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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf

OMB No 1545-0052

2014**Open to Public Inspection**

For calendar year 2014 or tax year beginning

12/05, 2014, and ending

12/31, 2014

Name of foundation

SCHUMAN, DENNIS CHARITABLE FDN

Number and street (or P.O. box number if mail is not delivered to street address)

Room/suite

1525 W W.T. HARRIS BLVD. D1114-044

City or town, state or province, country, and ZIP or foreign postal code

CHARLOTTE, NC 28262

G Check all that apply:

☒

Initial return

☐

Initial return of a former public charity

☐

Final return

☐

Amended return

☐

Address change

☐

Name change

H Check type of organization:

☒

Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust☐

Other taxable private foundation

I Fair market value of all assets at

end of year (from Part II, col. (c), line

16) ▶ \$ 2,488,293.

J Accounting method: ☒ Cash ☐ Accrual☐ Other (specify) _____

(Part I, column (d) must be on cash basis)

A Employer identification number

47-1421283

B Telephone number (see instructions)

800-352-3705

C If exemption application is
pending, check here ☒D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the
85% test, check here and attach
computation ☐E If private foundation status was terminated
under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ☐**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 instructions))(a) Revenue and
expenses per
books(b) Net investment
income(c) Adjusted net
income(d) Disbursements
for charitable
purposes
(cash basis only)

1 Contributions, gifts, grants, etc., received (attach schedule) .

2,500,000.

2 Check ☐ if the foundation is not required to
attach Sch. B

3 Interest on savings and temporary cash investments

4 Dividends and interest from securities

13,793.

13,104.

STMT 1

5a Gross rents

b Net rental income or (loss)

6a Net gain or (loss) from sale of assets not on line 10

920.

b Gross sales price for all
assets on line 6a

920.

7 Capital gain net income (from Part IV, line 2)

920.

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

2,514,713.

14,024.

13 Compensation of officers, directors, trustees, etc.

14 Other employee salaries and wages

NONE

NONE

15 Pension plans, employee benefits

NONE

NONE

16a Legal fees (attach schedule)

STMT 2

1,540.

NONE

NONE

1,540.

b Accounting fees (attach schedule)

c Other professional fees (attach schedule)

17 Interest

18 Taxes (attach schedule) (see instructions)

STMT 3

197.

197.

19 Depreciation (attach schedule) and depletion

20 Occupancy

21 Travel, conferences, and meetings

NONE

NONE

22 Printing and publications

NONE

NONE

23 Other expenses (attach schedule)

24 Total operating and administrative expenses.
Add lines 13 through 23.

1,737.

197.

NONE

1,540.

25 Contributions, gifts, grants paid

26 Total expenses and disbursements. Add lines 24 and 25

1,737.

197.

NONE

1,540.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

2,512,976.

b Net investment income (if negative, enter -0-)

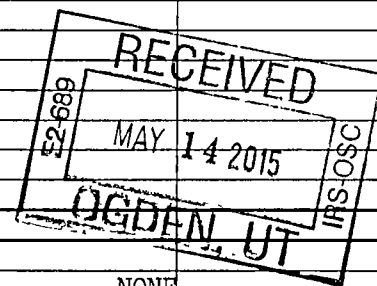
13,827.

c Adjusted net income (if negative, enter -0-)

ENVELOPE
POSTMARK DATE MAY 14 2015

Revenue

Operating and Administrative Expenses



2110

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			1,180,656.	1,180,656.
	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 instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		Less: allowance for doubtful accounts ▶	NONE			
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations (attach schedule)	STMT 4		500,000.	499,686.
	b	Investments - corporate stock (attach schedule)	STMT 5		606,306.	596,055.
	c	Investments - corporate bonds (attach schedule)	STMT 6		218,750.	211,896.
	11	Investments - land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other (attach schedule)					
14	Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)			2,505,712.	2,488,293.	
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)			NONE		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, . . . ▶ ☒ check here and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds			2,505,712.	
	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 instructions)			2,505,712.		
31	Total liabilities and net assets/fund balances (see instructions)			2,505,712.		

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	
2	Enter amount from Part I, line 27a	2	2,512,976.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	2,512,976.
5	Decreases not included in line 2 (itemize) ▶	5	7,264.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,505,712.

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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 PUBLICLY TRADED SECURITIES**

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 920.			920.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. 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			920.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	920.
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 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

N/A

(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 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))
2013			
2012			
2011			
2010			
2009			

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 2014 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 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.	8	

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)	1	277.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b.		
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	277.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	NONE
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	277.
6 Credits/Payments:		
a 2014 estimated tax payments and 2013 overpayment credited to 2014	6a	
b Exempt foreign organizations - tax withheld at source	6b	NONE
c Tax paid with application for extension of time to file (Form 8868)	6c	NONE
d Backup withholding erroneously withheld	6d	
7 Total credits and payments. Add lines 6a through 6d	7	NONE
8 Enter any penalty for underpayment of estimated tax. Check here ☐ 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	277.
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 2015 estimated tax ☐ NONE Refunded ☐	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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? 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		X
1c Did the foundation file Form 1120-POL for this year?		X
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? If "Yes," attach a detailed description of the activities.		X
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? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
4b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ CA		
8b 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? If "No," attach explanation		
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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV.		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	X	

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 instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>SEE STATEMENT 9</u> Telephone no. <u></u> Located at <u></u> ZIP+4 <u></u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15		
16	At any time during calendar year 2014, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly TD F 90-22.1). If "Yes," enter the name of the foreign country <u></u>	16	Yes	No
				X

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?	☐ Yes	☒ No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes	☒ No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☒ Yes	☐ No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes	☐ 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)?	☐ Yes	☒ 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.)	☐ Yes	☒ 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 instructions)? Organizations relying on a current notice regarding disaster assistance check here <u></u>	1b	X
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 2014?	1c	X
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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? If "Yes," list the years <u></u>	☐ Yes	☒ No
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 instructions.)	2b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <u></u>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes	☒ No
b If "Yes," did it have excess business holdings in 2014 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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2014.)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
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 2014?	4b	X

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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 4945(d)(4)(A)? (see 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 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 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

2 Compensation of five highest-paid employees (other than those included on line 1 - see 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		NONE	NONE	NONE

Total number of other employees paid over \$50,000 ☐ **NONE**Form **990-PF** (2014)

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 instructions). If none, enter "NONE."**

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

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	NONE	
2		
3		
4		

Part IX-B Summary of Program-Related Investments (see 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 instructions.		
3	NONE	
Total. Add lines 1 through 3		

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see 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	1,307,637.
b	Average of monthly cash balances	1b	1,180,656.
c	Fair market value of all other assets (see instructions).	1c	NONE
d	Total (add lines 1a, b, and c)	1d	2,488,293.
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	NONE
3	Subtract line 2 from line 1d	3	2,488,293.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	37,324.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,450,969.
6	Minimum investment return. Enter 5% of line 5	6	9,065.

Part XI Distributable Amount (see 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	9,065.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	277.
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	277.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	8,788.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	8,788.
6	Deduction from distributable amount (see instructions)	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	8,788.

Part XII Qualifying Distributions (see 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	1,540.
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	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,540.
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 instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,540.

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 instructions)

	(a) Corpus	(b) Years prior to 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				8,788.
2 Undistributed income, if any, as of the end of 2014:				
a Enter amount for 2013 only			NONE	
b Total for prior years: 20____, 20____, 20____		NONE		
3 Excess distributions carryover, if any, to 2014:				
a From 2009	NONE			
b From 2010	NONE			
c From 2011	NONE			
d From 2012	NONE			
e From 2013	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 2014 from Part XII, line 4: ► \$ 1,540.				
a Applied to 2013, but not more than line 2a . . .			NONE	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2014 distributable amount				1,540.
e Remaining amount distributed out of corpus . .	NONE			
5 Excess distributions carryover applied to 2014 . (If an amount appears in column (d), the same amount must be shown in column (a).)	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	NONE			
b Prior years' undistributed income. Subtract line 4b from line 2b		NONE		
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		NONE		
d Subtract line 6c from line 6b. Taxable amount - see instructions		NONE		
e Undistributed income for 2013. Subtract line 4a from line 2a. Taxable amount - see instructions			NONE	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				7,248.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	NONE			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions) . . .	NONE			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9.				
a Excess from 2010 . . .	NONE			
b Excess from 2011 . . .	NONE			
c Excess from 2012 . . .	NONE			
d Excess from 2013 . . .	NONE			
e Excess from 2014 . . .	NONE			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)**NOT APPLICABLE**

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2014, 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) 2014	(b) 2013	(c) 2012	(d) 2011	
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 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).)

N/A

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.

N/A

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 instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

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

c Any submission deadlines:

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

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>					
Total ▶ 3a					
b <i>Approved for future payment</i>					
Total ▶ 3b					

Schedule of Contributors

OMB No 1545-0047

2014

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

▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990

Name of the organization

Employer identification number

SCHUMAN, DENNIS CHARITABLE FDN

47-1421283

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, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions 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 an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *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 an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled 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 totaling \$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 its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization SCHUMAN, DENNIS CHARITABLE FDN	Employer identification number 47-1421283
---	---

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	DENNIS SCHUMAN REV LIVING TRUST PO BOX 41629 AUSTIN, TX 78704	\$ 2,500,000.	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
-----	-----	-----
AQR MANAGED FUTURES STR-I #15213	1,085.	1,085.
DRIEHAUS ACTIVE INCOME FUND	104.	104.
EATON VANCE GLOBAL MACRO - I #0088	66.	66.
PARAMETRIC EMRG MKTS FD-I #83	461.	461.
FID ADV EMER MKTS INC- CL I #607	1,156.	1,156.
ISHARES INC MSCI SINGAPORE FREE FD	172.	172.
ISHARES SELECT DIVIDEND ETF	43.	43.
ISHARES S&P 500 INDEX FUND	1,219.	1,219.
ISHARES MSCI EMERGING MKTS INDEX FUND	323.	323.
ISHARES MSCI EAFE INDEX FD	333.	333.
ISHARES S & P MIDCAP 400 INDEX FUND	147.	147.
ISHARES S & P SMALLCAP 600 INDEX FUND	94.	94.
ISHARES MSCI EAFE VALUE ETF	460.	460.
ISHARES MSCI RUSSIA CAPPED ETF	414.	414.
MERGER FUND-INST #301	766.	766.
MORGAN STANLEY INS FR EMG-I	94.	94.
NUVEEN HIGH YIELD MUNI BD-R #1668	314.	
PIMCO FOREIGN BOND FUND-INST	5,814.	5,814.
SPDR DJ WILSHIRE INTERNATIONAL REAL	184.	184.
VANGUARD SHRT-TRM TAX-EX- ADM #541	94.	
VANGUARD FUNDS FD	196.	
VANGUARD REIT VIPER	254.	169.
	-----	-----
TOTAL	13,793.	13,104.
	=====	=====

FORM 990PF, PART I - LEGAL FEES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
FERRUZZO & FERRUZZO, LLP	1,540.			1,540.
TOTALS	1,540.	NONE	NONE	1,540.
	=====	=====	=====	=====

FORM 990PF, PART I - TAXES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
FOREIGN TAXES ON QUALIFIED FOR	136.	136.
FOREIGN TAXES ON NONQUALIFIED	61.	61.
TOTALS	197.	197.
	=====	=====

SCHUMAN, DENNIS CHARITABLE FDN

47-1421283

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS
=====

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ---
67065Q772 NUVEEN HIGH YIELD MU	100,000.	100,174.
922907803 VANGUARD SHRT-TRM TA	200,000.	199,874.
922907886 VANGUARD LTD TRM TAX	200,000.	199,638.
	-----	-----
TOTALS	500,000.	499,686.
	=====	=====

SCHUMAN, DENNIS CHARITABLE FDN
FORM 990PF, PART II - CORPORATE STOCK
=====

47-1421283

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ---
00203H859 AQR MANAGED FUTURES	18,750.	17,701.
06738C778 BARCLAYS BANK PLC IP	18,687.	17,348.
06738C786 IPATH ETN CRUDE OIL	12,657.	10,408.
277923728 EATON VANCE GLOBAL M	18,750.	18,670.
277923751 PARAMETRIC EMRG MKTS	22,500.	21,561.
464286673 ISHARES MSCI SINGAPO	9,115.	9,025.
464287168 ISHARES SELECT DIVID	5,501.	5,558.
464287200 ISHARES CORE S & P 5	227,915.	228,591.
464287234 ISHARES MSCI EMERGIN	22,470.	22,199.
464287465 ISHARES MSCI EAFE ET	33,890.	32,854.
464287507 ISHARES CORE S&P MID	31,418.	31,856.
464287804 ISHARES CORE S&P SMA	22,734.	23,382.
464288877 ISHARES MSCI EAFE VA	33,720.	32,659.
46428Q109 ISHARES SILVER TRUST	12,776.	11,747.
46429B705 ISHARES MSCI RUSSIA	8,951.	7,628.
589509207 MERGER FUND-INST #30	18,750.	18,066.
61760X836 MORGAN STANLEY INS F	9,000.	8,776.
683974604 OPPENHEIMER DEVELOPI	22,500.	22,121.
74925K581 ROBECO BP LNG/SHRT R	18,750.	18,568.
78463X863 SPDR DJ WILSHIRE INT	18,778.	18,707.
922908553 VANGUARD REIT VIPER	18,694.	18,630.
	-----	-----
TOTALS	606,306.	596,055.
	=====	=====

. SCHUMAN, DENNIS CHARITABLE FDN
 FORM 990PF, PART II - CORPORATE BONDS
 =====

47-1421283

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ---
262028855 DRIEHAUS ACTIVE INCO	18,750.	18,607.
315920702 FID ADV EMER MKTS IN	100,000.	98,064.
693390882 PIMCO FOREIGN BD FD	100,000.	95,225.
	-----	-----
TOTALS	218,750.	211,896.
	=====	=====

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

=====

DESCRIPTION

AMOUNT

MUTUAL FUND POSTING DATE AFTER TYE
ROUNDING

7,263.

1.

TOTAL

7,264.

=====

SCHUMAN, DENNIS CHARITABLE FDN

47-1421283

FORM 990PF, PART VII-A - NEW SUBSTANTIAL CONTRIBUTORS
=====

NAME AND ADDRESS

DENNIS SCHUMAN REV LIVING TRUST
PO BOX 41629
AUSTIN, TX 78704

STATEMENT 8

FORM 990PF, PART VII-A, LINE 14 - BOOKS ARE IN THE CARE OF
=====

NAME: WELLS FARGO BANK NA

ADDRESS: ONE WEST 4TH STREET D4000-062
WINSTON SALEM, NC 27101-4000

TELEPHONE NUMBER: (800)352-3705

THE SCHUMAN REVOCABLE LIVING TRUST

76

DECEMBER 10, 2012

LAW OFFICE OF
FERRUZZO & FERRUZZO, LLP
3737 BIRCH STREET, SUITE 400 .
NEWPORT BEACH, CALIFORNIA 92660

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DECLARATION OF TRUST

THE SCHUMAN LIVING TRUST

This **DECLARATION OF TRUST** is made by and between **DENNIS SCHUMAN** (the *Settlor*) and **DENNIS SCHUMAN** (the *Trustee*).

Article One

Establishing the Trust

I intend to create a valid trust under the laws of California and under the laws of any state in which any trust created under this trust document is administered. The terms of this trust prevail over any provision of California law, except those provisions that are mandatory and may not be waived.

