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14 *In-Fact for Senator Dianne Feinstein*

**DEPARTMENT: 204**  
**Hearing: 10/11/2023 9:00 am**

ELECTRONICALLY

**FILED**

*Superior Court of California,  
County of San Francisco*

**08/08/2023**

**Clerk of the Court**

**BY: JULIEANN LAQUINDANUM**  
Deputy Clerk

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9 **COUNTY OF SAN FRANCISCO**

10 *In the matter of:*

11 The Richard C. Blum Revocable Trust

12 Katherine Feinstein, Attorney-In-Fact  
13 for Senator Dianne Feinstein,

14  
15 Petitioner

16 v.

17 Michael Klein, Marc Scholvinck, and  
18 Verett Mims, co-trustees of the Richard  
19 C. Blum Revocable Trust,

20 Respondents.

**CASE NO.**

**PTR-23-306509**

**PETITION (1) TO COMPEL  
ACCOUNTING; (2) TO INSTRUCT  
TRUSTEES TO FUND MARITAL  
TRUST; (3) FOR BREACH OF  
TRUST; (4) TO SET ASIDE ACTS  
OF TRUSTEES; (5) TO DISGORGE  
AND REDUCE TRUSTEES'  
COMPENSATION; (6) TO  
SUSPEND AND REMOVE  
TRUSTEES; (7) FOR FINANCIAL  
ELDER ABUSE; (8) TO PROHIBIT  
TRUSTEES FROM USING TRUST  
FUNDS**

**Date:**

**Time:**

**Dept.:**

1 Senator Dianne Feinstein (*Senator Feinstein*) is the sole beneficiary during  
2 her lifetime of a marital trust under the Richard C. Blum Revocable Trust (the *RCB*  
3 *Trust*). Katherine Feinstein (*Petitioner*), duly appointed by Senator Feinstein as her  
4 attorney-in-fact under a limited durable power of attorney, brings this Petition  
5 (*Petition*): (1) to Compel Accounting; (2) to Instruct Trustees to Fund Marital Trust;  
6 (3) for Breach of Trust; (4) to Set Aside Acts of Trustees; (5) to Disgorge and Reduce  
7 Trustees' Compensation; (6) to Suspend and Remove Trustees; (7) for Financial  
8 Elder Abuse; and (8) to Prohibit Trustees from Using Trust Funds, and alleges as  
9 follows:

## 10 I. INTRODUCTION

11 1. More than sixty days prior to filing this Petition, Petitioner made a  
12 written request that the RCB Trust's trustees (*Trustees*) provide her with  
13 information regarding the RCB Trust's administration and a Probate Code  
14 compliant accounting. The Trustees refused to do so, breached their fiduciary duties  
15 to administer the RCB Trust according to its terms and breached their duties of  
16 loyalty and impartiality.

17 2. The Trustees neither funded a subtrust of which Senator Feinstein is  
18 the sole income beneficiary nor made the required distributions to her. The  
19 Trustees' inaction shows that they intend to benefit Richard Blum's daughters, who  
20 stand to inherit millions of dollars that should go to Senator Feinstein if the  
21 Trustees never make the required distributions to her. The Court must hold the  
22 Trustees accountable for their breaches of trust.

23 3. Senator Feinstein's deceased husband Richard C. Blum (*Blum*)  
24 established the RCB Trust in 1996. The RCB's Trust's current trustees are Michael  
25 Klein, Marc Scholvinck, and Verett Mims.

26 4. Upon Blum's death on February 27, 2022, the RCB Trust required the  
27 Trustees to create a marital trust for Senator Feinstein's benefit (the *Marital Trust*),  
28 fund it with \$5,000,000 in cash and marketable securities, and distribute the

1 Marital Trust's entire net income to her in quarterly or more frequent installments.  
2 In addition, if the Marital Trust's net income is less than \$1.5 million dollars in any  
3 given year and it has sufficient liquid assets, the Trustees must also make principal  
4 distributions to Senator Feinstein so that the income and principal distributions she  
5 receives for that year total \$1.5 million. Upon Senator Feinstein's death, the  
6 Marital Trust's assets pass to trusts for the benefit of Blum's three daughters.

