under this instrument for any of those issue, his or her share shall be added to the trust hereunder for his or her benefit.

2.8. Distribution of Remainder. If, at any time before the final outright distribution of any property held in any trust created under this instrument, the trustors and all of the trustors' issue are deceased and no other disposition of the property is directed by this instrument, the trustee shall distribute the property one-half (1/2) to the legal heirs of each of the trustors, the identity and respective shares of those heirs to be determined in all respects as though the death of the trustors had occurred at the time of the event requiring distribution. Distribution shall be according to the laws of succession of the State of California then in force relating to separate property not acquired from a previously deceased spouse.

TECHNICAL PROVISIONS

FOR

ALLOCATION OF ASSETS UPON DEATH OF FIRST SPOUSE

2.9. Division Into Three Shares After Death of Deceased Spouse. Pursuant to the trust advisory above, on the death of the deceased spouse, the surviving spouse or the successor trustee shall divide the trust estate, including any additions made to the trust by reason of the deceased spouse's death, such as from the deceased spouse's estate or policies of life insurance on the deceased spouse's life, into three separate shares, designated "the survivor's share," "the marital deduction share," and "the credit shelter share," to be held, administered, or distributed as set forth below.

2.10. Composition of Survivor's Share. The survivor's share shall consist of the surviving spouse's interest in the trustors' community property and in the deceased spouse's quasi-community property (that is, one-half), plus the surviving spouse's separate and quasi-community property, if any, previously transferred to the trust, including undistributed or accrued

income on it.

2.11. Composition of Credit Shelter Share. The credit shelter share shall consist of a pecuniary gift of the trust estate other than the survivor's share, as defined in the preceding paragraph, equal to the largest amount, if any, of property that can pass free of federal estate tax by reason of (a) the unified credit under section 2010(a) of the Internal Revenue Code, and (b) the state death tax credit under section 2011(a) of the Internal Revenue Code (to the extent the use of that credit does not result in or increase any death tax payable to any state). Any qualified disclaimer made by the surviving spouse shall be disregarded in determining this amount.

2.12. Composition of Marital Deduction Share. The marital deduction share shall consist of the balance of the trust estate. This portion would be comprised of assets owned by the first spouse to die that would be in excess of the amount exempt of Federal Estate tax. In the year 1989, there would have to be over \$600,000.00 in the deceased spouse's estate to have a marital deduction share.

2.13. Trustee's Power to Defer Division or Distribution. Whenever the trustee is directed to divide or distribute trust assets upon the death of either trustor, the trustee may, in the trustee's discretion, defer actual division or distribution for a period not exceeding six (6) months after the trustor's death. The ability of the trustee to delay division or distribution shall not affect the vesting of interests in the respective shares, which shall be as of date of death. The estate is allowed to pay estate taxes at the value of the estate on the date of death, or six months after death. The estate may use the lower of the two values. This is called the alternate valuation date. If the trust requires an immediate distribution, the alternate valuation date would be lost, therefore this clause has been included in this trust.

2.14. Intention That Marital Deduction Share Qualify for Marital Deduction. The trustors intend that the marital deduction share qualify for the federal estate tax marital deduction and that the trustee take no action or exercise any power that may impair that deduction. The trustors incorporate in this instrument the provisions of California Probate Code sections 1032(a) and 15005.

2.15. Allocation of Survivor's Share to Trust. The entire survivor's share shall be held and administered in a trust known as the Survivor's "A" trust, as set forth below.

2.16. Allocation of Credit Shelter Share to Trust. The entire credit shelter share shall be held and administered in a trust known as the credit shelter "B" trust, as set forth below.

2.17. Allocation of Marital Deduction Share to Trust. The entire marital deduction share shall be held and administered in

a trust known as the QTIP "C" trust, as set forth below.

2.18. Determination of Amount of Distribution to QTIP Trust. The amount of the distribution to the QTIP trust shall be determined as if the deceased spouse's personal representative had elected to qualify all of the property passing to that trust to be qualified terminable interest property as that term is used under Internal Revenue Code section 2056(b)(7)(B) and disregarding any qualified disclaimer of any of it by the surviving spouse.

2.19. Disclaimer of Property. Any property or portion thereof that is disclaimed by the surviving spouse or in which the surviving spouse disclaims all interest shall pass to the credit shelter trust to be held, administered, or distributed as set forth below; provided, however, that if the surviving spouse also disclaims an interest in all or any portion of the disclaimer trust, that trust or portion shall be administered or distributed as if the surviving spouse predeceased the deceased spouse.

2.20. Introductory Provisions Governing QTIP "C" Trust (Qualified Terminable Interest Property). The following provisions shall apply to the trust property directed to be set apart in the qualified terminable interest property (QTIP) trust for the surviving spouse. Any property that would be in the QTIP trust could be estate taxed as part of the Survivor's "A" trust. The various elections by the executor or trustee will determine whether it is desirable to pay an estate tax at the time of the deceased spouse's death because there would be an even higher tax on the same assets at the death of the surviving spouse; or elect to maximize the marital deduction and not pay any tax at the death of the first spouse to die, deferring all death tax to the death of the survivor:

(a) Election by Executor. The trustors expect (although it is not required) that the executor of the will or the administrator of the estate of the deceased spouse or, in the event that no executor or administrator is appointed, the trustee of this trust, will exercise any election required to secure the maximum marital deduction allowable to the estate of the deceased spouse for federal estate tax purposes unless there is compelling reason not to make such an election as, for example, because of the life expectancy or subsequent death of the surviving spouse it is likely that by making the election the combined death taxes in the estate of the deceased spouse and the surviving spouse will be increased. However, if the executor, administrator, or trustee, as the case may be, elects to qualify property held in this trust for the federal estate tax marital deduction, the executor may elect, under Internal Revenue Code section 2652(a)(3), to have that QTIP election disregarded for purposes of the federal generation-skipping transfer

tax, if doing so will benefit the deceased spouse's estate or is otherwise in accord with the general intent of the trustors, as evidenced by this instrument.

(b) Administration of Trust by Trustee. If the executor, administrator, or trustee elects that the trust or any part thereof qualify under section 2056(b)(7) of the Internal Revenue Code, the trustee shall thereafter administer the trust in a manner so as not to invalidate the election or disqualify the property in which the surviving spouse has a qualifying interest for life, and any provisions of this trust that may or could be deemed to invalidate the qualification under the above section shall be disregarded.

