

# FAMILY TRUST

OF

**William M. McGregor, Jr.**

## ARTICLE DECLARATIONS

**Trust Establishment:** The Trustor(s) indicated herein hereby declare and establish the trust(s) pursuant to this instrument.

**Trustor and Trustee:** The term trustor refers to the trustor(s) named herein. If there is more than one trustor, then the term "trustor" refers to either or both trustors according to the context. The term trustee refers to whoever is currently acting as trustee(s) for the particular matter whether original, alternate, or successor. If there is more than one trustee currently acting, then the term "trustee" refers to one or all trustees according to the context.

**Declaration of Trust:** For legal purposes this instrument shall be considered a declaration of trust.

**Declarations:** For convenient reference, the following information applies:

**Trustor Name(s):**

William M. McGregor, Jr.

**Name of Trust:**

As indicated at the top of this page

**Residence:**

State of California, County of:  
Riverside

**Marital Status:**

Unmarried

**Trustor's Children:**

Trustors Mutual children:

Children living:

None

Deceased children:

None

**Trust Property:** Contemporaneously, with the execution of this Declaration, the trustor deposits with the trustee the sum of Ten Dollars (\$10.00) and the property described or to be described on any declaration, designation, assignment and/or transfer documents, receipt and acceptance of such is hereby acknowledged. Additional property may be added to the trusts provided herein at any time and from time to time, by the trustor, or by any person or persons, by intervivos or testamentary transfer or by insurance, contract, or other declaration, designation, appointment, or transfer. Trustor hereby declares that all such property so received or hereafter added to this trust does and shall constitute trust estate property, and shall be held, managed, administered, and distributed as herein provided.

**Initial Allocation of Trust Estate:** The trust estate shall initially be allocated to the Initial Trust provided herein.

## **ARTICLE INITIAL TRUST**

**Introduction:** The trustee shall hold, administer, and distribute all property allocated or distributed to the Initial Trust as follows:

**Beneficiaries:** The beneficiaries of this trust shall be as follows:

Income beneficiary:	Trustor
Principal beneficiary:	Trustor

**Character of Property in Trust:** Any community property transferred to this trust and the proceeds thereof (herein referred to as "community property" or the "community trust estate") shall continue to retain its character as community property, subject to all the terms and conditions of this instrument and the powers granted to the trustee.

Any separate property of a trustor transferred to this trust and the proceeds thereof (hereafter referred to as "separate property" or the "separate trust estate") shall retain its character as the transferring party's separate property, subject to all of the terms and conditions of this instrument and the powers granted to the trustee.

Any quasi-community property transferred to this trust and the proceeds thereof shall retain its character as the transferring party's quasi-community property subject to all of the terms and conditions of this instrument and the powers granted to the trustee. However, for the purposes of this trust, it shall be included in the term "separate property" or "separate trust estate" and be treated as separate property is treated under this trust.

**Community Estate Income -- Broad Standard:** The trustee shall pay to or for the benefit of the income beneficiary as much of the net income of the community trust estate as the trustee considers reasonably necessary for the income beneficiary's health, education, support, maintenance, comfort, welfare, or happiness to maintain at a minimum the income beneficiary's accustomed manner of living. The trustee shall add to the principal of the community trust estate any net income not so distributed.

**Community Estate Principal -- Broad Standard:** If the trustee considers the income from the community trust estate insufficient, the trustee shall pay to or for the benefit of the principal beneficiary as much of the principal from the community trust estate as the trustee considers reasonably necessary for the principal beneficiary's health, education, support, maintenance, comfort, welfare, or happiness to maintain, at a minimum, the principal beneficiary's accustomed manner of living.

**Separate Estate Income -- Broad Standard:** The trustee shall pay to or for the benefit of an income beneficiary as much of the net income from the income beneficiary's separate trust estate as the trustee considers reasonably necessary for that beneficiary's health, education, support, maintenance, comfort, welfare, or happiness to maintain at a minimum that beneficiary's accustomed manner of living. The trustee shall add to the principal of that beneficiary's separate trust estate any such net income not so distributed.

**Separate Estate Principal -- Broad Standard:** If the trustee considers the income from a beneficiary's separate trust estate insufficient, the trustee shall pay to or for the benefit of that beneficiary as much of the principal from that beneficiary's separate estate as the trustee considers reasonably necessary for that beneficiary's health, education, support, maintenance, comfort, welfare, or happiness to maintain, at a minimum, that beneficiary's accustomed manner of living.

**Income and Principal from Community Property in the Trust:** The trustee shall pay to the trustor or shall apply for trustor's benefit, so much of the net income and principal of the community trust estate in the trust as shall be requested by the trustor. Any income not so requested shall be added to and become a part of the principal of the community trust estate.

**Income and Principal from Separate Property in the Trust:** The trustee shall also pay to trustor, or shall apply for such trustor's benefit, so much of the net income and principal of that trustor's separate trust estate in the trust as shall be requested by said trustor. Any income not so requested shall be added to and become a part of the principal of the separate trust estate belonging to that trustor who transferred such separate trust estate.

**Beneficiary's Incapacity -- Ascertainable Standard:** If a court declares a beneficiary incompetent or if the trustee after consultation with medical professionals, considers a beneficiary unable to manage the beneficiary's own affairs by reason of physical or mental disability, then the trustee during the beneficiary's life may pay to or for the beneficiary as much of the income and principal from the trust estate as is necessary for the beneficiary's health, education, or support to maintain the beneficiary's accustomed manner of living. The trustee shall make payments first from the community trust estate, then equally from the beneficiary's separate trust estates. The trustee shall add to principal any income not distributed.

**Community Payments -- Special Duty:** The beneficiary receiving payments from the community trust estate shall have the same duties regarding the use of such community income and principal allocations as that beneficiary has with respect to any other community property.

**Guidelines -- Other Sources:** In making distributions, the trustee in its reasonable discretion (1) may consider any other income or resources of the beneficiary, including the beneficiary's ability to obtain gainful employment and the obligation of others to support the beneficiary, known to the trustee and reasonably available for the purposes stated here; (2) may pay more to or apply more for some of such beneficiaries than others and may make payments to or applications of benefits for one or more such beneficiaries to the exclusion of others; (3) may consider the value of the trust assets, the relative needs, both present and future, of each member of such beneficiary class, and the tax consequences to the trust and to any beneficiary.

## **ARTICLE PROVISIONS AT DEATH OF TRUSTOR**

**Priority Distributions:** At the death of trustor and before the trust assets are allocated as set forth below the trustee shall allocate and distribute the trust estate as follows:

**Trustors Final Expenses:** The trustee may in the trustee's reasonable discretion, pay from the trust estate the trustors debts, last illness and funeral costs, and expenses of administration for this trust and the trustors probate estate.

**Death Taxes -- Trustors Trust:** The trustor directs the trustee and the trustors executor to charge and collect all federal death taxes for assets from those persons sharing in the federal taxable estate in accordance with California Probate Code provisions for death

tax apportionment and allocation. Further, the trustor directs the trustee to charge and collect all state death taxes in the same manner as the federal death taxes and not as probate administration expenses. These tax directions shall not apply to any gifts passing under the trustors will or under this instrument designated as "free of all death taxes", and the trustee shall pay all such death taxes from the remainder of the trust estate without apportionment among the beneficiaries.

Allocation: At the death of such trustor the trust estate shall be allocated as follow:  
Pursuant to the provisions in the Article titled "Allocation of Initial Trust"

## **ARTICLE ALLOCATION OF INITIAL TRUST**

Allocation of Trust Estate: The trustee shall distribute and allocate the remainder of the trust estate as follows:  
Pursuant to the Article titled "Distribution"

## **ARTICLE DISTRIBUTION**

Distribution: For each distribution or provision that refers to this article on "Distribution", the trustee shall distribute such trust estate as follows:

The items/gifts referred to in the Article herein titled "Gifts" to:  
As specified in said Article.

The rest of such remaining trust estate shall be allocated as follows:  
Pursuant to the Article titled "Primary Distribution"

## **ARTICLE GIFTS**

General Tangible Personal Property -- By List: As to all jewelry, clothing, wearing apparel, watches, silverware, china, furniture, furnishings, antiques, personal automobiles or vehicles, books, and other tangible articles of a household, personal, or ornamental nature, or trustors interest in such property, not otherwise specifically disposed of by this trust, or in any other manner, the trustee shall distribute that property in accordance with any list(s) trustor signs and leaves for this purpose with this instrument or with trustors will at the time of trustors death or which otherwise refers to this provision of the trust instrument. If there is more than one trustor who leaves such a list or if there is more than one such list, or there is a conflict in the distribution of an item according to such lists, the trustee, in the trustee's sound discretion, shall decide according to which list each item shall be distributed. Any items of such property that are not mentioned on such a list, shall be distributed in accordance with the other provisions of this trust instrument.

