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Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

OMB No 1545-0052

Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

2009

For calendar year 2009, or tax year beginning , 2009, and ending , 20

G Check all that apply: ☒ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation THE FRIEDLOB, FRIEDLOB & HELLER FOUNDATION		A Employer identification number 80-0456913
	Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions) 865-693-3006
	City or town, state, and ZIP code KNOXVILLE, TN 37919		C If exemption application is pending, check here <input checked="" type="checkbox"/>
			D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 480460		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>			

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	500000			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	1460	1460		
	4 Dividends and interest from securities				
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	501460	1460			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23				
	25 Contributions, gifts, grants paid	21000			21000
26 Total expenses and disbursements. Add lines 24 and 25	21000			21000	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	480460				
b Net investment income (if negative, enter -0-)		1460			
c Adjusted net income (if negative, enter -0-)			0		

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	0	480460	480460
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment: basis ▶			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)				
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	0	480460	480460	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	0	480460	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 Total net assets or fund balances (see page 17 of the instructions)	0	480460		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	0	480460		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	0
2 Enter amount from Part I, line 27a	2	480460
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	480460
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	480460

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; border-right: 1px solid black; padding: 0 5px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div> </div>		2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008			
2007			
2006			
2005			
2004			
2 Total of line 1, column (d)			2
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4
5 Multiply line 4 by line 3			5
6 Enter 1% of net investment income (1% of Part I, line 27b)			6
7 Add lines 5 and 6			7
8 Enter qualifying distributions from Part XII, line 4			8

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1		29
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2		
3	Add lines 1 and 2	3		29
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		29
6	Credits/Payments:			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		29
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		<input checked="" type="checkbox"/>
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		<input checked="" type="checkbox"/>
c Did the foundation file Form 1120-POL for this year?		<input checked="" type="checkbox"/>
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i> SEE ATTACHED	<input checked="" type="checkbox"/>	
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		<input checked="" type="checkbox"/>
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<input checked="" type="checkbox"/>
b If "Yes," has it filed a tax return on Form 990-T for this year?		<input checked="" type="checkbox"/>
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		<input checked="" type="checkbox"/>
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	<input checked="" type="checkbox"/>	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	<input checked="" type="checkbox"/>	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ TENNESSEE		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i> NOT REQUIRED		<input checked="" type="checkbox"/>
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		<input checked="" type="checkbox"/>
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	<input checked="" type="checkbox"/>	

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►	13	✓	
14	The books are in care of ► JUNE FRIEDLOB HELLER Telephone no. ► 865-693-3006 Located at ► 916 WESTMORELAND BLVD., KNOXVILLE, TN ZIP+4 ► 37919			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here. <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ► 15			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.**

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? . . . 1b		
Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009? 1c		✓
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► 20____, 20____, 20____, 20____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions.) 2b		✓
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20____, 20____, 20____, 20____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.</i>) 3b		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a		✓
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009? 4b		✓

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **5b**Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945–5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** ☒

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b****Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JUNE FRIEDLOB HELLER 916 WESTMORELAND BLVD, KNOXVILLE, TN 37919	DIRECTOR, 10 HRS	0	0	0
KATE FRIEDLOB 507 W BRIAR PL, CHICAGO, IL 60657	DIRECTOR, 10 HRS	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 ☐

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 CONTRIBUTIONS TO QUALIFIED CHARITABLE ORGANIZATIONS AS DICTATED BY THE GOVERNING DOCUMENT AND AS SELECTED BY THE DIRECTORS OF THE FOUNDATION.	21000
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments. See page 24 of the instructions	
3	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	
b	Average of monthly cash balances	1b	490230
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	490230
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	7353
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	482877
6	Minimum investment return. Enter 5% of line 5	6	24144

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	24144
2a	Tax on investment income for 2009 from Part VI, line 5	2a	29
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	29
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	24115
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	24115
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	24115

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	21000
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	21000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	21000

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				24115
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only				
b Total for prior years. 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e				
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 21000				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount				21000
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				3115
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities .					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c .					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

JUNE FRIEDLOB HELLER, 916 WESTMORELAND BLVD., KNOXVILLE, TN 37919, (865)693-3006

b The form in which applications should be submitted and information and materials they should include:

WRITTEN, NO PRESCRIBED FORM

c Any submission deadlines.

NONE

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

NONE

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
KNOXVILLE MUSEUM OF ART, 1050 WORLD'S FAIR PARK DRIVE, KNOXVILLE, TN 37916	N/A	NO	OPERATIONAL SUPPORT	12500
TENNIS OPPORTUNITY PROGRAM, 28 EAST JACKSON BLDG, #10-T530, CHICAGO, IL 60604	N/A	NO	INSTRUCTIONAL SUPPORT	1000
ENVIRONMENT ILLINOIS RESEARCH CENTER, 407 S. DEARBORN STREET, SUITE 701, CHICAGO, IL 60605	N/A	NO	ENERGY RESEARCH	1500
STEPPENWOLFE THEATER, 758 W. NORTH AVENUE, 4TH FLOOR, CHICAGO, IL 60610	N/A	NO	PRODUCTION SUPPORT	1500
CENTER FOR NONVIOLENT COMMUNICATION, 5600 SAN FRANCISCO ROAD, ALBUQUERQUE, NM 87109	N/A	NO	COMMUNICATIONS TRAINING	2500
COMMON GROUND, 805 ROSEMARY TERRACE, DEERFIELD, IL 60015	N/A	NO	OPERATIONAL SUPPORT	1000
THE PEOPLES CHURCH, 941 W. LAWRENCE AVENUE, CHICAGO, IL 60640-8319	N/A	NO	FOOD PANTRY PROGRAM	1000
Total			3a	21000
b <i>Approved for future payment</i>				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue:					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			16	1460	
4	Dividends and interest from securities					
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory					
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue. a _____					
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal. Add columns (b), (d), and (e)				1460	
13	Total. Add line 12, columns (b), (d), and (e)				13	1460

(See worksheet in line 13 instructions on page 28 to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

<p>1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?</p> <p>a Transfers from the reporting foundation to a noncharitable exempt organization of:</p> <p>(1) Cash</p> <p>(2) Other assets</p> <p>b Other transactions:</p> <p>(1) Sales of assets to a noncharitable exempt organization</p> <p>(2) Purchases of assets from a noncharitable exempt organization</p> <p>(3) Rental of facilities, equipment, or other assets</p> <p>(4) Reimbursement arrangements</p> <p>(5) Loans or loan guarantees</p> <p>(6) Performance of services or membership or fundraising solicitations</p> <p>c Sharing of facilities, equipment, mailing lists, other assets, or paid employees</p> <p>d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.</p>		Yes	No
	1a(1)		✓
	1a(2)		✓
	1b(1)		✓
	1b(2)		✓
	1b(3)		✓
	1b(4)		✓
	1b(5)		✓
	1b(6)		✓
	1c		✓

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee John Heller trustee Date 8/13/10 Title _____

Sign Here

Paid Preparer's Use Only	First Tennessee Bank NA, by Preparer's signature <i>Chuck Sch... VP & Trust Officer</i>	Date 8/10/10	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see Signature on page 30 of the instructions) 409-41-3855
	Firm's name (or yours if self-employed), address, and ZIP code	FIRST TENNESSEE BANK, NA TRUST DIVISION, KNOXVILLE, TN 37995-1230	EIN 62-0201385 Phone no 865-971-2280	

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2009

Name of the organization

THE FRIEDLOB, FRIEDLOB & HELLER FOUNDATION

Employer identification number

80 : 0456913

Organization type (check one).

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33⅓% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization
THE FRIEDLOB, FRIEDLOB & HELLER FOUNDATION

Employer identification number
80 : 0456913

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
.....	THE ESTATE OF JUNE FRIEDLOB 10 S. DEARBORN STREET CHICAGO, IL 60603	\$ 500,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
.....		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
.....		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
.....		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
.....		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
.....		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
.....		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization
THE FRIEDLOB, FRIEDLOB & HELLER FOUNDATION

Employer identification number
80 : 0456913

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	NONE	\$/...../.....
	\$/...../.....
	\$/...../.....
	\$/...../.....
	\$/...../.....
	\$/...../.....
	\$/...../.....

SECOND AMENDED AND RESTATED
TRUST AGREEMENT OF
JUNE FRIEDLOB TRUST
JUNE FRIEDLOB GRANTOR

THIS AGREEMENT is made and entered into this 11th day of May, 2000, by and between JUNE FRIEDLOB, a resident of the State of Illinois, as Grantor (hereinafter sometimes referred to as the "Grantor"), and BANK ONE TRUST COMPANY, N.A., Chicago, Illinois, as Trustee (hereinafter sometimes referred to as the "Trustee").

WITNESSETH:

WHEREAS, a trust known as the June Friedlob Trust (the "trust") was created by the Grantor under a certain trust agreement dated June 29, 1964, and

WHEREAS, the Grantor has previously amended said trust agreement on June 25, 1974, July 22, 1974 and April 11, 1977, amended and restated said trust agreement on December 3, 1979, amended said amended and restated trust agreement in 1989, on April 1, 1996, and again on December 7, 1997 (said amended and restated trust agreement dated December 3, 1979, as subsequently amended in 1989, on April 1, 1996, and again on December 7, 1997 hereinafter referred to as the "Prior Agreement"), and

WHEREAS, Article IV of the Prior Agreement provides that the Grantor may at any time or times during her lifetime, by an instrument in writing delivered to the Trustee, amend or revoke the Prior Agreement in whole or in part, provided, the Grantor cannot increase the duties or responsibilities of the Trustee without its consent; and

SECOND AMENDED AND RESTATED
TRUST AGREEMENT OF
JUNE FRIEDLOB TRUST
JUNE FRIEDLOB GRANTOR

THIS AGREEMENT is made and entered into this 11th day of May, 2000, by and between JUNE FRIEDLOB, a resident of the State of Illinois, as Grantor (hereinafter sometimes referred to as the "Grantor"), and BANK ONE TRUST COMPANY, N A, Chicago, Illinois, as Trustee (hereinafter sometimes referred to as the "Trustee").

WITNESSETH

WHEREAS, a trust known as the June Friedlob Trust (the "trust") was created by the Grantor under a certain trust agreement dated June 29, 1964, and

WHEREAS, the Grantor has previously amended said trust agreement on June 25, 1974, July 22, 1974 and April 11, 1977, amended and restated said trust agreement on December 3, 1979, amended said amended and restated trust agreement in 1989, on April 1, 1996, and again on December 7, 1997 (said amended and restated trust agreement dated December 3, 1979, as subsequently amended in 1989, on April 1, 1996, and again on December 7, 1997 hereinafter referred to as the "Prior Agreement"); and

WHEREAS, Article IV of the Prior Agreement provides that the Grantor may at any time or times during her lifetime, by an instrument in writing delivered to the Trustee, amend or revoke the Prior Agreement in whole or in part, provided, the Grantor cannot increase the duties or responsibilities of the Trustee without its consent; and

✓→

WHEREAS, the Grantor now desires to amend the Prior Agreement by substituting this Second Amended and Restated Trust Agreement for the Prior Agreement, so that this Second Amended and Restated Trust Agreement shall exclusively govern the administration of the trust estate of the trust from and after the date hereof, and

NOW THEREFORE, in consideration of the premises, the Grantor, upon affixing the Grantor's signature hereto, does hereby amend the Prior Agreement by substituting this Second Amended and Restated Trust Agreement for the Prior Agreement, so that the terms of this Second Amended and Restated Trust Agreement shall exclusively govern the administration of the trust estate of the trust, from and after the date hereof, and the Trustee, upon executing this Second Amended and Restated Trust Agreement, does hereby agree to hold and administer the trust estate of the trust, and to dispose of the principal thereof and the income therefrom, as is hereinafter set forth in this Second Amended and Restated Trust Agreement.

ARTICLE I

Rights of the Grantor

1. Right to Revoke, Alter and Amend During the lifetime of the Grantor, the trust shall be revocable by the Grantor, and the Grantor shall have the right at any time and from time to time by an instrument in writing signed by the Grantor and delivered to the Trustee to:

- (a) modify, alter and amend this Agreement,

- (b) revoke this Agreement and terminate the trust created pursuant to the provisions hereof, in whole or in part, and immediately upon such revocation and termination, the Trustee shall redeliver to the Grantor the entire trust estate or the portion thereof to which such revocation relates;
- (c) add property of any nature to the trust estate of the trust, to be held, administered and distributed as a part thereof, or to withdraw or direct the distribution of any portion or all of the trust estate of the trust;
- (d) designate successor Trustees, appoint Co-Trustees or remove any Trustee or Co-Trustee, appointing any one or more persons or corporations or combination thereof as successor Trustee or Co-Trustees, and
- (e) direct the Trustee to use property from the trust estate as collateral for any personal obligation of the Grantor or any other person

Notwithstanding any other provision herein to the contrary, while the Grantor is living, not under legal disability, and able to give prompt and intelligent consideration to or otherwise properly manage the Grantor's financial affairs, in the judgement of the Trustee, then in addition to the rights described above in this Section 1.1, the following shall apply:

- (f) the Grantor shall retain the right to direct the retention or sale of any trust property and the purchase of any property with any principal cash in the trust estate;
- (g) no sale or investment shall be made without the Grantor's written approval unless the Grantor fails to indicate approval or disapproval of any proposed sale or investment within ten (10) days after being requested to do so in writing; and
- (h) the Grantor shall retain the right to occupy any residence or condominium unit owned by the Trustee (or in a land trust the beneficial interest of which is owned by the Trustee) and to use any tangible personal property owned by the Trustee, and the Trustee need not review, inspect, appraise or take any action regarding such residence or unit or tangible personal property, including without limitation the upkeep thereof or the payment of real estate taxes, insurance, utilities, assessments, parking or other expenses with respect thereto

By written instrument delivered to the Trustee, the Grantor may at any time or times, with or without the right of revocation, delegate to any other person or relinquish any or all of the rights the Grantor has reserved under this Section 1.1. The statement of the Trustee that the Trustee is acting in accordance with this Section 1.1 shall fully protect all persons dealing with the Trustee. The Trustee shall have no responsibility for any loss that may result from acting in accordance with this Section 1.1.