(c) Partial Election. If an election is made under section 2056(b)(7) of less than the entire trust property, the trust shall be divided into two separate trusts pursuant to the terms of the election. The division shall be based on the fair market value of the trust assets at the time of the division. One of the trusts shall contain the share of the trust assets for which the election has been made and shall be designated as the qualifying marital deduction trust. The other trust shall contain the share of the trust assets for which the election has not been made and shall be designated as the non-qualifying marital deduction trust (This trust may be subject to estate tax at the time of the election). The non-qualifying marital deduction trust shall be subject to all of the rights, interests, powers, and other terms prescribed for the qualifying marital deduction trust. If a partial election is made and the trust is divided into two separate trusts, the terms "trust," "qualified terminable interest property (QTIP) trust," and "marital deduction trust" as used in the following paragraph, entitled "Dispositive Provisions of Qualified Terminable Interest Property Trust," shall be construed in a manner consistent with the provisions of this subparagraph (c).

2.21. Rights of Surviving Spouse as to Property Disclaimed Into Trust. The surviving spouse shall not have discretionary power over income or principal of any portion of the credit shelter trust that is, or is attributable to, property that was distributed to the credit shelter trust by reason of that spouse's disclaimer ("the disclaimed portion"), to the extent that such power over the disclaimed portion will prevent the spouse's disclaimer from being deemed a qualified disclaimer under Internal Revenue Code section 2518 and corresponding regulations. The provisions of this paragraph shall apply to the spouse acting in any capacity, whether as beneficiary, trustee, or holder of a power, and shall apply to the disclaimed portion

despite any language to the contrary concerning the credit shelter trust generally.

2.22. Simultaneous Death of Beneficiary and Other Person. If, pursuant to the provisions of this instrument, disposition of property is made conditional upon a beneficiary surviving a person other than a trustor and the beneficiary and that other person die under circumstances in which the order of their deaths cannot be established by clear and convincing evidence, it shall be conclusively presumed that the beneficiary did not survive the other person and the provisions of this instrument shall be construed accordingly.

(Note: the following savings clauses 2.23 and 2.24 are designed to prevent all of the trust property from aggregating in one estate and thereby causing an estate tax if the trustors perish together or within six months of each other. This is accomplished, by preventing one estate from passing to the survivor's estate. We thereby have two smaller estates for tax purposes.)

2.23. Simultaneous Death With Trustor. If the trustors die under circumstances in which the order of their deaths cannot be established by clear and convincing evidence, notwithstanding the provisions of Article Five, the entire trust estate and any probate estate remaining at the time of the deaths of the trustors (except for property that is needed to pay the taxes, debts, and expenses as defined in Article Nine, and any special gifts if made in Article Five), shall be held, administered, or distributed as follows: as though neither trustor survived the other. If a trustor and a beneficiary other than a trustor die under circumstances in which the order of their deaths cannot be established by clear and convincing evidence, the trustor shall be conclusively presumed to have survived the beneficiary and the provisions of this instrument shall be construed accordingly.

2.24. Survivorship of Surviving Trustor. Notwithstanding the provisions of Article Five, if the surviving trustor does not survive the deceased trustor for a period of not to exceed six months, the remaining trust property that, but for this paragraph, would have been distributed to or held in trust for the surviving trustor upon the death of the deceased trustor shall be held, administered, or distributed as follows: as though the deceased trustor had survived his or her spouse. This paragraph manifests the trustors' intent that none of the trust property that will be included in the deceased trustor's estate shall be eligible for the estate tax marital deduction under Internal Revenue Code section 2056, unless the surviving trustor survives the deceased trustor for the period specified in this paragraph.

END OF ARTICLE TWO

ARTICLE THREE
THE TRUST ESTATE

3.1. Transfer of Assets and Acceptance. We have transferred to our trust the following property listed in the schedules attached to and following the trust. We, as our own trustees, hereby acknowledge receipt, without paying any consideration for the transferred assets, all of the property listed in the Schedules referred to below:

(a) We, the trustors, declare that the property described in Schedule A, attached and made a part of this trust, is held in trust under this instrument and is the community property of the trustors.

(b) We, declare that the property described in Schedule B, attached and made a part of this trust, is held in trust under this instrument and is the separate property of JEROME W. THOMPSON.

(c) We, declare that the property described in Schedule C, attached hereto and made a part of this trust, is held in trust under this instrument and is the separate property of ELLA E. THOMPSON.

(d) We shall add to or amend the property schedules from time to time to reflect any deletions or additions of assets. We shall keep these schedules with our trust papers.

3.2. Character of Property Retained. All property that we now or hereafter hold in this trust shall maintain its character as community property or separate property, as the case may be. Any joint tenancy property that we may own we hereby agree shall be our community property when held in our trust.

END OF ARTICLE THREE

ARTICLE FOUR

RIGHTS RESERVED TO TRUSTORS

4.1. Subsequent Additions to the Trust. We, the trustors, or any other person, may, at any time or from time to time, either by transfer while living (inter vivos) or by will, assign, set over, give, bequeath, or devise other and further property to this trust. However, we and our successor trustees must first accept that property in writing.

4.2. General Provisions Regarding Power of Revocation and Power of Amendment. Only we, acting as the trustors, shall have the power to amend or revoke this trust. If we wish to do so, we shall do so in writing. Should we amend the trust, and at that time a successor trustee is serving as trustee, and the amendment substantially affects the duties, rights, and liabilities of the trustee, that amendment shall not be effective unless and until our successor trustee has agreed to the new provisions of the amendment in writing. The provisions of this article dealing specifically with the power of revocation and the power of amendment set forth the exclusive procedure for revocation and amendment of all trusts created under this instrument.

4.3. Power of Revocation While Both Trustors Are Living. So long as both of us are living, we as the trustors may revoke, in whole or in part, as follows:

(a) Community Property. With respect to the part of the trust estate that is our community property: by either one of us acting alone or by both of us acting jointly. Upon exercise of the power of revocation, either one, or both of us shall have our community property returned to our possession; and,

(b) Separate or Quasi-Community Property. With respect to the part of the trust estate that is the separate or quasi-community property of either one of us, only that spouse may revoke and remove his or her separate property from the trust (quasi-community is property acquired in a state other than a community property state which would have been the separate property of one spouse had it been acquired in a community property state.)