Specific Gifts: The following specific gifts shall be given to those indicated.

<b>Beneficiary(ies)</b>	<b>Relationship</b>	<b>Of City/Locality</b>	<b>What or Amount</b>
None Listed			

Tangible Personal Property and Minors - Outright Distribution: The trustee shall represent any minor under age eighteen (18) in matters relating to any distribution of tangible personal property under this article, including selecting the assets that shall

constitute that minor's share. In the trustee's absolute discretion, the trustee may (1) sell all or part of such minor's share which the trustee deems unsuitable for the minor's use; and (2) deliver the proceeds and unsold property without bond to the minor, if sufficiently mature, to the guardian of the estate of the minor, or to any suitable person with whom the minor resides or who has control or care of the minor.

General Provision Regarding Gifts in This Article: Unless otherwise stated herein: (1) The gifts named in this Article are intended to be specific gifts, and in the event the gift is not a part of the estate for any reason, the gift shall fail and resort shall not be had to other property in the estate. (2) Any gift taken pursuant to this Article shall be taken subject to any lien or encumbrance on the gift or any loan or debt specifically secured by such gift and the beneficiary of such gift shall hold the estate harmless from any debt, charge, cost, expense, judgment, or claim regarding any such debt, loan, lien or encumbrance. (3) Any such gift shall include any insurance on said gift that has been paid prior to the distribution of the gift. (4) The judgment of the trustee as to which items of the trust estate fall into this category shall be binding on all those interested in the trust estate.

Non-Survival of Beneficiary: Unless otherwise stated herein, if any beneficiary named in this article for particular item(s) or amounts does not survive to the time of such distribution, then such beneficiary's gift shall be distributed as follows:

Pursuant to the remainder distribution provision contained in the Article herein titled "Distribution"

## **ARTICLE LOANS AND ADVANCEMENTS**

Application: The provisions in this article apply to any distributions to the distributees/beneficiaries referred to in this Article.

Loans and Advancements: The Trustor(s) may from time to time make loans and/or advancements to certain of the beneficiaries provided for in this document. Trustor(s) may require such loans and/or advancements to be deducted from the amounts or distributions that would otherwise be distributed to such a beneficiary. If the trustor(s) require such loans and/or advancements to be deducted from the amounts or distributions that would otherwise be distributed to such a beneficiary, then the trustors or one of the trustors shall record the amounts or value of such loans or advancements on the attachment hereto titled "Loans and Advancements" and sign or initial such attachment. The trustor(s) may from time to time revise the amounts or values of the loans or advancements that are to be deducted pursuant to this section. Any revisions to the loans or advancements will also be recorded on the same or similar attachments signed or initialed by the trustors or one of the trustors or recorded on the original attachment and initialed by the trustors or one of the trustors. The amount of any such loans or advancements so recorded thereon are to be paid back to the trust or deducted from the amounts or distributions that would otherwise be distributed to such beneficiary. Such deduction amount is to be so paid or deducted prior to such a beneficiary being entitled to receive any distribution or property (other than income). Upon such payment or deduction, any such loan shall be forgiven. Such loan or advancement shall have interest added if the agreement regarding such loan or advancement provided for interest.

## ARTICLE PRIMARY DISTRIBUTION

**Distribution:** For each distribution or provision that refers to this article, the trustee shall distribute such trust estate or share as follows:

**Primary Distribution:** Such trust estate or share shall first be distributed as follows: To the following surviving beneficiary(ies). To be distributed to such beneficiary(ies) in the order and priority listed below. Such trust estate or share shall first be distributed entirely to those surviving beneficiary(ies) listed in a higher numbered class before being distributed to the surviving beneficiary(ies) listed in a lower numbered class. If there are no surviving beneficiary(ies) in a higher numbered class then it shall then be distributed to the surviving beneficiaries in the next numbered class in order, in the same manner, and continuing in order through each numbered class of beneficiaries listed below in the same manner. Any lettered divisions within a class shall be considered subclasses. If no unequal division is specified within a class or subclass then the portion being distributed to that class or subclass shall be distributed equally to those within that class or subclass (in such situation a subclass being entitled to one share for the class to which it belongs). Unless indicated otherwise below, any share of a non surviving beneficiary in such a class or subclass shall augment proportionally the other such beneficiaries' shares in the same class or subclass as the case may be. Unless indicated otherwise below, if there are no surviving beneficiary(ies) in a lettered subclass then that portion shall augment proportionally the other beneficiaries' shares in the class to which the subclass belongs.

	<b>Beneficiary(ies)</b>	<b>Relationship</b>	<b>Of City/Locality</b>	<b>Share</b>
1st	Riverside City and County Public Libraries	Charity	3581 Mission Inn Ave., Riverside, CA	100% Equally
	The Salvation Army	Charity	3695 First St., Riverside, CA	
	United Way of the Inland Valleys	Charity	6215 River Crest Dr., Riverside, CA	
	San Bernardino Valley Lighthouse for the Blind	Charity	762 N. Sierra Way, San Bernardino, CA	
	Goodwill Industries Inland Career Center	Charity	6848 Magnolia Ave., Riverside, CA	
	Riverside Humane Society	Charity	5791 Fremont St., Riverside, CA	
	Riverside Meals on Wheels, Inc.	Charity	4845 Brockton Ave., Riverside, CA	
	American Heart Association	Charity	1250 E. Cooley Dr., Suite 203, Colton, CA	
	American Red Cross	Charity	8880 Magnolia Ave., Riverside, CA	
	Boy Scouts of America	Charity	1230 Indiana Ct., Redlands, CA	
	Association for Retarded Citizens of Riverside	Charity	8138 Mar Vista Ct., Riverside, CA	
	University of California at Riverside	Charity	900 University Ave., Riverside, CA	

Alternate Distribution: If no such beneficiaries survive, the trustee shall distribute such trust estate or share as follows:

Pursuant to the Article titled "Final Distribution".

## **ARTICLE FINAL DISTRIBUTION**

Distribution: For each distribution or provision that refers to this Article, the trustee shall distribute such trust estate or share as follows:

Division: If there was more than one trustor to this instrument and the trust has not already been divided into separate divisions for the benefit of the separate heirs or distributees of each trustor, then such trust estate or share shall first be divided as follows:

Such trust estate shall be divided into as many equal shares as there were trustors to this instrument.

Distribution: Such trust estate or share shall be distributed as follows:

Each such share shall be distributed to such trustor's surviving heirs, their identities and their respective shares to be determined according to the laws of the State of California in effect on the date of execution of this instrument relating to succession of separate property that was not acquired from a parent, grandparent, or previously deceased spouse, subject however to any specific disinheritance provisions in this instrument.

## **ARTICLE REVOCATION AND AMENDMENT**

Power of Revocation: This instrument and the trust estate established pursuant thereto shall be subject to the power of revocation as follows:

The trust estate may be revoked in whole or in part.

Revocation shall be in writing, and shall be effective when delivered to the trustee and to any other living trustor.

The trustee shall cause any revoked property which is, constitutes, or is traceable to community property to be transferred to trustor(s) as community property.

The trustee shall cause any revoked property which is, constitutes, or is traceable to the separate property of a trustor to be transferred to that trustor as that trustor's separate property.

The trustee shall cause such transfer of property as soon as reasonably possible after notice of revocation.

The power of revocation shall be subject to termination of such power as indicated in the termination of powers provision indicated below.

This power of revocation shall be held as follows:

As to any community trust estate:

Any trustor

As to any separate trust estate:

The trustor who contributed the separate trust estate

Power of Amendment: This instrument and the trust estate established pursuant thereto shall be subject to the power of amendment as follows:

Any alteration, modification, or amendment shall be in writing, and shall be effective when delivered to the trustee.

The alteration, modification, or amendment must be signed by all trustors to the instrument.

If any alteration, modification, or amendment has the effect of removing any property from the trust estate, the trustee shall cause such property to be transferred to the person and in the manner as if the trust estate had been revoked in full as to that property.

The power of amendment shall be subject to termination of such power as indicated in the termination of powers provision indicated below.