Section 1.01 Identifying the Trust

For convenience, the trust may be referred to as:

"THE SCHUMAN LIVING TRUST DATED DECEMBER 10, 2012."

To the extent practicable, for the purpose of transferring property to the trust or identifying the trust in any beneficiary or pay-on-death designation, the trust should be identified as:

**"DENNIS SCHUMAN, TRUSTEE, OF THE SCHUMAN
REVOCABLE LIVING TRUST DATED DECEMBER 10, 2012."**

For all purposes concerning the identity of the trust or any property titled in or payable to the trust, any description referring to the trust will be effective if it reasonably identifies the trust and indicates that the trust property is held in a fiduciary capacity.

Section 1.02 Reliance by Third Parties

Third parties may require documentation to verify the existence of this trust, or particular provisions of it, including the name of the Trustee or the powers held by the Trustee. To protect the confidentiality of this instrument, the Trustee may use an affidavit or a certification of trust that identifies the Trustee and sets forth the authority of the Trustee to transact business on behalf of the trust instead of providing a copy of this instrument. The affidavit or certification may include pertinent pages from this instrument, including title or signature pages.

A third party may rely upon an affidavit or certification of trust that is signed by the Trustee with respect to the representations contained in it. A third party relying upon an affidavit or certification of trust will be exonerated from any liability for actions the third

party takes or does not take in reliance upon the representations contained in the affidavit or certification of trust.

A third party dealing with the Trustee will not be required to inquire into this trust's terms or the authority of the Trustee, or to see to the application of funds or other property received by the Trustee. The Trustee's receipt of any money or property paid, transferred, or delivered to the Trustee will be a sufficient discharge to the third party from all liability in connection with its application. A written statement by the Trustee is conclusive evidence of the Trustee's authority. Third parties are not liable for any loss resulting from their reliance on a written statement by the Trustee asserting the Trustee's authority or seeking to effect a transfer of property to or from the trust.

Section 1.03 Transferring Property to the Trust

Any person or entity may transfer any property to the trust in any manner authorized by law.

(a) Initial Funding of the Trust

By executing this instrument, I transfer, convey, and assign to the Trustee the trust property described in the attached Schedule A.

(b) Acceptance by the Trustee

By executing this instrument, the Trustee accepts and agrees to hold the property transferred to the trust as trust property. All property transferred to the trust after the date of this trust must be acceptable to the Trustee. The Trustee may refuse to accept any property. The Trustee shall hold, administer, and dispose of all accepted trust property for my benefit and for the benefit of my beneficiaries, in accordance with the terms of this trust.

Section 1.04 Powers Reserved by Me as Settlor

As Settlor, I retain the powers set forth in this Section in addition to any powers that I reserve in other provisions of this instrument.

(a) Action on Behalf of the Trust

Whenever I am serving as Trustee, I may act for and conduct business on behalf of the trust without the consent of any other Trustee.

(b) Amendment, Restatement, or Revocation

I may amend, restate, or revoke this instrument, in whole or in part, for any purpose. Any amendment, restatement, or revocation must be made in writing and delivered to the then-serving Trustee.

(c) Addition or Removal of Trust Property

I may add property to the trust and may remove any property from the trust at any time.

(d) Control of Income and Principal Distributions

I retain the right to control the distribution of income and principal from the trust. I may direct the Trustee to distribute as much of the net income and principal of the trust property as I consider advisable to me or to other persons or entities. The Trustee may distribute the net income and principal to me or for my unrestricted use and benefit, even to the exhaustion of all trust property. Any undistributed net income is to be added to the principal of the trust.

(e) Approval of Investment Decisions

I reserve the absolute right to review and change the Trustee's investment decisions. But the Trustee is not required to seek my approval before making investment decisions.

Section 1.05 Grantor Trust Status

By reserving the broad rights and powers set forth in Section 1.04 of this Article, I intend to qualify the trust as a *Grantor Trust* under Internal Revenue Code Sections 671 to 677. This means that, for federal income tax purposes, I will be treated as the owner of all the assets held in the trust during my lifetime, as if I held them in my individual capacity.

During any period that the trust is a Grantor Trust, the Taxpayer Identification Number of the trust will be my Social Security number, in accordance with Treasury Regulation Section 301.6109-1(a)(2).

Article Two

Family Information

Section 2.01 Marriage

I am not currently married.

Section 2.02 Children

I do not have any children, or any predeceased children.

Section 2.03 Disinheritance of Family

I am specifically disinheriting any family members or individuals not otherwise specified within this Trust. I further affirm that it is my intention to not provide for any family members including but not limited to any siblings, aunts, uncles, and cousins in this trust or in my Estate. I specifically intent to provide for only the named beneficiaries and charities listed within this trust.



Article Three Trustee Succession Provisions

Section 3.01 Resignation of a Trustee

A Trustee may resign by giving written notice to me. If I am incapacitated or deceased, a resigning Trustee must give written notice to the trust's Income Beneficiaries and to any other then-serving Trustee.

Section 3.02 Trustee Succession during My Lifetime

During my lifetime, this Section governs the removal and replacement of the Trustees.

(a) Removal and Replacement by Me

I may remove any Trustee with or without cause at any time. If a Trustee is removed, resigns, or cannot continue to serve for any reason, I may serve as sole Trustee, appoint a Trustee to serve with me, or appoint a successor Trustee.

(b) During My Incapacity

During any time that I am incapacitated, **WELLS FARGO BANK, N.A.**, or its successors or assigns, will replace any then-serving Trustee.

If I am incapacitated, a Trustee may be removed only for cause, and only if a court of competent jurisdiction approves the removal upon the petition of an interested party.

All appointments, removals, and revocations must be by signed written instrument.

Section 3.03 Trustee Succession after My Death

After my death, this Section will govern the removal and replacement of the Trustees.

(a) Successor Trustee

I name **WELLS FARGO BANK, N.A.**, or its successors or assigns, to serve as the successor Trustee after my death, replacing any then-serving Trustee.

(b) Removal of a Trustee

A Trustee may be removed only for cause, and a petitioning beneficiary must obtain approval from a court of competent jurisdiction before the removal is effective. The petition may subject the trust to the jurisdiction of the court only to the extent necessary to review the petition and may not subject the trust to the continuing jurisdiction of the court.

A minor or incapacitated beneficiary's parent or Legal Representative may act on his or her behalf.

(c) Default of Designation

If the office of Trustee of a trust created under this instrument is vacant and no designated successor Trustee is able and willing to act as Trustee, the trust's *Primary Beneficiary* may appoint a corporate fiduciary as successor Trustee.

Any beneficiary may petition a court of competent jurisdiction to appoint a successor Trustee to fill any vacancy lasting longer than 30 days. The petition may subject the trust to the jurisdiction of the court only to the extent necessary to make the appointment and may not subject the trust to the continuing jurisdiction of the court.

A minor or incapacitated beneficiary's parent or Legal Representative may act on his or her behalf.

Section 3.04 Notice of Removal and Appointment

Notice of removal must be in writing and delivered to the Trustee being removed and to any other then-serving Trustees. The removal becomes effective in accordance with its provisions.

Notice of appointment must be in writing and delivered to the successor Trustee and to any other then-serving Trustees. The appointment becomes effective at the time of acceptance by the successor Trustee. A copy of the notice may be attached to this instrument.

Section 3.05 Appointment of a Co-Trustee

Any individual Trustee may appoint an individual or a corporate fiduciary as a Co-Trustee. This Co-Trustee serves only as long as the appointing Trustee serves, or as long as the last to serve if more than one Trustee appointed the Co-Trustee. This Co-Trustee will not become a successor Trustee upon the death, resignation, or incapacity of the appointing Trustee, unless appointed under the terms of this instrument. Although this Co-Trustee may exercise all the powers of the appointing Trustee, the combined powers of this Co-Trustee and the appointing Trustee may not exceed the powers of the appointing Trustee alone. The Trustee appointing a Co-Trustee may revoke the appointment at any time, with or without cause.

Section 3.06 Corporate Fiduciaries

Any corporate fiduciary serving under this instrument as a Trustee must be a bank, trust company, or public charity that is qualified to act as a fiduciary under applicable federal and state law and that is not related or subordinate to any beneficiary within the meaning of Internal Revenue Code Section 672(c).

Section 3.07 Incapacity of a Trustee

If any individual Trustee becomes incapacitated, the incapacitated Trustee need not resign as Trustee. For Trustees other than me, a written declaration of incapacity by the Co-Trustee or, if none, by the party designated to succeed the incapacitated Trustee, made in good faith and supported by a written opinion of incapacity by a physician who has examined the incapacitated Trustee, will terminate the trusteeship.

Section 3.08 Appointment of Independent Special Trustee

If for any reason the Trustee of any trust created under this instrument is unwilling or unable to act with respect to any trust property or any provision of this instrument, the Trustee shall appoint, in writing, a corporate fiduciary or an individual to serve as an Independent Special Trustee as to this property or with respect to this provision. The Independent Special Trustee appointed may not be related or subordinate to any trust beneficiary within the meaning of Internal Revenue Code Section 672(c).

An Independent Special Trustee will exercise all fiduciary powers granted by this trust unless expressly limited elsewhere in this instrument or by the Trustee in the instrument appointing the Independent Special Trustee. An Independent Special Trustee may resign at any time by delivering written notice of resignation to the Trustee. Notice of resignation will be effective in accordance with the terms of the notice.

Section 3.09 Rights and Obligations of Successor Trustees

Each successor Trustee serving under this instrument, whether corporate or individual, will have all of the title, rights, powers, and privileges granted to the initial Trustee

named under this instrument. In addition, each successor Trustee will be subject to all of the restrictions imposed upon, as well as to all discretionary and ministerial obligations and duties given to the initial Trustee named under this instrument.

Section 3.10 Special Provisions when Wells Fargo is Trustee

The following provisions will govern the this Trust when **WELLS FARGO BANK, N.A.**, or its successors or assigns ("WELLS") is acting as a fiduciary under this Trust:

(a) Powers of WELLS Regarding Affiliates

The Trustee shall have the following specific powers and may exercise the same in its sole and absolute discretion:

- (1) To engage any corporation, partnership or other entity affiliated with the corporate Trustee (an "Affiliated Entity") to render services to any trust hereunder, including, without limitation, to act as a broker or dealer to execute transactions, (including the purchase of any securities currently distributed, underwritten or issued by an Affiliated Entity) at standard commission rates, markups or concessions and to provide other management or investment services, including the custody of assets, at such affiliated entity's standard rates, and to pay for any such services from trust property without reduction in the compensation paid to the corporate Trustee for its services as Trustee except to the extent otherwise provided in its published fee schedule. The clause in brackets may be omitted if covered in the compensation clause.
- (2) To invest in open-end or closed-end investment companies offered by an Affiliated Entity or to which an Affiliated Entity may render services for compensation without reduction in the corporate Trustee's compensation for any fees paid to such Affiliated Entity by such investment company. The clause in brackets may be omitted if covered in the compensation clause.
- (3) To invest trust assets or sweep cash awaiting distribution or investment into the corporate Trustee's own deposits or the deposits of Affiliated Entity without reduction for any fees paid to such Affiliated Entity. The clause in brackets may be omitted if covered in the compensation clause

(b) Jurisdiction and Nominee Name

The corporate Trustee may cause all or any part of any trust hereunder to be maintained or managed in any jurisdiction and may hold any trust property in the

name of its nominee or a nominee of any corporation, partnership or other entity affiliated with the corporate Trustee.

(c) Compensation of the Trustee

The corporate Trustee shall receive payment for its services in accordance with its schedule of rates in effect at the time such compensation becomes payable [without reduction for any other fees or other compensation paid to the corporate Trustee (or any corporation, partnership or other entity affiliated with the corporate trustee) including, but not limited to, such fees or other compensation paid by any open-end or closed-end investment company, unit investment trust or other investment vehicle, or an agent.

(d) Power of the Trustee to Delegate

The Trustee shall have the power to employ and/or to delegate any of its discretionary and nondiscretionary powers to agents (including any corporation, partnership or other entity affiliated with the corporate Trustee) including, but not limited to, attorneys, investment advisers, appraisers or accountants, as it deems appropriate and to pay for such services from the trust property.

(e) Power of the Trustee to Resign

Any Trustee may resign as a Trustee of any trust hereunder at any time by written notice delivered to any Co-Trustee(s) and to all beneficiaries to whom current trust payments may or must then be distributed or to the natural or legal guardians of such beneficiaries (the "Beneficiaries"). Such resignation shall be effective upon the written appointment and acceptance of a Successor Trustee. A majority of the Beneficiaries shall have the power to appoint a Successor Trustee. If in default of such appointment the office of Trustee would be vacant and none has been appointed, then sixty days following the Trustee's initial notice of its intent to resign, the Trustee shall have the power to petition the court at trust expense (including reasonable attorneys' fees) to appoint its Successor. No bond or other security shall be required of the Trustee in any jurisdiction.

(f) Trustee's Accounting

The Trustee may, but shall not be required to, at any time, and from time to time, file an account of its administration with a court of competent jurisdiction. Prior to transferring any or all of the assets of any trust hereunder to a Successor Trustee or to making complete distribution of trust principal, the Trustee may require an approval of its account either by a court of competent jurisdiction or by such of the beneficiaries as it deems appropriate. All of the Trustee's fees and expenses (including reasonable attorneys' fees) attributable to any such accounting and approval shall be paid by the trust.

(g) Investment Advisor

The initial investment advisor for each trust established hereunder shall be **MICHAEL KAZMER** ("Investment Advisor"):

(1) Resignation or Removal of Investment Advisor

An Investment Advisor may resign at any time upon giving at least thirty (30) days' prior written notice of that intention, or such shorter period as the Trustee may approve, delivered personally or by certified mail to the Trustee.

(2) Resignation or Removal of Investment Advisor

If an Investment Advisor resigns or is removed, a successor Investment Advisor may be named by the following, in the indicated order of priority (together the "Naming Parties"):

1. The Settlor, if he is alive and not disabled; however, the Settlor may not designate any person who is a related or subordinate party to the Settlor;
2. If the Settlor is deceased, then the Office of Investment Advisor shall be vacant and the trustee shall act pursuant to Section 3.10(h) below.

The appointment will be by a written document delivered to the appointed Investment Advisor. The appointment shall be effective upon the date when the person or institution so appointed qualifies to act as Investment Advisor by executing and acknowledging his, her or its consent to act as such and to be bound by the terms and provisions hereof. The appointment and consent shall both be delivered to (i) the Trustee, (ii) the Settlor, but if he is deceased or disabled, to the permissible current income beneficiaries who are then legally competent; and (iii) to the Naming Party, if different from the party described in clause (ii) above.

(h) Unfilled Vacancy in Office of Investment Advisor.

If at any time during the continuance of the trust there shall no longer be an Investment Advisor of the trust, then the Trustee alone is hereby authorized and empowered to exercise all powers theretofore exercised upon direction; provided, however, that if the Trustee so exercises such powers, the Trustee shall have no liability in so doing except on account of the Trustee's own willful default, willful misconduct or gross negligence. Additionally, the

Trustee shall be under no duty to examine the actions of any Investment Advisor that served theretofore.

(i) Investment Advisor's Powers and Duties.