1.2 Grantor's Rights with Respect to Insurance Policies. During the lifetime of the Grantor, all rights of every nature accruing to the Grantor pursuant to the provisions of any insurance policy which may at any time be assigned to the Trustee, or of which the Trustee may at any time be designated as beneficiary, are reserved to the Grantor, to be exercised by the Grantor without the consent, approval or joinder of the Trustee or of any beneficiary of any trust created pursuant to the provisions of this instrument, but if the consent of the Trustee shall be necessary at any time for any reason, the Trustee hereby agrees to give such consent immediately upon the request of the Grantor, and the Trustee hereby agrees to execute and deliver to the Grantor or to such other person as the Grantor may designate any necessary instruments or documents which the Grantor may request, and any such consent, instrument or document shall bind all beneficiaries of the trust. By way of illustration and not in limitation of the rights reserved to the Grantor pursuant to the provisions of this Section 1.2, the Grantor reserves the right to:

- (a) add insurance policies and annuity contracts to the trust by designating the Trustee as beneficiary of such policies or contracts, or by assigning to the Trustee such policies or contracts;
- (b) receive or apply dividends or distributive shares of surplus, disability benefits, surrender values or the proceeds of matured endowments;
- (c) obtain and receive from the respective insurers or issuers of annuity contracts, or from any bank or other lender, such advances or loans on account of such insurance policies or annuity contracts as may be available;
- (d) exercise any and all options, elections, rights and privileges granted in any such insurance policies or annuity contracts;
- (e) sell, assign, pledge or hypothecate any such insurance policies or annuity contracts;
- (f) change the beneficiary of any such insurance policies or annuity contracts;
- (g) withdraw from the trust one or more of such insurance policies or annuity contracts in order to exercise a reserved right, or for any other reason; and
- (h) convert such insurance policies or annuity contracts into other forms of insurance

1.3 Right to Net Income and Principal. At any time and from time to time during the lifetime of the Grantor, and notwithstanding the provisions of Section 10.3 of Article X hereof to the contrary, the Trustee is hereby authorized to distribute to the Grantor all or as much of the net income or principal, or both, of the trust as the Trustee deems to be in the best interests of said beneficiary, provided, however, that at any time that the Grantor shall not be serving as Trustee, the Trustee may use the income, or principal, or both, of the trust for the best interests of the Grantor and the discharge of the Grantor's legal obligations, including the support of those dependent upon the Grantor, adding any excess income to principal.

1.4 Release of Rights Any or all of the rights and powers retained by the Grantor pursuant to this Article I may be completely and irrevocably released at any time and from time to time by the Grantor by an instrument in writing signed by the Grantor and delivered to the Trustee. After the execution of such an instrument, the trust shall be irrevocable to the extent specified in the release, and neither the Grantor nor any other person shall, to the extent the release so provides, then have any right to alter, amend or revoke the trust. The execution of an instrument of release pursuant to this Section 1.4 shall not be deemed a "renunciation" under Section 10.5 of Article X hereof unless expressly so provided in the instrument of release.

ARTICLE II

Distribution Upon Death

2.1 Debts, Taxes and Expenses. Upon the death of the Grantor, the Trustee shall, to the extent that the assets of the Grantor's estate (other than tangible personal property, property or sums specifically bequeathed or devised or property which in the sole judgment of the Trustee does not have a readily realizable market value) shall be insufficient, pay the Grantor's funeral expenses, legally enforceable claims against the Grantor or the Grantor's estate, reasonable expenses of administration of the Grantor's estate, any allowances by court order for those dependent upon the Grantor, all income taxes, estate tax, inheritance tax, generation-skipping transfer tax or other succession tax, including any interest and penalties thereon (all of which taxes, interest and penalties sometimes referred to herein collectively as

"death taxes"), which may be assessed by reason of the Grantor's death, without reimbursement from the Grantor's Executor or Administrator, from any beneficiary of insurance upon the Grantor's life, or from any other person. All such payments shall be charged generally against the principal of the trust estate. The Trustee may make such payments directly or may pay over the amounts thereof to the Executor or Administrator of the Grantor's estate. Written statements by the Executor or Administrator of the sums to be paid hereunder shall be sufficient evidence of their amount and propriety for the protection of the Trustee, and the Trustee shall be under no duty to see to the application of any such payments. Proceeds of insurance on the Grantor's life shall not be used by the Trustee for the foregoing purposes except to the extent that other assets of the trust estate shall be insufficient. In no event shall any asset not includable in the Grantor's gross estate as finally determined for Federal estate tax purposes be used for the foregoing purposes; provided, however, that this sentence shall not limit the power of the Trustee to purchase assets from or loan money to the Grantor's estate.

2.2 Residuary Trust Estate Upon the death of the Grantor, all of the trust estate of the trust which shall not be used for the payment of the debts, taxes and expenses of the Grantor's estate pursuant to Section 2.1 of this Article II (the "residuary trust estate"), shall be allocated and distributed as follows:

- (a) the sum of Five Hundred Thousand Dollars (\$500,000) shall be retained in trust by the Trustee as a separate trust designated herein as "The June Friedlob, Kate Friedlob and June Friedlob Heller Foundation" (hereinafter sometimes referred to as the "Foundation"), and shall be held, administered and distributed pursuant to the provisions of Article V hereof;

shares distributable pursuant to parts (i) and (ii) of this Section 3.4 shall fail, then the remaining residuary trust estate shall be distributed to the Foundation, to be held, administered and distributed in accordance with the provisions of Article V hereof. Each such share allocated and distributable pursuant to this Section 3.4 shall be distributed outright and free of trust.

ARTICLE IV

Descendant's Trusts

Each separate Descendant's Trust shall be held, administered and distributed as follows:

4.1 Distribution of Income. The Trustee is hereby authorized to distribute all or as much of the net income of a separate Descendant's Trust to the beneficiary of such trust, at any time and from time to time during the lifetime of such beneficiary, as the Trustee shall deem necessary for the support of such beneficiary, provided, if JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER) shall be the beneficiary of any separate Descendant's Trust created hereunder, then the Trustee shall distribute all of the net income of such Descendant's Trust to JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER), not less frequently than quarterly.

4.2 Distribution of Principal. The Trustee is hereby authorized to distribute all or as much of the principal of a separate Descendant's Trust to the beneficiary of such trust, at any

time and from time to time during the lifetime of such beneficiary, as the Trustee shall deem necessary for the support of such beneficiary

4.3 Lifetime and Testamentary Limited Power of Appointment Subject to the provisions of Article IX hereof, if JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER) shall be the beneficiary of any separate Descendant's Trust created hereunder, then during her lifetime or upon her death, she may appoint all or any part of the trust estate of such Descendant's Trust to or for the benefit of any one or more individuals or entities, other than herself, her creditors, her estate and the creditors of her estate.

4.4 Right of Withdrawal over Descendant's Trust Estate Notwithstanding any other provision herein to the contrary, the beneficiary of each separate Descendant's Trust, other than the Grantor's daughter, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER), or her spouse, ROBERT HELLER, upon attaining the age of thirty (30) years, and at any time and from time to time thereafter, by an instrument in writing signed by such beneficiary and delivered to the Trustee, may withdraw any portion or all of the trust estate of such Descendant's Trust

4.5 Distribution Upon Death Upon the death of the beneficiary of a separate Descendant's Trust, any unappointed portion of the then remaining trust estate of such trust shall be allocated and distributed as follows:

- (a) if JUNE TRAVIS FRIEDLOB, JR (a/k/a JUNE FRIEDLOB HELLER) shall be the beneficiary of such trust, then
- (i) to JUNE TRAVIS FRIEDLOB, JR.'s spouse, ROBERT HELLER, if he shall be then living; but if ROBERT HELLER shall not be then living, then
 - (ii) to CATHY JUNE FRIEDLOB (a/k/a KATE FRIEDLOB), if she shall be then living, but if CATHY JUNE FRIEDLOB shall not be then living, then to
 - (iii) ROBERT HELLER's son, ERIC HELLER, if he shall be then living, but if ERIC HELLER shall not be then living, then
 - (iv) to the Foundation, to be held, administered and distributed in accordance with the provisions of Article V hereof, but
- (b) if the beneficiary shall be anyone other than JUNE TRAVIS FRIEDLOB, JR (a/k/a JUNE FRIEDLOB HELLER), then
- (i) per stirpes among the then living descendants of such beneficiary, but if there shall be no then living descendant of such beneficiary, then
 - (ii) per stirpes among the then living descendants of such beneficiary's most immediate ancestor who shall have been a descendant of the Grantor and a descendant or descendants of whom shall then be living, but if there shall be no such ancestor of such beneficiary or no such ancestor of such beneficiary of whom a descendant shall then be living, then
 - (iii) per stirpes among the then living descendants of the Grantor, but if there shall be no then living descendant of the Grantor, then
 - (iv) to the Foundation, to be held, administered and distributed in accordance with the provisions of Article V hereof

Each such share allocated and distributable pursuant to this Section 4.5 to ROBERT HELLER or to a descendant of the Grantor who shall not yet have attained the age of thirty (30) years shall be retained in trust by the Trustee as a separate trust of which the individual for whom

such share shall have been allocated shall be the beneficiary, and each such trust shall be designated as a "Descendant's Trust," and shall be held, administered and distributed pursuant to the provisions of this Article IV. Each such other share allocated and distributable pursuant to this Section 4.5 shall be distributed outright and free of trust.

ARTICLE V

The June Friedlob, Kate Friedlob and June Friedlob Heller Foundation

The Foundation shall be held, administered and distributed as hereinafter provided:

5.1 Use of Foundation. The Foundation shall be used exclusively for charitable, scientific or educational purposes. Such purposes shall be accomplished in whole or in part by any one or more of the following methods as the Trustee, in her sole discretion, may determine from time to time:

- (a) the use and distribution by the Trustee thereof pursuant to such procedures and principals consistent with the purposes hereto and provisions of Section 2055(a)(3) of the Code, or any corresponding provisions of any applicable Federal tax law then in effect as the Trustee in her discretion shall determine, and
- (b) the contribution and distribution from the Foundation by the Trustee to one or more corporations, foundations, trusts, or other organizations, with respect to which bequests hereunder would be deductible for Federal estate tax purposes, then existing or to be organized by the Trustee, on such terms and conditions as the Trustee may specify, consistent with such purposes and provisions.

The Trustee shall be authorized, in her sole discretion, to make such distributions from the net income and principal of the Foundation as are consistent with the provisions of this Section 5.1

5.2 Term of Foundation The Foundation shall continue until all assets thereof (including any subsequent additions to the Foundation) shall have been distributed by the Trustee in accordance with the terms hereof.

5.3 Statement as to Trustee's Authorities and Powers Any allocation to the Foundation is intended to qualify for a deduction for Federal estate tax purposes pursuant to Section 2055 of the Code or any other applicable statute. It is further intended that the Foundation, during its existence, be treated either as an organization exempt from taxation under Section 501(c)(3) of the Code or a charitable trust as described in Section 4947(a)(1) of the Code. The Foundation shall be held, administered and distributed in accordance with the aforesaid intentions. If necessary to accomplish such intentions, the Trustee of the Foundation shall have the authority to amend the terms of the Foundation, including without limitation the method of funding the Foundation, for the sole purpose of complying with the requirements of the applicable section of the Code or applicable Treasury Regulations thereunder. During the term of the Foundation, the Trustee hereof (and any agent of such Trustee) shall have no rights, powers, privileges, authorities or discretions which would prohibit the Foundation from accomplishing the aforesaid intentions. Notwithstanding any provision of this Agreement to the contrary, during the term of the Foundation, the Trustee thereof (or any other person acting on behalf of such trust) shall be prohibited from.

- (a) engaging in any act of self-dealing, as defined in Section 4941(d) of the Code,
- (b) retaining any excess business holdings, as defined in Section 4943(c) of the Code, which would subject the Foundation to tax under Section 4943 of the Code;
- (c) making any investment which would subject the Foundation to tax under Section 4944 of the Code,
- (d) making any taxable expenditure, as defined in Section 4945(d) of the Code,
- (e) failing to distribute the income for each taxable year from the Foundation at such time and in such manner as to not subject the Foundation to tax under Section 4942 of the Code, and
- (f) making any distribution from the trust estate of the Foundation other than the distributions to be made pursuant to the provisions of this Article V

ARTICLE VI

Perpetuities and Character of Trust

6.1 Perpetuities. Notwithstanding any other provision herein to the contrary, pursuant to Sections 305/3 and 305/4 of the Statute Concerning Perpetuities, Chapter 765, Illinois Compiled Statutes, February 1998, the rule against perpetuities shall not apply to the trust or any separate trust created hereunder, provided, notwithstanding the foregoing provisions of this Section 6.1 or any other provision of this Agreement to the contrary, no trust, nor any share or portion thereof, created by the exercise of a power of appointment under the Grantor's Will shall terminate later than twenty-one (21) years after the date of death of the last to die of the Grantor's deceased spouse, FRED M. FRIEDLOB, and all beneficiaries named or described in the Last Will and Testament of FRED M. FRIEDLOB who were living at the date of death of

FRID M. FRIEDLOB, and if at the expiration of any such period, any separate trust, or any share or portion thereof, is still held in trust, the Trustee shall cease to accumulate any net income thereof, and such separate trust, or share or portion thereof, shall vest in and immediately be distributed to the beneficiary of said net income, or if there shall be more than one beneficiary of said net income, to such beneficiaries in equal shares.