Accounting and Payment of Liabilities: On revocation, the trustee shall provide an accounting of the trustee's acts since the preceding accounting. If the trustor revokes all or a major portion of the trust, then the trustee may retain sufficient assets to reasonably provide for payment of liabilities lawfully incurred by the trustee in the administration of the trust.

Termination of Powers of Revocation and Amendment: The powers of revocation and amendment shall terminate as follows:

On the death of the first trustor.

Exception--Survivors Trust: Notwithstanding the above provisions, if a Survivors Trust is established under this instrument, then the surviving trustor shall still have the power to revoke and/or amend the Survivors Trust and any provisions with regard to the Survivors Trust but only as to their effect on the Survivors Trust, and such amendment or revocation need only be signed by surviving trustor. Such powers of revocation and amendment regarding the Survivors Trust shall terminate on the death of the surviving trustor.

Powers of Revocation and Amendment Personal: The power to revoke or amend this instrument and/or the trust estate is personal to each trustor to this instrument and no guardian, conservator, or other person may exercise such powers on behalf of such a trustor.

## ARTICLE NOMINATION OF TRUSTEE

Nomination for Specified Trusts: For all trusts under this instrument, the trustee and successor trustee shall be those named below. For each trust, the initial trustee shall be the one indicated as first. The others named shall be successor trustee(s). Each successor trustee shall serve in the order designated if the prior trustee fails to qualify or ceases to act. If more than one trustee is indicated under a numbered category then they shall serve as cotrustees. In the case of co-trustees, unless otherwise indicated, any remaining co-trustee shall serve before a following successor trustee shall serve.

	Trustee(s)	Relationship	Of City/Locality
1st	Bank of America	Bank	3650 14th St., Riverside, CA

## ARTICLE NOMINATION OF SPECIAL TRUSTEE

Nomination of Special Trustee: For all trusts under this instrument, if a special trustee is needed, the special trustee and successor special trustee shall be those named

below. The initial special trustee shall be the one indicated as first. The others named shall be successor special trustee(s). The special trustee's duties shall include only exercise of powers and duties disclaimed or released, either permanently or temporarily, by a regular trustee for such reasons as conflict of interest or adverse tax consequences to the trustee personally. The special trustee shall receive reasonable compensation. Each successor special trustee shall serve in the order designated if the prior special trustee fails to qualify or ceases to act. Any special trustee may resign and appoint a successor, and such appointment shall supersede the designated successor. If all special trustees shall fail to qualify or cease to act, a court of competent jurisdiction shall appoint a special trustee (individual, corporate, or cotrustees) after consideration of the preferences of the current income beneficiaries.

Special Trustee:

	Special Trustee(s)	Of City/Locality
1st	Bank of America	California

## ARTICLE OFFICE OF TRUSTEE

**Trustors as Cotrustees May Allocate Duties:** Any cotrustees who are also trustors to this document, may delegate or allocate duties between themselves, in any manner, by any written document or agreement signed by such trustees, without concurrence of any beneficiaries. After such delegation, any one trustee may unilaterally revoke such delegation at will and without cause by written notice to the other trustee(s) and any affected third party. For example, such trustees may exercise this power to delegate to one such trustee the power to conduct any bank, financial institution, and securities brokerage transactions. The delegation may be merely indicated or implied from the designations on the signature card, deposit agreement, brokerage agreement, or other document on file with the bank, financial institution, brokerage, or other third party. No separate agreement of delegation is necessary.

**Other Cotrustees May Allocate Duties:** Any other cotrustees may allocate duties between themselves, in any manner, by any written document or agreement signed by such trustees, without concurrence of any beneficiaries. After such delegation, any one trustee may unilaterally revoke such delegation at will and without cause by written notice to the other trustee(s) and any affected third party. For example, such trustees may exercise this power to delegate to one such trustee the power to conduct any bank, financial institution, and securities brokerage transactions. The delegation may be merely indicated or implied from the designations on the signature card, deposit agreement, brokerage agreement, or other document on file with the bank, financial institution, brokerage, or other third party. No separate agreement of delegation is necessary.

**Delegation of Powers to Cotrustee or Successor Trustee -- General:** A trustee shall have the power to delegate temporarily to the cotrustee or successor trustee all or any of his or her powers. The trustee shall effectuate the delegation by written notice to the delegated cotrustee or successor trustee specifying the powers delegated. This delegation shall terminate on delivery of written notice by the such delegating trustee to the delegated cotrustee or successor trustee of termination of the delegation. The delegated trustee shall incur no liability to any beneficiary of the trust estate as a result of any actions taken or not taken within the scope of delegation during the period of delegation.

**Trustee's Disability -- Successor Trustee Acts:** If any trustee is unable to participate in trust activities because of illness, disability, or any other reason, the designated

remaining cotrustee(s) or successor trustee may act in place of such regular trustee during any such incapacity. In determining the illness or disability of an individual trustee, written statements from two licensed physicians who have examined the trustee, shall be deemed sufficient. In the absence of such statements, the designated remaining cotrustee(s) or successor trustee shall petition the court having jurisdiction over this trust for authority to proceed as successor trustee. The designated remaining cotrustee(s) or successor trustee shall incur no liability to any beneficiary of the trust or to the replaced trustee as a result of any action taken in good faith pursuant to this provision.

Certification of Trust -- Acceptance: Any third party may rely on and is hereby directed to accept a written statement or Certification of Trust signed under penalty of perjury by the then remaining cotrustee(s) or successor trustee(s) authorized to act hereunder stating that they are the currently acting trustee(s). Said third party may rely on and accept said written statement or Certification of Trust unless and until contradicted or superseded by a later written statement or Certification of Trust signed under penalty of perjury in the same manner.

Resignation -- Designated Successors: Any trustee may resign at any time from any trust under this instrument. The resigning trustee shall give written notice of the resignation by personal delivery or registered mail to all current income beneficiaries. The resignation shall be effective on the qualification of a designated successor trustee. The designated successor trustee shall act as trustee on acceptance of the appointment.

Failure of Designated Trustees: If all designated trustees fail to qualify or cease to act, the trustees then acting may appoint a successor trustee. If such trustees fail to make such appointment, the majority of the adult income and principal beneficiaries may appoint a successor.

Court Appointed Trustee: If no successor trustees are otherwise appointed pursuant to the provisions of this document, a court of competent jurisdiction shall appoint a trustee or cotrustees, individual or corporate, after consideration of the preference of the current income beneficiaries of the trust.

Action by Majority of Trustees -- General: If more than two trustees are serving as cotrustees, any action taken by a majority of the trustees in office shall be binding on this trust, and third parties may rely on such action. The non consenting trustees shall not be liable for actions of the majority.

Special Trustee -- Qualifications: The special trustee shall be a trustee whose relationship to the trust beneficiaries shall not cause attribution of any income or capital gain to them or principal to their gross estates because of the holding or exercise of any trustee power. Additionally, the special trustee shall have the knowledge, experience, and professional resources necessary to carry out the applicable tax and fiduciary responsibilities. If no special trustee has been appointed herein, but the trustee determines that one is needed, the trustee shall have the power to appoint one or to have a court of competent jurisdiction appoint a special trustee (individual, corporate, or cotrustees) after consideration of the preferences of the current income beneficiaries

Income and Principal Allocations -- Special Trustee: For all trusts under this instrument, the special trustee alone shall have the power as necessary to allocate income and principal for any beneficiary serving as trustee or for persons the trustee-beneficiary legally supports.

Compensation -- Reasonable: The trustee may pay itself reasonable compensation from the trust estate during each calendar year for all ordinary services and reasonable additional compensation for any extraordinary services, all without court order. If the trustee shall serve for a part of a calendar year, the annual compensation shall be prorated.

Employment of Consultants -- General: The trustee may employ custodians, attorneys, accountants, investment advisers, corporate fiduciaries, or any other agents or advisers to assist the trustee in the administration of this trust, and the trustee may rely on the advice given by these agents. The trustee shall pay reasonable compensation for all services performed by these agents from the trust estate out of either income or principal as the trustee in the trustee's reasonable discretion shall determine. These payments shall not decrease any compensation to which the trustee is entitled.

Exculpatory Clause -- All Trustees: No trustee shall be liable to any person interested in this trust for any act or default unless it results from the trustee's bad faith, willful misconduct, or gross negligence.

Waiver of Liability for Predecessor Trustee: Any successor trustee may accept as correct any accounting of trust assets made by any predecessor trustee. However, a successor trustee may institute any action or proceeding for the settlement of the accounts, acts, or omissions of any predecessor trustee.

