

RECORDING REQUESTED BY:
James E. Reed, Esq.

AFTER RECORDING RETURN TO:
James E. Reed
Nichols, Catterton, Downing & Reed
Three Altarinda Road, Suite 201
Orinda, CA 94563

ABSTRACT OF TRUST

A Trust Agreement was executed on March 5, 1991, by and between OLIVER P. PEARSON and his wife ANITA K. PEARSON, hereinafter referred to individually as the "husband" and the "wife", respectively, and referred to jointly as the "Trustors", and OLIVER P. PEARSON and ANITA K. PEARSON, hereinafter referred to as either "Trustees" or "Co-Trustees" or "Trustee". The term "Trustor" shall mean both Trustors if husband and wife are then living.

The Trustors are the present beneficiaries of this trust and reserve the right to select other beneficiaries of the trust at a later time.

The Trustors have or will convey or transfer to the Trustees all of the property described in an inventory attached to the Trust Agreement. Said property and any other property and/or insurance proceeds which may hereafter be received by the then Trustee to be held as part of this Trust, shall be held, administered and distributed as follows:

I. NAME OF TRUST.

The name of this trust is PEARSON FAMILY TRUST.

II. TRUSTEES.

A. Upon the resignation as a Co-trustee, or mental incapacity (to be determined by the certification of two physicians that the Co-trustee is incapable of handling the affairs of the Trust) of either husband or wife, the other shall act as sole Trustee.

B. Upon the death of wife, husband surviving, husband shall act as sole Trustee under the Trust Agreement.

C. Upon the death of husband, wife surviving, wife shall

act as sole Trustee.

D. Upon the death or mental incapacity, of both husband and wife, Trustor's children CAROL A. P. RALPH, PETER K. PEARSON, SANDIA C. IVEY and ALISON P. PEARSON shall act as Successor Co-trustees, hereunder. Should one or more of the Co-Trustees be unable to act, then the other(s) remaining shall act as Successor Trustee(s).

E. No bond shall be required of either husband, wife, or the above-named children while acting as a Trustee under the Trust Agreement.

F. As used herein, the term "Trustee" shall mean husband and wife, or either of them, while acting as Trustee under the Trust Agreement, and any Successor Trustee while so acting under the Trust Agreement. As used herein, the terms "Successor Trustee" shall mean any other person or persons acting as Successor Trustee or Trustee hereunder, other than husband and/or wife.

G. All powers exercisable by husband and wife, or either of them, hereunder as Trustee shall be exercised by them, or either of them, as the case may be, only in their fiduciary capacity as Trustees or Trustee.

H. No Successor Trustee shall be held responsible for any error or omission of any of the previous Trustees and shall not be required to examine prior trust records.

III. RESERVATION OF RIGHTS.

The Trustors specifically reserve and grant the following rights and privileges:

A. During the joint lifetimes of the Trustors, the right and power is hereby reserved to the Trustors jointly in the case of community property, and to the husband individually in the case of his separate property, and to the wife individually in the case of her separate property, to alter, amend, or revoke this agreement in whole or in part (but in the case of separate property only so as to affect the distribution of the separate property of the Trustor so altering, amending or revoking), at any time or from time to time by instrument in writing delivered to the Trustee, provided,

however, that duties, powers and responsibilities of the Trustees shall not be substantially altered or amended without their written consent. In the case of a revocation, any property held under the Trust Agreement, or that part thereof as to which the trust agreement may be revoked, shall be delivered by the Trustee to the revoking Trustor or Trustors.

B. While living and competent, the husband may, at any time or times, in respect to his share of community property and his separate property:

1. Withdraw all, or any portion, of such property from this trust; and/or

2. Direct the Trustee in writing to invest the trust estate in specific securities, properties or investments; to retain as part of the trust estate any securities, properties or investments at any time held under the Trust Agreement, for such length of time as such directions may provide, or to sell, encumber, lease, manage, control, or dispose of any of such property.

C. While living and competent, the wife may, at any time or times, in respect to her share of community property and her separate property:

1. Withdraw all, or any portion, of such property from this trust; and/or

2. Direct the Trustee in writing to invest the trust estate in specific securities, properties or investments; to retain as part of the trust estate any securities, properties or investments at any time held under the Trust Agreement, for such length of time as such directions may provide, or to sell, encumber, lease, manage, control, or dispose of any of such property.

D. Upon the death of either Trustor, Trust B established under the Trust Agreement, shall become irrevocable and the surviving Trustor shall have no power to alter, amend or revoke the same.

IV. PROVISIONS AGAINST ALIENATION

Except as to the rights hereinbefore reserved to the Trustors, no beneficiary of this trust shall alienate, encumber or hypothecate his or her interest in the principal or income of the trust in any manner, and to the fullest extent of the law the interests of any beneficiary shall not be subject to the claims of his or her creditors or liable to attachment, execution or other process of law.