6.2 Character of Trust Property which is "marital property" and which is contributed to the trust hereby created shall retain its characterization as "marital property," and shall not be characterized as "non-marital property," as those terms are defined for purposes of Section 5/505 of the Illinois Marriage and Dissolution of Marriage Act, Chapter 750, Illinois Compiled Statutes, January, 1993, as in effect on the date hereof. This Section shall apply to property interests received both from the Grantor and the Grantor's spouse, and the Grantor's spouse shall be entitled to rely on this Section in making gifts directly (or to the Grantor in contemplation of contribution) to the trust estate.

ARTICLE VII

Distributions to Beneficiaries

7.1 Discretionary Distributions. Whenever the Trustee shall be herein authorized to distribute all or any part of either the net income or the principal, or both, of a separate trust, such authority may be exercised in the sole absolute discretion of the Trustee, by distributions in cash or kind, at any time and from time to time, but the existence of such authority shall not

require the Trustee to make any distribution to any person, such authority shall permit the Trustee to terminate such trust by such distributions. The determination of the amount of income or principal of a separate trust which is in the best interests or necessary for the support of a beneficiary or beneficiaries of such trust shall be in the sole absolute discretion of such Trustee of such trust. If there shall be more than one beneficiary of such trust, any such distribution may be made to all or to any one or more of such beneficiaries in such equal or unequal proportions and amounts as said Trustee in his sole discretion may determine, and there shall be no adjustment among said beneficiaries by reason of any such distribution. Any net income of a separate trust which shall not be distributed by reason of the Trustee's exercise of discretion shall be accumulated and added to the principal of such trust, to become a part thereof. If at any time the Trustee in his sole discretion determines that the expenses of maintaining any trust hereunder shall be excessive in relation to the value of such trust, the Trustee shall have the authority to terminate such trust by distributions.

7.2 Best Interests. The "best interests" of a beneficiary shall be liberally construed by the Trustee and shall contemplate not only distributions necessary for the support of said beneficiary (if such distributions shall be deemed to be in the best interests of said beneficiary by the Trustee) but also distributions for his comfort and convenience. As illustrations, and not in limitation of the purposes for which distributions may be made under such standard, the Trustee may make distributions to permit said beneficiary to travel for educational or pleasure purposes, to permit said beneficiary to purchase or furnish a personal residence or to permit said

beneficiary to purchase, initiate or invest in a business which the Trustee personally deems to be sound or promising, even though said business might be the type of investment in which, because of its risk, the Trustee would not invest the trust estate. In making any such discretionary distributions the Trustee shall consider both the general financial resources and requirements of said beneficiary and the ability of said beneficiary to deal with and manage the money or property involved and shall exercise the discretionary powers herein conferred primarily to benefit said beneficiary rather than the remaindermen. This Section 7.2 is intended solely as a precatory guide to the Trustee and shall in no way be construed to alter, limit or enlarge the discretions and powers conferred upon the Trustee by any other provision hereof nor to require the Trustee to make any distribution to any beneficiary.

7.3 Support. The "support" of a beneficiary shall include his support and maintenance in reasonable comfort, medical care (including, but not limited to, dental and psychiatric care) and education (including, but not limited to, college, postgraduate, professional, vocational, language and artistic studies). Distributions for the support of a beneficiary shall be based upon the standard of living to which such beneficiary shall have been accustomed during the five (5) year period immediately preceding any such distribution, but shall be made only if and to the extent that the other income and resources known to the Trustee to be available to said beneficiary for such purpose (including the income and resources of any person who shall be legally obligated to support said beneficiary) are inadequate.

7.4 Division on Death In the event that the Trustee of any separate trust hereunder shall be directed upon the death of any person to divide the then remaining trust estate of a trust hereunder among other designated persons, or to retain the trust estate for a designated successor beneficiary or beneficiaries, such division or retention shall be effective only to the extent that such deceased person shall not have validly exercised any power of appointment granted to such person over such trust estate. If as a result of any division of such trust estate, any share thereof is allocable to any person and not expressly retained in trust, such share shall be distributed outright to such person by the Trustee.

7.5 Beneficiary Under Disability In the event that income or principal shall become distributable free of any trust to a minor beneficiary, to a beneficiary under other legal disability or to a beneficiary not adjudicated incompetent, but who, by reason of illness or mental or physical disability, is, in the sole discretion of the Trustee, unable properly to administer such amounts, then such amounts may be used by the Trustee directly for the best interests of said beneficiary or distributed by the Trustee for the benefit of said beneficiary to such one or more of the following distributees whom the Trustee shall in his sole discretion deem best under the circumstances: (a) directly to said beneficiary; (b) to the legally appointed guardian or conservator of said beneficiary; (c) to a parent or a relative or a friend of said beneficiary, or (d) to those dependent for support upon said beneficiary, and, in the case of a minor beneficiary, (e) to a custodian under the Uniform Transfers to Minors Act ("Act") of any applicable jurisdiction (but if there shall not then be a custodian for said minor under such Act, then the

Trustee may designate a custodian from among those eligible and willing to serve). The receipt by any such distributee shall constitute a full release and discharge to the Trustee upon making such distribution and such Trustee shall not be obligated to see to the application of any money or property so distributed

ARTICLE VII

Trustee Powers, Rights and Duties

8.1 Powers of Trustees In addition to the powers conferred by law upon trustees, and not by way of limitation thereof, the Trustee of each separate trust is hereby authorized, at any time or from time to time, to exercise the following powers for the sole benefit of the beneficiary or beneficiaries of such trust or to refrain from exercising any of such powers

- (a) to make any allocation, division or distribution of the trust estate in kind, or partly in kind and partly in money, including, but not limited to, by means of the purchase of an annuity contract or other property for the benefit of a beneficiary to whom a distribution is to be made, and to determine the value of property so allocated, divided or distributed;
- (b) to hold, manage, improve, repair and control all property, real or personal, at any time forming a part of the trust estate, to continue to hold any or all property, real or personal, received by the Trustee as a part of the trust estate or as an addition to the trust estate, even though the same be of a character other than that prescribed by law for the investment of trust funds or be of a larger proportion in one or more investments than the trust estate should, but for this provision, hold, including residential property, and irrespective of any risk, nonproductiveness or lack of diversification;
- (c) to sell or to offer to sell for cash, credit or installments at public or private sale, to grant options to purchase, and to convey or exchange any and all of the

property at any time forming a part of the trust estate, or any life estate, term of years, remainder or reversion thereon for such price, including property of equivalent value (whether or not of like kind or similar use, and including life estates, terms of years, remainders or reversions), and upon such terms as the Trustee shall determine;

- (d) to lease or license the use of any tangible or intangible personal property at any time forming a part of the trust estate upon such terms as the Trustee shall determine;
- (e) to borrow money from any person including the Trustee, to extend or renew any existing indebtedness, and to mortgage or pledge any property at any time forming a part of the trust estate; to guarantee payment of any loan from a third person to a beneficiary or to a partnership of which a beneficiary or the trust is a general or limited partner and to pledge or hypothecate all or any part of the trust estate as collateral for such guarantee;
- (f) to settle, compromise, contest, agree to arbitrate and be bound thereby, extend the time for payment or abandon claims (including claims for taxes or penalties) or demands in favor of or against the trust estate or any part thereof; to reduce the interest rate upon any indebtedness to the trust when the Trustee shall deem such to be for the best interests of the trust, to consent to the extension of the period of limitations on assessment of any tax or penalty; to execute any contract, waiver, release, closing agreement, settlement or stipulation in connection with the above;
- (g) to sell, convey, release, mortgage, encumber, lease, partition, improve, manage, insure against loss, protect and subdivide any real estate, interests therein or parts thereof; to dedicate for public use, to vacate any subdivisions or parts thereof, to resubdivide, to contract to sell, to grant options to purchase, to sell on any terms; to convey, mortgage, pledge or otherwise encumber said property, or any part thereof, to lease said property or any part thereof from time to time, in possession or reversion, by leases to commence in presenti or in futuro and upon any terms and for any period of time, including a period extending beyond the term of the trust, and to renew or extend leases, to amend, change, or modify the terms and provisions of any leases and to grant options to lease and options to renew leases and options to purchase the whole or any part of the reversions; to partition or to exchange said real property or any part thereof for other real or personal property, to grant easements or charges of any kind; to release, convey or assign any right, title or interest in or about or easement appurtenant to said property or any part thereof; to construct or reconstruct, remodel, alter, repair, add to or take

from buildings on said property, to purchase or hold real estate, unproved or unimproved, or any reversion in real estate subject to lease, to insure the Trustee and any person having an interest in or responsibility for the care, management or repair of such property against such risks as the Trustee deems advisable, and to charge the premiums therefor as an expense of the trust estate; to direct, or to authorize any other person to direct, the trustee of any land trust of which the trust is a beneficiary to mortgage, lease, convey or contract to convey the real estate held in such land trust or to execute and deliver deeds, mortgages, notes, and any and all documents pertaining to the property subject to such land trust or in any matter regarding such trust; to execute assignments of all or any part of the beneficial interest in such land trusts;

- (h) to abandon any property, real or personal, which the Trustee shall deem to be worthless or not of sufficient value to warrant keeping, protecting or maintaining, to abstain from the payment of installments due on purchase contracts or mortgages, taxes, water rents, assessments, repairs and maintenance with respect to any such property, to permit any such property to be lost by foreclosure, tax sale or other proceedings, to convey any such property for a nominal consideration or without consideration, to permit the expiration of any renewal, sale, exchange or purchase option with respect to any property or lease thereof;
- (i) to purchase or otherwise acquire or to invest, reinvest or refrain from investing the trust estate wholly or partially in common stock or in any other securities or other type or types of assets (without regard to whether such shall be listed on any stock exchange or other public market, registered with any securities commissions or similar bodies or subject to contractual, legal or other restrictions, including "investment letter" restrictions), including but not limited to, bonds, notes, debentures, mortgages, preferred stocks, puts or calls, voting trust certificates, beneficial interests in land trusts, interests or shares in common trust funds, mutual funds, "open-end" or "closed-end" investment funds or trusts, real estate investment trusts or savings and loan or building and loan associations, oil, gas or other mineral interests or natural resources, motion picture, radio, television or CATV productions, programming and licenses, livestock or other animals, commodities, foreign exchange, insurance or endowment policies, annuities, variable annuities or other property or undivided interests in property, foreign or domestic, as the Trustee may deem advisable without being limited by any statute or rule of law regarding investments by trustees; and in that connection, without limiting the generality of the foregoing, to invest the trust estate or any part thereof in any partnership, limited partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company or Massachusetts trust and to have and to exercise all the powers of

management and participation in the management necessary and incident to a membership in such partnership, limited partnership, limited liability company, limited liability partnership, or other venture, including the making of charitable contributions or of any election available under any tax law, and at any time to participate in the incorporation of any such partnership, limited partnership, limited liability company, limited liability partnership, or other venture, to open accounts, margin or otherwise, with brokerage firms, banks or others, to invest the funds of the trust estate in, and to conduct, maintain and operate such accounts directly or through an agent for the purchase, sale, and exchange of commodities, stock, bonds and other securities, and in connection therewith, to borrow money, obtain guarantees, and engage in all other activities necessary or incidental to conducting, maintaining and operating such accounts:

- (j) to purchase or otherwise acquire, for cash, credit or installments, or to invest in, reinvest in, retain or continue for an indefinite term, any business or business interests, as shareholder, creditor, partner, proprietor, member, or otherwise, even though it may be closely or privately held or may constitute all or a large portion of the trust estate of a separate trust, without the necessity or requirement of application to or order from any court in any jurisdiction, to participate in the conduct of such business or to rely upon others to do so, and to take or delegate to others discretionary power to take any action with respect to its management and affairs which an individual could take as owner of such business, including the voting of stock and the determination of all questions of policy, to take possession of the assets of such business, and to exercise complete control and management of such business, and in connection therewith to enter into and perform contracts, commitments, orders and engagements, to incur expenses and debts in connection with the conduct and operation of such business, and to pay and discharge such expenses and debts, to join in and execute partnership agreements, operating agreements, and amendments thereto; to participate in any incorporation, reorganization, merger, consolidation, recapitalization, liquidation or dissolution of such business or any change in its nature and to retain and continue such changed or successor business, to invest additional capital in, subscribe to or buy additional stock or securities of or make or guarantee new or increased secured, unsecured or subordinated loans to any business, with trust funds, to rely upon the reports of certified public accountants as to the operations and financial condition of any business, without independent investigation and without obligation to file any report with any court in any jurisdiction, to elect, employ and compensate directors, officers, employees or agents of any business, who may include the Trustee or a director, officer or agent of the Trustee, to deal with and act for such business in any capacity, including any banking or trust

capacity and the loaning of money out of a Trustee's own funds, and to be compensated therefor; to sell, pledge or liquidate any interest in such business.