Unless and until the Trustee receives written notice that there is no Investment Advisor in office, the Investment Advisor will have full power to manage the investments of the Trust, including but not limited to all powers relating to the acquisition, disposition, retention, exchange, change in character, lending, borrowing, pledging, mortgaging, managing, voting, leasing, granting of options with respect to, insuring, abandoning, or in any other way relating to the investment or management of the trust estate, and the Trustee shall act in such matters only upon the written direction of the Investment Advisor. The Investment Advisor will have full power to purchase, sell, and retain all of the trust assets, the power to borrow and to pledge trust assets to secure loans, and the power to exercise voting, subscription, conversion, option and similar rights with respect to such property and to participate in or consent to any voting trust, reorganization, merger, dissolution or other action affecting any such property. The Trustee shall follow the directions of the Investment Advisor with respect to all matters relating to the management and investment of trust assets, though the Trustee has no responsibility for ensuring the quality or performance of any investments held by the Trustee pursuant to the direction of the Investment Advisor.

If at any time an Investment Advisor exercises the powers of the Trustee granted to it hereunder, such Investment Advisor shall be subject to the duties, responsibilities and limitations imposed by the terms of this Agreement upon a Trustee in the exercise of such powers, as though the Investment Advisor were serving in the role of Trustee. The Investment Advisor shall manage the assets of the trust as a fiduciary in the Investment Advisor's sole discretion subject to the investment restrictions or directives contained herein, if any, and subject to applicable law.

The Investment Advisor may establish an investment policy to be followed by the Trustee with respect to trust assets and such investment policy shall constitute an ongoing direction to the Trustee to act in accordance with such investment policy. The Investment Advisor may

adopt such rules for the transaction of its business as it deems suitable.

The Settlor authorizes the Investment Advisor to purchase securities or mutual funds underwritten or advised by the Trustee or an affiliate, parent or subsidiary of the Trustee, even though the Trustee or an affiliate, parent or subsidiary of the Trustee may benefit or be directly or indirectly compensated from the purchase of such security.

Trustee's Powers and Duties relating to the Investment Advisor. At any time or times when an Investment Advisor shall be serving, the Trustee shall exercise powers with respect the investments of the Trust only with the written direction of the Investment Advisor.

The Trustee shall issue proxies to vote all securities held by the trust to or on the written order of the Investment Advisor. The Trustee shall not thereafter be liable for the manner in which those securities are voted, for any direct or indirect result of the voting or for any failure to vote those securities.

The Trustee has no duty to call to the attention of any judicial body or any other person or entity matters relating to the administration of the investments of the trust.

(j) Trustee and Investment Advisor Liability.

Each Trustee and Investment Advisor shall be deemed to have acted within the scope of its authority, to have exercised reasonable care, diligence and prudence, and to have acted impartially as to all persons interested unless the contrary be proved by affirmative evidence, and in the absence of such proof shall not be liable for loss arising from depreciation or shrinkage in value of any property authorized to be held or acquired.

The Investment Advisor shall not be held liable for any loss whatsoever to the trust, unless it results from actions taken by the Investment Advisor due to fraud, willful default or willful misconduct. The Trustee shall not be liable for any loss to the trust estate resulting from any act or failure to act by the Investment Advisor, or taken by the Trustee in accordance with directions, instructions or recommendations given or made by the Investment

Advisor, unless it results from actions taken by the Trustee in bad faith or through willful misconduct.

The Trustee shall not be liable for any failure to seek redress, or institute any legal proceeding, for any act or omission of the Investment Advisor.

The Trustee shall be indemnified and held harmless for any losses, liabilities, claims or other actions it may incur by reason of the Investment Advisor's acts, failure to act, or for acting in accordance with any directions of the Investment Advisor. Any expenses incurred by the Trustee in defending an action brought against the Trustee shall be paid out of the property of the trust to which such action relates.

(k) Duty of Inquiry and Notice.

The Trustee has no duty to inquire into the acts or omissions of the Investment Advisor and no obligation to investigate or confirm the authenticity of investment directions he receive or the authority of the person or persons conveying them. The Trustee has no responsibility to monitor or consider the advisability of purchasing, retaining or disposing of any investment. Further, the Investment Advisor need not inquire into the Trustee's performance of its duties.

The Investment Advisor shall provide to the Trustee, on a quarterly or other periodic basis as agreed to by the Trustee and the Investment Advisor, sufficient information relating to the investments and transactions conducted by and through the trust to enable the Trustee to understand the nature of the trust's activities. However, the Trustee is under no obligation to review or oversee the Investment Advisor's investment policy, investment advice or investment decisions or make any recommendations with regard to such investments.

If the Investment Advisor fails to respond to a written request by the Trustee within thirty (30) days, then the Trustee may take any action it deems appropriate and advisable in the absence of direction from the Investment Advisor.

(I) Investment Advisor Compensation.

Each Investment Advisor will be entitled to reasonable compensation for services rendered (both as an Investment Advisor and separately in a professional capacity, if applicable) and to reimbursement in accordance with the Investment Advisor's regular fee schedule in effect from time to time or as set forth in any special agreement between the Investment Advisor and the Trustee for (i) any expenses reasonably incurred as an Investment Advisor, including travel costs, and (ii) any reasonable compensation that the Investment Advisor has paid or for which he is liable relating to investment counseling or other services (including legal and accounting services). All such reimbursement and compensation are to be charged to the trust for which such person or entity is an Investment Advisor and to which the benefit of those services inures. The Investment Advisor shall not be required to furnish any bond, undertaking or other security for the performance of his, her, or its duties as Investment Advisor.

Article Four
Administration of the Trust during My Incapacity

Section 4.01 Trust Distributions during My Incapacity

During any period of time when I am incapacitated, the Trustee shall administer the trust and distribute its net income and principal as provided in this Section.

(a) Distributions for My Benefit

The Trustee shall regularly and conscientiously make appropriate distributions of income and principal for my general welfare and comfort under the circumstances existing at the time each distribution is made.

Appropriate distributions under this Subsection include the payment of any of my enforceable legal obligations and premiums for insurance policies owned by me or by the trust, including life, medical, disability, property and casualty, errors and omissions, and longterm health care policies.

The Trustee is authorized to honor pledges and continue to make gifts to charitable organizations that I have regularly supported in the customarily given amounts.

The examples included in this Subsection are for purposes of illustration only and are not intended to limit the authority of the Trustee to make any distribution for my benefit that the Trustee determines appropriate.

(b) Manner of Making Distributions

The Trustee may make distributions for my benefit in any one or more of the following ways:

to me, but only to the extent I am able to manage these distributions;

to other persons and entities for my use and benefit;

to an agent or attorney in fact authorized to act for me under a legally valid durable power of attorney executed by me before my incapacity; and

to my guardian or conservator who has assumed responsibility for me under any court order, decree, or judgment issued by a court of competent jurisdiction.

(c) Distributions to Agents under General Durable Power of Attorney

Under a valid power of attorney executed by me, the Trustee may make distributions to any agent for the purpose of making gifts as authorized in the power of attorney, or to assist the agent in carrying out my estate planning objectives.

Article Five

Administration of the Trust upon My Death

Section 5.01 The Trust Becomes Irrevocable

After my death, the trust is irrevocable and my Social Security number may no longer be used to identify the trust. The Trustee may need to apply for a separate Taxpayer Identification Number for the trust.

Section 5.02 Administrative Trust

After my death and before the distribution of trust property as provided in the subsequent Articles of this trust, the trust will be an *administrative trust*, but may continue to be known as the Schuman Revocable Living Trust. The administrative trust will continue

for a reasonable period of time necessary to complete the administrative tasks set forth in this Article.

Section 5.03 Payment of Expenses and Taxes

The Trustee may pay from the trust property:

- expenses of the last illness, funeral, and burial or cremation, including expenses of memorials and memorial services;

- legally enforceable claims against me or the estate;

- expenses of administering the trust and the estate; and

- court-ordered allowances for those dependent upon me.

These payments are discretionary with the Trustee. The Trustee may make decisions on these payments without regard to any limitation on payment of the expenses and may make payments without any court's approval. No third party may enforce any claim or right to payment against the trust by virtue of this discretionary authority.

If payment would decrease the deduction available to the estate, the Trustee may not pay any administrative expenses from assets passing to an organization that qualifies for the federal estate tax charitable deduction.

The Trustee shall pay death taxes out of the trust property's principal, as provided in Section 5.04. But if a probate estate is opened within six months after the date of the death, the Personal Representative shall pay any outstanding claims and expenses as authorized by the Personal Representative, as well as any death taxes from the probate estate to the extent that the cash and readily marketable assets in the probate estate are sufficient.

Section 5.04 Payment of Death Taxes

For the purposes of this Article, the term *death taxes* refers to any taxes imposed by reason of the death by federal, state, or local authorities, including estate, inheritance, gift, and direct-skip generation-skipping transfer taxes. For purposes of this Section, *death taxes* does not include any additional estate tax imposed by Internal Revenue Code Section 2031(c)(5)(C), Section 2032A(c), or Section 2057(l), or any other comparable recapture tax imposed by any taxing authority. Nor does the term include any generation-skipping transfer tax, other than a direct-skip generation-skipping transfer tax.

Except as otherwise provided in this Article or elsewhere in this trust, the Trustee shall provide for payment of all death taxes from the administrative trust without apportionment. The Trustee may not seek contribution toward or recovery of any payments of death taxes from any individual.

(a) Protection of Exempt Property

Death taxes may not be allocated to or paid from any assets that are not included in the gross estate for federal estate tax purposes. To the extent practicable, the Trustee may not pay any death taxes from assets that are exempt from generation-skipping transfer tax purposes.

(b) Protection of the Charitable Deduction

Death taxes may not be paid from or allocated to any assets passing to an organization that qualifies for the federal estate tax charitable deduction, or from any assets passing to a split-interest charitable trust, unless the Trustee has first used all other assets available to pay the taxes.

(c) Property Passing outside of the Trust

Death taxes imposed with respect to property included in the gross estate for death tax purposes but passing outside of the trust are to be apportioned among the persons and entities benefited. The proportion attributed to each person or entity is the taxable value of each person or entity's beneficial interest over the total taxable value of all property and interests included in the gross estate for death tax purposes. The values used for the apportionment are to be the values as finally determined under federal, state, or local law.

Section 5.05 Coordination with The Personal Representative

The following provisions are intended to help facilitate the coordination between the Personal Representative and the Trustee. These provisions apply even if the Personal Representative and the Trustee are the same person or entity.

(a) Reliance on Information from The Personal Representative

The Trustee may rely upon the written request of the Personal Representative for payments authorized under this Article and the amounts included in those payments without computing the sums involved. If a payment is made under this Article to the Personal Representative, the Trustee will have no duty to inquire into the application of the payment.

(b) Receipt of Probate Property

The Trustee may accept or decline any distributions of property tendered to the Trustee by the Personal Representative. If the Trustee accepts the property, the Trustee may do so without audit, and will not be required to review the Personal Representative's records.

(c) Discretionary Distributions to My Personal Representative

The Trustee may distribute cash, accrued income, or other trust property to the probate estate as a beneficiary of this trust, to the extent the Trustee determines that doing so is in the best interests of the trust beneficiaries.

Section 5.06 Authority to Make Tax Elections

After my death, the Trustee may make tax elections as provided in this Section. But if a Personal Representative is appointed for the probate estate, the discretionary authority granted to the Trustee as to any tax election will be subordinate to the Personal Representative's statutorily delegated authority.

(a) Tax Elections

The Trustee may make any tax elections necessary for the efficient administration of the estate, including:

- valuing assets according to an alternate valuation date;
- electing whether to take administration expenses as estate tax deductions or income tax deductions;
- allocating my unused generation-skipping exemption to any portion of the trust property;
- electing special-use valuation;
- deferring payment of all or any portion of any taxes;
- treating any portion of the administrative trust as part of the estate for federal or state income tax purposes, or both; and
- qualifying any trust property for the *family owned business deduction* authorized under Internal Revenue Code Section 2057, and entering into any agreement on the trust's behalf that is necessary to validly make the election.

The Trustee may make equitable adjustments between income and principal because of any tax elections made by the Trustee.

(b) Allocation of GST Exemption

The Trustee may elect to allocate or not allocate any portion of the Available GST Exemption under Internal Revenue Code Section 2631, or a counterpart exemption under any applicable state law to any property of which I am considered the transferor for generation-skipping transfer tax

purposes. This includes any property transferred by me during the life for which I did not make an allocation prior to death. The exercise of the Trustee's discretion should be based on the transfers, gift tax returns, and other information known to the Trustee, with no requirement that allocations benefit the various transferees or beneficiaries in any particular manner.

(c) Qualified Conservation Easements

The Trustee may create a qualified conservation easement, as defined in Internal Revenue Code Section 2031(c)(8)(A), in any land held by the trust and may make the necessary election provided by Section 2031(c)(6).

Article Six

Specific Distributions and Disposition of Tangible Personal Property

Section 6.01 Specific Distribution to JOSE VALENCIA

As soon as practicable after my death, the Trustee shall distribute \$350,000 to my friend, JOSE VALENCIA.

If JOSE VALENCIA is deceased, then this distribution will lapse, and this property instead will be distributed under the other provisions of this trust.

Property passing under this Section passes free of any administrative expenses or death taxes.

Section 6.02 Distribution of Tangible Personal Property

Upon my death, the Trustee shall distribute the tangible personal property as provided in the following Articles.

Section 6.03 Definition of Tangible Personal Property

For purposes of this Article, the term *tangible personal property* includes household furnishings, appliances and fixtures, works of art, motor vehicles, pictures, collectibles, apparel and jewelry, books, sporting goods, and hobby paraphernalia. The term does not include any property that the Trustee, in its reasonable discretion, determines to be part of any business or business interest owned by me or the trust.

After my death, if the Trustee receives property to be distributed under this Article from the probate estate or in any other manner, the Trustee shall distribute the property in accordance with this Article's terms. The fact that an item of tangible personal property

was not received by the trust until after my death does not diminish the validity of the gift. If property to be distributed under this Article is not part of the trust property upon my death and is not subsequently transferred to the Trustee from the probate estate or in any other manner, then the specific distribution of property made in this Article is null and void, without any legal or binding effect.

Section 6.04 Incidental Expenses and Encumbrances

Until property distributed in accordance with this Article is delivered to the appropriate beneficiary or his or her Legal Representative, the Trustee shall pay the reasonable expenses of securing, storing, insuring, packing, transporting, and otherwise caring for the property as an administration expense. Except as otherwise provided in the trust, the Trustee shall distribute property under this Article subject to all liens, security interests, and other encumbrances on the property.

Section 6.05 Residuary Distribution

Any property not distributed under this or prior Articles of this instrument will be distributed as provided in the following Articles.

Article Seven Distribution to Charity

The Trustee shall administer and distribute my remaining trust property not distributed under prior Articles of this trust under the terms of this Article.

Section 7.01 Division of the Charitable Share

The Trustee shall divide the remaining trust property into these shares:

Beneficiary	Share
UNITED STATES HOLOCAUST MEMORIAL MUSEUM 100 Raoul Wallenberg Place, SW, Washington, DC 20024	\$1,000,000.00
SIMON WIESENTHAL CENTER, INC. 1399 South Roxbury Drive, Los Angeles, California 90035	\$1,000,000.00
AMERICAN FRIENDS OF TEL AVIV UNIVERSITY 39 Broadway, Suite 1510, New York, NY 10006	\$1,000,000.00
DENNIS SCHUMAN CHARITABLE FOUNDATION	RESIDUE

*Amended
7-12-2013*

Section 7.02 Distribution to United States Holocaust Memorial Museum

The Trustee shall distribute UNITED STATES HOLOCAUST MEMORIAL MUSEUM's share outright and free of trust to UNITED STATES HOLOCAUST MEMORIAL MUSEUM or its successor in interest, to be used for its general charitable purposes.