4.4. Power of Amendment While Both Trustors Are Living. So long as both trustors are living, the trust may be amended, in whole or in part, by both of the trustors acting jointly.

4.5. Power of Revocation and Power of Amendment After Death of First of Trustors to Die. After the death of the first of us,

the survivor of us, may revoke or amend any of the trusts hereunder, in whole or in part, except a trust which contains property disclaimed into the trust, a credit shelter ("B"), or a QTIP ("C") trust, each of which shall be irrevocable and shall not be subject to amendment by any person. Upon the death of the survivor of us, all of the trusts hereunder shall become irrevocable and shall not be subject to amendment by any person.

4.6. Power to Direct Trust Investments While Both Trustors Are Living. So long as both of us are living, a power to direct the trustee to invest trust property shall be exercisable as follows:

(a) Community Property. With respect to the part of the trust estate that is our community property: by both of us acting jointly; and,

(b) Separate or Quasi-Community Property. With respect to the part of the trust estate that is the separate or quasi-community property of just one of us: by that trustor/spouse acting alone.

4.7. Power to Direct Trust Investments After Death of First of Trustors to Die. After the death of the first of us, the survivor shall have the power to direct the successor trustee to invest property of any of the trusts hereunder other than a disclaimer trust, or credit shelter trust. No person, other than our trustee, shall have the power to direct the trustee to invest property of a disclaimer trust. Upon the death of the survivor of us, only our trustee shall have the power to invest the property of our trust.

4.8. Power to Direct Trust Investments Defined. We define the power to direct the trustee to invest specified trust property as the power to direct the trustee to do one or more of the following:

(a) Invest in specified securities, properties, or other forms of investment;

(b) Retain in the applicable part of the trust estate, for specified periods of time, securities, properties, or other forms of investment held in trust under this instrument; or

(c) Sell, encumber, lease, abandon, or dispose of any of the property.

Our successor trustee shall not be liable for losses sustained as a direct or indirect result of the trustee's compliance with that direction. All our directions shall be in a writing signed by the one or both of us exercising the power, specifying, if applicable, the period of time in which the instructions shall remain in effect and describing any other conditions to or affecting the directions.

4.9. Power to Borrow From Trust Estate While Both Trustors Are Living. Notwithstanding any provision in any other article of this instrument, so long as both of us are living, income or principal of the trust estate may be borrowed by us, with or without security:

(a) Community Property. With respect to the part of the trust estate that is our community property: by both of us acting jointly; and

(b) Separate or Quasi-Community Property. With respect to the part of the trust estate that is the separate or quasi-community property of either of us: by that spouse acting alone.

4.10. Power to Borrow From Trust Estate After Death of First of Trustors to Die. After the death of the first of us to die, the survivor of us may borrow, without security, from the income or principal of the survivor's portion of trust assets. The surviving spouse may borrow only with adequate security from a disclaimer trust, credit shelter "B" trust, or QTIP "C" trust.

4.11. Incompetent Trustor May Not Act. If either of us is incompetent, that spouse may not exercise any power reserved for that incompetent spouse. Our powers are personal. A power reserved to either of us may not be exercised (by a conservator or guardian of that spouse's estate or an attorney in fact designated in a durable power of attorney under the Uniform Durable Power of Attorney Act) if that spouse is incompetent (as defined in Article Nine) at the pertinent time. A power under this article that is exercisable only by our joint action may not be exercisable by any person (including the conservator or guardian of the spouse's estate or an attorney in fact designated in a durable power of attorney under the Uniform Durable Power of Attorney Act) if either trustor is incompetent at the pertinent time. However, the incompetence of just one of us shall not prevent the other of us from exercising a power that is exercisable by that spouse acting alone.

END OF ARTICLE FOUR

ARTICLE FIVE

DISTRIBUTIONS DURING JOINT LIVES OF TRUSTORS

5.1. Distribution of Income During Trustors' Joint Lives. So long as both of us are living, we shall receive net income whenever we want to. If a successor trustee is serving as trustee of our trust, net income shall be paid, in monthly or quarterly installments or we agree is mutually convenient as follows:

(a) Community Property. To either or both of us (or for spent for our benefit if we are incapacitated), all net income of the trust community property.

(b) Separate and Quasi-Community Property. To (or for the benefit of) the particular spouse who transferred the property, all net income of the trust separate or quasi-community property.

5.2. Distribution of Principal by Trustee During Trustors' Joint Lives. We may remove principal whenever we desire. If the successor trustee is serving as trustee, so long as both of us are living, the trustee at any time or times may distribute trust principal as follows:

(a) Community Property. If, in the trustee's opinion, the net income payable to or for the benefit of us is inadequate to provide for the support of either or both of us, in accordance with his, her, or our accustomed standard of living, or his, her, or our medical, dental, hospital, or other costs relating to health care, the trustee may pay to either or both of us or apply for our benefit so much of the principal of trust community property as the trustee deems proper.

(b) Separate and Quasi-Community Property. If, in the trustee's opinion, the net income payable to or for the benefit of the spouse who transferred the property to the trust is inadequate to provide for his or her support in accordance with the accustomed standard of living of that spouse, or his or her medical, dental, hospital, or other costs relating to health care, the trustee may pay to or apply for the benefit of that spouse so much of the principal of trust separate or quasi-community property as the trustee deems proper.

(c) Consideration of Other Resources. In making distributions under (a) or (b), the trustee shall not consider other income and resources then readily

available for use by the spouse or spouses for the stated purposes.

5.3. Withdrawal of Principal During Trustors' Joint Lives. So long as both of us are living, we at any time or times shall have the following withdrawal rights:

(a) Community Property. Either of us acting alone, shall have the power, in whole or in part, to withdraw trust principal that is our community property. However, we must maintain that property as community property if just one of us withdraws it.

(b) Separate and Quasi-Community Property. The spouse who transferred the property to the trust, if not incompetent (as defined in Article Nine) at the pertinent time, shall have the power to withdraw, in whole or in part, trust principal that is that transferor spouse's separate or quasi-community property.

5.4. Trustors' Obligation for Community Property Received or Withdrawn. Net income of the trust community property paid to either of us pursuant to the provisions of this article and principal of the trust community property distributed to or withdrawn by either or both of us pursuant to the provisions of this article shall remain our community property, and the spouse who receives such net income or principal shall have the same obligations respecting that property as he or she would have with regard to all community property generally.