7 5. Although Blum died more than a year and one-half ago, the Trustees  
8 have still neither funded the Marital Trust nor made any of the required income  
9 distributions to Senator Feinstein. Petitioner has repeatedly requested information  
10 from the Trustees on Senator Feinstein's behalf, including a copy of Blum's estate  
11 tax return. The Trustees have either refused or ignored all of Petitioner's requests.  
12 In an act of hostility and retribution, one Trustee has attempted to interfere with  
13 the administration of another trust of which Senator Feinstein is a beneficiary, but  
14 he is not the trustee.

15 6. As a beneficiary, the RCB Trust and the Probate Code entitle Senator  
16 Feinstein to information regarding the RCB Trust's assets and administration. Their  
17 refusal to provide any such information in breach of their fiduciary duties  
18 demonstrates that the Trustees will never provide it unless the Court orders them to  
19 do so.

20 7. The Trustees have also breached their fiduciary duties by failing to  
21 fund the Marital Trust with \$5 million in cash and marketable securities. Since this  
22 gift is a specific pecuniary devise, it began accruing interest at 7% per annum upon  
23 the one-year anniversary of Blum's death, February 22, 2023. Unless the Court  
24 orders the Trustees to do so, they will continue to refuse to fund the Marital Trust in  
25 violation of the RCB Trust's clear directive.

26 8. The RCB Trust requires the Trustees to fund gifts in a specific order  
27 and provides for the abatement of gifts in a specific order. Petitioner is informed and  
28 believes that the Trustees have violated the RCB Trust's clear terms by funding gifts

1 out of order to benefit other beneficiaries at Senator Feinstein's expense.

2 9. The Court should suspend and remove the Trustees for breaching their  
3 fiduciary duties, including their duties of loyalty and impartiality, to report and  
4 account, and to administer the RCB Trust according to its terms. The Court should  
5 suspend the Trustees, appoint a temporary trustee to administer the RCB Trust in  
6 their place, and prohibit the Trustees from using Trust funds to defend themselves  
7 in this action.

8 10. The Court should hold the Trustees individually liable for Senator  
9 Feinstein's actual damages in an amount according to proof, but not less than \$1.5  
10 million. The Court should also order the Trustees to disgorge any compensation they  
11 have received from the Trust and prohibit them from compensating themselves  
12 unless and until they comply with all obligations the Trust imposes on them.

13 11. Senator Feinstein is a an elder as Welfare and Institutions Code section  
14 15610.27 defines that term. The Trustees have committed financial abuse of Senator  
15 Feinstein under Welfare and Institutions Code section 15610.30 by wrongfully  
16 withholding distributions to which the RCB Trust entitles her in bad faith and  
17 diverting assets that they should have used to fund in the Marital Trust. The Court  
18 should order them to pay twice the value of any assets recovered by this action  
19 pursuant to Probate Code section 859 and to pay the attorney's fees and costs  
20 Petitioner incurs in this action on her mother's behalf pursuant to Welfare and  
21 Institutions Code section 15657.5 and Probate Code section 859.

## 22 **II. STATEMENT OF FACTS**

23 12. Senator Feinstein and Blum married in San Francisco on January 20,  
24 1980 and lived together as husband and wife for over forty-two years, until Blum's  
25 death on February 27, 2022.

26 13. Blum had three daughters from a prior marriage: Annette Blum, Heidi  
27 Blum, and Eileen Blum. Senator Feinstein has one daughter from a prior marriage,  
28 Katherine Feinstein. All four children are now adults.

1           14.    At all relevant times, Senator Feinstein was over the age of 65, and a  
2 resident of California.