- (k) to exercise, or refrain from exercising, any election available under any tax law, to determine whether receipts shall constitute principal or income and whether expenses are properly chargeable to principal or income, (except as otherwise provided herein, the Trustee shall be governed in such determination by the provisions of the Principal and Income Act from time to time in force in the jurisdiction whose laws shall control the administration of the trust, or if there shall be no such act in force, by the Revised Uniform Principal and Income Act promulgated by the National Conference of Commissioners on Uniform State Laws, as then amended; in any instance not governed by any such Act, the Trustee is hereby authorized to determine what shall be charged or credited to income and what to principal and the determination of the Trustee shall be conclusive upon all persons); provided, however, that any capital gain dividends from investments in mutual funds, common trust funds or real estate investment trusts shall be deemed principal; to establish out of income and credit to principal reasonable reserves for the depreciation of tangible property or the amortization or depletion of other wasting assets; to amortize premiums paid on the purchase of securities or other property;
- (l) to employ and pay reasonable compensation to such agents, contractors, brokers, advisors, trustees, title-holders, escrowees, custodians, depositories, accountants, attorneys, investment counsel, appraisers, insurers and others (who may be the Trustee himself in such other capacity or any firm with which the Trustee is associated) as may be necessary or desirable in managing and protecting the trust estate, and to execute any general or limited direction or power of attorney to reflect such employment;
- (m) to vote, or refrain from voting, any corporate stock either in person or by general or limited proxy, for any purpose, including without limiting the generality of the foregoing, for the purpose of electing the Trustee or beneficiary as a director of any such corporation; to exercise, or refrain from exercising, or to sell any conversion privilege, warrant, option or subscription right with respect to any security forming a part of the trust estate; to consent to take any action in connection with and receive and retain any securities resulting from any reorganization, consolidation, merger, readjustment of the financial structure, sale, lease, mortgage, or other disposition of the assets of any corporation or other organization the securities of which may at any time form a part of the trust estate; to deposit any securities with or under the direction of a committee formed to protect said securities and to consent to or participate in any action taken or

recommended by such committee; to pay all assessments, subscriptions and other sums of money which may seem expedient for the protection of the interest of such trust as the holder of such stocks, bonds or other securities, to enter into an agreement making said trust liable for a *pro rata* share of the liabilities of any corporation which is being dissolved and in which stock is held, when in the opinion of the Trustee such action is necessary to the plan of liquidation and dissolution of any such corporation; to join in and vote for participation in or modification or cancellation of any restrictive purchase or retirement agreement relating to any partnership interest or corporate stock, or limited liability company interest held as a portion of such trust, to join in the formation, modification, amendment, extension or cancellation of any voting trust;

- (n) to accept, or refuse to accept, any additions or gifts of money or property to the trust estate and to receive distributions, devises or bequests from any other trust or estate or pursuant to the exercise of any power of appointment, and all of such additions, gifts, distributions, devises and bequests shall be added to the trust estate and held, administered and distributed as a part thereof,
- (o) to transfer any property which may at any time form a part of the trust estate into a separate trust, including without limitation a land trust, for the benefit of the transferor-trust or of any beneficiary thereof, the Trustee of such transferee-trust to be the transferor-Trustee or any other person, persons, corporation or combination thereof, upon such terms and conditions as the transferor-Trustee shall determine, and from time to time to withdraw all or a portion of such property or the proceeds thereof or to revoke such a transferee-trust, to cause any securities, bank accounts, safety deposit boxes or vaults or other property, real or personal, which may at any time form a part of the trust estate to be issued, held, registered or recorded in any Trustee's individual name, or assumed name, either with or without indication of any fiduciary capacity, or in the name of a nominee, or in such form that title will pass by delivery;
- (p) to apply for, purchase, accept, own and retain insurance policies and annuity contracts on the life of any person, and all right, title and interest in and to, and all rights, powers and privileges accruing under any life insurance policies or annuity contracts forming a part of the trust estate at any time, and the proceeds thereof, shall be the property of, belong to, and be exercisable by the Trustee as sole owner of said policies or contracts, including without limitation the right to receive or apply dividends or distributive shares of surplus, disability benefits, surrender values, or the proceeds of matured endowments, to obtain and receive from the respective insurers, or issuers, such advances and loans on account of such policies or contracts as may be available; to exercise any option, right or

privilege granted in a policy or contract, to sell, assign or pledge a policy or contract, to change the beneficiary of a policy, except that no one other than the Trustee (as Trustee and not individually) may be named as beneficiary of a policy so changed, to convert a policy into other forms of insurance, and to exercise any and all other rights, powers and privileges which the owner of such policies or contracts may have thereunder, whether or not hereinabove mentioned; and the insurer or issuer under each such policy or contract is authorized to make payments to the Trustee, to act solely upon the instructions of the Trustee, and in every respect to deal solely with the Trustee as the absolute owner of said policy or contract, and such insurer or issuer shall not be responsible for the proper application or disposition of any funds paid by it to the Trustee, and the receipt of the Trustee to each insurer or issuer shall be effective to release and discharge such insurer or issuer for any payment so made, and shall be binding upon every beneficiary of each trust hereby created;

- (q) except as may otherwise be expressly provided herein, to pay premiums on insurance on the life of any person and on any annuity contract; provided, however, that the Trustee shall be under no duty to pay any premium, assessment, or other charges necessary to maintain in force any insurance policy or contract, and shall be under no duty either to keep informed with respect to such payments or to take any other action to maintain in force any such policy or contract,
- (r) upon the maturity of each insurance policy and annuity contract which may at any time form part of the trust estate or of which the Trustee may at any time be designated as beneficiary or payee, by reason of the death of the insured or otherwise, to make timely proofs of death and such other proofs as may be necessary to collect the proceeds due by reason of the maturing of such policies and contracts or permit the proceeds of any such policy or contract payable to the Trustee, or any share or portion of such proceeds, to remain with the insurer or issuer of any such annuity under any option available under the terms of such policies or contracts, to institute and maintain any proceeding at law or in equity to enforce any payment of any such policy or contract, and to do and perform any and all acts and things which may be necessary or proper for the purpose of collecting any sums which may be due and payable pursuant to the terms and provisions of any such policy or contract; provided, however, that the Trustee shall not be required to maintain any such litigation unless the Trustee shall be indemnified to the Trustee's satisfaction against all expenses and liabilities arising on account of such litigation; to compromise and adjust claims arising out of any such policy or contract, upon such terms and conditions as the Trustee may deem best, and the decisions of the Trustee shall be binding and conclusive upon all

persons beneficially interested in the trust, to give receipts to any insurer or issuer of any such annuity for any amount received by the Trustee as the proceeds of any such policy or contract, and such receipt by the Trustee shall be a complete discharge from further liability thereunder to such insurer or such issuer of such annuity and such insurer or such issuer of such annuity shall not be required to see to the application of any such proceeds received by the Trustee, provided, however, that the Trustee shall not reimburse any person interested in any insurance policy on account of the application of any of the proceeds or surrender value of such policy in satisfaction of any indebtedness to which such policy is subject, nor shall said person be subrogated to the rights of the creditors in any collateral because of such indebtedness.

- (s) to open and maintain one or more savings accounts or checking accounts and to rent one or more safety deposit boxes or vaults with any bank, trust company, safe deposit box company, savings and loan association or building and loan association, public or private, wherever located, whether within or without the United States of America, even if, in the case of a bank or trust company, such bank or trust company shall be acting as Trustee of such trust; to deposit to the credit of such account or accounts all or any part of the funds belonging to the trust estate whether or not such funds may earn interest; from time to time to remove some or all of the items placed in any safety deposit box or vault, or to withdraw a portion or all of the funds so deposited in any such account, any such removal to be carried out by and any such withdrawal to be effected by a check, written direction or other instrument signed by the Trustee or such other person or persons as the Trustee may from time to time authorize, or if more than one Trustee shall be acting, by such one or more of the Trustees as shall be designated in writing by a majority of the Trustees, or by such other person or persons as said majority of the Trustees may from time to time authorize, and any such bank or company or association is hereby authorized to allow such person or persons access to the box or vault and to pay such check or other instrument and also to receive the same for deposit to the credit of any holder thereof when so signed and properly endorsed without inquiry of any kind, and access when allowed and payments when so made by such bank or company or association shall not be subject to criticism or objection by any person concerned or interested in any way in the trust;
- (i) to lend the principal or income of the trust estate of a separate trust to a beneficiary of such trust, without interest and without security, or to make loans to or guarantee loans by any other person, partnership, limited liability company, limited liability partnership, corporation, trust or estate upon such terms as the Trustee may deem advisable, any such loan may be with or without security and

may be subordinated to other obligations of the indebted party; to deal in every way and without limitation or restriction with the executor, trustee or other representative of any other trust or estate whether or not the beneficiary has any existing or future interest therein (and even though the Trustee is acting in such other capacity);

- (u) to designate a name for any separate trust created hereunder, and a collective name for any two or more of such trusts, and from time to time, to change the name of any separate trust or the collective name of any two or more of such trusts; to merge or consolidate any two or more trusts which shall be held hereunder by the Trustee under identical terms for identical beneficiaries and remaindermen; to divide any separate trust into two or more equal or unequal separate trusts to be held by the Trustee under the identical terms and for the identical beneficiaries and remaindermen as said trust shall have been held before such division; except as otherwise provided herein, to allocate different kinds or disproportionate shares of property or undivided interests in property of a separate trust among the beneficiaries thereof or among trusts into which such trust shall have been divided; to determine the value thereof; to make joint investments for any separate trusts hereunder or of which the Trustee is trustee or co-trustee, to designate a name for such joint investments and to hold such joint investments as a common fund for purposes of administration, dividing the net income (gains or losses) therefrom in the same proportion as the respective interests of such trusts therein,
- (v) upon written request of a beneficiary, to render annual statements of the receipts and disbursements and of the financial condition of the trust to such beneficiary, to charge and receive from the trust estate a fair and just compensation (or to waive such compensation) for services rendered as Trustee, to be reimbursed from the trust estate for all reasonable expenses incurred in the management and distribution of the trust; in any contract or agreement made by the Trustee on behalf of the trust, to provide against personal liability of any individual, and the rights or obligations created under and by virtue of such contract or agreement shall belong to or be the obligation of such trust; to be reimbursed from the trust estate for any tax or penalty paid by the Trustee during the existence of the trust or thereafter, and if such trust estate is insufficient or if such trust be then terminated, to be reimbursed by the person or persons to whom the property of such trust shall have been distributed to the extent of the amount received by each such person (before making any distribution of either income or principal, the Trustee may accordingly require an undertaking by the distributee in form satisfactory to the Trustee to reimburse the Trustee for all such taxes and penalties, or the Trustee may withhold distribution of a reasonable amount

required to meet any taxes, interest and penalties thereon pending release of any tax lien or the final determination of any tax controversy), to secure from any beneficiary a full and complete release from any and all liabilities whatever attributable to any acts by the Trustee or any decisions by the Trustee to act or refrain from acting in any manner whatsoever with respect to the investment of the assets of the trust estate, retention of any or all trust assets, and the sale or disposition of any or all trust assets, to secure the written approval by any beneficiary of any account or statement; to settle the account of a deceased, incapacitated or resigned Trustee, and the Trustee or any beneficiary of any separate trust may, without liability to any present or future beneficiary or any other person, approve the accounts of and give a full and complete release and discharge to any deceased, incapacitated or resigned Trustee; any approval, release or discharge given under this subsection (v) shall be conclusively binding on all persons having any interest in the trust, including each beneficiary and all of said beneficiary's descendants (including then unborn descendants), heirs or appointees who may then have or thereafter acquire any interest in the trust;

- (w) at any time and from time to time, and subject to revocation at any time, to delegate the authorities, discretions and powers, or any of them, herein conferred upon a Trustee, or the custody of any or all property comprising the trust estate, to any one or more Co-Trustees then acting, such delegation and all revocations thereof to be evidenced by an instrument in writing signed, acknowledged and delivered to the Co-Trustee or Co-Trustees and the beneficiary or beneficiaries of the trust; to transfer the situs of any or all trust assets to any other place whether within or without the United States; to appoint any bank or trust company as Substitute Trustee as to such assets, and at will to remove (and approve the accounts and give full release and discharge to) any Substitute Trustee so appointed and to appoint another such Substitute Trustee or to rescind such appointment;
- (x) to make any payment, to receive any money, to take any action and to make, execute and deliver and receive any contract, deed, instrument or document which may be deemed necessary or advisable to exercise any of the foregoing powers or to carry into effect any provision herein contained; in addition to the powers enumerated hereinabove, to do all other acts which in the judgment of the Trustee are necessary or desirable for the proper administration of the trust estate; provided, however, that nothing herein contained shall be construed to enable the Trustee to lend the principal or income of the trust estate, directly or indirectly, to any person (other than the Grantor during the Grantor's lifetime) who shall be deemed to be a grantor of such trust estate without adequate interest and security, nor enable any person (other than the Grantor during the Grantor's lifetime) to

purchase, exchange or otherwise deal with or dispose of the principal or income of the trust estate for less than an adequate consideration in money or money's worth

§ 2 Third Parties and Bond. No person dealing with the Trustee of any separate trust shall be obligated to inquire as to the powers of such Trustee or to see to the application of any money or property delivered to such Trustee. Such Trustee shall not be required to obtain authority from or approval of any court in the exercise of any power conferred upon him hereunder. No Trustee shall be required to make any current reports or accountings to any court nor to furnish a bond for the proper performance of the duties of the Trustee as Trustee of any separate trust, but if any such bond is nevertheless required by any law, statute or rule of court, no surety shall be required thereon.