Bond -- Waiver: No trustee nominated in this instrument or in any amendment or modification to it, including nonresidents, shall be required to post bond or security.

Trustee Self-Dealing -- Loan, Buy, and Sell: The trustee shall have the power to loan or advance the trustee's own funds to the trust for any trust purpose, with interest at current rates, to receive security for such loans in the form of a mortgage, pledge, deed of trust, or other encumbrance of any assets of the trust, to purchase or exchange assets of the trust at their fair market value as determined by an independent appraiser, to sell property to the trust at a price not in excess of its fair market value as determined by an independent appraiser, and to lease assets to or from the trust for fair rental value as determined by an independent appraiser.

Trustee and Executor Transactions -- Self-Dealing Permissive: The trustee and the executor of trustors estate may freely contract financial transactions between themselves, such as the purchase and sale of assets and the making of loans, secured and unsecured, notwithstanding each office being held by the same person and apparent conflicts of interest.

## **ARTICLE MANAGEMENT POWERS**

Introduction: For each trust under this instrument, unless otherwise provided in said trust, the trustee of the trust shall have the management powers set forth below in addition to those powers now or hereafter conferred by law.

Retain or Abandon Property: The trustee shall have the power to continue to hold any property, including shares of the trustee's own stock, or to abandon any property that the trustee receives or acquires.

Unproductive Property: Except when specifically restricted, the trustee shall have the power to retain, purchase, or otherwise acquire unproductive property.

**Sell, Exchange, Repair:** The trustee shall have the power to manage, control, grant options on, sell (for cash or on deferred payments with or without security), convey, exchange, partition, divide, improve, and repair trust property.

**Lease:** The trustee shall have the power to lease trust property for terms within or beyond the terms of the trust and for any purpose, including exploration for and removal of gas, oil, and other minerals, and to enter into community oil leases, pooling, and unitization agreements.

**Investments -- General Power:** The trustee shall have the power to invest and reinvest the trust estate in every kind of property, real, personal, or mixed, and every kind of investment, specifically including, but not by way of limitation, corporate obligations of every kind, preferred or common stocks, shares in investment trusts, investment companies, and mutual funds, and mortgage participations, life insurance policies on the life of any beneficiary, which men of prudence, discretion, and intelligence acquire for their own account, and any common trust fund administered by the trustee.

**Securities:** The trustee shall have all the rights, powers, and privileges of an owner of the securities held in trust, including, but not by way of limitation, the power to vote, give proxies, and pay assessments; to participate in voting trusts and pooling agreements (whether or not extending beyond the term of the trust); to enter into shareholders' agreements; to consent to foreclosure, reorganizations, consolidations, merger liquidations, sales, and leases, and, incident to any such action, to deposit securities with and transfer title to any protective or other committee on such terms as the trustee may deem advisable; and to exercise or sell stock subscription or conversion rights.

**Investment Funds:** The trustee shall have the power to invest in mortgage participations, in shares of investment trusts and regulated investment companies, including any under the control of any investment counsel employed by the trustee, in mutual funds, money market funds, and index funds which investors of prudence, discretion, and intelligence acquire for their own account.

**Nominee's Name:** The trustee shall have the power to hold securities or other property in the trustee's name as trustee under this trust, in the trustee's own name, or in the name of a nominee, or the trustee may hold securities unregistered in such condition that ownership will pass by delivery.

**Insurance:** The trustee shall have the power to carry, at the expense of the trust, insurance of such kinds and in such amounts as the trustee deems advisable to protect the trust estate against any damage or loss and to protect the trustee against liability with respect to third parties.

**Borrow -- General:** The trustee shall have the power to borrow money and to encumber or hypothecate trust property by mortgage, deed of trust, pledge, or by otherwise, to securing the indebtedness of the trust or the joint indebtedness of the trust and a co-owner of trust property.

**Loan:** The trustee shall have the power to loan money to any person, including a trust beneficiary or the estate of a trust beneficiary, at prevailing interest rates and with or without security as the trustee deems advisable.

**Bonds -- Limitations:** The trustee shall have the power to purchase bonds either at a premium or at a discount. For bonds purchased at a premium, the trustee shall, in a

reasonable manner, periodically repay to principal each premium from interest on the bond or sale or redemption proceeds. For bonds purchased at discounts, the trustee shall periodically accumulate each discount as interest and, to the extent necessary, pay such discount out of principal or from the sale or redemption proceeds.

Residence -- Occupation by Beneficiary: The trustee is expressly authorized, in the trustee's absolute discretion, to permit any person having an interest in the income of the trust to occupy any real property forming a part of the trust estate on such terms as the trustee shall deem proper, whether rent free or in consideration of payment of taxes, insurance, maintenance, and ordinary repairs, or otherwise.

Borrow -- Margin Accounts: The trustee shall have the power to borrow money by establishing and maintaining margin accounts with securities dealers or brokers.

Invest in Life Insurance: The trustee shall have the power to acquire and maintain life insurance policies on the life of any person, including a trust beneficiary, and to exercise all rights of ownership granted to such policies.

Trade Options: The trustee shall have the power to buy and sell option contracts that give the trustee or another the option to buy or sell, at a future time, any stock or security of any company, after reviewing the risks of such transactions compared to the possibility of preserving the capital and income values of the trust.

General Partnership Restriction: The trustee, in the trustee's absolute discretion, shall have the election to act only as a limited partner of any general partnership in the trust and shall take any action necessary to effect this election.

Treasury Bonds -- Special Tax Redemptions: The trustee shall have the power to purchase at less than par, obligations of the United State of America that are redeemable at par in payment of any federal estate tax liability of a trustor in such amounts as the trustee deems advisable. The trustee shall exercise this discretion if the trustee believes that a trustor is in substantial danger of death, and the trustee may borrow funds and give security for such purchase. The trustee shall resolve any doubt concerning the desirability of making the purchase and its amount in favor of making the purchase and in purchase in a larger even though somewhat excessive, amount. The trustee shall not be liable to a trustor, any heir, or any beneficiary of this trust for losses resulting from purchases made in good faith. The trustee shall redeem such obligations to the fullest extent possible in payment of a trustor's federal estate tax liability.

Closely Held Business Interest: The trustee shall have the power to continue to hold and operate, to sell, or to liquidate, at the risk of the trust estate, any closely held business interest, whether proprietorship, partnership, or corporation.

Benefit Payment Planning: The trustee shall have the power to implement benefit planning strategies and options and to plan and accomplish asset preservation and protection in the event a trustor needs long term health, nursing, or medical care. In order to accomplish this, the trustee may engage in any legal conduct that would not be inconsistent with the purposes or tax benefits for which the particular trust was established. Such conduct may include but not be limited to the power and authority to do the following:

- Make home improvements and additions to the trustors family residence.
- Pay off partly or in full any encumbrance on the trustors family residence.
- Purchase a family residence, if trustor does not own one.
- Purchase a more expensive family residence.
- Make gifts of assets for estate planning purposes as guided by the trustor.

- To physically divide assets into separate accounts and portions.
- To transmute community property into equal divisions of separate property one for each trustor.
- To convert cash and other liquid assets to non liquid assets.
- To purchase annuities or other investments that would more likely be exempt from execution or taking or more likely qualify the trustor for benefits.

**Creditor Planning:** The trustee shall have the power to implement planning, strategies, and options for asset preservation and protection in the event of possible, actual, or threatened action from creditors or governmental agencies. In order to accomplish this, the trustee may engage in any legal conduct that would not be inconsistent with the purposes or tax benefits for which the particular trust was established. Such conduct may include but not be limited to the power and authority to do the following:

- Make home improvements and additions to the trustors family residence.
- Pay off partly or in full any encumbrance on the trustors family residence.
- Purchase a family residence, if trustor does not own one.
- Purchase a more expensive family residence.
- Make gifts of assets for estate planning purposes as guided by the trustor.
- To physically divide assets into separate accounts and portions.
- To transmute community property into equal divisions of separate property one for each trustor.
- To convert cash and other liquid assets to non liquid assets.
- To purchase annuities or other investments that would more likely be exempt from execution or taking or more likely qualify the trustor for benefits.

## ARTICLE TRUSTEE ACCOUNTING AND DISTRIBUTION POWERS

**Introduction:** For each trust under this instrument, unless otherwise provided in said trust, the trustee of the trust shall have the following powers and duties for accounting and distribution matters.