3           15.    Blum established the RCB Trust on January 9, 1996. Blum amended  
4 the RCB Trust eleven times between 1996 and 2017. On June 15, 2017, Blum  
5 executed the Twelfth Amendment and Complete Restatement of the Agreement  
6 Establishing the Richard C. Blum Revocable Trust (*12th Amendment*), superseding  
7 all prior versions of the RCB Trust. A true and correct copy of the 12th Amendment  
8 is attached as ***Exhibit A***.

9           16.    Blum amended the RCB Trust five more times before his death. The  
10 “Thirteenth Amendment of the Agreement Establishing the Richard C. Blum  
11 Revocable Living Trust” (*13th Amendment*), executed on May 29, 2018, includes a  
12 schedule of RCB Trust assets. A true and correct copy of the 13th Amendment is  
13 attached as ***Exhibit B***. The Trustees have not informed Petitioner which, if any, of  
14 these assets remain in the RCB Trust.

15           17.    On June 26, 2020, Blum executed the “Fourteenth Amendment of the  
16 Agreement Establishing the Richard C. Blum Revocable Living Trust” (*14th*  
17 *Amendment*). A true and correct copy of the 14th Amendment is attached as  
18 ***Exhibit C***. The 14th Amendment reflects Blum’s intent to provide for his wife  
19 Senator Feinstein after his death by prioritizing the Marital Trust’s funding.

20           18.    The 14th Amendment requires the Trustees to divide and distribute the  
21 RCB Trust estate in the following order:

- 22           a. Blum’s tangible personal property to the Marital Trust. (Ex. C, Part  
23            III, § 4.1.1.)
- 24           b. Satisfaction of Blum’s outstanding charitable commitments. (*Id.*, §  
25            4.2.)
- 26           c. \$5 million in cash and marketable securities to the Marital Trust for  
27            Senator Feinstein’s benefit during her lifetime. (*Id.*, § 4.3.2<sup>1</sup>.)
- 28           d. Any property of the RCB Trust co-owned by any of Blum’s children

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<sup>1</sup> Blum deleted §4.3.1 by a Fifteenth Amendment executed August 19, 2021, and it is therefore omitted from this list.

1 or Katherine Feinstein outright and free of trust to the co-owner.  
2 (*Id.*, § 4.4.)

- 3 e. Any promissory notes or loans payable to the Trust estate or Blum  
4 by a series of named individuals outright and free of trust to the  
5 payor on the note or loan. (*Id.*, § 4.5.)  
6 f. The RCB Trust’s interest in four real properties to the Marital  
7 Trust. (*Id.*, § 4.6.)  
8 g. General pecuniary bequests to Blum’s nephews and their children.  
9 (*Id.*, § 4.7.)<sup>2</sup>

10 19. The 14th Amendment specifies the sequence in which gifts should be  
11 reduced or abated if the RCB Trust lacks sufficient funds to satisfy all of them, as  
12 follows:

- 13 a. Pecuniary gifts to Blum’s nephews and their children (Ex. C, Part  
14 III, § 4.7);  
15 b. Bequests of promissory notes/debt forgiveness (*Id.*, § 4.5);  
16 c. Gifts of co-owned property to the co-owner (*Id.*, § 4.4);  
17 d. Gift of the RCB Trust’s interest in four residential properties to the  
18 Marital Trust (*Id.*, § 4.6);  
19 e. \$5 million in cash and marketable securities to the Marital Trust  
20 (*Id.*, § 4.3);  
21 f. Gifts of tangible personal property to the Marital Trust (*Id.*, § 4.1);  
22 and  
23 g. Satisfaction of Blum’s outstanding charitable commitments.

24 20. The 14th Amendment directs the Trustees to fund the Marital Trust  
25 with cash and marketable securities worth \$5 million, Blum’s interest in several real  
26 properties, and Blum’s tangible personal property. (Exh. C, Part III, §§ 4.1, 4.3, 4.6.)  
27 The Trustees must fund the Marital Trust with these assets before funding any  
28 other gifts. The Trustees must distribute \$1.5 million to Senator Feinstein annually  
if “there are sufficient liquid assets in the trust estate.” (Exh. A, §§ 5.1.2, 5.1.3.)