END OF ARTICLE FIVE

ARTICLE SIX

POWERS OF TRUSTEE

6.1. Trustee's Discretion to Manage Trust Property. The trustee's powers under this article are subject to those limitations expressly set forth in this instrument and shall be exercised reasonably.

6.2. Trustee's Powers Conferred by Instrument and by Law. In order to carry out the purposes of any trust under this instrument, the trustee may exercise any of the powers, authority, and discretion conferred on the trustee by the provisions of this instrument and, except as limited by any of the provisions of this instrument, by law, including but not limited to those powers set forth in Chapter 2 of Part 4 of Division 9 of the California Probate Code (commencing with section 16200).

6.3. General Powers of Trustee. Except as limited by a more specific provision of this instrument, the trustee is authorized and empowered in the trustee's discretion as follows:

(a) To sell, exchange, transfer, convey, lease without limitation as to term, borrow upon, and hypothecate all or any part of the trust property;

(b) To retain, maintain, repair, divide, partition, improve, and otherwise manage any trust property;

(c) To insure trust property against damage or loss, and the trustee against liability with respect to third persons, at the expense of the trusts, with the carriers and coverages that the trustee deems advisable;

(d) To commence or defend, at the expense of the trusts, legal actions relating to the trusts or any trust property as the trustee deems advisable;

(e) To compromise, submit to arbitration, settle, or release (with or without consideration) or otherwise adjust any claims in favor of or against the trusts;

(f) To hold trust property in the name of a nominee or nominees, with or without disclosing the trust character of such property (including securities in such condition that ownership may pass upon delivery), or in the name of the trustee as such trustee;

(g) To exercise the following powers with respect to any trust stock or other security: pay assessments or other charges levied; exercise or not exercise, as the trustee may deem advisable, subscriptions, conversion rights, or other rights or options that may devolve upon holders of such stocks or securities; and enter into shareholder agreements;

(h) To participate in any plans or proceedings for foreclosure or consolidation, merger, liquidation, or other reorganization of any corporation or organization having securities that are held as trust property and, in connection therewith, to deposit securities with any transfer title or securities upon the terms that the trustee deems advisable to any protective or other committee established in connection with any such plan or proceeding;

(i) To receive additions to the trusts from any source at any time;

(j) To borrow money for any trust purpose on such terms and conditions as the trustee deems advisable and to obligate the trusts to repay the borrowing; and

(k) To purchase property from, and to advance funds from the trust property with or without security to, the personal representative of the estate of either trustor.

6.4. One Signature Required. Whenever the Trustors are serving as Co-trustees hereunder, either co-trustee may sign any and all checks, drafts or other negotiable instruments whether they be for personal, business or other trust related expenditures. Either co-trustee may make a withdrawal from any trust savings plan, checking account, business or other trust account without the signature of the other co-trustee. Either co-trustee acting alone may convert, cash in, redeem, terminate, surrender for cash, cancel or otherwise manage or control any money market account, certificate of deposit, treasury bill or such other similar related money investment without the signature of the other co-trustee, including any brokerage account containing cash, stocks or other securities. The above powers may be terminated or otherwise limited by either co-trustee immediately upon the presentation of such written notice to the banking or lending institution. The trustors and trustees shall hold any banking institution or brokerage company harmless who relies upon these provisions in good faith, and who acts without actual notice of such revocation of the powers contained herein.

The trustors may also deputize any successor trustee as an additional signature, to act alone, on any checking account or savings account transferred to this trust.

6.5. Employment of Agents. The trustee is authorized and empowered to employ attorneys, investment counsel, accountants, bookkeepers, or other persons to render services for the trustee or in the trustee's behalf with respect to all matters pertaining to any trust provided for in this instrument and to pay from the trust estate the reasonable fees and compensation of such persons for their services, these fees and compensation to be paid in addition to any fees paid to the trustee.

6.6. Stock Voting Rights. The trustee shall have power to vote and give proxies to vote trust securities.

6.7. Combining Multi-Trust Property. Except as otherwise provided in this instrument, assets held in any trust hereunder for the benefit of any one person shall constitute a separate trust and be administered accordingly; provided, however, all the assets in the several trusts may be combined for bookkeeping purposes and held for all the beneficiaries without physical division into separate trusts until the time of distribution.

6.8. General Power to Manage Real Property. The trustee is authorized and empowered:

- (a) To subdivide and resubdivide trust real property and sign applications, maps, and other documents incidental thereto;
- (b) To dedicate trust real property for public purposes, with or without consideration;
- (c) To grant and impose upon trust real property, conditions, covenants, easements, restrictions, rights of way, and other servitudes;
- (d) To borrow against trust real property; and
- (e) To do such other acts as may appear to the trustee advisable in connection with the exercise of any of the foregoing powers.

6.9. Purchase at Foreclosure. The trustee is authorized and empowered to enforce the rights of the trusts with respect to any mortgage, deed of trust, pledge, or similar security device held in trust. This power includes but is not limited to the power to enforce, at a foreclosure sale (whether judicial or non-judicial) or other sale, the rights of the trusts in the secured property, and make bids upon and purchase, at the expense of the trusts, any property that is subject to the security device, and the power to accept a deed in lieu of foreclosure as full or complete satisfaction of the secured debt.

6.10. Compromise of Death Taxes and Expenses. The trustee is authorized and empowered to compromise (either solely as trustee hereunder or by joining in or approving any compromise made by the executor or other personal representative of any

estate for which the trustee is authorized to pay death taxes and expenses as defined in Article Nine of this instrument) any and all controversies which may arise with respect to determination of the amount of such death taxes and expenses, upon such terms as the trustee shall in the trustee's discretion deem to be for the best interests of the trust or the other interest out of which the same are to be paid, and to pay any sum or sums which may be the subject of such compromise in the same manner as the death taxes and expenses referred to in Article Two of this instrument.

6.11. Reasonable Return. The trustee's power to retain and invest trust property is subject to the condition that the return from all investments in the aggregate is reasonable in light of the circumstances existing at the pertinent time.