V. POWERS OF TRUSTEE

To carry out the purposes of the trust created in the Trust Agreement and subject to any limitations stated elsewhere therein, the Trustee is vested with the following powers (to be exercised only in their fiduciary capacity) with respect to the trust estate and any part of it:

- A. To continue to hold any property, including shares of the stock of the Trust under the Trust Agreement, and to operate at the risk of the trust estate any business received or acquired under the Trust by the Trustee as long as the Trustee shall deem advisable;
- B. To manage, control, grant options on, sell (for cash or on deferred payments), convey, exchange, partition, divide, improve, and repair trust property;
- C. To lease trust property for terms within or beyond the term of the trust and for any purpose, including exploration for and removal of gas, oil and other minerals; and to enter into community oil leases, pooling and unitization agreements;
- D. To borrow money for the trust estate and in furtherance thereof to encumber or hypothecate trust property by mortgage, deed of trust, pledge, or otherwise;
- E. To carry, at the expense of the trust, insurance of such kinds and in such amounts as the Trustee shall deem advisable to protect the trust estate and the Trustee against any hazard;
- F. To commence or defend such litigation with respect to the trust on any property of the trust estate as the Trustee may deem advisable, at the expense of the Trust;

G. To compromise or otherwise adjust any claims or litigation against or in favor of the trust;

H. To invest and reinvest the trust estate in every kind of property, real, personal, or mixed, and every kind of investment, specifically including, but not by way of limitation, corporate obligations of every kind, stock, preferred or common, shares of investment trusts, investment companies, and mutual funds, and mortgage participations, which men of prudence, discretion, and intelligence acquire for their own account, and any common trust fund administered by the Trustee under the Trust Agreement;

1. Such powers of investment and reinvestment shall include the investing and reinvesting in margin and option accounts;

I. All property taxes, assessments, charges and other expenses incurred by the Trustee in the administration or protection of this trust, and any capital improvements, costs, repairs and/or maintenance expenses made to or upon the trust property, whether financed with trust funds or non-trust funds or capital, shall be a charge upon the trust estate and shall be paid by the Trustee out of the principal or income thereof as the Trustee in their discretion shall determine;

J. With respect to securities held in the trust, to have all the rights, powers, and privileges of an owner, including, but not by way of limitation, the power to vote, give proxies, and pay assessments; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers, liquidations, sales and leases, and incident to such participation to deposit securities with and transfer title to any protective or other committee on such terms as the Trustee may deem advisable; and to exercise or sell stock subscription or conversion rights;

K. There need be no physical segregation or division of the various trusts except as segregation or division may be required by the termination of the trusts, but the Trustee shall keep separate accounts for the different undivided interests;

L. Except as otherwise expressly provided elsewhere in the Trust Agreement, all matters relating to principal and income shall be governed by the provisions of the California Principal and Income Act from time to time existing;

M. Provisions elsewhere contained in the Trust Agreement to the contrary notwithstanding:

1. To the extent the Q-Tip election granted in the Trust Agreement has not been validly exercised, no Trustee of Trust B shall act, or exercise any power, in such a manner as will cause the corpus of said Trust B to be included in the estate for federal estate tax purposes, of the last of Trustors to die.

2. While both Trustors are acting as Co-Trustees of the Trust Agreement, the powers granted to the Trustee above may be exercised by either one of said Trustees alone.

N. Except as otherwise specifically provided in the Trust Agreement, the Successor Trustee shall have the power, exercisable in the Successor Trustee's discretion, to determine what is principal or income of the trust estate and to apportion and allocate receipts and expenses and other charges between these accounts, including also the power to charge in whole or in part against principal, or to amortize out of or charge forthwith to income, premiums paid on the purchase of bonds or other obligations. Except insofar as the Successor Trustee shall exercise this discretion, and except as otherwise provided herein, matters relating to principal and income shall be governed by the provisions of the California Principal and Income Law from time to time existing;

O. In any case in which the Trustee is required, pursuant to the provisions of the trust, to divide the trust property into parts or shares for the purpose of distribution, or otherwise, the Trustee is authorized, in the Trustee's absolute discretion, to make the division and distribution in kind, including undivided interests in any property, or partly in kind and partly in money, and for this purpose to make such sales of the trust property as the Trustee may deem necessary on such terms and

conditions as the Trustee shall see fit;

P. The Trustee may purchase for any trust created hereunder, assets from any other trust created hereunder on such terms and conditions as Trustee deems to be in the best interests of the respective said trusts.

Q. A Trustee shall have the power to delegate the authority vested in him under this Trust Agreement by signing a Power of Attorney specifically referring to this trust.

VI. NON-CONTESTABILITY

In the event that any beneficiary under the Trust shall singly or in conjunction with any other person or persons, contest in any court the validity of the Trust, or shall seek to obtain an adjudication in any proceeding in any court that the Trust or any of its provisions, is void, or seek otherwise to void, nullify, or set aside the Trust or any of its provisions, then the right of that person to take any interest given to him by the Trust shall be determined as it would have been determined had the person predeceased the execution of the Trust Agreement. The Trustee is authorized to defend, at the expense of the trust estate, any contest, or other attack of any nature, on the Trust or any of its provisions.

IN WITNESS WHEREOF, the Trustors and the Trustees have executed this Abstract of Trust as of the day and year first above written.

TRUSTORS:

Oliver P. Pearson
OLIVER P. PEARSON

and

Anita K. Pearson
ANITA K. PEARSON

TRUSTEES:

Oliver P. Pearson
OLIVER P. PEARSON

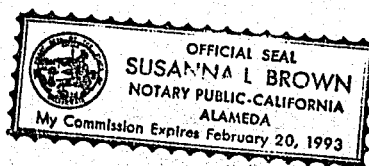
Anita K. Pearson
ANITA K. PEARSON

STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA

) SS

On March 5, 1991, before me, the undersigned Notary Public, personally appeared OLIVER P. PEARSON and ANITA K. PEARSON, personally known to me to be the persons whose names are subscribed to the Trust Agreement, and acknowledged that they executed it.

NOTARY PUBLIC IN AND FOR SAID STATE



STATE OF OREGON: COUNTY OF KLAMATH: SS.

Filed for record at request of James E. Reed
of March A.D., 19 91 at 3:16 o'clock P.M., and duly recorded in Vol. M91
of Deeds on Page 4644

FEE \$43.00

Evelyn Biehn, County Clerk

By Doreen Mueller-Lore