**Private Accounting:** The trustee shall periodically, but not less than once each year, render an account of its administration of the trust under this instrument to all the current income and current principal beneficiaries who are then adults. The beneficiary's written approval of the accounting shall be a complete protection of the trustee as to all matters and transactions stated or shown by the accounting. Failure to transmit to the trustee either (a) the written approval of such accounting, or (b) a written objection to the accounting, with reasons specified, within a period of ninety (90) days after sending of such accounting to beneficiary shall constitute a written approval. The written approval or failure to object of the guardian, conservator, or representative of such person entitled to the accounting shall be a valid substitute for the required written approval. To the extent permitted by law the written approval of the adult beneficiaries shall bind minor and contingent remainder interests. Except as provided in this paragraph, any reports or accounts otherwise required or directed by law are hereby waived to the fullest extent of the law. Notwithstanding the above, while the trustor(s) are acting as their own trustee(s) no accountings shall be required.

**Principal and Income -- Act Governs:** The trustee shall determine all matters with respect to what is principal and income of the trust estate and the apportionment and allocation of receipts and expenses between these accounts by the provisions of the California Revised Uniform Principal and Income Act from time to time existing. When

this instrument or such Act does not provide, the trustee, in the trustee's reasonable discretion, shall determine the characterization.

Depreciation Reserve -- Mandatory: The trustee shall establish reasonable reserves for depreciation, notwithstanding any other provision of this instrument or the California Revised Uniform Principal and Income Act.

Undistributed Income: Income accrued or unpaid on trust property when received into the trust shall be treated as any other income. Income accrued or held undistributed by the trustee at the termination of any trust or any interest in a trust created under this instrument, other than a trust that may be a qualified terminable interest property trust, shall go to the next beneficiaries of that interest or trust in proportion to their interest in it. Income accrued or held in trust on the termination of a qualified terminable interest property trust shall go to the beneficiary of that trust immediately before the termination or to his or her estate.

Expense Allocation -- Proration: The trustee shall prorate all taxes and current expenses among successive beneficiaries over the period to which they relate on a daily basis.

Tax Consequences -- Adjustment: The trustee shall have the power in the trustee's reasonable discretion to take any action and to make any election to minimize the tax liabilities of any trust and its beneficiaries, to allocate the benefits among the various beneficiaries, and to make adjustments in the rights of any beneficiaries, or between the income and principal accounts, to compensate for the consequences of any tax election or any investment or administrative decision that the trustee believes has had the effect of directly or indirectly preferring one beneficiary or group of beneficiaries over others.

Multiple Trusts -- No Physical Division: If this instrument creates more than one trust, the trustee shall not be required to physically segregate or divide assets among the various trusts, except on the termination of any of the trusts. However, the trustee shall keep separate accounts for the separate undivided interests, and the trust may hold undivided interests in the same assets.

Death Taxes of Beneficiary -- Authority to Pay: The trustee, in the trustee's reasonable discretion, shall have the power to pay from the trust estate, and to allocate between income and principal, any death taxes to the extent that such taxes are attributable to the trust estate or any part of it (calculated at the average rates applicable to such tax). However, any trust property otherwise exempt from federal estate tax shall not be subject to the payment of any such death taxes.

Beneficiary's Last Illness and Funeral Expenses: The trustee shall have the power, in the trustee's reasonable discretion, to pay the last illness expenses, funeral expenses, and other obligations incurred for the beneficiary's support from the income or principal of the beneficiary's trust.

Distributions -- Consideration of Basis of Assets: In making nonprorata distributions to beneficiaries, the trustee shall consider and attempt to equalize, insofar as practicable, the aggregate income tax basis of assets distributed to the various beneficiaries. Any such determination by the trustee shall bind all parties in interest.

Distributions and Powers of Appointment: If, on expiration of the later of either six (6) months after the death of any person holding a power of appointment created by this instrument or the expiration of the statutory period within which a will contest must be

filed, the trustee has not received any document purporting to exercise the power, then the trustee may distribute any property according to the terms of this instrument as if the power had not been exercised. If a document purporting to exercise the power shall be subsequently located, the trustee shall not be liable to the appointees under that exercise, and the rights of the appointees and the persons receiving property from the trustee shall follow applicable law.

Distribution -- Broad Powers: When the trustee must divide any trust property into parts or shares for the purpose of distribution or otherwise, the trustee may, in the trustee's reasonable discretion, make the division and distribution in identical interests, in kind, or partly in kind and partly in money, prorata or nonprorata. Also, the trustee may make such sales of the trust property as the trustee deems necessary to accommodate such distributions.

Deferral of Division and Distribution: If the trust directs distribution of the trust estate or division into separate trusts, then the trustee may, in the trustee's reasonable discretion, defer that distribution or division for six months. When the trustee so defers, the trustee shall make the distribution or division as if it had taken place at the time prescribed in the absence of this paragraph, and all beneficiary rights in those trust assets shall accrue and vest as of the prescribed time.

Distribution to Beneficiary Who Has Trust: If this instrument directs any distribution of a trust to a beneficiary who is also beneficiary of any other trust under this instrument, the trustee shall add that part to that trust for that beneficiary, except that any additions to a partially distributed trust shall augment proportionately the distributed and undistributed portions.

Small Trust Termination -- Trustee Discretion: The trustee may determine in its reasonable discretion, if the principal of the trust is uneconomical to administer. The trustee may then, in its reasonable discretion, either (1) distribute the trust assets to the beneficiaries in proportion to their interests in income; (2) purchase and deliver to the income beneficiaries a restrictive savings account, certificate of deposit, annuity, or endowment; (3) distribute the trust assets to a custodian for the beneficiaries under the California Uniform Transfers to Minors Act; or (4) distribute the trust assets as provided by law. On such distribution and delivery, the trust shall terminate. The trustee shall not be liable or responsible to any person for its action or for its failure or refusal at any time to terminate the trust as authorized in this paragraph.

Facility of Payment: If income or principal is payable to a minor, to a person under legal disability, or to a person not adjudicated incompetent but who, by reason of illness or mental or physical disability, is in the opinion of the trustee unable to manage the distribution properly, then the trustee may, in its reasonable discretion, pay such income or principal in any of the following ways: (1) To the beneficiary directly, (2) to the legally appointed guardian or conservator of the beneficiary, (3) to a custodian for the beneficiary under the California Uniform Transfers to Minors Act, (4) for the benefit of the beneficiary, or (5) to an adult relative or friend in reimbursement for amounts properly advanced for the benefit of the beneficiary.

Back-Up Trust for Distribution of Beneficiary under Age 21: Except when this instrument provides otherwise, the trustee shall delay outright distribution of any interest of a beneficiary who is under 21 years of age by continuing in a separate trust such beneficiary's share, subject to any trustee discretion to terminate a small trust or court-ordered termination. The trustee shall add all income to principal and pay to or for the such beneficiary as much of the trust estate as is necessary for the such beneficiary's health,

education, support, or maintenance in the such beneficiary's accustomed manner of living after taking into account the such beneficiary's other income and resources known to the trustee and reasonably available for that purpose. When such beneficiary attains the age of 21, the trustee shall distribute the trust estate to the beneficiary outright. If the such beneficiary dies before distribution, the trustee shall distribute the trust estate to such beneficiary's estate.

Perpetuities Savings Clause -- Trustor and Descendants: All trusts created by this instrument or by the exercise of any power of appointment shall terminate twenty-one (21) years after the death of the last surviving trustor and of the trustors descendants living at such trustor's death or the longest period allowed by the applicable rule or statute regarding perpetuities limitations whichever allowed period of time is longer. At such time, the trustee shall distribute the principal and undistributed income of a terminated trust to the then-living income beneficiaries of that trust in the same proportion that the beneficiaries are entitled to receive income when the trust terminates. At the time of such termination, if the trust does not fix the rights to income, then the trustee shall distribute the trust by right of representation to the persons who, in the trustee's reasonable discretion, are entitled to receive trust payments.

Special Administration: If any child of trustor is separated or divorced and any benefit is provided herein to the trustor's grandchildren from that child, then any payments to be paid for the benefit of any of trustors grandchildren from that child, in the trustee's discretion, may instead be paid on behalf of and applied to any amounts said child may have to pay for support of such grandchild due to such separation or divorce. In the trustee's discretion, any payments that would otherwise be distributed to the parents or guardian of such a grandchild shall not be paid to such a child's divorced or separated spouse but instead only to such child who is the parent of such a grandchild. Such payments can be used to either offset any other expenses such child might have in parenting or supporting such a grandchild or shall be used or applied as directed by the trustee.