21. With two exceptions – the tangible personal property passing to the

<sup>2</sup> The gift under section 4.8 of the Fourteenth Amendment’s is omitted from this list because the Sixteenth Amendment executed on September 8, 2021 revoked it.

1 Marital Trust and Blum’s outstanding charitable commitments – if there are  
2 insufficient assets in the RCB Trust to fund all of the gifts it would otherwise make  
3 those gifts abate before the \$5 million gift to fund the Marital Trust. Consistent with  
4 his desire to provide financial support to his wife after his death, funding the  
5 Marital Trust was important to Blum. Ignoring the settlor’s intent and the RCB  
6 Trust’s plain terms, the Trustees have failed to fund the Marital Trust in any  
7 respect.

8 22. Upon Senator Feinstein’s death, the Trustees must distribute the  
9 assets remaining in the Marital Trust equally to trusts created for Blum’s  
10 daughters. (Exh. A, § 5.1.4.)

11 23. Blum executed the “Seventeenth Amendment of the Agreement  
12 Establishing the Richard C. Blum Revocable Living Trust” on December 1, 2021  
13 (17th Amendment). A true and correct copy of the 17th Amendment is attached as  
14 **Exhibit D**. In it, Blum appointed Michael Klein (*Klein*) and Marc Scholvinck  
15 (*Scholvinck*) to serve with him as co-trustees, and they accepted the appointment.  
16 (Exh. D, Part I.) He named Verett Mims (*Mims*) as successor co-trustee, then James  
17 Murray. (*Id.*, Part II.)

18 24. The 17th Amendment requires the Trustees to act by majority. (Exh. D,  
19 Part III.) It allows the Trustees to receive “reasonable” compensation of \$500 per  
20 hour, and requires them to keep time records. (Exh. D, Part IV.)

21 25. Commencing on or about Blum’s death, Mims accepted her appointment  
22 as a successor trustee. At all relevant times since then to the present, Klein,  
23 Scholvinck, and Mims have been and are the RCB Trust’s and the Marital Trust’s  
24 trustees.

25 26. In March 2023, the Trustees informed Petitioner that Blum’s estate  
26 lacked liquidity, and had a large estate tax liability. In May 2023, Klein, Scholvinck,  
27 and Mims sold Blum’s interest in the Claremont Hotel in Berkeley, California,  
28

1 reportedly for \$163 million.<sup>3</sup> The Trustees have never informed Petitioner that  
2 Blum's interest in the Claremont Hotel was not an asset of the RCB Trust or  
3 explained why they did not use any of the sales proceeds to fund the Marital Trust.

4 27. The 14th Amendment requires the Trustees to fund the Marital Trust  
5 with \$5 million *before* distributing co-owned property to the co-owner or forgiving  
6 indebtedness and, conversely, provides that distributions to co-owners of jointly  
7 owned property and debt forgiveness must abate *before* abating the \$5 million  
8 transfer of cash and marketable securities to the Marital Trust. Petitioner is  
9 informed and believes that the Trustees violated these Trust terms by transferring  
10 to Blum's children the RCB Trust's interest(s) in property Blum held jointly with  
11 them or by forgiving Blum's children's indebtedness to the RCB Trust without  
12 funding the Marital Trust.

13 28. On June 8, 2023, Petitioner sent a letter to the Trustees requesting an  
14 account and report of the RCB Trust's administration from the date of Blum's death  
15 through May 31, 2023. A true and correct redacted copy of that letter is attached as  
16 ***Exhibit E***. Petitioner also requested a copy of Blum's estate tax return, and  
17 reimbursement of Senator Feinstein's medical expenses from the Richard C. Blum  
18 Marital Trust of 1996, an irrevocable life insurance trust (the *1996 Trust*).<sup>4</sup> The  
19 Trustees never responded.