If UNITED STATES HOLOCAUST MEMORIAL MUSEUM does not exist at the distribution time and no successor in interest exists or a successor in interest cannot be identified with reasonable certainty, then the Trustee shall designate one or more charitable organizations having at least similar charitable purposes as UNITED STATES HOLOCAUST MEMORIAL MUSEUM to receive UNITED STATES HOLOCAUST MEMORIAL MUSEUM's share of the remaining trust property. Each charitable organization must be a charity of a type described in Internal Revenue Code Section 2055(a). The Trustee shall determine the amounts, shares, and interests of the distributions.

Section 7.03 Distribution to Simon Wiesenthal Center, Inc.

The Trustee shall distribute SIMON WIESENTHAL CENTER, INC.'s share outright and free of trust to SIMON WIESENTHAL CENTER, INC. or its successor in interest, to be used for its general charitable purposes.

If SIMON WIESENTHAL CENTER, INC. does not exist at the distribution time and no successor in interest exists or a successor in interest cannot be identified with reasonable certainty, then the Trustee shall designate one or more charitable organizations having at least similar charitable purposes as SIMON WIESENTHAL CENTER, INC. to receive SIMON WIESENTHAL CENTER, INC.'s share of the remaining trust property. Each charitable organization must be a charity of a type described in Internal Revenue Code Section 2055(a). The Trustee shall determine the amounts, shares, and interests of the distributions.

Section 7.04 Distribution to American Friends of Tel Aviv University

The Trustee shall distribute to AMERICAN FRIENDS OF TEL AVIV UNIVERSITY's share outright and free of trust to AMERICAN FRIENDS TEL AVIV UNIVERSITY or its successor in interest, to be used exclusively for the specific charitable purposes of:

Establishment of an Undergraduate Endowment Scholarship at Tel Aviv University in Israel in the name of DENNIS SCHUMAN SCHOLARSHIP FUND (the "Fund"). The purpose of the Undergraduate Scholarship Fund shall be to give annual distributions to provide financial assistance to undergraduate students at TEL AVIV UNIVERSITY.

If AMERICAN FRIENDS TEL AVIV UNIVERSITY does not exist at the distribution time and no successor in interest exists or a successor in interest cannot be identified with

reasonable certainty, then the Trustee shall designate one or more charitable organizations having at least similar charitable purposes as **AMERICAN FRIENDS TEL AVIV UNIVERSITY** to receive **AMERICAN FRIENDS TEL AVIV UNIVERSITY's** share of the remaining trust property. Each charitable organization must be a charity of a type described in Internal Revenue Code Section 2055(a). The Trustee shall determine the amounts, shares, and interests of the distributions.

Section 7.05 Administration of the Dennis Schuman Charitable Foundation

The Trustee shall administer the remaining trust property as a private foundation (the **DENNIS SCHUMAN CHARITABLE FOUNDATION**) as that term is defined in Internal Revenue Code Section 509 and as provided in this Article.

(a) Conduct of Business

Once created, the private foundation will always be known as the **DENNIS SCHUMAN CHARITABLE FOUNDATION**.

The Trustee shall conduct all the private foundation's activities in the **DENNIS SCHUMAN CHARITABLE FOUNDATION'S** name.

To the extent reasonable and practical, the Trustee shall take all appropriate measures to ensure that this private foundation's ultimate beneficiaries are notified in writing that the funds they receive originated with, and were made possible by, the **DENNIS SCHUMAN CHARITABLE FOUNDATION**.

(b) Purpose of the DENNIS SCHUMAN CHARITABLE FOUNDATION

The **DENNIS SCHUMAN CHARITABLE FOUNDATION** is created exclusively for charitable, religious, scientific, literary, or educational purposes, including making distributions to organizations that qualify as exempt organizations within the meaning of Internal Revenue Code Section 501(c)(3).

The Trustee may accept property, whether real, personal, or mixed, by way of gift, bequest, or devise, from any person or entity, to hold, administer, and dispose of under the provisions of this Article.

No gift, bequest, or devise of any property may be accepted by the Trustee if it is conditioned or limited in a manner:

that requires the disposition of the property's income or principal to any person or organization other than a

qualified organization or for other than charitable purposes;
or

that, in the opinion of the Trustee, jeopardizes the private foundation's federal income tax exemption under Internal Revenue Code Section 501(c)(3).

(c) Distributions

All distributions are subject to the provisions of (c). The Trustee shall make distributions of the private foundation's net income and principal for one or more charitable purposes, including distributions to one or more qualified organizations, at the times and in the amounts or proportions as the Trustee determines, with sole and absolute discretion.

Income or principal derived from corporate contributions will be distributed by the Trustee for use solely within the United States or its possessions.

Any income accrued on private foundation property before the transfer of this property to the Trustees will be treated as the private foundation's income. The Trustee may make payments or distributions from income, principal, or both.

(d) Termination

The private foundation will continue forever, unless it is terminated by the Trustee in the Trustee's absolute discretion. Upon termination, the Trustee shall distribute the remaining private foundation property to one or more charitable organizations selected by the Trustee, in the proportions and among the organizations as the Trustee, acting in the Trustee's sole discretion determines.

Any private foundation property not disposed of by the Trustee will be distributed by the court of competent jurisdiction for the location of the private foundation's principal office. All distributions must be exclusively for the charitable purposes or to the charitable organization or organizations that the court selects.

(e) Limitations on Activities

The private foundation may not engage in any activities that are unlawful under the laws of the United States or the laws of California.

The private foundation's net income and principal must be devoted exclusively for charitable purposes and must never be given to, contributed to, or inure to the benefit of any individual or noncharitable entity. But the private foundation may pay reasonable compensation to

any individual or noncharitable entity for services provided to the private foundation and may reimburse the reasonable expenses of any individual or noncharitable entity for goods and facilities provided to the private foundation.

No substantial part of the private foundation's activities may consist of carrying on propaganda or otherwise attempting to influence legislation.

No part of the private foundation's activities may involve participating in or intervening in any political campaign or on behalf of any candidate for political office; this includes publishing and distributing political statements.

Notwithstanding any other provision of this trust, the private foundation may not conduct or carry on any activities that are not permitted to be conducted or carried on:

by an organization exempt under Internal Revenue Code Section 501(c)(3); or

by any organization that receives contributions that are deductible under Internal Revenue Code Section 170(c).

Each tax year, the Trustee shall distribute the income for each tax year at a time and in a manner as to not become subject to the tax on undistributed income imposed by Internal Revenue Code Section 4942.

Notwithstanding any other provision of this trust, the Trustees may not:

engage in any act of self-dealing as defined in Internal Revenue Code Section 4941(d);

retain any excess business holdings as defined in Internal Revenue Code Section 4943(c), subject to all Treasury Regulations with respect to divestment of these holdings;

make any investment that jeopardizes the private foundation's charitable purposes as defined in Internal Revenue Code Section 4944; or

make any taxable expenditure as defined in Internal Revenue Code Section 4945(d).

Nothing in this trust restricts the Trustee from investing the private foundation's assets in any manner that would result in the annual realization of a reasonable amount of net income or gain from their sale or disposition.

(f) My General Charitable Intent

I intend to create a private foundation that is exempt from federal and state income taxes, and that receives contributions that are deductible for federal and state income, estate, inheritance, and gift tax purposes. Any provisions of this instrument that are inconsistent with my intent are void.

(g) Amendment of the Dennis Schuman Charitable Foundation

To the extent allowable by law, the Trustee may amend the terms of this instrument solely to enable the Trustee to carry out the private foundation's purposes more effectively, whenever the Trustee considers an amendment necessary or advisable. But this Subsection specifically does not authorize any amendment that causes any part of the private foundation's assets to be diverted from the charitable purposes set forth in (b) and (c), or that may disqualify the private foundation from the status and benefits described in (f).

Every amendment must be in writing, signed by the Trustee, and deposited with the private foundation records.

(h) Reorganization of the Dennis Schuman Charitable Foundation as a Corporation

The Trustee is authorized to form and organize a *not-for-profit* or *nonprofit* corporation under the law of California, or any other state in the United States of America. Once formed, the corporation will have the power to administer and control the private foundation's affairs and property, and to carry out its objectives and purposes as provided in this Section. The corporation must be named the **DENNIS SCHUMAN CHARITABLE FOUNDATION, INC.** The Trustee will have full discretion in regard to the corporation's organization and may act as a director or officer of the corporation. The Trustee shall take any action necessary to qualify the corporation as an exempt charitable organization under applicable federal and state laws. Once the corporation qualifies as an exempt charitable organization, the Trustee shall transfer and deliver all of the private foundation's assets to the corporation, and this private foundation must then terminate.

Article Eight

Remote Contingent Distribution

If at any time no person or entity is qualified to receive final distribution of any part of my trust estate under the foregoing provisions of this trust, this portion of the trust estate must be distributed to **DENNIS SCHUMAN CHARITABLE FOUNDATION**, or its successor in interest, to be used exclusively for its general charitable purposes. If the organization has no certainly identifiable successors in interest, the Trustee must designate one or more charitable organizations with similar charitable purposes as **DENNIS SCHUMAN CHARITABLE FOUNDATION** to receive that property. The Trustee shall determine the amounts, shares, and interests of the distributions. Each charitable organization must be a charity of a type described in Internal Revenue Code Section 2055(a).

Article Nine

Distributions to Underage and Incapacitated Beneficiaries

If the Trustee is authorized or directed under any provision of this trust to distribute net income or principal to a person who has not yet reached the age of 25 years or who is incapacitated as defined in Section 13.06(h), the Trustee may make the distribution by any one or more of the methods described in Section 9.01. Alternatively, the Trustee may retain the trust property in a separate trust to be administered by the Trustee under Section 9.02.

I request that before making a distribution to a beneficiary, the Trustee consider, to the extent reasonable, the ability the beneficiary has demonstrated in managing prior distributions of trust property.

Section 9.01 Methods of Distribution

The Trustee may distribute trust property for any beneficiary's benefit, subject to the provisions of this Article in any one or more of the following methods:

The Trustee may distribute trust property directly to the beneficiary.

The Trustee may distribute trust property to the beneficiary's guardian, conservator, parent, other family member, or any person who has assumed the responsibility of caring for the beneficiary.

The Trustee may distribute trust property to any person or entity, including the Trustee, as custodian for the beneficiary under the Uniform Transfers to Minors Act or similar statute.

The Trustee may distribute trust property to other persons and entities for the beneficiary's use and benefit.

The Trustee may distribute trust property to an agent or attorney in fact authorized to act for the beneficiary under a valid durable power of attorney executed by the beneficiary before becoming incapacitated.

Section 9.02 Retention in Trust

The Trustee may retain and administer trust property in a separate trust for any beneficiary's benefit, subject to the provisions of this Article as follows.

(a) Distribution of Net Income and Principal

The Independent Trustee may distribute to the beneficiary as much of the net income and principal of any trust created under this Section as the Independent Trustee advises for any purpose. If there is no then-serving Independent Trustee, the Trustee shall distribute to the beneficiary as much of the net income and principal of the trust created under this Section as the Trustee advises for the beneficiary's health, education, maintenance and support. Any undistributed net income will be accumulated and added to principal.

(b) Right of Withdrawal

When the beneficiary whose trust is created under this Section either reaches the age of 25 years or is no longer incapacitated, the beneficiary may withdraw all or any portion of the accumulated net income and principal from the trust.

(c) Distribution upon the Death of the Beneficiary

Subject to the terms of the next paragraph, the beneficiary whose trust is created under this Section may appoint all or any portion of the principal and undistributed net income remaining in the beneficiary's trust at the beneficiary's death among one or more persons or entities, and the creditors of the beneficiary's estate. The beneficiary has the exclusive right to exercise this general power of appointment.

The beneficiary may not exercise this power of appointment to appoint to the beneficiary, the beneficiary's estate, the beneficiary's creditors, or creditors of the beneficiary's estate from the *limited share* of the beneficiary's trust. For purposes of this power of appointment, the *limited*

share of the beneficiary's trust is that portion of the beneficiary's trust that has an inclusion ratio for generation-skipping transfer tax purposes of zero or that without the exercise of the power of appointment, would not constitute a taxable generation-skipping transfer at the beneficiary's death. If the generation-skipping tax does not then apply, the limited share will be the beneficiary's entire trust.

If any part of the beneficiary's trust is not effectively appointed, the Trustee shall distribute the remaining unappointed balance *by representation* to the beneficiary's descendants. If the beneficiary has no then-living descendants, the Trustee shall distribute the unappointed balance *by representation* to the then-living descendants of the beneficiary's nearest lineal ancestor who was a descendant of mine or, if there is no then-living descendant, *by representation* to my descendants.

If I have no then-living descendants, the Trustee shall distribute the balance of the trust property as provided in Article Eight.

Section 9.03 Application of Article

Any decision made by the Trustee under this Article is final, controlling, and binding upon all beneficiaries subject to the provisions of this Article.

The provisions of this Article do not apply to distributions to me.

Article Ten Retirement Plans and Life Insurance Policies

The provisions of this Article apply to qualified retirement plans and insurance policies owned by or made payable to the trust.

Section 10.01 Retirement Plans

Notwithstanding any contrary provision of this trust, the provisions of this Section apply to qualified retirement plans.

(a) Rights of the Trustee

The Trustee may exercise the right to determine the manner and timing of qualified retirement plan benefit payments permitted under these plans and consistent with the federal income tax rules regarding required minimum distributions under Internal Revenue Code Section 401(a)(9).

The Trustee may make a qualified disclaimer of any qualified retirement benefits or non-qualified annuity benefits payable to the trust.

The Trustee may not be held liable to any beneficiary for any decision regarding the death benefit election or the disclaimer of any qualified retirement benefits payable to the trust.

The Trustee may not change or designate beneficiaries under any retirement plan. Any power extended to the Trustee under the terms of a retirement plan that gives or appears to give the Trustee the power to change the identity or rights of any beneficiaries under the plan is void *ab initio*.

Section 10.02 Life Insurance Policies

The following provisions apply to life insurance policies owned by or made payable to the trust.

(a) Provisions during My Life

During my life, I reserve all of the rights, powers, privileges, and options, with respect to any insurance policy, annuity, or any other third-party beneficiary contract owned by or made payable to the trust. This includes the rights to designate and change beneficiaries, to borrow money, to surrender the policy, to receive any payments as owner, and to make any available elections.

The Trustee will have no duty to exercise or not exercise any rights, powers, privileges, or options with respect to any insurance policy, annuity contract, or other third-party beneficiary contract. The Trustee will have no obligation to pay premiums or other contractual amounts that may be payable under any policy.

(b) Provisions after My Death

After my death, the Trustee may make all appropriate elections with respect to these policies and may collect all sums made payable to the trust or the Trustee under all these policies or contracts.

The Trustee may exercise any settlement options or other options or rights that may be available under the terms of any policy or contract. The Trustee may not be held liable to any beneficiary on account of any election the Trustee made with respect to any policy or contract.

Section 10.03 Limitation on Liability of Payor

Persons or entities dealing in good faith with the Trustee are not required to see to the proper application of proceeds delivered to the Trustee, or to inquire into any provision of this trust.