6.12. Power to Invest and Retain Trust Property. In investing, reinvesting, purchasing, acquiring, exchanging, and selling trust property the trustee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to the general economic conditions and the anticipated needs of the trust and its beneficiaries, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, to accomplish the purposes of the trust as determined from this trust instrument. In the course of administering the trust pursuant to this standard, individual investments shall be considered as part of an overall investment strategy. Subject to the foregoing limitations, the trustee is authorized to acquire every kind of property, real, personal, or mixed, and every kind of investment, including but not limited to obligations of the United States government. The trustee is authorized to retain property received into the trust at its inception or added to it or acquired pursuant to proper authority if and as long as the trustee considers that retention in the best interests of the trust or in furtherance of the goals of the trustors as determined from this trust instrument.

6.13. Duty to Convert Non-Productive Property Upon Direction. Except as otherwise provided in this paragraph, in addition to the powers granted under this instrument, (1) the trustee may retain, purchase, or otherwise acquire unproductive or underproductive property; and (2) California Probate Code section 16311 shall not apply to any trust under this instrument. However, if, after the death of the first of the trustors to die, the surviving trustor, directs the trustee to convert unproductive property into income-producing property, the trustee shall do so within a reasonable time.

6.14. Retention of Residence. After the death of the first trustor to die, the trustee may retain in any trust or trusts provided for under this instrument for the personal use of the surviving spouse, any property occupied by the trustors as a principal place of residence at the time of the first trustor's

death, for as long as the surviving spouse desires to occupy the residence. The trustee shall pay from the trust estate all taxes and assessments levied or assessed against such property and all costs of keeping such property properly insured, maintained, and repaired. On the written request of the surviving spouse, the trustee may sell the residence and replace it with other property of comparable or lower value, suitable as a residence for the surviving spouse. If the surviving spouse becomes subject to a conservatorship or guardianship of his or her estate or person, the conservator or guardian shall be empowered to act for the surviving spouse. In deciding the terms and conditions relating to the sale of the residence, the trustee shall take into account all relevant factors, including but without limitation, the intent of the trustors that no sale be made in a "forced sale" situation or at a time when, because of high mortgage rates or otherwise, the residential real estate market is depressed. The trustee may, in selling the residence, dispose of it upon such terms as the trustee deems desirable, including a contract for sale, an installment sale, a lease with option to purchase, or any other desirable method of disposing of the residence; provided, however, that if the sale is effected for consideration other than cash, the purchaser's obligation shall be secured by a first deed of trust.

6.15. Retention of Business Interests. The trustee may retain, manage, and operate any property, business, or enterprise (including a sole proprietorship or interest in a general or limited partnership or corporation) received or acquired pursuant to this trust instrument.

6.16. Allocation Between Principal and Income. The trustee shall determine, unless otherwise directed by the terms of this instrument, whether all or any part of any payment or property received, or charge or expense (including taxes) incurred, shall be credited to or charged against income or principal, or both, in the manner provided by the Revised Uniform Principal and Income Act, California Probate Code section 16300 and following.

6.17. Property Taxes and Assessments. Anything herein to the contrary notwithstanding, the trustee may allocate property taxes and assessments (whether paid in a single payment or installments) to income or principal, or partially to both, and pay the same accordingly.

6.18. Rental Property. Anything herein to the contrary notwithstanding, the trustee may establish reserves for repairs, improvements, upkeep, obsolescence, and depreciation of trust property as the trustee, in the trustee's discretion, deems advisable and charge the same to income or principal as the trustee determines.

6.19. Property Purchased at Foreclosure. When property is purchased at foreclosure or by deed in lieu of foreclosure on sale in partial or full satisfaction of a debt which is secured by the encumbrances against the property, the income and expense

attributable to such property and proceeds of its sale by the trustee shall be allocated between income and principal as if the property were being initially acquired as a trust investment.

6.20. Reserve for Death Taxes. The trustee is hereby authorized to reserve out of principal funds, if any, which would otherwise be payable outright to beneficiaries of any trust hereby created, such sum or sums as the trustee shall in its discretion deem necessary or proper to pay death taxes and expenses as defined in Article Nine of this instrument, or to pay any generation-skipping transfer taxes at any time payable because of a termination or distribution as defined by law; provided, however, that nothing in this paragraph shall be deemed to postpone or defer the vesting of any interest created by this instrument.

6.21. Reimbursement for Death Taxes. The trustee is under no duty to seek reimbursement from any source whatever for any amount which may be disbursed for the payment of death taxes and expenses as defined in Article Nine of this instrument. The trustee may in the trustee's discretion either pay any of the taxes, penalties, and interest included as part of death taxes and expenses directly to the taxing authorities, or to the executor or other personal representative of the estate for which the trustee is authorized to pay death taxes and expenses under Article Two of this instrument.

6.22. Adjustments for Tax Consequences. The trustee shall have discretion to make adjustments among the beneficiaries of the trust or trusts created under this instrument, and between principal and income, to compensate for the tax consequences of any election or decision of the trustee which has the effect of directly or indirectly preferring one beneficiary or group of beneficiaries under this instrument over others.

6.23. Adjustment for Payment of Death Taxes. The trustee shall have discretion to reimburse the principal of the trust out of the income of the trust to the extent that any of the death taxes or expenses payable by the trustee under Article Two of this instrument may have been increased by the deduction from the gross income of the trust, for federal or state income tax purposes (or both), of disbursements made by the trustee to pay administration expenses (as defined in section 642 of the Internal Revenue Code) in connection with the estate of the decedent for whom the trustee is authorized to pay death taxes.

END OF ARTICLE SIX

ARTICLE SEVEN

ADMINISTRATIVE PROVISIONS

7.1. Binding Effect of Trustee's Acts. Any instrument executed by the trustee shall bind all parties interested in the trust, including the trust beneficiaries. No person, including any insurance company and any trustee of a retirement benefit plan, transferring property or funds to the trustee shall be required to see to the application of such property or funds.

7.2. Release of Powers. The trustee may release any power, authority, or discretion conferred upon the trustee by the provisions of this instrument or by law, by filing a written disclaimer with the beneficiaries of the trust.

7.3. Trustee's Liability. A trustee under this instrument shall not be liable to a beneficiary, or other person succeeding to the rights of a trustor, for acts or omissions of the trustee, except for willful misconduct or gross negligence. A trustee shall not be liable under Probate Code section 16402(b) for the acts or omissions of a co-trustee, or under Probate Code section 16401(b) for the acts or omissions of an agent employed by the trustee, except for instances that constitute willful misconduct or gross negligence on the part of the trustee.