§ 3 Trustee Liability. No individual Trustee of any separate trust shall be liable for any loss, liability, expense or damage to the trust estate of such trust occasioned by such Trustee's acts or omissions in good faith in the administration of such trust (including acts or omissions in reliance on opinion of counsel) and in any event the individual Trustee shall be liable only for his own willful default, wrongdoing, or gross negligence, but not for honest errors of judgment. Except as otherwise specifically provided herein any Trustee (individual or corporate) may rely upon any notice, certificate, Will, affidavit, letter, telegram, or other paper or document believed by such Trustee to be valid or genuine, or upon any evidence deemed by the Trustee to be sufficient, in making any payment, allocation or distribution hereunder. The Trustee (individual or corporate) shall incur no liability for any payment or distribution made

in good faith and without actual notice or knowledge of a changed condition or status affecting any person's interest in any separate trust. This Section 8.3 is intended to protect the Trustee under the stated circumstances and is not intended to affect the rights hereunder of any person.

8.4 Majority Determination Except as otherwise provided herein, in the event of a disagreement among the Trustees, the views of the majority shall prevail. The affirmative vote of a majority of those authorized to vote on any matter shall constitute a majority. If but two Trustees shall be authorized to vote on a matter, the affirmative vote of both shall be required. Failure to obtain a majority shall be treated as if the Trustees failed to act. All votes shall be taken within thirty (30) days of the date of the event which requires a decision to be made. Any Trustee who shall cast a negative vote with respect to any action or any failure to act shall not be liable or responsible for such action or failure to act.

8.5 Powers Relating to Generation-Skipping Transfers Notwithstanding any provision herein to the contrary, in addition to the powers conferred by law upon trustees and those powers set forth in Section 8.1 of this Article VIII, and not by way of limitation thereof, the Trustee of each separate trust hereunder is hereby authorized, at any time or from time to time, in the Trustee's sole discretion, to exercise the following powers for the sole benefit of the beneficiary or beneficiaries of such trust or to refrain from exercising any of such powers:

- (a) to divide the trust estate of any separate trust hereunder which has (or otherwise would have) an inclusion ratio, as defined in Section 2642 of the Code of neither 100 percent nor zero into two separate trusts representing two fractional shares

of the trust estate being divided, one to have an inclusion ratio of 100 percent and the other to have an inclusion ratio of zero; and

- (b) with respect to all or any part of the trust estate of any separate trust hereunder (including a pecuniary amount) which shall not have been allocated any portion of the Grantor's "GST exemption," as defined under Section 2631 of the Code (i) to create a testamentary general power of appointment, within the meaning of Section 2041 of the Code, in any such beneficiary who is a "non-skip person," and (ii) to eliminate such power for all or any part of such trust estate as to which such power was previously created. The Trustee shall be further authorized at any time to divide the trust estate of such trust into two fractional shares based upon the portion of the trust estate which would then be includable in such beneficiary's gross estate by reason of holding such a power if such beneficiary died immediately before such division, and to create the aforesaid power with respect to one such share but not the other. The Trustee may at any time exercise the power to create or eliminate a testamentary general power of appointment, as described herein, by an instrument in writing delivered to said beneficiary. In authorizing the foregoing action it is the Grantor's hope (but the Grantor does not so direct) that a general testamentary power of appointment will be kept in effect when the Trustee believes the inclusion of the trust estate affected thereby in such beneficiary's gross estate may achieve significant income tax benefits or a significant savings in transfer taxes by having an estate tax rather than a generation-skipping transfer tax imposed on the property subject to such power.

Upon division of the trust estate of any trust hereunder by the Trustee, each such share of the trust estate shall be administered as a separate trust; provided, however that the Trustee shall be authorized in his sole discretion to combine such separate trusts into a single trust at any time after the aforesaid division

8.6 Payment of Generation-Skipping Transfer Tax Notwithstanding any provision herein to the contrary, in the event a distribution from any separate trust hereunder or the occurrence of any other event relating to a separate trust hereunder shall cause or shall be

deemed to be a "generation skipping transfer," as defined under Chapter 13 of the Code, with respect to all or any portion of such separate trust, the Trustee of such trust in his sole discretion, shall be authorized (but not directed) to pay from the remaining trust estate of such trust any generation-skipping transfer tax or portion thereof, including any interest and penalties thereon, which may be assessed by reason of such distribution or other occurrence.

8.7 Predeceased Child Solely for purposes of determining whether any transfer hereunder is a generation skipping transfer as defined under Chapter 13 of the Code, any individual who is both a lineal descendant of a parent of the Grantor (or the Grantor's spouse or former spouse) and also a parent of the transferee, and who dies within ninety (90) days after the Grantor's death, shall be deemed to have predeceased the Grantor, if the effect thereof shall be to adjust the generation assignment of the transferee, as provided in Sections 2612 and 2651 of the Code, and the regulations promulgated thereunder.

ARTICLE IX

Powers of Appointment

9.1 Manner of Exercise. In addition to, and not in limitation of the rights accorded by law to a donee of a power of appointment, the donee of a power of appointment granted hereunder with respect to any separate trust may exercise such power by making appointments from the trust estate in cash or kind, including a direction to the Trustee to distribute specific property, outright to, or to a trustee or trustees to hold in trust for the exclusive benefit of, any

one or more of the objects of the power, and may impose lawful spendthrift restrictions and other lawful conditions upon any appointment, provided that no one other than an object of the power is benefited thereby. The donee may also exercise any power of appointment in any one or more of the following ways: (i) by creating life estates for any one or more objects of the power with remainders to others of said objects, (ii) by appointing to or for the benefit of children, grandchildren or more remote descendants even though the parents, grandparents, or ancestors of such appointees are living, (iii) by creating in any object of the power either a general or a limited power of appointment, and (iv) by substituting (but only if said donee himself shall not thereafter be a beneficiary of such trust) or by adding any one or more objects of the power as beneficiaries of such trust. The donee of a lifetime power of appointment hereunder may exercise such power at any time or from time to time by an instrument in writing delivered to the Trustee during the lifetime of such donee.

§ 2 Testamentary Powers. The donee of a power of appointment exercisable on the death of such donee shall exercise such power only in a valid Will or Codicil. No Trustee of any separate trust shall incur any liability to any person in relying on any instrument admitted to probate in any jurisdiction as the valid Will or Codicil of a donee of a testamentary power of appointment, or in acting upon the assumption that said donee failed to exercise such power of appointment if within three (3) months after the date of death of said donee, the Trustee shall have no notice or knowledge of the existence of a valid Will or Codicil of said donee and in making allocation or distribution accordingly of the part of the trust estate of such trust subject to such power of appointment, provided, however, that any such allocation or distribution shall

be without prejudice to the rights of any appointee of said donee to recover the allocated or distributed property from any person or persons to whom such allocation or distribution shall have been made in the event that after such allocation or distribution there should be found a valid Will or Codicil in which said donee shall have validly exercised such power of appointment.

9.3 Renunciation or Release. Any power of appointment granted hereunder may be renounced or released in whole or in part by the donee of such power or may be reduced by the donee of such power in such manner as to reduce or limit the objects in whose favor the power would be otherwise exercisable. In addition to any other method of renunciation, release or reduction recognized by law, any power may be renounced, released or reduced by the donee of such power by an instrument in writing signed by said donee and delivered to the Trustee of the separate trust to which such renunciation, release or reduction relates. Solely for purposes of this Section 9.3, the word "power" shall include (without limiting the generality of the meaning of such word) any power of a Trustee of a separate trust which constitutes a power of appointment within the meaning of the Code from time to time in force, and the word "donee" shall include said Trustee.

9.4 Restrictions on Exercise of Limited Power of Appointment. Except as otherwise provided herein by express reference to this Section 9.4, no power of appointment granted hereunder shall be exercised or exercisable to any extent in favor of the donee of such power or its estate, the creditors or the creditors of the estate of said donee, or to discharge or satisfy

a legal obligation of said donee, or for the pecuniary benefit of said donee, and no exercise of any power of appointment by the donee thereof shall be effective unless the written instrument or the valid Will or Codicil of the donee in which the donee exercises such power (a) shall be executed subsequent to the date on which such power shall commence; and (b) shall specifically refer to and expressly exercise such power

ARTICLE X

Beneficiary Powers and Restrictions

10.1 Meaning of Beneficiary Unless otherwise expressly identified herein, wherever reference is made herein to a "beneficiary," such reference shall be deemed to mean a person to whom the Trustee of a separate trust is then directed or authorized to distribute net income or principal, or both, from the trust estate of such trust, and wherever the facts and context require such construction, the term "beneficiary" shall be deemed to mean the plural form thereof.

10.2 Acts on Behalf of Beneficiaries Under Disabilities All statements, accounts, written instruments, releases, notices or other documents required to be delivered to or executed by, and all powers exercisable by, a beneficiary, may be delivered to, executed by or exercised by the legally appointed conservator of an incompetent beneficiary or the legal guardian of the estate of a minor beneficiary, or if there is no guardian of the estate, by a parent of the minor, when so delivered, executed or exercised, they shall be binding upon said incompetent or minor

beneficiary and his heirs, personal representatives of his estate and assigns, and shall be of the same force and effect as if delivered to, executed by or exercised by a beneficiary acting under no legal disability.

10.3 Beneficiary as Trustee Except with respect to any powers of appointment or as may be expressly provided herein to the contrary, no Trustee shall have any voice, determination or vote relating to any discretionary distributions of the income or principal of any separate trust constituted hereunder either to or for the benefit of said Trustee when said Trustee shall be a beneficiary of such trust (other than any such discretionary distributions to be determined pursuant to the provisions herein solely by reference to the support needs of said Trustee), or to or for the benefit of any person whom said Trustee is legally obligated to support, when such distribution is or would be a full or partial discharge of such obligation.

10.4 Appointment of Special Trustee Notwithstanding any other provision herein to the contrary, if pursuant to Section 10.3 of this Article X there shall at any time be no Trustee authorized to vote with respect to any discretionary distribution of the income or principal of the trust, which distribution would result in a full or partial discharge of a legal support obligation of the Trustee, then for purposes of making such distribution determination only, the Trustee shall designate a Special Trustee to serve hereunder, in addition to the then serving Trustee, with respect to the trust. The authority of such Special Trustee shall include only such distribution determination, and shall terminate immediately thereafter. Any such designation of a Special Trustee pursuant to this Section 10.4 shall be made by an instrument in writing signed by the

Trustee of the trust and delivered to the Special Trustee designated therein and to the beneficiary of the trust.

10.5 Renunciation Any person who is a beneficiary or who is otherwise interested in any separate trust may at any time renounce the whole, or from time to time, any part of an interest in such trust, either as to income or principal, or both, by an instrument in writing delivered to the Trustee, and thereafter such trust or the part of such trust which shall have been renounced shall be administered and distributed as if said person had died on the date of delivery of said written instrument, and as if said person had not exercised any testamentary power of appointment granted to said person; provided, however, that such renunciation shall not, unless specifically so provided, affect the right of said person to receive subsequent distributions of principal or income from the trust estate of any separate trust upon the death of any other person, upon the renunciation by any other person of any interest in any separate trust or pursuant to the exercise of any power of appointment by any other person.

10.6 Spendthrift Provision No income or principal distributable or to become distributable with respect to a separate trust shall be transferable, assignable, or subject to being in any manner whatsoever anticipated, charged or encumbered by any person beneficially interested in such separate trust, or subject to interference or control by any creditors of said person, or subject to any claim for alimony or for the support of a spouse pursuant to a decree of separate maintenance or separation agreement, or to being taken or reached by any legal or equitable process in satisfaction of any debt, liability or obligation of said person prior to its

receipt by said person; provided, that the provisions of this Section shall not prevent the exercise of, or transfer pursuant to the exercise of, any power of appointment granted hereunder.

ARTICLE XI

Successor Trustees

11.1 Meaning of Trustee Wherever reference is made herein to the "Trustee," such reference shall be deemed to include the singular and plural thereof wherever the context and facts require, and to include any and all successor Trustees at any time acting as the Trustee of a separate trust, unless otherwise specifically provided herein to the contrary.

11.2 Resignation of Trustee Any Trustee of any separate trust may resign at any time by written notice delivered to each Co-Trustee, if any, and to the resigning Trustee's successor as Trustee, if known, or if not known, to any beneficiary of such trust. The resignation, refusal, failure or inability of any Trustee to act as Trustee of any separate trust shall not prevent said Trustee from acting as Trustee of any other trust.

11.3 Powers, Rights and Duties of Successors Each successor Trustee shall automatically acquire as of the date of a vacancy all of the title to each asset of the trust estate, powers and discretion which are then vested in his predecessor, without the necessity of any conveyance or transfer, but any predecessor Trustee shall execute all documents and do all acts necessary to vest and indicate such title in such successor Trustee.

11.4 Liability of Successors. No successor Trustee shall be liable for the acts or defaults of any predecessor Trustee, nor for any loss or expense from anything done or neglected to be done by any predecessor Trustee, but such successor Trustee shall be liable only for his own willful wrongdoing or gross negligence with respect to property received by him as Trustee. Any successor Trustee who shall be then acting as Trustee pursuant to a notice of vacancy shall not be guilty of any wrongdoing merely because he is acting as successor Trustee if it shall later be discovered that another has been designated as successor Trustee pursuant to any provisions herein.