A receipt signed by the Trustee for any proceeds or benefits paid will be a sufficient discharge to the person or entity making the payment.

Section 10.04 Collection Efforts

The Trustee shall make reasonable efforts to collect all life insurance policy proceeds and qualified retirement benefits payable to the trust.

The Trustee may commence legal or administrative proceedings to collect any life insurance policy proceeds or qualified retirement benefits to which the trust is entitled. The Trustee need not commence any proceedings until the Trustee is satisfactorily indemnified for any expenses and liabilities the Trustee may incur in connection with the proceeding.

The Trustee may settle any claims with respect to the collection of any life insurance proceeds or qualified retirement benefits to which the trust may be entitled. A settlement made by the Trustee will be binding on all beneficiaries.

Section 10.05 No Obligation to Purchase or Maintain Benefits

Nothing in this trust is to be interpreted as imposing any obligation on me or on the Trustee to purchase, invest, or maintain any qualified retirement plan or life insurance policy.

Article Eleven Trust Administration

Section 11.01 Distributions to Beneficiaries

Whenever this trust authorizes or directs the Trustee to make a net income or principal distribution to a beneficiary, the Trustee may apply any property that otherwise could be distributed directly to the beneficiary for his or her benefit. The Trustee is not required to inquire into the beneficiary's ultimate disposition of the distributed property unless specifically directed otherwise by this trust.

The Trustee may make cash distributions, in-kind distributions, or distributions partly in each, in proportions and at values determined by the Trustee. The Trustee may allocate undivided interests in specific assets to a beneficiary or trust in any proportion or manner

that the Trustee determines, even though the property allocated to one beneficiary may be different from that allocated to another beneficiary.

The Trustee may make these determinations without regard to the income tax attributes of the property and without the consent of any beneficiary.

Section 11.02 Beneficiary's Status

Until the Trustee receives notice of the incapacity, birth, marriage, death, or other event upon which a beneficiary's right to receive payments may depend, the Trustee will not be held liable for acting or not acting with respect to the event, or for disbursements made in good faith to persons whose interest may have been affected by the event. Unless otherwise provided in this trust, a parent or Legal Representative may act on behalf of a minor or incapacitated beneficiary.

The Trustee may rely on any information provided by a beneficiary with respect to the beneficiary's assets and income. The Trustee will have no independent duty to investigate the status of any beneficiary and will not incur any liability for not doing so.

Section 11.03 Mandatory Payments of a Pecuniary Amount

If any person holds the right to receive a pecuniary amount from the trust upon the death, the Trustee must either:

satisfy the entire pecuniary amount or irrevocably set aside property to satisfy the entire pecuniary amount within 15 months of the death; or

pay appropriate interest, as defined in Treasury Regulations Section 26.2642-2(b)(4)(ii)(B), to the person.

If the Trustee satisfies the pecuniary amount with an in-kind distribution, the Trustee will allocate assets to satisfy the pecuniary amount in a manner that fairly reflects net appreciation or depreciation in the value of the available assets, as measured from the valuation date to the payment date.

Section 11.04 No Court Proceedings

The Trustee shall administer this trust with efficiency, with attention to the provisions of this trust, and with freedom from judicial intervention. If the Trustee or another interested party institutes a legal proceeding, the court will acquire jurisdiction only to the extent necessary for that proceeding. Any proceeding to seek instructions or a court determination may only be initiated in the court with original jurisdiction over matters relating to the construction and administration of trusts. Seeking instructions or a court determination is not to be construed as subjecting this trust to the court's continuing jurisdiction.

Section 11.05 No Bond

The Trustee is not required to furnish any bond for the faithful performance of the Trustee's duties unless required by a court of competent jurisdiction, and only if the court finds that a bond is needed to protect the beneficiaries' interests. No surety will be required on any bond required by any law or court rule, unless the court specifies its necessity.

Section 11.06 Exoneration of the Trustee

No successor Trustee is obligated to examine the accounts, records, or actions of any previous Trustee or the Personal Representative of my estate. No successor Trustee may be held responsible for any act, omission, or forbearance by any previous Trustee or of the Personal Representative of my estate.

Any Trustee may obtain written agreements from the beneficiaries or their Legal Representatives releasing and indemnifying the Trustee from any liability that may have arisen from the Trustee's acts, omissions, or forbearances. If acquired from all the trust's living beneficiaries or their Legal Representatives, any agreement is conclusive and binding on all parties, born or unborn, who may have or who may later acquire an interest in the trust.

The Trustee may require a refunding agreement before making any distribution or allocation of trust income or principal, and may withhold distribution or allocation pending determination or release of a tax or other lien. This refunding agreement provision will not apply to any distribution that qualifies for the federal estate tax charitable deduction.

Section 11.07 Limitations on Trustee Liability

I recognize that some persons or institutions may be reluctant to serve as Trustee because of a concern about potential liability. Therefore, I direct that any individual or corporate fiduciary that serves as the Trustee will not incur any liability by reason of any error of judgment, mistake of law, or action or inaction of any kind in connection with the administration of any trust created under this trust, unless the Trustee's decision is shown by clear and convincing evidence to have been made in bad faith.

Any individual or corporate fiduciary currently serving as the Trustee may expend any portion of the trust assets to defend any claim brought against the Trustee, even if the Trustee's defense costs would exhaust the trust's value, unless the Trustee is shown to have acted in bad faith by clear and convincing evidence.

Any individual or corporate fiduciary that formerly served as the Trustee is entitled to reimbursement from the trust estate for any expenses, including attorney's fees and litigation costs reasonably incurred to defend any claim brought against the Trustee even if the Trustee's defense costs would exhaust the trust's value, unless the Trustee is shown to have acted in bad faith by clear and convincing evidence.

Section 11.08 Trustee Compensation

An individual serving as Trustee, other than me, is entitled to fair and reasonable compensation for the services provided as a fiduciary. A corporate fiduciary serving as Trustee will be compensated by agreement between an individual serving as Trustee and the corporate fiduciary. In the absence of an individual Trustee or an agreement, a corporate fiduciary will be compensated in accordance with the corporate fiduciary's current published fee schedule.

A Trustee may charge additional fees for services provided that are beyond the ordinary scope of duties, such as fees for legal services, tax return preparation, and corporate finance or investment banking services.

In addition to receiving compensation, a Trustee may be reimbursed for reasonable costs and expenses incurred in carrying out the Trustee's duties under this trust.

Section 11.09 Employment of Professionals

The Trustee may appoint, employ, and remove investment advisors, accountants, auditors, depositories, custodians, brokers, consultants, attorneys, advisors, agents, and employees to advise or assist in the performance of the Trustee's duties. The Trustee may act on the recommendations of the persons or entities employed, with or without independent investigation.

The Trustee may reasonably compensate an individual or entity employed to assist or advise the Trustee, regardless of any other relationship existing between the individual or entity and the Trustee.

The Trustee may compensate providers of contracted services at the usual rate out of the trust's income or principal, as the Trustee advises. The Trustee may compensate an individual or entity employed to assist or advise the Trustee without diminishing the compensation the Trustee is entitled to under this trust. A Trustee who is a partner, stockholder, officer, director, or corporate affiliate in any entity employed to assist or advise the Trustee may still receive the Trustee's share of the compensation paid to the entity.

Section 11.10 Exercise of Testamentary Power of Appointment

A testamentary power of appointment granted under this trust may be exercised by a will, living trust or other written instrument specifically referring to the power of appointment. The holder of a testamentary power of appointment may exercise the power to appoint property among the permissible appointees in equal or unequal proportions, and may designate the terms and conditions, whether outright or in trust. The holder of a testamentary power of appointment may grant further powers of appointment to any person to whom principal may be appointed, including a presently exercisable limited or general power of appointment.

The Trustee may conclusively presume that any power of appointment granted to any beneficiary of a trust created under this trust has not been exercised by the beneficiary if the Trustee has no knowledge of the existence of a will, living trust or other written instrument exercising the power within three months after the beneficiary's death.

Section 11.11 Determination of Principal and Income

The rights among beneficiaries in matters concerning principal and income are to be determined in accordance with the California Revised Uniform Principal and Income Act. If the California Revised Uniform Principal and Income Act does not contain a provision concerning a particular item, the Trustee shall determine what will be credited, charged, and apportioned between principal and income in a fair, equitable, and practical manner with respect to that item.

Section 11.12 Trust Accounting

Except to the extent required by law, the Trustee is not required to file accountings in any jurisdiction. After the death, the Trustee must provide an annual accounting to the Income Beneficiaries of any trust created under this trust unless waived by the Income Beneficiaries.

The annual accounting must include the receipts, expenditures, and distributions of income and principal and the assets on hand for the accounting period. A copy of the federal fiduciary tax return filed for a trust during the accounting will satisfy this reporting requirement.

In the absence of fraud or obvious error, assent by all Income Beneficiaries to a Trustee's accounting will make the matters disclosed in the accounting binding and conclusive upon all persons, including those living on this date and those born in the future who have or will have a vested or contingent interest in the trust property. In the case of an Income Beneficiary who is a minor or incapacitated, the beneficiary's natural guardian or Legal Representative may give the assent required under this Section.

A beneficiary may object to an accounting provided by the Trustee only by giving written notice to the Trustee within 60 days after the Trustee provides the accounting. Any beneficiary who does not submit a timely written objection is considered to assent to the accounting.

The Trustee must make the trust's financial records and documents available to beneficiaries at reasonable times and upon reasonable notice for inspection. The Trustee is not required to furnish any information regarding the trust to anyone other than a beneficiary. The Trustee may exclude any information the Trustee determines is not directly applicable to the beneficiary receiving the information.

In all events, a beneficiary's Legal Representative may receive any notices and take any action on behalf of the beneficiary as to an accounting. If any beneficiary's Legal Representative fails to object to any accounting in writing within 60 days after the

Trustee provides the accounting, the beneficiary's Legal Representative will be considered to assent to the accounting.

Section 11.13 Action of Trustees and Delegation of Trustee Authority

When I am not serving as a Trustee, if two Trustees are eligible to act with respect to a given matter, they must agree unanimously for action to be taken unless the express terms of the Trustees' appointment provide otherwise. If more than two Trustees are eligible to act with respect to a given matter, the Trustees must agree by majority for action to be taken.

A nonconcurring Trustee may dissent or abstain from a decision of the majority. A Trustee will be absolved from personal liability by registering the dissent or abstention in the trust records. After doing so, the dissenting Trustee must then act with the other Trustees in any way necessary or appropriate to effect the majority decision.

Subject to the limitations set forth in Section 12.24, any Trustee may, by written instrument, delegate to any other Trustee the right to exercise any power, including a discretionary power, granted to the Trustee in this trust. During the time a delegation under this Section is in effect, the Trustee to whom the delegation is made may exercise the power to the same extent as if the delegating Trustee has personally joined in the exercise of the power. The delegating Trustee may revoke the delegation at any time by giving written notice to the Trustee to whom the power was delegated.

Section 11.14 Trustee May Disclaim or Release Any Power

Notwithstanding any provision of this trust to the contrary, any Trustee may relinquish any Trustee power in whole or in part, irrevocably or for any specified period of time, by a written instrument. The Trustee may relinquish a power personally or may relinquish the power for all subsequent Trustees.

Section 11.15 Trustee May Execute a Power of Attorney

The Trustee may appoint any individual or entity to serve as the Trustee's agent under a power of attorney to transact any business on behalf of the trust or any other trust created under this trust.

Section 11.16 Additions to Separate Trusts

If upon my death, or upon the termination of any trust created under this trust, a final distribution is to be made to a person who is the Primary Beneficiary of another trust established under this trust, and there is no specific indication whether the distribution is to be made in trust or outright, the Trustee shall make the distribution to the second trust instead of distributing the property to the beneficiary outright. For purposes of administration, the distribution will be treated as though it had been an original part of the second trust.

Section 11.17 Authority to Merge or Sever Trusts

The Trustee may merge a trust created under this trust with any other trust, if the two trusts contain substantially the same terms for the same beneficiaries and have at least one Trustee in common. The Trustee may administer the merged trust under the provisions of the instrument governing the other trust, and this trust will no longer exist if it merges into another trust. Accordingly, in the event another trust is merged into this trust or a trust created under the provisions of this trust document, the Trustee may shorten the period during which this trust subsists to comply with Section 13.01, if necessary, to effect the merger. But if a merger does not appear feasible, the Trustee may consolidate the trusts' assets for purposes of investment and trust administration while retaining separate records and accounts for each respective trust.

The Trustee may sever any trust on a fractional basis into two or more separate and identical trusts, or may segregate a specific amount or asset from the trust property by allocating it to a separate account or trust. The separate trusts may be funded on a *non pro rata* basis, but the funding must be based on the assets' total fair market value on the funding date. After the segregation, income earned on a segregated amount or specific asset passes with the amount or asset segregated. The Trustee shall hold and administer each severed trust upon terms and conditions identical to those of the original trust.

Subject to the trust's terms, the Trustee may consider differences in federal tax attributes and other pertinent factors in administering the trust property of any separate account or trust, in making applicable tax elections and in making distributions. A separate trust created by severance must be treated as a separate trust for all purposes from the effective severance date; however, the effective severance date may be retroactive to a date before the Trustee exercises the power.

Section 11.18 Authority to Terminate Trusts

The Independent Trustee may terminate any trust created under this trust at any time, if the Independent Trustee, in its reasonable discretion, determines that administering a trust created under this trust is no longer economical. Once distributed, the Trustee will have no further responsibility with respect to that trust property. The Trustee will distribute the trust property from a terminated trust in this order:

to me, if I am then living;

to the beneficiaries then entitled to mandatory distributions of the trust's net income, in the same proportions; and then

if none of the beneficiaries are entitled to mandatory distributions of net income, to the beneficiaries then eligible to receive discretionary distributions of the trust's net income, in the amounts and shares the Independent Trustee determines.

This Section does not apply to the **DENNIS SCHUMAN CHARITABLE FOUNDATION**.

Section 11.19 Merger of Corporate Fiduciary

If any corporate fiduciary acting as the Trustee under this trust is merged with or transfers substantially all of its trust assets to another corporation, or if a corporate fiduciary changes its name, the successor will automatically succeed to the trusteeship as if that successor had been originally named a Trustee. No document of acceptance of trusteeship will be required.

Section 11.20 Funeral and Other Expenses of Beneficiary

Upon the death of an Income Beneficiary, the Trustee may pay the funeral expenses, burial or cremation expenses, enforceable debts, or other expenses incurred due to the death of the beneficiary from trust property. This Section only applies to the extent the Income Beneficiary has not exercised any testamentary power of appointment granted to the beneficiary under this trust.

The Trustee may rely upon any request by the deceased beneficiary's Legal Representative or family members for payment without verifying the validity or the amounts and without being required to see to the application of the payment. The Trustee may make decisions under this Section without regard to any limitation on payment of expenses imposed by statute or court rule and without obtaining the approval of any court having jurisdiction over the administration of the deceased beneficiary's estate.

Section 11.21 Generation-Skipping Transfer Tax Provisions

If any trust created under this trust would be partially exempt from generation-skipping transfer tax after the intended allocation of Available GST Exemption to the trust, then the Trustee may divide the partially exempt trust so that the allocation of Available GST Exemption can be made to a trust that will be entirely exempt from generation-skipping transfer tax. If the Trustee chooses to divide a trust that would otherwise be a partially exempt trust, the Trustee must create and administer the separate trusts as provided in this Section.