7.4. Successor Trustee Not Liable for Acts of Predecessors. A successor trustee shall not be personally liable under Probate Code section 16403(b) for any act or omission of any predecessor trustee, except for instances that constitute willful misconduct or gross negligence on the part of the successor trustee. A successor trustee may continue to hold assets received from the predecessor trustee in the same manner as though the assets had been originally deposited with the successor under this instrument.

7.5. Collection of Insurance Proceeds. The trustee is granted complete authority to collect any insurance proceeds or benefits under a pension or profit sharing plan payable to a trust under this instrument. The trust may incur expenses or fees (including but not limited to counsel fees) in connection therewith and pay them from the trust estate. The trustee shall not, except at the option of the trustee, be obligated to incur or pay any costs or expenses unless the trustee has in hand or is provided with funds of the trust sufficient to pay the same. The trustee is empowered to make proofs of death, to execute and deliver receipts or other vouchers for the proceeds, and to file suit or take any other actions for such purposes; provided, however, that if the trustee deems the institution or prosecution

of any such action would not benefit the trust estate or the persons interested in the trust, the trustee shall not be required to institute or prosecute such action. The trustee shall have complete power to settle, compromise, or adjust any claim or dispute arising out of or in connection with, any insurance policy or benefit plan upon such terms and conditions as the trustee deems just and gives an appropriate release therefor. The trustee shall not be obligated to seek reimbursement for a deduction from or charge against proceeds from any policy or plan on account of any indebtedness, whether to the issuing insurance company or the trustee of any such plan or to a lender to which the policy or plan interest may have been assigned.

7.6. Duty of Trustee to Account. While both trustors are living, the Trustors acting as trustees shall not be required to account to any person. However, a successor trustee shall be required to render periodic accounts to the trustors, and if they are deceased or incapacitated, to the remaindermen of the trust upon demand, annually, or upon termination of the trust and upon a change of trustees, in the manner required by law.

7.7. Registration, Returns, and Reports. The trustee shall prepare and file, or cause to be prepared and filed, with the state and the federal taxing authorities and any other state or federal agency, all registrations, returns, and reports that are now, or which may hereafter be, required by law.

7.8. Written Notice of Events. Until the trustee receives written notice of any death or other event upon which the right to payments from any trust hereunder may depend, the trustee shall incur no liability for disbursements made in good faith to persons whose interests may have been affected by that event. Any notices or other communication required or permitted by this instrument to be delivered to or served on the trustee shall be deemed received by the trustee when personally delivered to the trustee, or, in lieu of such personal delivery, when deposited in the United States mail, certified mail with postage prepaid, addressed to the trustee at the trustee's residence or place of business.

7.9. Certified Copies of Trust Instrument. Any person may rely on a copy of this trust instrument certified by a notary public to be a true copy of this trust instrument. Anyone may rely on any statement of fact certified by anyone who appears from the original copy of the trust instrument or a certified copy thereof to be a trustee hereunder.

7.10. Payments to Persons Under Disability Other Than Minority (under age 18). If at any time or times it reasonably appears to the trustee that any beneficiary under this instrument is disabled, other than because of minority, or infirm, or incompetent as defined in Article Nine of this instrument, or is for any other reason not able to receive payments of funds, or to make intelligent or responsible use of the funds if received,

then the trustee, in lieu of making direct payments to that beneficiary, may elect to make any payment that, by this instrument, is authorized to be made to the beneficiary, either:

(a) To that beneficiary's conservator, guardian, curator, or committee, or

(b) To any other person, firm, or agency, for services rendered, or to be rendered, for the assistance or benefit of the beneficiary, or

(c) To accounts in the beneficiary's name with financial institutions including but not limited to banks, savings and loan associations, and brokerage firms.

The receipt by any of the foregoing persons or accounts of payments shall constitute a sufficient acquittance of the trustee in any accounting required of, or made by, the trustee.

7.11. Distribution of Undistributed Income. Whenever a beneficiary's right to net income terminates by reason of death or other cause, the trustee shall continue to hold, administer, and distribute the net income then in the hands of the trustee for payment to that beneficiary before the termination as if that income had been received by the trustee after the beneficiary's right to receive income from the trust terminated.

7.12. Division or Distribution in Cash or in Kind. Unless otherwise provided for in this instrument, on any distribution or division of trust assets into other trusts, shares, or partial shares, the trustee may distribute or divide such assets in kind, or divide undivided interests in such assets, or sell all or any part of such assets and distribute or divide the property in cash, in kind, or partly in cash and partly in kind. Any decision of the trustee, regarding distribution or division, before or at the time of a division or distribution, shall bind all persons interested in any trust provided for in this instrument. Property distributed to satisfy a pecuniary gift under this trust shall be valued at its fair market value at the date of distribution.

7.13. Early Termination of Trust. Notwithstanding any restrictions on distribution set forth in Article Two, if the trustee determines that the fair market value of the trust assets of any trust under this instrument does not exceed TWENTY THOUSAND DOLLARS (\$20,000.00), or in the opinion of the trustee, it is not economically feasible to administer the trust as the cost of accounting is excessive and wastes the income and/or the principal of the trust, then the trustee may terminate that trust, without petition to the court, and distribute all property then subject to the trust to the income beneficiaries, each income beneficiary to take an amount proportional to his or her interest in the trust income, or if each income beneficiary is not entitled to a specified portion of trust income, each income

beneficiary to take an equal amount.

7.14. Perpetuities Savings Provision. Unless sooner terminated under another provision of this instrument, each trust created by this instrument shall terminate twenty-one (21) years following the death of the last to die of the issue of the trustors living at the earlier of (1) the death of the first of the trustors to die or (2) the date on which either trustor executes a release of the power under this instrument to revoke the trust.