11.5 Vacancy. Except as otherwise provided herein, a vacancy in the trusteeship shall be deemed to exist in the event of the death, resignation, refusal, failure or inability of any person to act as Trustee or Co-Trustee of a separate trust. Notice of a vacancy in the trusteeship shall be effective if given to the next successor Trustee by an instrument in writing signed by the resigning predecessor Trustee, a then acting Co-Trustee or a beneficiary of such separate trust, and delivered to such successor Trustee and any one of the other then acting Co-Trustees. Immediately upon receipt of such notice, the recipient shall act as Trustee (or Co-Trustee) or shall decline in writing to act.

11.6 Appointment of Successor Trustee. In the event of the resignation or refusal to act of a trustee as Trustee of a separate trust, and if there shall be no successor Trustee named herein or designated pursuant to an exercise of the power to designate successor Trustees, a successor trustee to fill the vacancy in the trusteeship so occurring shall be appointed by the

beneficiary of such trust (or if there shall be more than one beneficiary of such trust, by the beneficiaries jointly and unanimously) by an instrument in writing delivered to the vacating and the successor trustees, provided, however, that a vacating corporate trustee shall be succeeded only by a corporate trustee and a vacating individual trustee shall be succeeded only by an individual trustee pursuant to the provisions of this Section 11.6; and provided, further, that neither the Grantor nor any beneficiary of such trust may be appointed to fill such vacancy. Any successor corporate trustee so appointed must be a bank or trust company having a capital and surplus or not less than Ten Million Dollars (\$10,000,000.00). The powers granted to a beneficiary of a separate trust pursuant to this Section 11.6 may be completely and irrevocably released by a written instrument signed by said beneficiary and delivered to the trustee of such separate trust.

11.7 Merger of Corporate Trustee. If any corporate trustee at any time acting as Trustee of a separate trust shall be merged into or consolidated with or shall sell or transfer all or substantially all of its assets and business to any other corporation, or shall be in any manner reorganized or reincorporated, the corporation to which such sale or transfer shall be made or the corporation resulting therefrom shall thereupon become the Trustee of such trust without any further act on the part of any Trustee or beneficiary of such trust.

11.8 Power to Designate Successor Trustees. If any person herein shall have the "power to designate successor Trustees" of a separate trust, such person shall be sometimes referred to as a "designator." The successor Trustee to fill any vacancy in the trusteeship of

such trust (and each further successor Trustee) shall be such one or more persons (other than a person who shall be deemed to be a grantor of such trust) or corporations or combination thereof who shall be designated by name or by a plan of succession established by a designator, or the designator may provide that a vacancy shall not be filled if at least one Trustee shall then be acting or shall then be capable of acting and willing to act. Any such designation shall be effective only to supplement and not to contravene any appointment herein or any previous designation which shall not have been revoked as hereinafter provided. Any such designation shall be made either: (a) by an instrument in writing signed by the designator and delivered to a then acting Trustee of such trust (or to a beneficiary if the designator himself shall be the sole Trustee) or (b) by the designator's valid Will admitted to probate in any jurisdiction within three (3) months after his death. If no successor Trustee shall have been designated within thirty (30) days of a vacancy (or within three (3) months of the designator's death, whichever date later occurs), then the designator shall be conclusively presumed to have failed to have made a designation.

11.9 Revocation or Release. Any person may at any time or from time to time revoke any designation made or plan established by him while a designator, and any designator may completely and irrevocably release the power to designate successor Trustees, such revocation or release to be made in the same manner as is herein provided for making such designation or establishing such plan; provided, however, that no such revocation or release shall be effective

to remove any then acting Trustee. Upon any such revocation, the designator shall have the same powers to designate successor Trustees as he would had he never exercised such powers.

ARTICLE VII

Construction

12.1 Trust Estate. As used herein, the term "trust estate" shall include all property received initially by the Trustee with respect to any separate trust, all additions thereto received by the Trustee from any other source, all investments and reinvestments of such property or such additions thereto and all accrued and undistributed income of such trust.

12.2 Pronouns. As used herein, all pronouns shall include the masculine, feminine, neuter, singular and plural thereof wherever the context and facts require such construction.

12.3 Headings. The headings, titles and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

12.4 Descendants. As used herein, the following terms shall have the indicated meanings: (a) the term "descendant" shall be interchangeable with the term "issue" and shall mean a descendant in the first, second or any other degree of the designated ancestor; provided, notwithstanding any other provision herein to the contrary, for purposes of this Agreement, ERIC HELLER, who is the son of JUNE TRAVIS FRIEDLOB, JR.'s spouse, ROBERT HELLER, shall be deemed to be a descendant of the Grantor and a descendant of JUNE

TRAVIS FRIEDLOB, JR., further, all descendants of ERIC HELLER shall be deemed to be descendants of the Grantor and JUNE TRAVIS FRIEDLOB, JR., (b) the term "child" shall mean a descendant in the first degree of the designated parent; and (c) the term "grandchild" shall mean a descendant in the second degree of the designated grandparent, provided, however, that only an adopted child who shall not have attained the age of twenty-one (21) years prior to adoption and the descendants of any such adopted child shall be regarded as descendants of the adopting parent or parents and of anyone who is by blood or adoption an ancestor of the adopting parent or parents (and in such event shall be so regarded for all purposes herein); further provided, however, that the term "descendant" shall not include any person who shall not be considered "legitimate" under the laws of the State where such person shall then be domiciled. All terms herein defined shall include the plural form thereof wherever the context and facts so require.

12.5 Hirs-at-Law As used herein, the term "hirs-at-law" shall mean those persons other than creditors who would receive the personal property of the person designated under the laws of the State named in Section 12.7 of this Article XII then in force, as if said person had died intestate on the date stipulated for distribution, unmarried and domiciled in said State, and in such shares as if said person had owned only the property constituting the trust estate of the trust to be distributed among such hirs-at-law.

12.6 Per Stirpes. As used herein, the term "per stirpes" shall have its accepted legal meaning, for example, if a distribution is to be made "per stirpes" to the descendants of a specified person and one or more of said specified person's children shall be deceased but shall be survived by a then living child or children (and no child or children of said deceased child of said specified person shall then be deceased), then the share which would otherwise have been distributable to each such deceased child of said specified person had such child then been living shall be distributed in equal shares to the then living child or children of each such deceased child, with the effect that the child or children of each such deceased child of said specified person shall receive by right of representation the share which his or their parent would have received had such parent then been living and this shall apply if all of the children of said specified person shall be deceased.

12.7 Interpretation. This Agreement shall be construed and administered and the validity of each separate trust created hereunder shall be determined in accordance with the laws of the State of Illinois; provided, however, that if all Co-Trustees (or the sole Trustee) at any time reside in a different State, then such Co-Trustees (or sole Trustee) may elect, by an instrument in writing, to have the laws of such different State govern.

ARTICLE XIII

Appointment of Successor Trustees

13.1 Power to Designate Successor Trustees. The individual Trustee, or individual Co-Trustees acting unanimously, of each separate trust created hereunder, while serving as Trustee, shall have the power to designate successor Trustees with respect to such separate trust

13.2 Appointment of Trustees Upon the Grantor's Death. Upon the Grantor's death, the Grantor's daughters, JUNE TRAVIS FRIEDLOB, JR (a/k/a JUNE FRIEDLOB HELLER) and CATHY JUNE FRIEDLOB (a/k/a KATE FRIEDLOB), jointly, or the one of them who shall be able and willing to serve, shall serve as Co-Trustees (or sole Trustee) of the trust and each separate trust created hereunder. If both of the Grantor's daughters shall at any time be unable or unwilling to serve as Trustee of the trust or any separate trust created hereunder, and if no successor shall have been designated pursuant to an exercise of the power to designate successor Trustees, then BANK ONE TRUST COMPANY, N.A., Chicago, Illinois, shall serve as successor Trustee of such trust to fill such vacancy.

13.3 Trustee of Descendant's Trust Notwithstanding any other provision herein to the contrary, the Grantor's daughter, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER), shall serve as Trustee of each separate Descendant's Trust created hereunder of which she shall be the beneficiary. If JUNE TRAVIS FRIEDLOB, JR. shall at any time be unable or unwilling to serve as Trustee of any such trust, and if no successor shall have been

designated pursuant to an exercise of the power to designate successor Trustees, then the Trustee otherwise designated to serve pursuant to Section 13.2 of this Article XIII shall serve as Trustee of such trust. Further, notwithstanding any other provision herein to the contrary, JUNE TRAVIS FRIEDLOB, JR.'s spouse, ROBERT HELLER, shall serve as Trustee of each separate Descendant's Trust created hereunder of which ROBERT HELLER or a descendant of ROBERT HELLER shall be the beneficiary. If ROBERT HELLER shall at any time be unable or unwilling to serve as Trustee of any such trust, and if no successor shall have been designated pursuant to an exercise of the power to designate successor Trustees, then the Trustee otherwise designated to serve pursuant to Section 13.2 of this Article XIII shall serve as Trustee of such trust.

13.4 Trustee Unable to Serve Any Trustee shall be considered unable to serve as Trustee of the trust or any separate trust created hereunder if the Trustee shall be under legal disability, or by reason of illness, injury, or mental incapacity the Trustee is unable to give prompt and intelligent attention to the management of the trust assets. The determination that a Trustee is unable to serve as Trustee shall be made by the physician then treating the Trustee, and said physician shall not incur any liability for any good faith determination of the Trustee's inability to serve. Such determination shall be in writing, delivered to the Grantor, if living, to each beneficiary then entitled to receive income or principal from such trust, to each Trustee then acting hereunder, and to the successor Trustee herein named or appointed as herein provided. The same procedure set forth herein may be utilized at a later date to determine that

the individual is again able to serve as Trustee, in which event the successor Trustee shall cease to act as Trustee, and such individual shall be reinstated as if such inability to serve had not occurred

IN WITNESS WHEREOF, the Grantor has executed this instrument on the date first written above

June Friedlob
June Friedlob, Grantor

Accepted by the Trustee this 23rd
day of MAY, 2000

PLEASE SIGN
& DATE

BANK ONE TRUST COMPANY, N A ,
Trustee

By: Carol A. Power

Its: AUTHORIZED OFFICER

AMENDMENT TO
SECOND AMENDED AND RESTATED
TRUST AGREEMENT OF
JUNE FRIEDLOB TRUST
JUNE FRIEDLOB, GRANTOR

Handwritten: This is a copy of the original document.

THIS AMENDMENT is made this 27 day of May, 2005, by and between JUNE FRIEDLOB, a resident of the State of Illinois, as Grantor (hereinafter sometimes referred to as the "Grantor"), and JP MORGAN TRUST COMPANY, N.A., Chicago, Illinois, successor in interest to Bank One Trust Company, N.A., Chicago, Illinois, as Trustee (hereinafter sometimes referred to as the "Trustee").

WITNESSETH:

WHEREAS, a trust known as the June Friedlob Trust (hereinafter referred to as the "trust") was created by the Grantor under a certain trust agreement dated June 29, 1964, and

WHEREAS, the Grantor previously amended said trust agreement on June 25, 1974, on July 22, 1974, and on April 11, 1997, amended and restated said trust agreement on December 3, 1979, amended said amended and restated trust agreement in 1989, on April 1, 1996, and again on December 7, 1997, and amended and restated said amended and restated trust agreement on May 11, 2000 (the trust agreement, as amended and restated on May 11, 2000, is referred to herein as the "Trust Agreement"), and

WHEREAS, Section 1.1 of Article I of the Trust Agreement provides that the Grantor may at any time by an instrument in writing signed by the Grantor and delivered to the Trustee modify, amend or revoke the Trust Agreement; and

WHEREAS, the Grantor now desires to amend the Trust Agreement as hereinafter provided

NOW THEREFORE, in consideration of the premises, the Grantor, upon affixing her signature hereto, hereby amends the Trust Agreement with this Amendment as set forth herein; and the Trustee, upon executing this Amendment, hereby agrees to hold and administer the trust estate of the trust, and to dispose of the principal thereof and the income therefrom, as set forth in the Trust Agreement as hereby amended.

FIRST. Section 2.2 of Article II of the Trust Agreement is hereby deleted and the following new Section 2.2 of Article II is substituted therefor to be and read as follows.