(a) Division into Exempt and Non-Exempt Trusts

The Trustee shall divide the property of the otherwise partially-exempt trust into two separate trusts, the *exempt trust* and the *nonexempt trust*. The exempt trust will consist of the largest fractional share of the otherwise partially exempt trust's total assets that will permit the exempt trust to be entirely exempt from generation-skipping transfer tax. The *nonexempt trust* will consist of the balance of the otherwise partially exempt trust's total assets.

To compute the fractional share, the Trustee will use asset values as finally determined for federal estate tax purposes. The Trustee must then apply the fraction to the assets at their actual value on the effective date or dates of distribution so that the actual value of the fractional share resulting from the application of the fraction will include fluctuations in the trust property's value. I request that the Trustee allocate the value of any Roth IRAs payable to the trust to the exempt trust to the extent possible.

(b) Administration of the Trusts

The Trustee shall administer the exempt and nonexempt trusts created under this Section as separate and independent trusts, but under the same terms as the original trust. To the extent possible, the Trustee should make distributions to a non-skip person as defined by Internal Revenue Code Section 2613 from the nonexempt trust and distributions to a skip person as defined by Section 2613 from an exempt trust. The Trustee may designate names for the exempt and nonexempt trusts.

If an exempt trust and a nonexempt trust are further divided under the terms of this trust, the Trustee may allocate property from the exempt trust first to the trust from which a generation-skipping transfer is more likely to occur.

(c) Expression of My Intent

My intent is to minimize the application of the generation-skipping transfer tax to the trust property, but not to affect the total amount of trust property to which any beneficiary may be entitled under this trust. This trust must be construed and interpreted to give effect to this intent.

(d) Additions of Property to Exempt and Non-Exempt Trusts

If at any time any property that has an inclusion ratio greater than zero for generation-skipping transfer tax purposes would be added to a trust with property that has an inclusion ratio of zero, then the Trustee will instead hold the property in a separate trust on the same terms and conditions as the original trust.

(e) Re-Allocation

If the Trustee's determination of whether a trust in this trust is partially, entirely, or not exempt from GST taxes is later incorrect (for example, if the Congress by law or the Service by regulation or ruling applies the generation-skipping transfer tax retroactively to the trust), the Trustee may re-allocate the assets as of the initial division date, as provided in this Section.

Section 11.22 Independent Trustee May Confer Testamentary Power of Appointment

During the Primary Beneficiary's lifetime, the Independent Trustee may grant the Primary Beneficiary a testamentary power to appoint all or part of the Primary Beneficiary's trust or trust share to the creditors of the Primary Beneficiary's estate. The Independent Trustee may require that the Primary Beneficiary obtain the consent of the Independent Trustee granting the power, as a condition for the exercise of the power. Any testamentary power of appointment granted by the Independent Trustee must be in writing and may be revoked at any time during the lifetime of the Primary Beneficiary to whom the power was given. I suggest that the Independent Trustee exercise this authority to subject trust property to estate tax instead of the generation-skipping transfer tax when it may reduce overall taxes.

Article Twelve The Trustee's Powers

Section 12.01 Introduction to Trustee's Powers

Except as otherwise specifically provided in this trust, the Trustee may exercise the powers granted by this trust without prior approval from any court, including those powers set forth under the laws of the State of California or any other jurisdiction whose law applies to this trust. The powers set forth in California Probate Code are specifically incorporated into this trust.

The Trustee shall exercise the Trustee powers in the manner the Trustee determines to be in the beneficiaries' best interests. The Trustee must not exercise any power inconsistent with the beneficiaries' right to the enjoyment of the trust property in accordance with the general principles of trust law.

The Trustee may have duties and responsibilities in addition to those described in this trust. I encourage any individual or corporate fiduciary serving as Trustee to obtain appropriate legal advice if the Trustee has any questions concerning the duties and responsibilities as Trustee.

Section 12.02 Execution of Documents by the Trustee

The Trustee may execute and deliver any written instruments that the Trustee considers necessary to carry out any powers granted in this trust.

Section 12.03 Investment Powers in General

The Trustee may invest in any type of investment that the Trustee determines is consistent with the investment goals of the trust, whether inside or outside the geographic borders of the United States of America and its possessions or territories, taking into account the overall investment portfolio of the trust.

Without limiting the Trustee's investment authority in any way, I request that the Trustee exercise reasonable care and skill in selecting and retaining trust investments. I also request that the Trustee take into account the following factors in choosing investments:

the potential return from the investment, both in income and appreciation;

the potential income tax consequences of the investment;

the investment's potential for volatility; and

the role the investment will play in the trust's portfolio.

I request that the Trustee also consider the possible effects of inflation or deflation, changes in global and US economic conditions, transaction expenses, and the trust's need for liquidity while arranging the trust's investment portfolio.

The Trustee may delegate his or her discretion to manage trust investments to any registered investment advisor or corporate fiduciary.

Section 12.04 Banking Powers

The Trustee may establish any type of bank account in any banking institutions that the Trustee chooses. If the Trustee makes frequent disbursements from an account, the account does not need to be interest bearing. The Trustee may authorize withdrawals from an account in any manner.

The Trustee may open accounts in the name of the Trustee, with or without disclosing fiduciary capacity, and may open accounts in the name of the trust. When an account is in the name of the trust, checks on that account and authorized signatures need not disclose the account's fiduciary nature or refer to any trust or Trustee.

Section 12.05 Business Powers

If the trust owns or acquires an interest in a business entity, whether as a shareholder, partner, general partner, sole proprietor, member, participant in a joint venture, or otherwise, the Trustee may exercise the powers and authority provided for in this Section. The powers granted in this Section are in addition to all other powers granted to the Trustee in this trust.

(a) No Duty to Diversify

Notwithstanding any duty to diversify imposed by state law or any other provision of this trust, the Trustee may acquire or indefinitely retain any ownership interest in or indebtedness of any closely held or nonpublicly traded entity in which the trust, myself, my descendants, and the spouses of my descendants have an ownership interest (the *business interests*), and even though any business interest may constitute all or a substantial portion of the trust property. I specifically authorize the Trustee to invest or indefinitely retain all or any part of the trust property in these business interests, regardless of any resulting risk, lack of income, diversification, or marketability. I waive any applicable prudent investor rule, as well as the Trustee's standard of care and duty to diversify with respect to the acquisition or retention of these business interests.

I recognize that the value of a noncontrolling interest in a business entity may be less than the underlying value of the entity's net assets. Nevertheless, I authorize the Trustee to acquire or retain any noncontrolling business interests.

(b) Specific Management Powers

The Trustee has all power and authority necessary to manage and operate any business owned by the trust, whether directly or indirectly, including the express powers set forth in this Subsection. The Trustee may participate directly in the conduct of the business, by serving as a general partner of a limited partnership, a member, manager or managing member of a limited liability company, or a shareholder of a corporation, or may employ others to serve in that capacity.

The Trustee may participate in the management of the business and delegate management duties and powers to any employee, manager, partner, or associate of the business, without incurring any liability for the delegation. To the extent that the business interest held by the trust is not one that includes management powers (such as a minority stock interest, limited partnership interest, or a membership interest in a limited liability company), the Trustee has no obligation to supervise the management of the underlying assets, and no liability for the actions of those who do manage the business.

The Trustee may enter into management trusts and nominee trusts in which the Trustee and the trust may serve as the exclusive manager or nominee of property or property interests on behalf of any limited partnership, limited liability company, or corporation.

The Trustee, individually, or if the Trustee is a corporate fiduciary, then an employee of the Trustee, may act as a director, general or limited partner, associate, or officer of the business.

The Trustee may participate with any other person or entity in the formation or continuation of a partnership either as a general or limited partner, or in any joint venture. The Trustee may exercise all the powers of management necessary and incidental to a membership in the partnership, limited partnership, or joint venture, including making charitable contributions.

The Trustee may reduce, expand, limit, or otherwise adjust the operation or policy of the business. The Trustee may subject the trust's principal and income to the risks of the business for any term or period, as the Trustee determines.

For any business in which the trust has an interest, the Trustee may advance money or other property, make loans (subordinated or otherwise) of cash or securities, and guarantee the loans of others made to the business. The Trustee may borrow money for the business, either alone or with other persons interested in the business, and may secure the loan or loans by a pledge or mortgage of any part of any trust property.

The Trustee may select and vote for directors, partners, associates, and officers of the business. The Trustee may enter into owners' agreements with a business in which the trust has an interest or with the other owners of the business.

The Trustee may execute agreements and amendments to agreements as may be necessary to the operation of the business, including stockholder agreements, partnership agreements, buy-sell agreements, and operating agreements for limited liability companies.

The Trustee may generally exercise any powers necessary for the continuation, management, sale, or dissolution of the business.

The Trustee may participate in the sale, reorganization, merger, consolidation, recapitalization, or liquidation of the business. The Trustee may sell or liquidate the business or business interest on terms the Trustee considers advisable and in the best interests of the trust and the beneficiaries. The Trustee may sell any business interest held by the trust to one or more of the beneficiaries of this trust or to any trust in which a majority of the beneficiaries are beneficiaries of this trust. The Trustee may make the sale in exchange for cash, a private annuity, an installment note, or any combination of those.

The Trustee may exercise all of the business powers granted in this trust even though the Trustee may be personally invested in or otherwise involved with the business.

(c) Business Liabilities

If any tort or contract liability arises in connection with the business, and if the trust is liable, the Trustee will first satisfy the liability from the assets of the business, and only then from other trust property as determined by the Trustee.

(d) Trustee Compensation

In addition to the compensation set forth in Section 11.08, the Trustee may receive additional reasonable compensation for services in connection with the operation of the business. The Trustee may receive this compensation directly from the business, the trust or both.

(e) Conflicts of Interest

The Trustee may exercise all of the powers granted in this trust even though the Trustee may be involved with or have a personal interest in the business.

Section 12.06 Contract Powers

The Trustee may sell at public or private sale, transfer, exchange for other property, and otherwise dispose of trust property for consideration and upon terms and conditions that the Trustee advises. The Trustee may grant options of any duration for any sales, exchanges, or transfers of trust property.

The Trustee may enter into contracts, and may deliver deeds or other instruments, that the Trustee considers appropriate.

Section 12.07 Common Investments

For purposes of convenience with regard to the trust property's administration and investment, the Trustee may invest part or all of the trust property jointly with property of other trusts for which the Trustee is also serving as a Trustee. A corporate fiduciary acting as the Trustee may use common funds for investment. When trust property is managed and invested in this manner, the Trustee will maintain records that sufficiently identify this trust's portion of the jointly invested assets.

Section 12.08 Environmental Powers

The Trustee may inspect trust property to determine compliance with or to respond to any environmental law affecting the property. For purposes of this trust *environmental law*

means any federal, state, or local law, rule, regulation, or ordinance protecting the environment or human health.

The Trustee may refuse to accept property if the Trustee determines that the property is or may be contaminated by any hazardous substance or is or was used for any purpose involving hazardous substances that could create liability to the trust or to any Trustee.

The Trustee may use trust property to:

- conduct environmental assessments, audits, or site monitoring;

- take remedial action to contain, clean up, or remove any hazardous substance including a spill, discharge, or contamination;

- institute, contest, or settle legal proceedings brought by a private litigant or any local, state, or federal agency concerned with environmental compliance;

- comply with any order issued by any court or by any local, state, or federal agency directing an assessment, abatement, or cleanup of any hazardous substance; and

- employ agents, consultants, and legal counsel to assist the Trustee in these actions.

The Trustee is not liable for any loss or reduction in value sustained by the trust as a result of the Trustee's decision to retain property on which hazardous materials or substances requiring remedial action are discovered, unless the Trustee contributed to that loss through willful misconduct or gross negligence.

The Trustee is not liable to any beneficiary or to any other party for any decrease in the value of property as a result of the Trustee's actions to comply with any environmental law, including any reporting requirement.

The Trustee may release, relinquish, or disclaim any power held by the Trustee that the Trustee determines may cause the Trustee to incur individual liability under any environmental law.

Section 12.09 Farming and Ranching Operations

If the trust owns or acquires an interest in a farm, ranch, or other agricultural property or business, the Trustee may exercise the authority and discretion provided in this Section. The powers granted in this Section are in addition to all other powers granted to the Trustee in this trust.

(a) Authority to Operate the Farm or Ranch

Notwithstanding any duty to diversify imposed by state law, the Trustee may retain and continue to operate a farm or ranch, even though the interest may constitute all or a substantial portion of the trust property.

The Trustee may take part in farm or ranch management, or hire a farm manager or a professional farm management service. The Trustee may delegate any of the powers authorized by this Section to a hired farm manager or professional farm management service.

The Trustee may purchase, sell, hold, manage, operate, lease, improve, and maintain the farm or ranch and any of its interests, and in general deal with all things necessary for operation as the Trustee advises.

The Trustee may buy, sell, and raise livestock; plant, cultivate, harvest, and sell cash crops; produce timber or forest products for sale; or lease or rent all or part of the farm or ranch for cash or a crop share.

The Trustee may contract with hired labor, tenants, or sharecroppers.

The Trustee may construct, repair, and improve farm buildings, fences, and other farm or ranch structures, including drainage facilities, wells, ponds, and lagoons. The Trustee may participate in cooperative agreements concerning water and ditch rights.

The Trustee may purchase or rent any kind of farm machinery, equipment, feed, and seed necessary to operate the farm or ranch.

The Trustee may use approved soil conservation practices in order to conserve, improve, and maintain the soil's productivity. The Trustee may engage in timber or forest conservation practices.

The Trustee may engage in any farm program sponsored by any federal, state, or local governmental agency.

(b) Business Liabilities

If any tort or contract liability arises in connection with the farm or ranch, and if the trust is liable, the Trustee will first satisfy the liability from the assets of the farm or ranch, and only then from other property.

(c) Trustee Compensation

In addition to the compensation set forth in Section 11.08, the Trustee may receive additional reasonable compensation for services in connection with the operation of a farm or ranch. The Trustee may receive this compensation directly from the farm or ranch, the trust, or both.

(d) Conflicts of Interest

The Trustee may exercise all of the powers granted in this trust, even though the Trustee may be involved with or have a personal interest in the farm or ranch.

Section 12.10 Insurance Powers

The Trustee may purchase, accept, hold, and deal with as owner, insurance policies on my life, any beneficiary's life, or any person's life in whom any beneficiary has an insurable interest.

The Trustee may purchase disability, medical, liability, longterm health care and other insurance on behalf of and for the benefit of any beneficiary. The Trustee may purchase annuities and similar investments for any beneficiary.

The Trustee may execute or cancel any automatic premium loan agreement with respect to any policy, and may elect or cancel any automatic premium loan provision in a life insurance policy. The Trustee may borrow money to pay premiums due on any policy, either by borrowing from the company issuing the policy or from another source. The Trustee may assign the policy as security for the loan.

The Trustee may exercise any option contained in a policy with regard to any dividend or share of surplus apportioned to the policy to reduce the amount of a policy, to convert or exchange the policy, or to surrender a policy at any time for its cash value.

The Trustee may elect any paid-up insurance or extended-term insurance nonforfeiture option contained in a policy.

The Trustee may sell any policy at its fair market value to anyone having an insurable interest in the policy, including the insured.

The Trustee may exercise any other right, option, or benefit contained in a policy or permitted by the issuing insurance company.