## **ARTICLE TRUST ADMINISTRATION PROVISIONS**

Introduction: For each trust under this instrument, unless otherwise provided in said trust, the following additional trust provisions shall apply.

Spendthrift Provision: No beneficiary shall anticipate, assign, or encumber, or subject to any creditor's claim or to legal process any interest in principal or income before its actual receipt by any beneficiary. The beneficial and legal interests in this trust, and its principal and its income shall be free from interference or control of any beneficiary's creditor and shall not be subject to the claims of any such creditor and shall not be liable to attachment, execution, bankruptcy, or other process of law.

No Execution or Legal Process: The interest of trust beneficiaries are not transferable by voluntary or involuntary assignment or by operation of law and shall be free from the claims of creditors and from attachment, execution, bankruptcy, or other legal process to the fullest extent.

Disclaimer of Administrative Powers: The trustee may disclaim, release, or restrict the scope of any power held in connection with any trust, including any administrative power, whether such power is expressly granted or implied by law, by a written instrument specifying the power to be disclaimed, released, or restricted and the nature of any such restriction. The special trustee shall exercise all powers disclaimed or released.

Trustee Powers -- Fiduciary Role: The trustee shall exercise all the powers in the trustee's fiduciary capacity and only in such capacity. Further, the trustee shall have no power to enlarge or shift any of the beneficial interests under such trust except as an incidental consequence of the discharge of the trustee's fiduciary duties and shall not make any distribution that discharges any beneficiary's legal obligations of support.

Compromise Claims: The trustee shall have the power to compromise, submit to arbitration, abandon, or otherwise adjust any claims or litigation against or in favor of the trust.

Litigation: The trustee shall have the power to commence or defend such litigation with respect to the trust estate, as the trustee may deem advisable, at the expense of the trust.

Conflicting Claims and Withholding Payment: Upon the occurrence of any event requiring the trustee to divide, segregate, or distribute the trust property, the trustee may delay, without the payment of interest, the division, segregation, or distribution of all or any part of such property for such period of time as may be necessary to ascertain and provide for the payment of any tax, claim, or other such contingent liability against such property. However, this delay shall not affect the vesting of any interests or the accrual and payment of trust income to any beneficiary.

Trustee Powers Survive: All powers, duties, and immunities of the trustee shall continue after termination of any trust and until the trustee has made actual distribution of the property of such trust.

Notice of Events: Unless the trustee receives written notice of the occurrence of an event affecting the beneficial interests of the trust, the trustee shall not be liable to any beneficiary for any distributions made or other actions taken by the trustee in good faith.

Additions to Trust by Third Party: With consent of the trustee, any third party may add additional property at any time to any trust.

Merger: The trustee may merge without court approval any trust under this instrument with any other trust otherwise created whose terms are substantially identical, providing that the trustee, in the trustee's reasonable discretion, determines that administration as a single trust will be consistent with the intent of the persons who established the trusts and will facilitate trust administration without defeating or impairing beneficial interests.

California Law Governs: California law shall govern the validity, construction, interpretation, and administration of all trusts under this instrument.

No Contract for Disposition of Trust: No trustor has made any agreement (other than this instrument) controlling the disposition of the trust estate, and the provisions of this trust shall not be read as evidence of any such agreement.

Additional Preferences: The trustee shall also be governed where practical by the following provisions. These provisions shall not be mandatory but shall be followed by the trustee unless in the trustee's reasonable discretion the carrying out of these provisions would be impractical or not beneficial to the trust or the beneficiaries of these trusts:

1. None listed

## **ARTICLE**

### **NO CONTEST, DISINHERITANCE, DEFINITIONS**

No Contest - Contestant Disinherited: If any beneficiary or other person in any manner, directly or indirectly, participates in any action, proceeding, or course of conduct which seeks to contest, attack, void, nullify, modify, set aside or otherwise challenge or dispute 1) this instrument or any of its provisions, or 2) any provision of trustors will that gives property to any trust created under this instrument, then any share or interest given to that contesting beneficiary under this instrument is revoked and shall be disposed of in the same manner provided herein as if that contesting beneficiary had predeceased the trustors.

Disinheritance -- General: Except as otherwise provided in this instrument, trustor has intentionally omitted to provide herein for any of trustors heirs, or persons claiming to be trustors heirs, living at the date of trustors death, whether or not known to trustor.

Trustee Powers Survive: All of the trustee's powers, duties, and immunities shall continue after termination of any trust until the trustee has made actual distribution of the trust estate.

Survivorship Requirement: Unless the trust instrument provides otherwise, if any person named or described in the trust fails to survive by 30 days any event of distribution or allocation, then that person shall be considered to have predeceased such event.

Voidness/Invalidity: If any part of this trust is held to be void, invalid, or inoperative, such voidness, invalidity, or inoperativeness shall not affect any other part of this trust, and that the remainder of this trust shall be carried into effect as though such part had not been contained herein.

Definitions: If used in this instrument, the following terms are defined as follows:

"Descendants" shall mean lineal descendants in any degree of the ancestor designated and shall include persons adopted during minority. Unless otherwise specifically indicated herein, "descendants" shall not include any stepchildren or foster children or their descendants.

"Child" and "children" shall include adopted persons and any other child, or children hereafter born to or adopted by trustor. Unless otherwise specifically indicated herein, "child" or "children" shall not include any stepchildren or foster children or their descendants.

"Mutual child or children" shall mean those children of trustors who are the mutual children of both trustors.

"Separate child or children" shall mean those children of the trustor indicated who are not also the children of the other trustor.

"Brothers and sisters" shall include half-brothers and half-sisters if those persons are lineal descendants of trustor.

"Trust," "trusts," and "trust estate" shall be interpreted in the singular or plural as the context indicates.

"Corporate trustee" means a trust company or a bank with trust powers authorized to act within the United States.

"Education" and "Education expenses": shall include the cost of elementary, secondary, college, university, postgraduate study, seminars, individual or independent research or study, specialized studies, and travel or foreign study. The trustee may also consider the beneficiary's related living expenses to the extent they are reasonable.

"Death taxes" includes federal, foreign, state, and local estate and inheritance taxes, including penalties and interest, but not generation-skipping or special use valuation recapture taxes or marital deduction qualified terminable interest attribution.

"Disclaimer" or "qualified disclaimer" has the same meaning that "qualified disclaimer" has under the Internal Revenue Code and supporting regulations.

"Beneficiary's other resources" shall include the beneficiary's employable skills and any third party(ies)' support obligations.

"Primary beneficiary" is a beneficiary whose interests and needs the trustee shall consider to be paramount over the other designated beneficiaries in the class.

Interpretation: The masculine, feminine, or neuter gender and the singular or plural number shall each include the others whenever the context indicates.

Clause headings are for reading convenience and shall be disregarded when construing this instrument.

COPY OF

LAST PAGE OF TRUST DOCUMENT.

### EXECUTION AND ACKNOWLEDGMENT

The undersigned trustor(s) certify that the trustor(s) have read the foregoing trust document in its entirety and that it correctly states the terms and conditions under which the trustee(s) are to hold, manage, and distribute the trust estate. The trustors approve this trust instrument in all particulars and request that the trustee(s) sign it.

The undersigned trustee(s) hereby accept this appointment and acknowledge delivery of the trust estate to them:

The undersigned have executed this instrument as of the following date:

Date:

July 16, 1996

Trustor Signature:

William M. McGregor, Jr.

Trustor Signature:

Trustee Signature:

William M. McGregor, Jr.

Trustee Signature:

### Certificate Of Acknowledgment Of Notary Public

State of California, County of: Riverside } SS

On

July 16, 1996

before me, the undersigned, a Notary Public in and for said State, personally appeared:

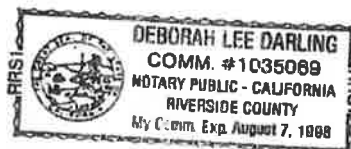
William M. McGregor, Jr.

personally known to me (or 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.

SEAL

NOTARY PUBLIC



# AMENDMENT OF TRUST

## AMENDMENT INFORMATION

THE UNDERSIGNED ARE TRUSTOR(S), CREATOR(S), GRANTOR(S), MAKER(S), DONOR(S) OR SETTLOR(S) (HEREIN CALLED TRUSTOR(S)) OF THE FOLLOWING TRUST (AND ANY AMENDMENTS THERETO OR REGARDING SUCH):

### TRUST INFORMATION

Name of Trust being amended: Family Trust of William M. McGregor, Jr.  
Date of Trust or Date of Execution: July 16, 1996

AND ANY OTHER NAMES, TITLES, DATES, OR DESIGNATIONS BY WHICH SAID TRUST IS OR MAY BE KNOWN AND ANY OTHER DATES, DESIGNATIONS, OR REFERENCES THAT REFER TO, DESIGNATE, OR DESCRIBE SAID TRUST AND ALL AMENDMENTS, CHANGES AND MODIFICATIONS THERETO.