2.2 Residuary Trust Estate Upon the death of the Grantor, all of the trust estate of the trust which shall not be used for the payment of the debts, taxes and expenses of the Grantor's estate pursuant to Section 2.1 of this Article II (the "residuary trust estate") shall be allocated and distributed as follows:

- (a) the sum of Five Hundred Thousand Dollars (\$500,000) shall be retained in trust by the Trustee as a separate trust designated herein as "The June Friedlob, Kate Friedlob and June Friedlob Heller Foundation" (hereinafter sometimes referred to as the "Foundation"), and shall be held, administered and distributed pursuant to the provisions of Article V hereof;
- (b) the Trustee shall distribute the sum of Five Thousand Dollars (\$5,000) to each of the following entities which shall be in existence and described in and qualified under Sections 170(c)(2), 501(c)(3), 2055(a) and 2522(a) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code"), upon the Grantor's death:
 - (i) INSTITUTE FOR PSYCHOANALYSIS, currently located at 122 South Michigan Avenue, Chicago, Illinois;
 - (ii) The Chicago, Illinois Area Chapter of ALZHEIMER'S DISEASE & RELATED DISORDERS ASSOCIATION, INC., currently located at 4709 Golf Road, Skokie, Illinois,

and

- (iii) CHICAGO HOUSE & SOCIAL SERVICE AGENCY, INC, currently located at 1925 N. Clybourn Avenue, Chicago, Illinois;
- (c) if ERWIN GRUEN, of Chicago, Illinois (hereinafter referred to as "Erwin"), shall survive the Grantor, and if the Grantor and Erwin shall have resided together or shall be deemed to have resided together as of the Grantor's date of death, then the Trustee shall comply with the Grantor's obligations under that certain Agreement dated August 14, 1997 (the "Agreement"), by and between the Grantor and Erwin, a copy of which is attached hereto as Exhibit A and made a part hereof. Notwithstanding the provisions of Paragraph 2A(i)(a) of the Agreement, Erwin's right to use the Residence shall not terminate on the first (1st) anniversary of the Grantor's death, but shall continue during Erwin's lifetime until such other Terminating Event as set forth in Paragraphs 2A(i)(b), (c), (d), (e) or (f) of the Agreement. In addition, either or both of the Grantor's daughters, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER and CATHY JUNE FRIEDLOB (a/k/a KATE FRIEDLOB), in their sole discretion, may loan to Erwin the funds necessary to pay any Expenses as defined under and required by the Agreement. Such loan shall bear interest at the Applicable Federal Rate, shall be secured by a mortgage on 226 West Superior, Chicago, Illinois, shall require that said property not be sold without the consent of the lender, and shall be due upon the applicable Terminating Event as set forth in the Agreement; and
- (d) any then remaining residuary trust estate shall be divided into two (2) equal shares, which shall be allocated and distributed as follows
- (i) one (1) such share shall be allocated to the Grantor's daughter, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER), if she shall be then living, but if JUNE TRAVIS FRIEDLOB, JR. shall not be then living, then to her spouse, ROBERT HELLER, if he shall be then living; but if ROBERT HELLER shall not be then living, then to the Grantor's daughter, CATHY JUNE FRIEDLOB (a/k/a KATE FRIEDLOB), if she shall be then living; but if CATHY JUNE FRIEDLOB shall not be then living, then to ROBERT HELLER's son, ERIC HELLER, if he shall be

then living, and

- (ii) one (1) such share shall be allocated to CATHY JUNE FRIEDLOB (a/k/a KATE FRIEDLOB), if she shall be then living; but if CATHY JUNE FRIEDLOB shall not be then living, then to the Grantor's daughter, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER), if she shall be then living, but if JUNE TRAVIS FRIEDLOB, JR. shall not be then living, then to JAMES LAPOINTE, of Chicago, Illinois, if he shall be then living

If either share distributable pursuant to parts (i) or (ii) of this subsection (d) shall fail, then such share shall lapse and shall be added to the remaining share created under the other part. If both shares distributable pursuant to parts (i) and (ii) of this subsection (d) shall fail, then the remaining residuary trust estate shall be distributed to the Foundation, to be held, administered and distributed in accordance with the provisions of Article V hereof. Each such share allocated and distributable pursuant to this subsection (d) of this Section 2.2 shall be distributed outright and free of trust, provided, a portion of the share allocated to the Grantor's daughter, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER), if she shall be then living, or ROBERT HELLER, if he shall be then living, or ERIC HELLER, if he shall be then living, pursuant to part (i) of this subsection (d), equal in value to the Grantor's remaining GST exemption upon death, as defined in Section 2631 of the Code, shall be retained in trust by the Trustee and not distributed outright. That portion retained in trust shall be designated as a "Descendant's Trust," and shall be held, administered and distributed pursuant to the provisions of Article IV hereof, for the benefit of the individual for whom such shall have been allocated."

SECOND Article III of the Trust Agreement is hereby deleted in its entirety and no substitution is made therefor.

THIRD: In all other respects, the Trust Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Grantor has executed this Amendment on the date first above written, and has delivered notice to the Trustee, who acknowledges receipt hereof and consents hereto.

June Friedlob
June Friedlob, Grantor

Received by the Trustee this 2nd
day of September, 2005.

BANK One Trust Company, N.A.
~~JP MORGAN TRUST COMPANY, N.A.~~
Trustee

By.
Its

[Signature]
Vice President



EXHIBIT AAGREEMENT

THIS AGREEMENT ("Agreement") made by and between JUNE TRAVIS FRIEDLOH ("June") and ERWIN GRUEN ("Erwin") as of the 14th day of August, 1997,

WITNESSETH:

WHEREAS, the parties are close friends and have resided together for over ten (10) years,

WHEREAS, June is a widow and has two (2) adult children;

WHEREAS, Erwin Gruen has been previously married and has no children;

WHEREAS, the parties have no intention of marrying, but nevertheless wish to enter into certain agreements regarding their respective property;

WHEREAS, Erwin is represented by and has had the advice and counsel of Howard D. Galper of the law firm of Marks, Marks and Kaplan, Ltd., and June is represented by and has had the advice and counsel of Lawrence A. Robins, P.C., of the law firm of Rudnick & Wolfe, Chicago, Illinois, in the negotiation and preparation of this Agreement, and

WHEREAS, each party has been fully informed of the amount, character and value of the wealth, property, estate, expectancies, assets, income and financial obligations of the other party;

NOW, THEREFORE, in consideration of the mutual promises, the sum of ten (\$10.00) dollars in hand paid by each of the parties to the other, and other good and valuable consideration, the adequacy and sufficiency of which are hereby mutually acknowledged, the parties agree as follows:

1. No Duty of Support; No Personal Services Claims. Neither party has any obligation to support the other party. Each party hereby waives and releases any claim such party now has or may now or hereafter have against the other party or the estate of the other party for any past, present or future support or for or in connection with the rendition of personal services to or for the benefit of the other party.

2. Provisions for Erwin upon June's Death. June hereby agrees to provide by her will, codicil, trust agreement and/or trust amendment the following if Erwin survives June and Erwin and June were residing together as of the date of June's death (provided that they shall be deemed to be residing together if they are not physically together due solely to the incapacity

or medical condition of one or the other at the time of June's death) and the other relevant conditions set forth below are met:

A. If, as of the date of June's death, Erwin still owns the condominium unit commonly known as Unit 2512, 1255 North Sandburg Terrace, Chicago, Illinois and said unit is encumbered by a mortgage as of the date of her death, Erwin will receive outright from June's estate, or a trust created and funded by her, that amount, if any, which equals the smallest of (1) Fifty Thousand dollars (\$50,000), (2) the principal and accrued and unpaid interest as of May 1, 1997 of the mortgage then encumbering said unit, or (3) the principal and accrued unpaid interest as of the date of June's death of the mortgage then encumbering said unit. Each of the amounts determined under clauses (2) and (3) shall be evidenced by an appropriate payoff letter issued by the mortgagee as of the relevant date.

B. If, as of the date of June's death, Erwin and June were living together (provided that they shall be deemed to be residing together if they are not physically together due solely to the incapacity or medical condition of one or the other at the time of June's death) in a condominium unit which was June's principal residence as of her death (the "Residence"), June will cause her interest in the Residence, plus such amount as shall be appropriate to assure payment of real estate taxes and condominium or other assessments, to be held as a separate trust designed the "Residence Trust" and administered as follows:

(i) Until the occurrence of a Terminating Event (defined below), the trustee shall not transfer or sell the Residence Trust's interest in the Residence without the prior written consent of Erwin or his personal representative, if Erwin is then living and able to give or withhold such consent. The trustee of the Residence Trust shall pay or reimburse Erwin for any and all real estate taxes, regular and special condominium assessments, parking, repairs, general upkeep and maintenance expenses and, except to the extent attributable to specifically scheduled tangible personal property of Erwin, the homeowner's insurance relating to the Residence. Prior to the occurrence of a Terminating Event, Erwin shall pay, without reimbursement or contribution from June's estate, the Residence Trust, or any other trust created by June, all utilities and telephone expenses relating to the Residence or Erwin's occupancy thereof for or during any part of the period commencing with June's death and ending upon the occurrence of a Terminating Event (collectively, the "Expenses") as a condition to Erwin's right to occupy the Residence, and the trustee shall pay none of the Expenses. As a further condition of Erwin's right to occupy the Residence, Erwin shall maintain the Residence or cause the Residence to be maintained in the same condition as the condition of the Residence as of June's death, ordinary wear and tear and casualty excepted. Erwin's right to occupy the Residence shall commence upon June's death and shall terminate upon the first to occur of the following events, each of which shall be a "Terminating Event": (a) the first (1st) anniversary of the day of June's death; (b) the death of Erwin; (c) Erwin's

failure to pay in full any of the Expenses when due or on or before the thirtieth (30th) day after demand by any trustee or co-trustee of the Residence Trust; (d) Erwin fails to maintain the Residence or cause the Residence to be maintained in the same condition as the condition of the Residence as of June's death, ordinary wear and tear and casualty excepted; (e) Erwin ceases to occupy the Residence as his primary residence for a period of no less than ninety (90) consecutive days; or (f) Erwin otherwise surrenders possession of the Residence to the trustee. Erwin's right to occupy the Residence shall be personal to Erwin and shall not be assignable or transferable, whether voluntarily or involuntarily, nor shall such right authorize any third party to occupy the Residence, whether or not concurrently with Erwin's occupancy, except for the purpose of providing physical assistance to Erwin in the event that his condition shall require such assistance.

(ii) Upon the occurrence of a Terminating Event, Erwin (or, if Erwin is then deceased, his personal representative) shall vacate the Residence, leaving the Residence in the same condition as upon June's death, ordinary wear and tear and casualty excepted.

3. Mutual General Releases.

A. For and in consideration of the provisions to be made by June pursuant to paragraph 2 for Erwin's benefit if he survives her and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Erwin, for himself and his heirs, legatees, beneficiaries, personal representatives, trustees, attorneys at law and in fact, successors and assigns (collectively, "Erwin's Releasees"), and each of them, hereby completely and irrevocably releases June and her heirs, legatees, beneficiaries, personal representatives, trustees, attorneys at law and in fact, successors and assigns, and each of them, and the respective successors and assigns of the foregoing (collectively, "June's Releasees") from any and all manner of actions, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, liens, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, including without limitation all of the foregoing which were or could have been asserted, which Erwin's Releasees now has against any one or more of June's Releasees or which any one or more of Erwin's Releasees hereafter shall or may have against any one or more of June's Releasees, for, upon or by reason of any matter, cause or thing arising on or at any time prior to the date of this instrument, excepting therefrom the obligations of June under paragraph 2 of this Agreement. It is expressly understood that the foregoing is a general release with an exception of June's Releasees, and each of them, and shall be binding upon Erwin and Erwin's Releasees, and each of them, and shall inure to the benefit of June's Releasees, and each of them and their respective successors and assigns.

B. For and in consideration of Erwin's foregoing release and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, June, for herself and her heirs, legatees, beneficiaries, personal representatives, trustees, attorneys at law and in fact, successors and assigns (collectively, "June's Releasees"), and each of them, hereby completely and irrevocably releases Erwin and his heirs, legatees, beneficiaries, personal representatives, trustees, attorneys at law and in fact, successors and assigns, and each of them and the respective successors and assigns of the foregoing (collectively, "Erwin's Releasees"), from any and all manner of actions, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, liens, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demand whatsoever, in law or in equity, including without limitation all of the foregoing which were or could have been asserted, which June now has against any one or more of Erwin's Releasees or which any one or more of June's Releasees hereafter shall or may have against any one or more of Erwin's Releasees, for, upon or by reason of any matter, cause or thing arising on or at any time prior to the date of this instrument, ~~excepting therefrom~~ the obligations of Erwin under paragraph 3 of this Agreement. It is expressly understood that the foregoing is a general release, with an exception, of Erwin's Releasees, and each of them, and shall be binding upon June and June's Releasees, and each of them, shall inure to the benefit of Erwin's Releasees, and each of them, and their respective successors and assigns.

4. Miscellaneous

A. Entire Agreement. This Agreement (a) represents the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements and understandings of the parties, (b) may not be modified or discharged, nor may any of its terms be waived, except by an instrument in writing, signed by the party to be charged, and (c) shall inure to the benefit of, and be binding upon the respective heirs, beneficiaries, personal representatives, trustees, successors and assigns of the parties.

B. Severability. If any part, term or provision of this Agreement is declared or determined by any court to be illegal, invalid, or unenforceable, the validity and enforceability of the remaining parts, terms or provisions shall not be affected thereby and said illegal, invalid or unenforceable part, term or provision shall be deemed not to be a part of this Agreement.

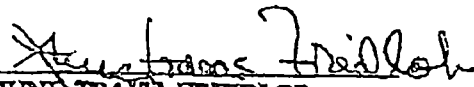
C. Captions, and Recitals. The captions and headings contained herein are inserted for convenient reference only and are not a part hereof. The recitals herein are hereby incorporated in this Agreement by this reference.

D. Gender; Number. The masculine, feminine and neuter genders shall each be deemed to include the others and singular forms shall be deemed to include the plural, and vice versa, as the context may require.

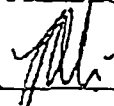
E. Further Assurances The parties each agree to do, execute, acknowledge and deliver all such further acts, instruments and assurances, and to take all such further action as shall be necessary or desirable to carry out this Agreement and to consummate and effect the matters contemplated hereby.

F. Governing Law. This Agreement has been executed and delivered in, and shall be governed by the laws of, the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.