Upon termination of the trust, the Trustee may transfer and assign the policies held by the trust as a distribution of trust property.

Section 12.11 Loans and Borrowing Powers

The Trustee may make loans to any person including a beneficiary, as well as an entity, trust, or estate, for any term or payable on demand, with or without interest, and secured or unsecured.

The Trustee may encumber any trust property by mortgages, pledges, or otherwise, and may negotiate, refinance, or enter into any mortgage or other secured or unsecured financial arrangement, whether as a mortgagee or mortgagor. The term may extend

beyond the trust's termination and beyond the period required for an interest created under this trust to vest in order to be valid under the rule against perpetuities.

The Trustee may enter into, negotiate, or modify the terms of any mortgage or any other secured or unsecured agreement granted in connection with any loan entered into by me individually or by any Trustee, and may release or foreclose on any mortgage or security interest payable to me or to the trust.

The Trustee may borrow money at interest rates and on other terms that the Trustee advises from any person, institution, or other source including, in the case of a corporate fiduciary, its own banking or commercial lending department.

The Trustee may purchase, sell at public or private sale, trade, renew, modify, and extend mortgages. The Trustee may accept deeds instead of foreclosing.

Section 12.12 Nominee Powers

The Trustee may hold real estate, securities, and any other property in the name of a nominee or in any other form, without disclosing the existence of any trust or fiduciary capacity.

Section 12.13 Oil, Gas and Mineral Interests

The Trustee may acquire, maintain, develop, and exploit, either alone or jointly with others, any oil, gas, coal, mineral, or other natural resource rights or interests.

The Trustee may drill, test, explore, mine, develop, extract, remove, convert, manage, retain, store, sell, and exchange any of those rights and interests on terms and for a price that the Trustee advises.

The Trustee may execute leases, pooling, unitization, and other types of agreements in connection with oil, gas, coal, mineral, and other natural resource rights and interests, even though the terms of those arrangements may extend beyond the trust's termination.

The Trustee may execute division orders, transfer orders, releases, assignments, farm outs, and any other instruments that it considers proper.

The Trustee may employ the services of consultants and outside specialists in connection with the evaluation, management, acquisition, disposition, and development of any mineral interest, and may pay the cost of the services from the trust's principal and income.

Section 12.14 Payment of Property Taxes and Expenses

Except as otherwise provided in this trust, the Trustee may pay any property taxes, assessments, fees, charges, and other expenses incurred in the administration or protection of the trust. All payments will be a charge against the trust property and will

be paid by the Trustee out of income. If the income is insufficient, then the Trustee may make any payments of property taxes or expenses out of the trust property's principal. The Trustee's determination with respect to this payment will be conclusive on the beneficiaries.

Section 12.15 Purchase of Assets from and Loans to My Probate Estate

Upon my death, the Trustee may purchase at fair market value and retain in the form received any property that is a part of my probate or trust estate as an addition to the trust. In addition, the Trustee may make secured and unsecured loans to my probate or trust estate. The Trustee may not be held liable for any loss suffered by the trust because of the exercise of the powers granted in this Section.

The Trustee may not use any trust property for the benefit of my estate as defined in Code of Federal Regulations Title 26 Section 20.2042-1(b), unless the property is included in my gross estate for federal estate tax purposes.

Section 12.16 Qualified Family-Owned Business Interests Deduction

The Independent Trustee has the power to amend the terms of a trust holding *qualified family-owned business interests* as defined in Internal Revenue Code Section 2057 in order to permit trust property to qualify for the *family-owned business deduction*, even if the amendment changes beneficial interests and that directs the segregation of trust property into more than one trust.

Section 12.17 Qualified Real Property Valuation

The Independent Trustee has the power to amend the terms of a trust holding *qualified real property* as defined in Internal Revenue Code Section 2032A, in order to permit the qualified real property to qualify for special use valuation permitted under Section 2032A, even if the amendment changes beneficial interests and that directs the segregation of trust property into more than one trust.

Section 12.18 Real Estate Powers

The Trustee may sell at public or private sale, convey, purchase, exchange, lease for any period, mortgage, manage, alter, improve, and in general deal in and with real property in the manner and on the terms and conditions as the Trustee advises.

The Trustee may grant or release easements in or over, subdivide, partition, develop, raze improvements to, and abandon any real property.

The Trustee may manage real estate in any manner considered best, and may exercise all other real estate powers necessary to effect this purpose.

The Trustee may enter into contracts to sell real estate. The Trustee may enter into leases and grant options to lease trust property, even though the term of the agreement extends beyond the termination of any trusts established under this trust and beyond the period that is required for an interest created under this trust to vest in order to be valid under the rule against perpetuities. The Trustee may enter into any contracts, covenants, and warranty agreements that the Trustee advises.

Section 12.19 Residences and Tangible Personal Property

The Trustee may acquire, maintain, and invest in any residence for the beneficiaries' use and benefit, whether or not the residence is income producing and without regard to the proportion that the residence's value may bear to the trust property's total value, even if retaining the residence involves financial risks that Trustees would not ordinarily incur. The Trustee may pay or make arrangements for others to pay all carrying costs of any residence for the beneficiaries' use and benefit, including taxes, assessments, insurance, maintenance, and other related expenses.

The Trustee may acquire, maintain, and invest in articles of tangible personal property, whether or not the property produces income. The Trustee may pay for the repair and maintenance of the property.

The Trustee is not required to convert the property referred to in this Section to income-producing property, except as required by other provisions of this trust.

The Trustee may permit any Income Beneficiary of the trust to occupy any real property or use any personal property owned by the trust on terms or arrangements that the Trustee determines, including rent free or in consideration for the payment of taxes, insurance, maintenance, repairs, or other charges.

The Trustee is not liable for any depreciation or loss resulting from any decision to retain or acquire any property as authorized by this Section.

Section 12.20 Retention and Abandonment of Trust Property

The Trustee may retain any property constituting the trust at the time of its creation, at the time of my death, or as the result of the exercise of a stock option, without liability for depreciation or loss resulting from retention. The Trustee may retain property, notwithstanding the fact that the property may not be of the character prescribed by law for the investment of assets held by a fiduciary, and notwithstanding the fact that retention may result in inadequate diversification under any applicable Prudent Investor Act or other applicable law.

The Trustee may hold property that is not income producing or is otherwise nonproductive if holding the property is in the best interests of the beneficiaries in the sole and absolute discretion of the Trustee. On the other hand, the Trustee will invest contributions of cash and cash equivalents as soon as reasonably practicable after the assets have been acquired by the trust.

The Trustee may retain a reasonable amount in cash or money market accounts to pay anticipated expenses and other costs, and to provide for anticipated distributions to or for the benefit of a beneficiary.

The Trustee may abandon any property that the Trustee considers of insignificant value.

Section 12.21 Securities, Brokerage and Margin Powers

The Trustee may buy, sell, trade, and otherwise deal in stocks, bonds, investment companies, mutual funds, common trust funds, commodities, options, and other securities of any kind and in any amount, including short sales. The Trustee may write and purchase call or put options, and other derivative securities. The Trustee may maintain margin accounts with brokerage firms, and may pledge securities to secure loans and advances made to the Trustee or to or for a beneficiary's benefit.

The Trustee may place all or any part of the securities held by the trust in the custody of a bank or trust company. The Trustee may have all securities registered in the name of the bank or trust company or in the name of the bank's nominee or trust company's nominee. The Trustee may appoint the bank or trust company as the agent or attorney in fact to collect, receive, receipt for, and disburse any income, and generally to perform the duties and services incident to a custodian of accounts.

The Trustee may employ a broker-dealer as a custodian for securities held by the trust, and may register the securities in the name of the broker-dealer or in the name of a nominee; words indicating that the securities are held in a fiduciary capacity are optional. The Trustee may hold securities in bearer or uncertificated form, and may use a central depository, clearing agency, or book-entry system, such as The Depository Trust Company, Euroclear, or the Federal Reserve Bank of New York.

The Trustee may participate in any reorganization, recapitalization, merger, or similar transaction. The Trustee may exercise or sell conversion or subscription rights for securities of all kinds and descriptions. The Trustee may give proxies or powers of attorney that may be discretionary and with or without powers of substitution, and may vote or refrain from voting on any matter.

Section 12.22 Settlement Powers

The Trustee may settle any claims and demands in favor of or against the trust by compromise, adjustment, arbitration, or other means. The Trustee may release or abandon any claim in favor of the trust.

Section 12.23 Subchapter S Corporation Stock Provisions

During any period the trust is not treated as a grantor trust for tax purposes under Internal Revenue Code Section 671, this trust or any trust created under this trust may hold any S

corporation stock held as a separate *Electing Small Business Trust*, or as a separate *Qualified Subchapter S Trust*, as provided in this Section.

For purposes of this Section, *S corporation stock* means all capital stock issued by a corporation (or other entity taxable as a corporation for federal income tax purposes) that is treated or is intended to be treated under Section 1361(a) as an *S corporation* for federal income tax purposes.

(a) Electing Treatment as an Electing Small Business Trust

If the Trustee elects under Internal Revenue Code Section 1361(c)(3) to qualify any portion of the trust as an *Electing Small Business Trust*, the Trustee shall:

apportion a reasonable share of the unallocated expenses of all trusts created under this trust to the Electing Small Business Trust under the applicable provisions of the Internal Revenue Code and Treasury Regulations; and

administer the trust as an Electing Small Business Trust, under Internal Revenue Code Section 1361(c).

(b) Electing Treatment as a Qualified Subchapter S Trust

If the current Income Beneficiary of the trust makes an election under Section 1361(d)(2) to qualify the trust as a Qualified Subchapter S Trust within the meaning of Section 1361(d)(3), the Trustee shall:

refer to the Qualified Subchapter S Trust using the same name as the trust to which the stock was originally allocated, plus the name of the current Income Beneficiary of the trust, followed by the letters QSST;

administer the Qualified Subchapter S Trust in accordance with the same provisions contained in the trust to which the Trustee allocated the S corporation stock, as long as the provisions of this Subsection control the trust administration to the extent that they are inconsistent with the provisions of the original trust; and

maintain the Qualified Subchapter S Trust as a separate trust held for the benefit of only one beneficiary as required in Section 1361(d)(3).

The Trustee shall recommend that the current Income Beneficiary of the trust make a timely election to cause federal tax treatment of the trust as a Qualified Subchapter S Trust.

(1) Current Income Beneficiary

The *current Income Beneficiary* of a Qualified Subchapter S Trust is the person who has a present right to receive income distributions from the trust to which the Trustee has allocated the S corporation stock. A Qualified Subchapter S Trust may have only one current Income Beneficiary.

If, under the terms of the trust, more than one person has a present right to receive income distributions from the trust originally holding the S corporation stock, the Trustee shall segregate the S corporation stock into separate Qualified Subchapter S Trusts for each of these people.

(2) Distributions

Until the earlier of the death of the current Income Beneficiary or the date on which the trust no longer holds any S corporation stock (the *QSST termination date*), the Trustee shall distribute at least annually all of the trust's *net income*, as defined in Internal Revenue Code Section 643(b) to the current Income Beneficiary.

The terms of the trust to which the S corporation stock was originally allocated govern distributions of principal from the Qualified Subchapter S Trust. But until the QSST termination date, the Trustee may distribute principal only to the current Income Beneficiary of the Qualified Subchapter S Trust and not to any other person or entity.

If the Qualified Subchapter S Trust terminates during the lifetime of the current Income Beneficiary, the Trustee shall distribute all assets of the Qualified Subchapter S Trust to the current Income Beneficiary outright and free of the trust.

(3) Allocation of Income and Expenses

The Trustee shall characterize receipts and expenses of any Qualified Subchapter S Trust in a manner consistent with Internal Revenue Code Section 643(b).

(4) Trust Merger or Consolidation

Notwithstanding any other provision of this trust that may seem to the contrary, the Trustee may not merge any Qualified Subchapter S Trust with another trust's assets if

doing so would jeopardize the qualification of either trust as a Qualified Subchapter S Trust.

(c) Governance of the Trusts

The following additional provisions apply to any separate trust created under this Section.

(1) Protection of S Corporation Status

The Trustee must not administer a trust holding S corporation stock in a manner that would cause the termination of the S corporation status of the entity whose stock is held as part of the trust. Therefore, during any period that the trust holds S corporation stock, the Trustee must construe the terms and provisions of this trust in a manner that is consistent with the trust qualifying as an Electing Small Business Trust or as a Qualified Subchapter S Trust. The Trustee must disregard any provision of this trust that cannot be so construed or applied.

(2) Methods of Distribution

The Trustee may not make distribution in a manner that would jeopardize the trust's qualification as an Electing Small Business Trust or as a Qualified Subchapter S Trust.

(3) Disposition of S Corporation Stock

If the Trustee believes the continuation of any trust would result in the termination of the S corporation status of any entity whose stock is held as a part of the trust property, the Trustee, other than an Interested Trustee, in addition to the power to sell or otherwise dispose of the stock, has the power to distribute the stock to the person who is then entitled to receive the income from the trust.

Section 12.24 Limitation on the Trustee's Powers

All powers granted to Trustees under this trust or by applicable law are limited as set forth in this Section, unless explicitly excluded by reference to this Section. The limitations set forth in this Section do not apply to me.

(a) An Interested Trustee Limited to Ascertainable Standards

An Interested Trustee may only make discretionary decisions when they pertain to a beneficiary's health, education, maintenance, or support as described under Internal Revenue Code Sections 2041 and 2514.

(b) No Distributions in Discharge of Certain Legal Obligations

The Trustee may not exercise or participate in the exercise of discretion with respect to the distribution of income or principal that would in any manner discharge a legal obligation of the Trustee, including the obligation of support.

If a beneficiary or any other person has the power to remove a Trustee, that Trustee may not exercise or participate in the exercise of discretion with respect to the distribution of income or principal that would in any manner discharge a legal obligation of the person having the power to remove the Trustee, including that person's obligation of support.

(c) Insurance Policy on the Life of the Trustee

If the trust holds a policy that insures the life of a Trustee, that Trustee may not exercise any powers or rights with respect to the policy. Instead, a Co-Trustee or an Independent Special Trustee must exercise the powers and rights with respect to the policy.

If any rule of law or court decision construes the ability of the insured Trustee to name an Independent Special Trustee as an incident of ownership of the policy, then a majority of the then current Income Beneficiaries (excluding the insured Trustee if he or she is a beneficiary) will select the Independent Special Trustee.

(d) Insurance Policy on a Beneficiary's Life

If the trust holds a policy that insures a beneficiary's life, the beneficiary, individually or as Trustee, may not exercise any power over the policy, its cash value, or its proceeds. This denial of power is intended to prevent an insured beneficiary from holding any power that would constitute an incident of ownership of the policy.

In addition, no distribution of income or principal to the insured beneficiary may be satisfied out of the policy's proceeds, cash value, or other economic benefit of the policy.

The limitations of this Subsection do not apply if, upon the beneficiary's death, the policy's proceeds would otherwise be included in the beneficiary's gross estate for federal estate tax purposes.

Article Thirteen General Provisions

Section 13.01 Maximum Term for Trusts

Notwithstanding any contrary provisions or unless terminated earlier under other provisions of this trust, each trust created under this trust document will terminate 21 years after the death of the last to die of the descendants of my paternal and maternal grandparents who are living at the time of my death.