The above information is for convenient reference purposes only. It is not meant to be comprehensive, complete, or substantial but merely to help delineate the trust being referred to in a convenient manner. Any discrepancies in name, date, description, information or otherwise shall not in any way reduce, nullify or diminish the effectiveness of this amendment. The intent is to amend whatever trust trustors have that most closely matches the description or information and any amendments, changes, and modifications thereto.

Effective Date of this Amendment: See Date of Execution 1-20-20  
(signing date if not indicated otherwise)

THE UNDERSIGNED HEREBY AMEND SAID TRUST AS FOLLOWS:

### AMENDMENT 1 HEREOF

(Deleting part)

DESIGNATION OF PART TO BE AMENDED (ONLY THE PART THAT IS LAST MENTIONED BELOW IS AMENDED HEREBY. THE OTHER ARTICLES OR PARTS INDICATED ARE ONLY MENTIONED FOR REFERENCE PURPOSES):

Article Title: Management Powers  
Paragraph Title: Benefit Payment Planning  
Starting on Page #: 13

Said part of the trust is deleted and shall have no further effect.

### AMENDMENT 2 HEREOF

(Deleting part)

DESIGNATION OF PART TO BE AMENDED (ONLY THE PART THAT IS LAST MENTIONED BELOW IS AMENDED HEREBY. THE OTHER ARTICLES OR PARTS INDICATED ARE ONLY MENTIONED FOR REFERENCE PURPOSES):

Article Title: Management Powers  
Paragraph Title: Creditor Planning - AMENDED  
Starting on Page #: 14

Said part of the trust is deleted and shall have no further effect.

**END OF AMENDMENT**

# ADDITIONAL PROVISIONS REGARDING THIS AMENDMENT

## GENERAL APPLICATION

The following articles and provision apply to this amendment as well as the document to which the amendment applies and all the related documents indicated herein.

## ARTICLE NO CONTEST

### INTENT — PRIORITY OF TRUST

The beneficial provisions of this document are intended to take precedence and priority over any other rights, claims, or interests of any nature, kind, or extent, statutory or otherwise. This intent includes precedence and priority over bona fide pre death debts or rights which any beneficiary herein may have against or regarding any signor or maker of this document or regarding any property, assets, or estate of such signor or maker.

### CONTEST — DEFINED

Contest is defined as any lawsuit, claim, action, proceeding, arbitration, or course of conduct which seeks directly or indirectly to challenge, object, contest, attack, void, nullify, invalidate, impair, modify, alter, set aside any of the following or assert a statutory election, claim, right or interest against any of the following, or otherwise challenge, impair, or dispute any of the following:

- Any document, instrument, agreement, or other writing protected by these no contest provisions as set forth herein.
- Any other physical, electronic, or other recordation of any document or intent of trustors protected by these no contest provisions set forth herein.
- Any intent manifested or indicated by the trustor in connection with such document, agreement, or other writing or recordation.
- The gifts, devises, distributions, conditions, provisions, authority, and other matters related to a protected document as defined herein.
- Any properties, rights, benefits, funds, or assets controlled, regarding, or directed by a protected document.

Contest includes any lawsuit, action, proceeding, arbitration, or conduct whether it is direct, indirect, collateral, or otherwise connected, affiliated, associated with, or otherwise related to a contest as defined herein for the purpose of aiding, supporting, abetting, assisting, or cooperating with such contest.

Contest also includes aiding, supporting, cooperating, abetting, assisting, or helping any contest or contesting party with their contest as defined herein in any manner including but not limited to financially, physically, legally, factually, or otherwise.

Contest also includes any additional lawsuit, action, proceeding, or conduct provided by law in addition to those defined herein.

### TYPES OF DOCUMENTS — DEFINED

Document for the purpose of these no contest provisions includes but is not limited to all of the following:

- Writings
- Instruments
- Agreements
- Attachments
- Addenda
- Amendments
- Codicils
- Lists
- Instructions
- Beneficiary designation
- Changes of ownership

- Changes of title
- Retirement or investment plans
- Any physical, electronic, or other recordings

#### **DOCUMENTS AND ITEMS PROTECTED — DEFINED**

Documents, instruments, agreements, writings, recordings, provisions and other items, conduct, and intent which are protected by these no contest provisions include but are not limited to the following:

- This instrument and any of its provisions and related documents, and all amendments, changes, and modifications regarding such items.
- All trusts established by trustor and all of their provisions and related documents and all amendments, changes, and modifications of such items.
- All trusts or sub trusts created or authorized pursuant to this instrument.
- Any will of trustor and any of its provisions and related documents and all amendments, changes, codicils, and modifications of such items.
- All codicils of trustor and all of its provisions and related documents and all amendments, change, and modifications of such items.
- All transfers, assignments, designations of property or assets to this or any other trust established by trustor and all amendments, changes, and modifications of such items.
- All beneficiary designations made by or regarding trustor in all retirement plans, pensions, profit sharing plans, IRAs, Keoghs, insurance policies, annuities, securities, bonds, and other contracts, documents, instruments, or plans.
- All buy-sell, buy out, or other business termination and continuation agreements and documents made by or regarding trustor.
- All family partnerships, limited liability companies, corporations, and other entities established by or regarding trustor and related operating documents, instruments, agreements, contracts, articles, provisions and interests of, by, connected with, regarding, or related thereto.
- All joint tenancy documents in which trustor is or is indicated as joint tenants or has or is indicated to have a right of survivorship.
- All other documents and provisions made by trustor and currently in effect that reflect trustors intent regarding any gift, share, beneficiary designation, distribution, devise, appointment, or power.
- All related documents that carry forth the intent, distributions, and/or authority expressed in this instrument.

#### **PROVISIONS PROTECTED — DEFINED**

All provisions, clauses, trusts, sections, parts and any other wording concerning, connected with, referred to, or related to any protected document is also specifically protected by these no contest provisions.

#### **TYPES OF ACTIONS, PROCEEDINGS, OR CONDUCT INCLUDED**

Contest as defined herein also specifically includes but is not limited to any and all of the following:

- The filing of a petition or other action to determine domestic partnership.
- The filing for a probate homestead or similar allowance.
- The filing of a family allowance or similar benefits.
- Any arbitration proceeding regarding any contest.

#### **ADDITIONAL TYPES OF ACTIONS, PROCEEDINGS, OR CONDUCT INCLUDED**

In order that there be no doubt under the law and as further addition and clarification, contest as defined herein also specifically includes, but is not limited to all of the following:

- The filing of a creditors claim or prosecution of an action based upon it unless approved by the personal representative.
- An action or proceeding to determine the character of property (whether community, separate, joint, partnership, domestic partnership or otherwise) other than as indicated by a protected document as defined herein.
- A challenge to the validity of a document other than the instrument containing the no contest clause.
- A petition for settlement or for compromise affecting the terms of the instrument.
- The filing of a request or demand for arbitration or for other legal proceeding of any matter that would otherwise be a contest as defined herein if filed in a lawsuit.
- Any claim to any asset alleged by the trustee or personal representative appointed in the protected documents to belong to the probate or trust estate, whether such claim is based on upon a community or separate property right, "Marvin" type or similar rights, a contract or other right or theory.
- Any challenge to the appointment of any person named as a trustee in any of the protected documents items.

- Any objection to any action taken or proposed to be taken in good faith by the trustee or any other person appointed in any of the protected documents or items.
- Any objection to the construction or interpretation of the protected documents or items in good faith by the person named as trustee or any other person appointed in any of the protected documents or items who is authorized to determine construction or interpretation.
- Any claim by a creditor against the assets of the trust or estate.
- Any claim concerning the nominated beneficiary of an insurance policy, retirement plan or account or similar beneficiary designated asset.

### OTHER MATTERS INCORPORATED BY REFERENCE

In order that there be no doubt under the law and as further addition and clarification, contest as defined herein also further specifically includes but is not limited to all of the following:

- All other lawsuits, actions, proceedings, arbitrations, and conduct that any applicable law otherwise requires to be expressly identified or similarly specifically stated or incorporated in a no contest clause to be effective.
- And all such lawsuits, actions, proceedings, arbitrations, or conduct are hereby "expressly identified" and specifically stated and incorporated herein by reference to such statute or law.