JUNE TRAVIS FRIEDLOB


ERWIN GRUEN

Witness: 

Witness: 

NOW THEREFORE, in consideration of the premises, the Grantor, upon affixing her signature hereto, hereby amends the Trust Agreement with this Second Amendment as set forth herein; and the Trustee, upon executing this Second Amendment, hereby agrees to hold and administer the trust estate of the trust, and to dispose of the principal thereof and the income therefrom, as set forth in the Trust Agreement as hereby amended.

FIRST: The following new Section 1.5 of Article I of the Trust Agreement is hereby added to be and read as follows:

"1.5 Grantor's Rights with Respect to Real Estate. Notwithstanding any other provision herein to the contrary, so long as the Grantor is living, the Trustee shall deal with any residence or condominium unit owned by the trust (or in a land trust the beneficial interest of which is owned by the trust) (hereinafter sometimes referred to as the "Property") only when authorized to do so in writing by the Grantor.

- (a) If the Grantor shall be unable to manage her financial or business affairs, as determined under the terms of the trust or under a durable power of attorney executed by the Grantor, and such notice is received and acknowledged by the Trustee as being effective, the Grantor shall be deemed to have delegated any and all powers hereunder reserved by her with respect to the Property to the Grantor's daughters, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER) and CATHY JUNE FRIEDLOB (a/k/a KATE FRIEDLOB), jointly or to the one of them who shall be willing and able to act (hereinafter referred to collectively or individually as the Grantor's "agent").
- (b) Until the Grantor (or the Grantor's agent) shall otherwise direct in a written instrument delivered to the Trustee, the sole responsibility of the Trustee with respect to the Property shall be to hold title thereto. The Grantor (or the Grantor's agent) shall manage the Property and control the selling, renting and handling thereof. Further, the Grantor (or the Grantor's agent) shall have the responsibility for obtaining fire and casualty insurance and paying the premiums for such policy, but the Trustee may in its discretion obtain public liability insurance and pay premiums for such policy out of trust funds. The Trustee shall have no duty with respect to the care, maintenance, management, control of the Property, or the collection, handling or application of any rents on

the Property, or with respect to or the payment of taxes or assessments on the Property, or repairs or litigation or any other aspect or incidence of ownership. The Trustee will not be responsible for ensuring the payment of any liabilities associated with the Property, including, without limitation, real estate taxes, insurance, mortgage payments, environmental cleanup, repair or litigation matters. Furthermore, the Trustee will not have the Property inspected or appraised, and the Trustee will not review the Property from an investment standpoint.

- (c) The Grantor (or the Grantor's agent) may request the Trustee to pay from the trust certain expenses connected with the Property, such as utilities, real estate taxes, insurance premiums, mortgage payments, maintenance, snow removal, lawn care, etc. and upon such request the Trustee may charge for these additional services. These payments are not to be considered as creating any responsibility on the part of the Trustee for the Property itself. The Trustee shall not be personally or individually liable for any action taken or omitted by it hereunder pursuant to the Grantor's direction or the direction of the Grantor's agent.
- (d) The Grantor agrees to indemnify, defend, release and hold harmless the Trustee, its successors, assigns, officers, directors, employees, agents and representatives, from any and all liabilities, losses, expenses (including legal and other professional fees), costs or other demands which it may incur or which may be charged against it by reason of holding title to the Property."

SECOND: Section 2.2 of Article II of the Trust Agreement is hereby deleted in its entirety and the following new Section 2.2 of Article II is substituted therefor to be and read as follows:

"2.2 Residuary Trust Estate. Upon the death of the Grantor, all of the trust estate of the trust which shall not be used for the payment of the debts, taxes and expenses of the Grantor's estate pursuant to Section 2.1 of this Article II (the "residuary trust estate") shall be allocated and distributed as follows:

- (a) the Trustee shall distribute to THE JUNE FRIEDLOB, KATE FRIEDLOB, JUNE FRIEDLOB HELLER FOUNDATION (hereinafter sometimes referred to as the "Foundation") an amount equal to the difference between (i) the sum of Five Hundred Thousand Dollars (\$500,000) and (ii) the aggregate value of all inter vivos gifts (valued as of the date of the gift) made by the

Grantor to the Foundation during the Grantor's lifetime; but if the Foundation shall not then be in existence or shall not be an organization gifts to which would qualify for a charitable deduction for Federal estate and income tax purposes, then the amount distributable under this subsection (a) shall be retained in trust by the Trustee as a separate trust designated herein as the Foundation, and shall be held, administered and distributed pursuant to the provisions of Article V hereof,

- (b) if ERWIN GRUEN, of Chicago, Illinois (hereinafter referred to as "Erwin"), shall survive the Grantor, and if the Grantor and Erwin shall have resided together or shall be deemed to have resided together as of the Grantor's date of death, as hereinafter defined in this subsection (b) of Section 2.2, then
 - (i) if Erwin owns a condominium unit commonly known as Unit 2512, 1255 North Sandburg Terrace, Chicago, Illinois, and said unit is encumbered by a mortgage as of the Grantor's date of death, then the Trustee shall distribute to Erwin the smaller of (A) Fifty Thousand Dollars (\$50,000), (B) the amount of the principal and accrued and unpaid interest of such mortgage as of May 1, 1997, and (C) the principal and accrued and unpaid interest of such mortgage as of the Grantor's date of death, as determined in the discretion of the Trustee; and
 - (ii) the Trustee shall allocate and distribute to a separate trust designated herein as the "Residence Trust," of which Erwin shall be the beneficiary, and which shall be held, administered and distributed as hereinafter provided in Article III, the following:
 - (A) any interest owned by the trust in the Grantor's primary residence upon her death, including any interest distributable to the trust pursuant to the Grantor's Will (hereinafter referred to as the "Residence");
 - (B) all household furnishings, fixtures and appliances owned by the trust; and
 - (C) the sum of (1) Fifty Thousand Dollars (\$50,000), plus (2) the product of (a) Two Thousand Five Hundred Dollars (\$2,500), multiplied by (b) the number of

whole years between the date of this Amendment and the date of the Grantor's death.

For purposes of this subsection (b) of Section 2.2, Erwin and the Grantor shall be deemed to have resided together as of the Grantor's date of death if they were not physically residing together solely due to the incapacity or a medical condition of Erwin or the Grantor; and

(c) any then remaining residuary trust estate shall be divided into two (2) equal shares, which shall be allocated and distributed as follows:

- (i) one (1) such share shall be allocated to the Grantor's daughter, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER), if she shall be then living; but if JUNE TRAVIS FRIEDLOB, JR. shall not be then living, then to her spouse, ROBERT HELLER, if he shall be then living; but if ROBERT HELLER shall not be then living, then to the Grantor's daughter, CATHY JUNE FRIEDLOB (a/k/a KATE FRIEDLOB), if she shall be then living; but if CATHY JUNE FRIEDLOB shall not be then living, then to ROBERT HELLER's son, ERIC HELLER, if he shall be then living; and
- (ii) one (1) such share shall be allocated to CATHY JUNE FRIEDLOB (a/k/a KATE FRIEDLOB), if she shall be then living; but if CATHY JUNE FRIEDLOB shall not be then living, then to the Grantor's daughter, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER), if she shall be then living; but if JUNE TRAVIS FRIEDLOB, JR. shall not be then living, then to JAMES LAPOINTE, of Chicago, Illinois, if he shall be then living.

If either share distributable pursuant to parts (i) or (ii) of this subsection (c) shall fail, then such share shall lapse and shall be added to the remaining share created under the other part. If both shares distributable pursuant to parts (i) and (ii) of this subsection (c) shall fail, then the remaining residuary trust estate shall be distributed to the Foundation, to be held, administered and distributed as a part thereof. Each such share allocated and distributable pursuant to this subsection (c) of this Section 2.2 shall be distributed outright and free of trust; provided, a portion of the share allocated to the Grantor's daughter, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER), if she shall be then living, or ROBERT HELLER, if he shall be then living, or ERIC HELLER, if he shall be then living,

pursuant to part (i) of this subsection (c), equal in value to the Grantor's remaining GST exemption upon death, as defined in Section 2631 of the Code, shall be retained in trust by the Trustee and not distributed outright. That portion retained in trust shall be designated as a "Descendant's Trust," and shall be held, administered and distributed pursuant to the provisions of Article IV hereof, for the benefit of the individual for whom such shall have been allocated."

THIRD: Article III of the Trust Agreement is hereby deleted in its entirety and the following new Article III is substituted therefor to be and read as follows:

"ARTICLE III

Residence Trust

The Residence Trust shall be held, administered and distributed as follows:

3.1 Nature of Interest. During the term of the Residence Trust, and subject to the conditions set forth in this Article III, Erwin shall have the right to reside in the Residence rent-free. Erwin's right to reside in the Residence rent-free shall be personal to Erwin, shall not be assignable or transferable, whether voluntary or involuntary, shall not authorize any other person to reside in or occupy the Residence, whether or not concurrently with Erwin, except for the purpose of providing physical assistance to Erwin in the event that his condition shall require such assistance, as determined in the discretion of the Trustee.

3.2 Disposition of Residence During Term of Residence Trust. During the term of the Residence Trust, the Trustee shall not sell, transfer or otherwise dispose of the Residence without obtaining the prior written consent of Erwin or Erwin's legal representative.

3.3 Conditions Prior to Termination Date. Prior to the first (1st) anniversary date of the Grantor's date of death (hereinafter referred to as the "Termination Date"), the Trustee shall be responsible for the payment of any and all real estate taxes, regular and special condominium assessments, reserved parking, and homeowner's insurance, but only for the Residence and the contents belonging to the Residence Trust (all such expenses hereinafter referred to as "Residential Expenses"). The Trustee shall also be responsible for the payment of all expenses for utilities, telephone, repairs, general upkeep and maintenance relating to the Residence prior to the Termination Date.

3.4 Conditions Subsequent to Termination Date. Commencing on the Termination Date, Erwin shall be fully responsible for the payment of Residential Expenses. Erwin shall further be responsible for the payment of all expenses for utilities, telephone, repairs, general upkeep and maintenance relating to the Residence subsequent to the Termination Date. Erwin shall pay all the above expenses no later than ten (10) days after a demand is made by the Trustee for payment. Erwin shall maintain the condition of the Residence as of the Grantor's date of death, ordinary wear and tear accepted. Erwin shall have no overnight guests in the Residence without obtaining the prior written consent of the Trustee.

3.5 Right of Inspection. During the term of the Residence Trust, the Trustee shall have the right to access the Residence once per month, upon reasonable notice to Erwin, for purposes of inspecting the condition of the Residence and to determine if Erwin shall be in full compliance with the conditions set forth in this Article III.

3.6 Ultimate Distribution. The Residence Trust term shall commence upon the death of the Grantor and shall terminate upon the earlier to occur of: (a) Erwin's death; (b) Erwin's failure to comply with the conditions set forth in this Article III, as determined in the sole discretion of the Trustee; (c) Erwin's failure to occupy the Residence for a consecutive period of ninety days (90) days or more, as determined in the sole discretion of the Trustee; and (d) Erwin notifying the Trustee that he no longer desires to reside in the Residence. Upon termination of the Residence Trust term, the Trustee shall allocate and distribute any then remaining trust estate of such trust in separate shares as follows:

- (a) one (1) such share shall be allocated to the Grantor's daughter, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER), if she shall be then living; but if JUNE TRAVIS FRIEDLOB, JR. shall not be then living, then to her spouse, ROBERT HELLER, if he shall be then living; but if ROBERT HELLER shall not be then living, then to the Grantor's daughter, CATHY JUNE FRIEDLOB (a/k/a KATE FRIEDLOB), if she shall be then living; but if CATHY JUNE FRIEDLOB shall not be then living, then to ROBERT HELLER's son, ERIC HELLER, if he shall be then living; and
- (b) one (1) such share shall be allocated to CATHY JUNE FRIEDLOB (a/k/a KATE FRIEDLOB), if she shall be then living; but if CATHY JUNE FRIEDLOB shall not be then living, then to the Grantor's daughter, JUNE TRAVIS FRIEDLOB, JR. (a/k/a JUNE FRIEDLOB HELLER), if she shall be then living; but if JUNE TRAVIS FRIEDLOB, JR. shall not be then living, then to JAMES LAPOINTE, of Chicago, Illinois, if he shall be then living.

If either share distributable pursuant to subsection (a) or (b) of this Section 3.6 shall fail, then such share shall lapse and shall be added to the remaining share created under the other part. If both shares distributable pursuant to subsections (a) and (b) of this Section 3.6 shall fail, then the remaining residuary trust estate shall be distributed to the Foundation, to be held, administered and distributed as a part thereof. Each such share allocated and distributable pursuant to this Section 3.6 shall be distributed outright and free of trust."

FOURTH: Section 4.5(a)(iv) of Article IV of the Trust Agreement is hereby deleted in its entirety and the following new Section 4.5(a)(iv) is substituted therefor to be and read as follows:

"(iv) to the Foundation, to held, administered and distributed as a part thereof."

FIFTH: Section 4.5(b)(iv) of Article IV of the Trust Agreement is hereby deleted in its entirety and the following new Section 4.5(a)(iv) is substituted therefor to be and read as follows:

"(iv) to the Foundation, to held, administered and distributed as a part thereof."

SIXTH: In all other respects, the Trust Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Grantor has executed this Second Amendment on the date first above written, and has delivered notice to the Trustee, who acknowledges receipt hereof and consents hereto.

Jesse Friedlob
Jesse Friedlob, Grantor

Received by the Trustee this 30th
day of May, 2006.

BANK ONE TRUST COMPANY, N.A.,
Trustee

By: [Signature]

Its: Vice President