At that time, the remaining trust property will vest in and be distributed to the persons entitled to receive mandatory distributions of the trust's net income, in the same proportions. If no beneficiary is entitled to mandatory distributions of net income, the remaining trust property will vest in and be distributed to the beneficiaries entitled to receive discretionary distributions of the trust's net income, in equal shares *by representation*.

Section 13.02 Spendthrift Provision

No beneficiary may assign, anticipate, encumber, alienate, or otherwise voluntarily transfer the income or principal of any trust created under this trust. In addition, neither the income nor the principal of any trust created under this trust is subject to attachment, bankruptcy proceedings or any other legal process, the interference or control of creditors or others, or any involuntary transfer.

This Section does not restrict a beneficiary's right to disclaim any interest or exercise of any power of appointment granted in this trust.

Section 13.03 Contest Provision

If any person attempts to contest or oppose the validity of this trust or any amendment to this trust, or commences, continues, or prosecutes any legal proceedings to set this trust aside, then that person will forfeit his or her share, cease to have any right or interest in the trust property, and will be considered to have predeceased me for purposes of this instrument.

But during any period in which the laws of the State of California govern the applicability or validity of this provision, California Probate Code Section 21311 will

apply, and the Trustee may only enforce this provision against any of these types of contests:

a direct contest brought by any beneficiary without probable cause;

a pleading by any beneficiary to challenge a property transfer on the grounds that the transferor did not own the property at the transfer time; and

any filing of a creditor's claim or prosecution of any action based on the filing of a claim of this kind.

The terms *direct contest*, and *pleading* have the same meanings as set forth in California Probate Code Section 21310. This trust and any trusts created in this instrument are *protected instruments* as provided in California Probate Code Section 21310(c).

Section 13.04 Survivorship Presumption

If any beneficiary is living at my death, but dies within 30 days after my death, then the beneficiary will be considered to have predeceased me for this trust's purposes.

Section 13.05 Changing the Governing Law and Situs of Administration

At any time, the Trustee may change the governing law of the trust; change the situs of the administration of the trust; and remove all or any part of the property from one jurisdiction to another. The Trustee may elect, by filing an instrument with the trust records, that the trust will then be construed, regulated, and governed by the new jurisdiction's laws. The Trustee may take action under this Section for any purpose the Trustee considers appropriate, including the minimization of any taxes in respect of the trust or any trust beneficiary.

If considered necessary or advisable by the Trustee, the Trustee may appoint an Independent Trustee to serve as Trustee in the new situs.

If necessary and if the Trustee does not appoint an Independent Trustee within 30 days of the Trustee's action to change the governing law or situs of the trust, the beneficiaries entitled to receive distributions of the trust's net income may appoint a corporate fiduciary in the new situs by majority consent. If a beneficiary is a minor or is incapacitated, the beneficiary's parent or Legal Representative may act on the beneficiary's behalf.

Section 13.06 Definitions

For purposes of this trust, the following terms have these meanings:

(a) Adopted and Afterborn Persons

A person in any generation who is legally adopted before reaching the age of 18 years and his or her descendants, including adopted descendants, have the same rights and will be treated in the same manner under this trust as natural children of the adopting parent. A person is considered legally adopted if the adoption was legal at the time when and in the jurisdiction in which it occurred.

A fetus *in utero* later born alive will be considered a person in being during the period of gestation.

(b) Available GST Exemption

The *Available GST Exemption* means the GST exemption provided in Internal Revenue Code Section 2631 in effect at the death; reduced by the aggregate of:

any amount of GST exemption allocated to the lifetime transfers, including those allocations made at the time of the death by the Personal Representative, by the Trustee, or by operation of law; and

any amount allocated to direct-skip persons as defined in Internal Revenue Code Section 2612(c)(1) that does not qualify for an exclusion from the generation-skipping transfer tax occurring at the death to or for the benefit of the descendants.

At the time of the death, if I have made a lifetime transfer to a trust with an inclusion ratio of greater than zero but have not filed a gift tax return and the due date for the gift tax return has not yet passed, the Available GST Exemption will also be reduced so that the trust inclusion ratio is zero, in order to exempt the transfer from generation-skipping transfer tax.

(c) By Representation

Whenever a distribution is to be made to a designated person's descendants *by representation*, the distribution will be divided into as many equal shares as there are then-living descendants in the nearest degree of kinship and then-deceased descendants in the same degree who left then-living descendants. Each then living descendant in the nearest degree will receive one share, and the share of each then deceased descendant in the same degree will be divided among his or her descendants in the same manner.

(d) Charitable Organization

The terms *charitable organization*, *qualified charitable organization*, and *charity* mean any charitable organization of a type described in Internal Revenue Code Sections 170(c), 2055(a), and 2522(a).

For purposes of the DENNIS SCHUMAN CHARITABLE FOUNDATION, the terms *charitable organization*, *qualified charitable organization*, and *charity* also mean any corporations, trusts, funds, foundations, or community chests created or organized in any state, territory, or possession of the United States and operated exclusively for charitable purposes. No part of the net earnings of these organizations may inure or be payable to or for the benefit of any private person or organization, and no substantial part of the activities may propagandize or otherwise attempt to influence legislation. These organizations may not participate in any political campaign on behalf of any candidate for public office, including publishing or distributing statements. Any organization described in this Subsection is intended to be entitled to exemption of federal income tax under Internal Revenue Code Section 501(c)(3). The term *charitable purposes* includes only charitable, religious, scientific, literary, or educational purposes within the meaning of those terms as used in Internal Revenue Code Section 501(c)(3), but only those purposes that also constitute charitable purposes under the laws of California.

(e) Descendants

The term *descendants* means persons who directly descend from a person, such as children, grandchildren, or great-grandchildren. The term *descendants* does not include collateral descendants, such as nieces and nephews.

(f) Education

The term *education* is intended to be an ascertainable standard under Internal Revenue Code Sections 2041 and 2514 and includes:

enrollment at private elementary, junior, and senior high school, including boarding school;

undergraduate and graduate study in any field at a college or university;

specialized, vocational, or professional training or instruction at any institution, as well as private instruction; and

any other curriculum or activity that the Trustee considers useful for developing a beneficiary's abilities and interests

including athletic training, musical instruction, theatrical training, the arts, and travel.

The term *education* also includes expenses such as tuition, room and board, fees, books, supplies, computers and other equipment, tutoring, transportation, and a reasonable allowance for living expenses.

(g) Good Faith

For the purposes of this trust, a Trustee has acted in good faith if:

an action or inaction is not a result of intentional wrongdoing;

the Trustee did not make the decision to act or not act with reckless indifference to the beneficiaries' interests; and

an action or inaction does not result in an improper personal benefit to the Trustee.

Further, all parties subject to the provisions of this trust will treat any action or inaction made in reliance on information, consent, or directions received from the Personal Representative of my estate as made in good faith for the purposes of this Section, except for cases of willful misconduct or malfeasance on the Trustee's part.

(h) Incapacity

Except as otherwise provided in this trust, a person is considered incapacitated in any of the following circumstances.

(1) The Opinion of Two Licensed Physicians

An individual is considered to be incapacitated whenever two licensed physicians give the opinion that the individual is unable to effectively manage his or her property or financial affairs, whether as a result of age; illness; use of prescription medications, drugs, or other substances; or any other cause. If an individual whose capacity is in question refuses to provide necessary documentation or otherwise submit to examination by licensed physicians, that individual will be considered incapacitated.

An individual is considered restored to capacity whenever the individual's personal or attending physician provides a written opinion that the individual is able to effectively manage his or her property and financial affairs.

(2) Court Determination

An individual is considered incapacitated if a court of competent jurisdiction has declared the individual to be disabled, incompetent, or legally incapacitated.

(3) Detention, Disappearance, or Absence

An individual is considered to be incapacitated whenever he or she cannot effectively manage his or her property or financial affairs due to the individual's unexplained disappearance or absence for more than 30 days, or whenever he or she is detained under duress.

An individual's disappearance, absence, or detention under duress may be established by an affidavit of the Trustee, or by the affidavit of any beneficiary if no Trustee is then serving. The affidavit must describe the circumstances of the individual's disappearance, absence, or detention, and may be relied upon by any third party dealing in good faith with the Trustee.

(i) Income Beneficiary

The term *Income Beneficiary* means any beneficiary who is then entitled to receive distributions of the trust's net income, whether mandatory or discretionary.

Unless otherwise provided in this trust, the phrase *majority of the Income Beneficiaries* means any combination of Income Beneficiaries who would receive more than 50% of the accrued net income if that income were distributed on the day of a vote. For purposes of this calculation, beneficiaries who are eligible to receive discretionary distributions of net income receive the imputed income in equal shares.

References to a *majority* refer to a majority of the entire trust collectively until the Trustee allocates property to separate trusts or trust shares. After the Trustee allocates property to separate trusts or trust shares, references to a *majority* refer to a majority of each separate trust or trust share.

(j) Independent Trustee

The term *Independent Trustee* means any Trustee who is not an Interested Trustee as defined in Subsection (k) and includes an Independent Special Trustee appointed under the provisions of Section 3.08. Whenever a power or discretion is granted exclusively to the Independent Trustee, then any Interested Trustee who is then serving as the Trustee is prohibited from participating in the exercise of the power or discretion. If there is no

Independent Trustee then serving, then an Independent Special Trustee may be appointed under the provisions of Section 3.08 to exercise the power or discretion that is exercisable only by the Independent Trustee.

(k) Instrument

The term *this instrument* means this trust, and includes all trusts created under the terms of this trust.

(l) Interested Trustee

The term *Interested Trustee* means a Trustee who:

is a transferor or beneficiary;

is related or subordinate to a transferor or beneficiary;

can be removed and replaced by a transferor with either the transferor or a party who is related or subordinate to the transferor; or

can be removed and replaced by a beneficiary with either the beneficiary or a party who is related or subordinate to the beneficiary.

For purposes of this Subsection, *transferor* means a person who transferred property to the trust, including a person whose disclaimer resulted in property passing to the trust. *Beneficiary* means a person who is or may become eligible to receive income or principal from the trust under the terms of the trust, even if this person has only a remote contingent remainder interest in the trust, but not if the person's only interest is as a potential appointee under a power of appointment. *Related or subordinate* is used as defined in Internal Revenue Code Section 672(c).

Whenever this trust specifically prohibits or limits an Interested Trustee from exercising discretion or performing an act, then any Interested Trustee serving as the Trustee is prohibited from participating in the exercise of that discretion or performance of that act. If there is no Trustee serving who is not an Interested Trustee, then an Independent Special Trustee may be appointed under the provisions of Section 3.08 to exercise the discretion or perform the act.

(m) Internal Revenue Code and Treasury Regulations

References to the *Internal Revenue Code* or to its provisions are to the Internal Revenue Code of 1986, as amended, and any corresponding Treasury Regulations. References to the *Treasury Regulations*, are to the

Treasury Regulations under the Internal Revenue Code in effect. If a particular provision of the Internal Revenue Code is renumbered or the Internal Revenue Code is superseded by a subsequent federal tax law, any reference is considered to be made to the renumbered provision or to the corresponding provision of the subsequent law, unless to do so would clearly be contrary to my intent as expressed in this trust. The same rule applies to references to the Treasury Regulations.

(n) Legal Representative or Personal Representative

As used in this trust document, the term *Legal Representative* or *Personal Representative* means a person's guardian, conservator, executor, administrator, Trustee, or any other person or entity representing a person or the person's estate. In the case of a minor beneficiary, the beneficiary's parent or another adult with custody of the beneficiary, except for any transferor to a trust created under this instrument, will be considered the beneficiary's Legal Representative for purposes of this trust.

(o) Primary Beneficiary

The *Primary Beneficiary* of a trust created under this trust is that trust's oldest Income Beneficiary, unless some other individual is specifically designated as the Primary Beneficiary of that separate trust.

(p) Qualified Retirement Benefits

The term *qualified retirement plan* means a plan qualified under Internal Revenue Code Section 401, an individual retirement arrangement under Section 408 or Section 408A, or a tax-sheltered annuity under Section 403. The term *qualified retirement benefits* means the amounts held in or distributed pursuant to a plan qualified under Section 401, an individual retirement arrangement under Section 408 or Section 408A, a tax-sheltered annuity under Section 403, or any other benefit subject to the distribution rules of Section 401(a)(9).

(q) Shall and May

Unless otherwise specifically provided in this trust or by the context in which used, I use the word *shall* in this trust to impose a duty, command, direct, or require, and the word *may* to allow or permit, but not require. In the context of the Trustee, when I use the word *shall* I intend to impose a fiduciary duty on the Trustee. When I use the word *may* I intend to empower the Trustee to act with the Trustee's reasonable discretion unless otherwise stated in this trust. When I use the words *may not* in reference to the Trustee, I specifically mean the Trustee *is not permitted to*.

(r) Settlor

Settlor has the same legal meaning as *Grantor*, *Trustor* or any other term referring to the maker of a trust.

(s) Trust

The terms *this trust*, *this document*, and *this trust document* refer to this trust and all trusts created under the terms of this trust.

(t) Trustee

The terms *the Trustee* and *Trustee* refer to the Initial Trustee named in Article One and to any successor, substitute, replacement, or additional person, corporation, or other entity that ever acts as the Trustee of any trust created under the terms of this trust. The term *Trustee* refers to singular or plural as the context may require.

(u) Trust Property

The term *trust property* means all property acquired from any source and held by a Trustee under this trust.

Section 13.07 General Provisions and Rules of Construction

The following general provisions and rules of construction apply to this trust.

(a) Multiple Originals; Validity of Paper or Electronic Copies

This trust may be executed in any number of counterparts, each of which will be considered an original.

Any person may rely on a paper or electronic copy of this trust that the Trustee certifies to be a true copy as if it were an original.

(b) Singular and Plural; Gender

Unless the context requires otherwise, singular words may be construed as plural, and plural words may be construed as singular. Words of one gender may be construed as denoting another gender as is appropriate within the context. The word *or*, when used in a list of more than two items, may function as both a conjunction and a disjunction as the context requires.

(c) Headings of Articles, Sections, and Subsections

The headings of Articles, Sections, and Subsections used within this trust are included solely for the convenience of the reader. They have no significance in the interpretation or construction of this trust.

(d) Governing State Law

This trust is governed, construed, and administered according to the laws of California, as amended except as to trust property required by law to be governed by the laws of another jurisdiction and unless the situs of administration is changed under Section 13.05.

(e) Notices

Unless otherwise stated, any notice required under this trust will be in writing. The notice may be personally delivered with proof of delivery to the party requiring notice and will be effective on the date personally delivered. Notice may also be mailed, postage prepaid, by certified mail with return receipt requested to the last known address of the party requiring notice. Mailed notice is effective on the date of the return receipt. If a party giving notice does not receive the return receipt but has proof that he or she mailed the notice, notice will be effective on the date it would normally have been received via certified mail. If the party requiring notice is a minor or incapacitated individual, notice will be given to the parent or Legal Representative.

(f) Severability

The invalidity or unenforceability of any provision of this trust does not affect the validity or enforceability of any other provision of this trust. If a court of competent jurisdiction determines that any provision is invalid, the remaining provisions of this trust are to be interpreted as if the invalid provision had never been included.

I have executed this trust on December 10, 2012. This trust instrument is effective when signed by me, whether or not now signed by a Trustee.


Dennis Schuman, Settlor and Trustee

State of California)

County of Orange)

On December 10, 2012, before me, Brooke E. Smith, a Notary Public, personally appeared Dennis Schuman, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Brooke E. Smith