### CONTESTING PARTY — DEFINED

**Contesting party** includes any person, corporation, association, organization, or other entity or party who engages, participates, facilitates, or otherwise participates directly or indirectly in any "contest" as defined in these provisions no matter how insubstantial or slight, whether voluntarily, involuntarily, or by operation of law and includes any party on whose behalf or for whose benefit such a contest is carried out or presented.

### CONTEST-NOT INCLUDE

**Contest as defined herein does not include by itself:**

- Truthfully, factually, completely, fully, and accurately testifying in any court proceeding if subpoenaed and ordered by a court of competent jurisdiction to testify in an action, proceeding, or contest not brought or participated in by the testifying party and so long as said person has engaged in no other actions, proceeding, or conduct constituting a contest as defined herein.
- The exercise of a disclaimer of a benefit under this instrument or disclaimer regarding any other protected document under this article.

### EFFECT OF CONTEST

**The effect and consequences of any contest as defined herein shall be as follows:**

- Any gift, devise, distribution, share, interest, power, rights, money, items, or other benefits given, benefiting, or provided to such a contesting party under this instrument and/or given under any will, trust, codicil, or other document or provision related to or protected by these no contest provisions is revoked and shall be determined, disposed of, distributed, disbursed, or devolve in the manner provided as set forth in the protected documents or provisions as if such contesting party and all of such party's descendants had predeceased the trustor of this instrument.
- Such contesting party shall automatically and absolutely forfeit any and all rights, interests, and benefits of whatsoever kind and nature which such contesting party might otherwise have under any and all protected documents.
- All provisions of any protected document to the extent they confer any rights, interests, powers, or benefits whatsoever on any contesting party shall thereupon become absolutely void and revoked as to such contesting party.
- In addition, such a contesting party shall have no right to be executor, personal representative, trustee or hold or receive any other office, power, benefit, privilege, or right regarding this instrument nor under any other document or provisions protected by these no contest provisions and shall immediately and automatically cease to hold any such office, power, benefit, privilege or right.

### **TRUSTEE FULL POWER TO ENFORCE**

If the trustee determines that a contest has occurred, is occurring, or is likely to occur, the trustee, is hereby given full power and authority to fully defend this instrument and any and all other documents and provisions protected by these no contest provisions and to engage in any other action or conduct necessary, beneficial, or advisable to effectuate and enforce these no contest provisions to the fullest extent possible and to spend and utilize trust funds, assets, and property for such purposes

**INTENT TO CARRY OUT TO FULLEST EXTENT POSSIBLE**

It is the trustors intent that these no contest provisions shall be given the fullest possible effect under the law and that the trustee may interpret them under the laws of any jurisdiction that will give them the widest and fullest effect.

**ARTICLE  
DISINHERITANCE**

**DISINHERITANCE — GENERAL**

Except as otherwise provided in this instrument, trustor has intentionally omitted to provide herein for any of trustors heirs, or persons claiming to be trustors heirs, living at the date of trustors death, whether or not known to trustor.

**DISINHERITANCE — UNNAMED CHILD AND DESCENDANTS OF UNNAMED CHILD**

Trustor has intentionally omitted to provide for any child not specifically named in the declarations section of this instrument (whether or not known to trustor except a child born after the date of this instrument whom trustor specifically acknowledges as trustors child) and any descendant of, and any heir of any such unnamed child and all persons claiming to be such a child or such a descendant or heir are hereby specifically disinherited. Notwithstanding any wording or provision of this document, such person(s) are not to receive any share, interests, powers, rights, or benefits of any type under this document. Any reference to child, descendant, issue, beneficiary, heir, or other term that might otherwise include such person(s) is hereby deemed not to include such person(s). The trust estate and any shares, interests, powers, rights, or benefits shall be disposed of or devolve in the manner provided in this instrument as if such beneficiary or person had predeceased the trustor. In addition, such a beneficiary shall have no right to be trustee or hold any other office, power, benefit, or right regarding this instrument.

**DISINHERITANCE — CHILD AND DESCENDANTS AS DEFINED HEREIN**

Trustor has intentionally omitted to provide for any child or descendant who does not fall within the definition of a child or descendant as defined in this document (whether or not known to trustor) and any descendant of, and any heir of any such child or descendant and all persons claiming to be such a child or such a descendant or heir are hereby specifically disinherited. Notwithstanding any wording or provision of this document, such person(s) are not to receive any share, interests, powers, rights, or benefits of any type under this document. Any reference to child, descendant, issue, beneficiary, heir, or other term that might otherwise include such person(s) is hereby deemed not to include such person(s). The trust estate and any shares, interests, powers, rights, or benefits shall be disposed of or devolve in the manner provided in this instrument as if such beneficiary or person had predeceased the trustor. In addition, such a beneficiary shall have no right to be trustee or hold any other office, power, benefit, or right regarding this instrument.

**DISINHERITANCE — UNNAMED SPOUSE**

Except as otherwise provided in this instrument, trustor has intentionally omitted to provide herein for any spouse of trustor or persons claiming to be trustors spouse, past, present, or future other than any spouse particularly provided for herein, whether or not known to trustor. This provision is also particularly intended to specifically disinherit any future spouse or person claiming to be a future spouse and specifically defeat any statutory heirship, rights, privileges, or other similar benefits for such a spouse unless this trust is specifically amended to provide for such spouse.

**DISINHERITANCE — DEFEAT STATUTORY HEIRSHIP**

It is trustors intention that these disinheritance provisions specifically defeat the application of any statutory heirship interest or similar provision or principle of law.

**General Provisions Regarding Amendment**

Except as amended herein, the Trust, along with any previous amendments and modifications, remains in full force and effect.

The numbering of the amendment(s) herein are for convenience and reference for purposes of this document only and are not meant to indicate whether the trust has been previously amended or not and is not part of an overall numbering scheme for amendments and is not intended to have any effect on the validity or effect of any previous or later amendments.

The undersigned(s) agree to sign any further papers, documents, contracts or forms and to engage in any other conduct necessary, beneficial, convenient, or advisable to carry out the terms and provisions of this amendment, effectuate this amendment. But failure to do so shall not be evidence of any intent to negate or not effectuate this amendment.

This amendment shall be binding on all heirs, administrators, executors, trustees, assigns, and all others.

**SEE EXECUTION AND ACKNOWLEDGMENT ON NEXT PAGES**

## SIGNING AND EXECUTION

### AMENDMENT OF TRUST

The undersigned trustor(s) hereby make and agree to this document and certify that the trustor(s) have read the foregoing indicated trust amendment document in its entirety and that it correctly states the amended terms and conditions under which the trustee(s) are to hold, manage, and distribute the trust estate. The trustor(s) acknowledge, agree, accept, and approve this trust amendment in all particulars and request that the trustee(s) sign it.

The undersigned trustee(s) hereby certify that the trustee(s) have read the foregoing indicated trust amendment document in its entirety and that it correctly states the amended terms and conditions under which the trustee(s) are to hold, manage, and distribute the trust estate. The trustee(s) acknowledge, agree, accept, and approve this trust amendment in all particulars and acknowledge delivery of this amendment to them.

If any of the undersigned are both a trustor and a trustee, the undersigned's single signature acts as an acknowledgement, acceptance, approval, agreement, certification, and execution for all purposes in their capacity as both a trustor and trustee. Two signatures are not required from the same person(s) acting in both capacities.

THE UNDERSIGNED DECLARE AND CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF CALIFORNIA AND ANY OTHER STATE THAT ALL OF THE INFORMATION, STATEMENTS AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT ARE TRUE AND CORRECT AND IF CALLED TO TESTIFY THERETO COULD AND WOULD SO COMPETENTLY TESTIFY THERETO AND THAT THIS DOCUMENT WAS EXECUTED AT THE PLACE AND DATE INDICATED IN THE NOTARY ACKNOWLEDGMENT.

Trustor/Trustee Signature:

*William M. McGregor, Jr*

Trustor/Trustee Signature:

# ACKNOWLEDGMENT

## AMENDMENT OF TRUST

### CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

State of California,

County of: Riverside

) SS

On

1/20/2020

before me

Ryan Michael Darling

a Notary Public in and for said State, personally appeared:

William M. McGregor, Jr.

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: 

NOTARY PUBLIC

SEAL:

