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DECLARATION OF TRUST *m*

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Vol. 75 Pg. 6

ROLFE P. LUNGREEN and FLORENCE LUNGREEN, husband and wife, are hereinafter called "Trustees" and ROLFE P. LUNGREEN and FLORENCE LUNGREEN, husband and wife, hereinafter called "Trustors", or separately the "husband" or the "wife", respectively.

The Trustors have transferred and delivered to the Trustees without consideration moving from the Trustees the property described in Schedule "A" which is part of this Trust Agreement, the receipt of which is acknowledged by the Trustees. The said property, together with any property that may later become subject to this trust shall constitute the trust estate and shall be held, administered and distributed by the Trustees as herein provided.

ARTICLE IDISTRIBUTION OF INCOME AND PRINCIPAL

1. All net income shall be distributed in quarterly or other convenient installments, and in any event at least once annually, to or for the benefit of the person or persons entitled to receive such net income.
2. During the lifetime of the Trustors, the Trustees shall pay to them any net income from the trust estate.
3. Upon the death of either of the Trustors, the Trustees shall pay out of income or principal any part or all of the expenses of last illness, burial and debts of the Trustor to the extent that these shall not be paid, or responsibility for their payment assumed, by some other person or estate.
4. Upon the death of either Trustor, the Trustees shall divide the remaining trust estate into two equal trusts, hereinafter called Trust "A" and Trust "B" respectively. The surviving Trustor shall hereafter be known as the beneficiary.

(a) Provisions of Trust A:

(1) The Trustees shall pay to the surviving beneficiary, the entire net income of Trust "A" for and during said beneficiary's lifetime.

(2) Upon the death of the surviving beneficiary, the Trustees, in their discretion, may pay from the principal any inheritance or estate tax which may be due by reason of the said beneficiary's death, and which shall be chargeable to the trust estate. The Trustees, in their discretion, may also pay from the principal any part or all of the expenses of last illness, burial and debts of the said surviving beneficiary to the extent that these shall not be paid or responsibility for their payment assumed by some other person or estate.

(3) Anything herein to the contrary notwithstanding, then the surviving beneficiary shall have the absolute power exercisable only by a written instrument other than a Will delivered to the Trustees during his or her lifetime to appoint any part of the principal and any part of the undistributed net income of Trust "A" in favor of said beneficiary's estate or any person; provided, however, that any distribution in accordance with the exercise of said power shall be made after said beneficiary's death.

(4) If and to the extent that the surviving beneficiary shall fail to exercise such power, the principal, and undistributed net income of Trust A shall, upon said beneficiary's death, augment Trust B.

(b) Provisions of Trust B:

(1) The Trustees shall pay to the beneficiary the entire net income of Trust B for and during said beneficiary's lifetime.

(2) Upon the death of the surviving beneficiary, the Trustees shall distribute Trust B as follows:

A. ONE-HALF (1/2) thereof to MARGO C. LUNGREEN.

B. ONE-HALF (1/2) thereof to ROLFE PETER LUNGREEN.

Should either die before the time fixed for distribution of his or her share of the trust estate, said share shall pass to the survivor of them.

5. Upon the death of either of the beneficiaries, should the payments from these trusts to which the surviving beneficiary may be entitled be insufficient in the discretion of the then Co-Trustee to provide for the reasonable support, care and comfort of such beneficiary, the Trustees may pay to such beneficiary or apply for his or her benefit so much of the principal up to and including the whole of the respective trust, as the Trustees may deem advisable; provided, however, such payments shall first be made from Trust A and no such payment shall be made from Trust B until the principal from Trust A has been exhausted. No discretion as to disbursements under this paragraph shall vest in the surviving Trustee.

6. The interests of beneficiaries in principal or income shall not be subject to claims of their creditors or others nor to legal process, and ~~may not be voluntarily or involuntarily alienated or encumbered.~~ *Margie Lungen Rolfe P. Lungen*

ARTICLE II

1. While both Trustors shall live, this trust may be revoked in whole or in part by written instrument filed with the Trustees.

2. The Trustors jointly while both shall live, by written instrument filed with the Trustees, may alter or divest the interest of or change beneficiaries, and with the Trustees written consent may amend this trust without limitation in any other respect. Amendments may be cancelled or amended in like manner. Following the death of either Trustor, the trust shall be irrevocable.

ARTICLE III

To carry out the purposes of this trust, and subject to any limitations stated elsewhere herein, the Trustees are vested with the following powers in addition to those now or hereafter conferred by law affecting the trust and the trust estate:

1. General Investment Powers: The Trustees, insofar as possible, shall keep the trust estate invested in income bearing securities and may invest and reinvest the said trust property and estate during the continuance of the trust together with any and all funds available from time to time in such bonds, notes, stocks or other securities as the Trustees in their absolute and uncontrolled discretion, shall deem proper and for the best interests of the trust estate without being restricted by any present or future law governing the investment of trust funds. The Trustees may sell, exchange or alter the investments of the trust estate and may join in any plan of reorganization or readjustment of any corporation by taking any necessary steps to protect the assets of the trust estate.
2. Retention of Assets: The Trustees may retain the assets constituting the initial corpus of this trust for as long as the Trustees deem the retention to be beneficial for the trust estate, even though the Trustees may have a direct or indirect interest in such property.
3. Borrowing Authority: The Trustees may borrow funds for legitimate trust purposes when, in the discretion of the Trustees, it is more advantageous to the trust to obtain funds by borrowing than to sell assets. In connection therewith, the Trustees may encumber trust assets or pledge trust assets as collateral.
4. Distributions in Kind: Distributions from this trust shall, insofar as it is practical, be made in kind. The Trustees shall have the authority to sell property of their choice in order to obtain cash to accommodate any distributions or to effect distributive shares when necessary.
5. Principal and Income: The Trustees shall have the power to determine what receipts constitute income receipts and what receipts constitute principal receipts, and such determination when reasonably made within commonly accepted accounting concepts, shall be conclusive upon all persons. The Trustees shall allocate receipts and expenses between these accounts in their discretion in such manner as they deem to be for the best interests of the trust. To the extent that the Trustees fail to make such determination, the provisions of the California Principal and Income Law from time to time existing shall prevail.

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6. General Provision: The enumeration of certain powers of the Trustees as herein set forth shall not limit the general powers of the Trustees, subject always to the discharge of their fiduciary obligations shall be vested with and shall have all of the rights, powers and privileges which an absolute owner of the same property would have.

7. To make loans to or to borrow from, to purchase property, or assets of any kind from, or sell to, or in any other manner, deal with the personal representative of either Trustor, or between Trust "A" and Trust "B" hereof, upon such terms and conditions or in such manner as the Trustees shall deem reasonable in their sole discretion and in the interests of all the trusts and the beneficiaries thereof. Anything herein to the contrary notwithstanding; the Trustees may sell the undivided half interest of Trust "B" in all real property occupied by the Trustors as a residence at the time of the death of the husband to Trust "A" and may make any other sales or exchanges between Trust "A" and Trust "B" as the Trustees shall deem desirable to avoid the holding of fractional interests, all such sales or exchanges between trusts to have the approval of the wife.

Unless specifically limited, all discretions conferred upon the Trustees shall be absolute, and their exercise conclusive on all persons interested in this trust.

ARTICLE IV

1. In the event either of the Trustees should for any reason cease to act as a Co-Trustee, then MARGO C. LUNGREEN and ROLFE PETER LUNGREEN, shall serve as Successor Co-Trustees, each to serve in such capacity without bond.
2. Other property acceptable to the Trustees may be added to this trust.

3. If any provision of this instrument is unenforceable, the remaining provisions shall nevertheless be carried into effect.

4. All rights granted to any person by any provisions of this trust may be exercised by such person at any time during his or her lifetime and competency, unless otherwise specifically provided herein; and for all purposes of this trust, it shall be conclusively presumed that each such person is competent unless he or she shall have been declared incompetent by a court having jurisdiction to determine such incompetency, and until a duly certified or authenticated copy of determination of such incompetency issued by such court shall have been served upon and delivered to the Trustees.

5. This trust has been accepted by the Trustees in the State of California, and, unless, otherwise provided in this instrument, its validity, construction and all rights under it shall be governed by the laws of that State.

EXECUTED IN DUPLICATE at San Diego, California, on the 26th day of
MAY, 1971.

Rolfe P. Lungren
ROLFE P. LUNGREEN

Florence Lungren
FLORENCE LUNGREEN

TRUSTEES

We certify that we have read the foregoing Declaration of Trust, and that it correctly states the terms and conditions under which the trust estate is to be held, managed and disposed of by the Trustees. We approve the Declaration of Trust in all particulars and request the Trustees to execute it.

DATED: May 26, 1971

Rolfe P. Lungren
ROLFE P. LUNGREEN

Florence Lungren
FLORENCE LUNGREEN

TRUSTORS

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WITNESS

APPROVED:

Attorneys
Attorneys

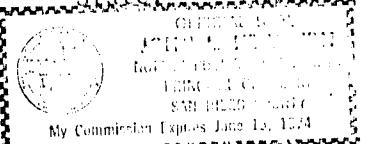
Ret. Mark
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STATE OF CALIFORNIA }
COUNTY OF SAN DIEGO } ss.

On this 26th day of Sept, 1971, before me, JOHN L. NEWBURN, a Notary Public in and for said County and State, personally appeared ROLFE P. LUNGREN and FLORENCE LUNGREN, known to me, to be the persons described in an whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

John L. Newburn
Notary Public in and for said County and State



APPROVED:

John L. Newburn
Attorneys for Trustees

Ret. Goakley & Harnish
431- Main
Klamath

STATE OF OREGON }
County of Klamath } ss.

Filed for record at request of:
GOAKLEY & HARNISH ATTYS
on this 6th day of NOVEMBER A.D. 1975
at 2:29 o'clock P.M. and duly
recorded in Vol. M 75 of MISCELLANEOUS
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WM. D. MILNE, County Clerk
By Plaza Dragis Deputy.
Fee \$21.00