7.15. Spendthrift Provision. To the maximum extent permitted by law, the interest of each beneficiary under this instrument shall be free of all of his or her debts, contracts, and obligations and cannot be anticipated or assigned, or transferred in whole or in part, voluntarily or involuntarily, or by operation of law (including being taken by execution of any legal process whatsoever) and each of these anticipations, assignments, and transfers shall be void. If any anticipations, assignments, or transfers, whether voluntary or involuntary, or by operation of law, are made or attempted by or against a beneficiary, all further payments to that beneficiary (and any right of that beneficiary to such payments) of income or principal of the trust shall be suspended for a period of time or indefinitely (but in no case for longer than the term of the trust) as the trustee determines. In lieu of payments to the beneficiary, the trustee may apply so much of the principal or income of the trust, or both, to which the beneficiary would otherwise be entitled as the trustee may deem necessary for the education and support of the beneficiary. Any income (to which the beneficiary would otherwise be entitled) not so applied shall in the discretion of the trustee be accumulated and added to the principal of the trust at such time or times as the trustee may deem proper. Notwithstanding anything to the contrary in this paragraph, the income beneficiary of the marital deduction trust shall be paid all income to which that beneficiary is entitled pursuant to the provisions of this instrument applicable to that trust.

7.16. Disclaimers. A person who is to receive a beneficial interest under any trust created by this instrument may disclaim all or any portion of that interest at any time before accepting it or its benefits. A person receiving a beneficial interest under any trust created by this instrument may release all or any portion of that person's interest not previously disclaimed at any time or times after accepting a part of it or its benefits. A beneficial interest may be disclaimed or released with respect to amounts, fractions, or percentages of that interest, or with respect to particular assets, as the person having that interest determines. Each disclaimer shall be made pursuant to the provisions of section 260 et seq. of the California Probate Code or section 2518 of the Internal Revenue Code. In addition to any other method of disclaimer or release recognized by law, a beneficial interest may be disclaimed or released by an acknowledged instrument executed by the person disclaiming that

interest, and delivered to the trustee. The personal representative of a decedent's estate may disclaim or release the decedent's beneficial interest as provided in section 277(b) of the California Probate Code.

7.17. No-Contest Clause. If any person (referred to in this paragraph as "the contesting person") for any reason or in any manner, directly or indirectly, contests the validity of any trust under this instrument in whole or in part, on any ground, or opposes or objects to any trust provisions or seeks to invalidate them or seeks to succeed to any part of the trust estate otherwise than pursuant to the provisions of this instrument, the contesting person shall not take anything from the trust estate. Any gift or other interest in the trust estate to which the contesting person would otherwise have been entitled shall pass to those persons who would have been entitled thereto under the provisions of this instrument that would have been applicable if the contesting person had died without issue before the event that made him or her ineligible to receive such gift or other interest.

END OF ARTICLE SEVEN

ARTICLE EIGHT

DUTIES OF TRUSTEES

8.1. Procedure for Succession. Any person, bank, or trust company entitled to become a successor trustee under the foregoing provisions of this article shall become such a trustee by signing the original of this instrument and all then effective amendments to this instrument.

8.2. Successors' Powers and Duties. Any individual or corporation becoming a successor trustee as provided in this instrument, upon becoming successor trustee, immediately shall have and may exercise all or any of the powers and discretion which that individual or corporation would have had if it had been appointed an initial trustee. The individual or corporation shall succeed to all title of the trustee to trust properties and to all of the rights and duties of an initial trustee under this instrument.

8.3. Right of Resignation. Any trustee of this trust may resign at any time, without stating or giving any reason for his, her, or its resignation. A resignation shall be effective upon acceptance of the trust by the successor trustee. Acceptance of the trust shall be signified by the execution of the original of this instrument and of all then effective amendments to this instrument by the successor. When the resignation becomes effective, the trustee so removed shall promptly transfer and deliver to the successor trustee all property of the trust then in its possession or control. A determination that an individual trustee is incompetent, as that term is defined in Article Nine of this instrument, shall be deemed a resignation by the individual trustee as of the date of that determination.

8.4. Resignation of Trustees. A trustee may resign by giving written notice to the successor trustee. Upon resignation of the trustee, the vacancy shall be filled pursuant to the provisions of this article.

8.5. Compensation of Corporate Trustee and Counsel. Each corporate trustee shall be entitled, annually, to reasonable compensation for services rendered in accordance with its fee schedule in effect from time to time for inter vivos trusts, and for counsel engaged by the corporate trustee.

8.6. Compensation of Individual Trustees. Unless otherwise limited in this instrument, annually, each individual trustee shall be entitled to reasonable compensation for fiduciary services rendered under this agreement.

8.7. Out-of-Pocket Costs. All trustees shall be entitled to reimbursement for reasonable out-of-pocket costs in connection with the administration of the trust.

8.8. Allocation. The compensation authorized in the foregoing paragraphs shall be paid wholly from principal or wholly from income or partly from each, as the trustee deems proper, and the determination of the trustee shall be conclusive.

8.9. Removal of Corporate Trustee. If there is a corporate trustee serving, either trustor, while living and not incompetent (as defined in Article Nine of this instrument) and, after the trustors' deaths, the majority of the adult beneficiaries or the guardians of beneficiaries of this trust, if any, acting together, shall have the power at any time (1) to require the corporate trustee then acting to resign, and (2) notwithstanding any other provision of this article, to appoint another corporate trustee in its place. It shall not be necessary that the person or persons exercising this power state any reason for the removal of the corporate trustee. Removal pursuant to this power shall be accomplished by an instrument in writing, signed by the person or persons authorized to make the removal, and delivered to the trustee, in which it is stated that the trustee is required to resign as the trustee of the trust, and designating a successor corporate trustee. Promptly upon receipt of the instrument, the trustee shall resign. Resignation pursuant to the exercise of this power shall be effective upon the acceptance of the trust by the successor corporate trustee, the acceptance to be signified by the execution of the original of this instrument and of all then effective amendments to it by the successor. When the resignation becomes effective, the corporate trustee so removed shall promptly transfer and deliver to the successor corporate trustee all property of the trust then in its possession or control.

END OF ARTICLE EIGHT

ARTICLE NINE

APPLICABLE LAW, INTERPRETATION, AND CONSTRUCTION

9.1. Applicable Law. The trusts herein provided for have been created in the State of California and accepted by the trustee in the State of New York. All questions pertaining to the validity, interpretation, and administration of a trust shall be determined in accordance with the laws of California. This paragraph shall apply regardless of the domicile of any trustee or any beneficiary.

9.2. Severability Clause. Should any of the provisions of this instrument be for any reason invalid, the invalidity thereof shall not affect any of the other provisions of this instrument, and all invalid provisions hereof shall be wholly disregarded.

9.3. Gender and Number. Where appropriate, except where the context otherwise requires, the singular includes the plural, and words of any gender shall not be limited to that gender.

9.4. Captions. The captions of articles and paragraphs appearing herein are for convenience of reference only and shall have no significance in the construction or interpretation of this instrument.

9.5. Issue and Children Defined. The term "issue" means lineal descendants of the named ancestor, and the term "child" or "children" includes only the immediate offspring of the named parent. Each of these terms includes descendants born after this instrument becomes effective.

(a) The terms "issue," "children," and "child" include all children legally adopted as minors, including children so adopted after this instrument becomes effective, but unless specified otherwise, excludes all stepchildren and foster children who come into a parent and child relationship with the trustors. For purposes of distribution of assets, the term "issue" and "children" shall refer only to the direct lineal descendants of each trustor, by blood, and to any adopted child, or grandchild of the trustor.

(b) Unless specified otherwise, the terms "issue," "children," and "child" shall exclude a natural born descendant of the trustors who is adopted out of his or her natural family.

(c) The terms "issue," "children," and "child" include

any member of the defined class regardless of the marital status of the parents at the time of his or her birth if a parent and child relationship exists or, at the time of the pertinent parent's death, existed under California law.

9.6. Definition of Incompetency. For all purposes under this instrument, a person shall be deemed "incompetent" if and so long as a guardian or conservator of his or her person or estate duly appointed by a court of competent jurisdiction continues to serve, or upon certification by two physicians (licensed to practice under the laws of the state where the person is domiciled) that such person is unable properly to care for himself or herself or for his or her person or property.

9.7. Definition of Education. As used in this instrument, the term "education" refers to the following:

- (a) Education at public or private elementary, junior high, or high schools, including boarding schools;
- (b) Undergraduate, graduate, and postgraduate study in any field, whether or not of a professional character, in colleges, universities, or other institutions of higher learning;
- (c) Specialized formal or informal training in music, the stage, the handicrafts, or the arts, whether by private instruction or otherwise; and
- (d) Formal or informal vocational or technical training, whether through programs or institutions devoted solely to vocational or technical training, or otherwise.

9.8. Definition of Death Taxes and Expenses. As used in this instrument, the term "death taxes and expenses" shall include the following:

- (a) Any and all estate taxes, death duties, or inheritance taxes, with interest and penalties (if any) thereon, that may become due or payable (both with respect to property held in trust under this instrument and to all other property that shall be subject to any of these taxes) to the United States or to any state thereof or to the government of any country other than the United States, or to any province or other political subdivision of any other country; provided, however, that no federal or state tax imposed on a "generation-skipping transfer" (as that phrase is presently defined in the federal tax laws and regulations) or any similar tax shall be included;
- (b) All costs, expenses of litigation, counsel fees, or other charges that the trustee incurs in connection

with the determination of the amount of the taxes, interest, or penalties referred to in subparagraph (a) of this paragraph (and the trustee is authorized to incur those costs, expenses of litigation, and counsel fees that the trustee shall determine to be for the best interests of the trust and of the persons interested therein); and

(c) Legally enforceable debts, expenses of funeral and last illness, and of administration of property.

END OF ARTICLE NINE

ARTICLE TEN

CONCLUDING PROVISIONS

10.1. Duplicate Original of Trust. We have prepared this trust in **DUPLICATE**. Each copy of the trust is an **ORIGINAL TRUST**. One trust has been bound in a blue manuscript cover and is called "the blue-backed original." The duplicate original is loose-leaf and contained in a three-ring binder for our convenience. Either duplicate trust may be admitted to court, or used for any other trust purpose without the production of the other. The production of one trust without the other shall be prima facie evidence that the trust is in full force and effect, unless we have specifically revoked the trust in a written instrument which expressly indicates our intent to revoke the trust. In the event the loose-leaf original trust is damaged, worn, has any page(s) missing or is questioned, then the blue-backed duplicate original shall prevail in any dispute as to the content of the trust provisions.

10.2. Execution. We, certify that We have read the foregoing trust declaration and that it correctly states the terms and conditions under which the trust estate is to be held, managed, and disposed of by the trustees. We approve of the trust declaration in all particulars, and as the trustees named in the trust declaration, accept the trusts provided for in the declaration.

Executed on November 22, 1989, in Los Angeles
County, California.

Jerome W. Thompson

JEROME W. THOMPSON

Ella E. Thompson

ELLA E. THOMPSON

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF Los Angeles) ss.

On this 22ND day of November, in the year 1989,
before me, the undersigned officer, personally appeared JEROME W.
THOMPSON and ELLA E. THOMPSON, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the persons
whose names are subscribed to this instrument, and acknowledged
that they executed it.

WITNESS my hand and official seal.



(Seal)

Kenneth S Adler
Notary Public

THE THOMPSON FAMILY TRUST

PROPERTY SCHEDULE A

COMMUNITY ASSETS

Description of Property

Personal Property

All household furniture and furnishings, personal automobile, and other tangible articles of a personal nature belonging to the trustors, or their interest in any such property normally kept at the trustors' place(s) of residence.

Real Estate

The property and residence located at 4599 Blanca Drive, Cypress, (Lot 44 Tract 6219), Orange County, California.

The property and apartment building(s) located at 1730 and 1732 Junipero, Long Beach, (Part of Farm Lot 35 of the Alamitos Tract), Los Angeles County, California.

The property and apartment building located at 8980 Date, Fontana, (Lot 4 in Block 4 of Fontana Acres No. 8), San Bernardino County, California.

The property and residence located at 148 Crystal Lake Road, City of Big Bear, (Lot 20 of Tract No. 7904), San Bernardino County, California.

Deeds of Trust--Trustor(s) as Beneficiary

Deed of Trust dated March 26, 1986. Ajit K. Das and Barbara L. Das, husband and wife, Trustor. Recorded November 7, 1986 as Instrument 86-536765 records of Orange County, California.

The trustors intend to transfer title to all of their rights and interest, if any, in and to the following assets:

Bank Accounts

Stocks

Bonds

I.R.A.s

Limited Partnerships

Annuities

Miscellaneous

THE THOMPSON FAMILY TRUST
PROPERTY SCHEDULE B
SEPARATE PROPERTY OF JEROME W. THOMPSON

Description of Property

Personal Jewelry and Clothing

THE THOMPSON FAMILY TRUST
PROPERTY SCHEDULE C
SEPARATE PROPERTY OF ELLA E. THOMPSON

Description of Property

Personal Jewelry and Clothing