20 29. On July 13, 2023, Petitioner sent a follow-up letter to the Trustees  
21 reiterating her request for the Trustees to account, report, and provide a copy of  
22 Blum's estate tax return. A true and correct copy of that letter is attached as  
23 ***Exhibit F***. The Trustees never provided an account, provided a report, or responded  
24 in any way.

25 <sup>3</sup> See e.g. Valentino, *Historic Berkeley hotel Claremont Club & Spa sold for \$163M*,  
26 SFGate (May 15, 2023), available at [https://www.sfgate.com/travel/article/claremont-  
hotel-sells-to-ohana-real-estate-18100604.php](https://www.sfgate.com/travel/article/claremont-hotel-sells-to-ohana-real-estate-18100604.php) (last visited August 5, 2023).

27 <sup>4</sup> Petitioner has redacted from the letter Senator Feinstein's confidential medical  
28 information. Petitioner is willing to provide an unredacted copy of the letter under  
seal, or for an *in camera* review, if the Court so desires.



1           30.     On July 17, 2023, Petitioner filed a petition on Senator Feinstein’s  
2     behalf requesting confirmation that Klein and Scholvinck were improperly serving  
3     as trustees of 1996 Trust and asking the Court to confirm Senator Feinstein’s  
4     appointment of Petitioner as trustee of that trust. (San Francisco County Sup.  
5     Court Case No. PTR-23-306442.) Senator Feinstein appointed Petitioner because  
6     Klein and Scholvinck failed to respond to requests for reimbursement of Senator  
7     Feinstein’s medical expenses, despite provisions in the 1996 Trust for distributions  
8     of principal for Senator Feinstein’s health, maintenance and support.

9           31.     In response, Klein and Scholvinck, through their counsel Steven  
10    Braccini, accused Petitioner in the press of “engaging in some kid of misguided  
11    attempt to gain control over trust assets to which she is not entitled.” (See e.g.  
12    Arango and Hubler, *For an Ailing Feinstein, a Fight over the Family Fortune*, New  
13    York Times (Aug. 3, 2023) available at [nytimes.com/2023/08/03/us/Feinstein-](https://www.nytimes.com/2023/08/03/us/Feinstein-husband-estate-family-fortune.html)  
14    husband-estate-family-fortune.html (last visited August 7, 2023).) Petitioner never  
15    claimed to be entitled to the 1996 Trust’s assets but does assert that Blum entitled  
16    *Senator Feinstein* to these assets to provide for her health, maintenance and  
17    support.

18          32.     Mr. Braccini also claimed that “Richard Blum’s trust has never denied  
19    any disbursement to Senator Feinstein, let alone for medical expenses.” (*Id.*) This  
20    statement is accurate but misleading. The Trustees have failed to respond to any  
21    requests for disbursements, which is a de facto denial. The Trustees have engaged  
22    in an overarching pattern of inaction related to Senator Feinstein’s beneficial  
23    interests, to her detriment.

24          33.     More than 18 months after Blum’s death, the Trustees have still failed  
25    to fund the Marital Trust. With the exception of a Washington D.C. property, the  
26    trustees of the Richard C. Blum and Dianne Feinstein Joint Property Revocable  
27    Trust (*Joint Property Trust*) hold the real properties listed in Section 4.6 of the 14th  
28    Amendment. Katherine Feinstein and Klein are the co-trustees of that trust, and

1 Klein refuses to transfer the properties to the Marital Trust, despite being required  
2 to do so by that trust's terms. Katherine Feinstein, in her capacity as co-trustee of  
3 the Joint Property Trust, brought an action against Klein in this Court on June 28,  
4 2023, to sell one of the properties and transfer the other properties to the Marital  
5 Trust (San Francisco County Superior Court Case No. PTR-23-306399.)

6 34. After Katherine Feinstein filed that petition, Scholvinck attempted to  
7 interfere with the Joint Property Trust's administration by instructing the Blum  
8 Family Office to cease paying any expenses (including insurance, utilities, and  
9 general maintenance) of one of the properties Klein refuses to transfer to the Marital  
10 Trust.

11 35. Petitioner is informed and believes that, in violation the terms of the  
12 RCB Trust, the Trustees have failed and refused to fund the Marital Trust in an  
13 attempt to benefit Blum's daughters. Petitioner is also informed and believes that, in  
14 further breach the RCB Trust's required funding sequence, the Trustees have  
15 funded gifts to Blum's daughters or forgiven their indebtedness to the RCB Trust or  
16 Blum prior to funding the Marital Trust.

17 36. Petitioner is informed and believes that the Trustees have limited the  
18 Marital Trust's liquidity to decrease the yearly distributions to Senator Feinstein  
19 and increase Blum's daughters' inheritance at Senator Feinstein's death.

20 37. On July 23, 2023, Senator Feinstein duly executed a Limited Durable  
21 Power of Attorney appointing Petitioner as her attorney in fact to exercise the  
22 powers set forth therein including, without limitation, the power to perform any act  
23 described in Probate Code section 4459 such as prosecuting a claim, cause of action,  
24 or any litigation before a court. The Limited Durable Power of Attorney was duly  
25 witnessed on July 23, 2023.

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27 ///

28 ///

1 **III. CAUSES OF ACTION**

2 **FIRST CLAIM FOR RELIEF**

3 **TO COMPEL THE TRUSTEES TO ACCOUNT**

4 38. Petitioner incorporates the preceding paragraphs by reference.

5 39. Probate Code section 16060 imposes a duty on the Trustees to keep the  
6 RCB Trust's beneficiaries reasonably informed of the trust and its administration.  
7 On reasonable request by a beneficiary, Probate Code section 16061 requires the  
8 Trustees to provide a report of information requested by a beneficiary relating to the  
9 Trust's administration relevant to the beneficiary's interest.

10 40. Probate Code section 16062, subdivision (a) requires the Trustees to  
11 account to the beneficiaries at least annually. Under Probate Code section 16063,  
12 subdivision (a), the Trustees' account must include a statement of the trust's assets  
13 and liabilities, a statement of the trust's principal and income receipts and  
14 disbursements since the last account, information on the Trustees' compensation  
15 since the last account, and information on the agents that the Trustees have hired,  
16 their relationship to the Trustees, and their compensation.

17 41. Section 6.8 of the RCB Trust requires the Trustees to "render an  
18 accounting at least annually of his, her or its administration of each trust created  
19 under this document by submitting a record of receipts, disbursements,  
20 distributions, gains, losses, assets on hand, and other pertinent information to the  
21 beneficiary(ies) thereof." (Exh. A.)

22 42. Petitioner first requested the Trustees to account and report on June 8,  
23 2023. In violation of Probate Code sections 16060, 16062 and 16063, and Section 6.8  
24 of the RCB Trust, the Trustees have failed to render an account or provide the  
25 information Petitioner has requested.

26 43. Probate Code section 17200 subdivision (b)(7)(B) entitles Petitioner to  
27 bring an action to compel the Trustees to "[p]rovide information about the trust  
28 under Section 16061" since they have "failed to provide the requested information

1 within 60 days after the beneficiary’s reasonable written request” and Senator  
2 Feinstein “has not received the requested information” from the Trustees “within the  
3 six months preceding the request.”

4 44. Probate Code section 17200 subdivision (b)(7)(C) authorizes the Court  
5 to compel the Trustees to account to Senator Feinstein since they have “failed to  
6 submit a requested account within 60 days” after Petitioner’s written request on  
7 Senator Feinstein’s behalf and they have not accounted” within six months  
8 preceding the request.”

9 45. The Trustees’ refusal to provide any financial information regarding  
10 the RCB Trust indicates that they are concealing their failure to follow its terms  
11 and/or withholding distributions to Senator Feinstein to benefit Blum’s daughters.  
12 An account of the administration of the entire RCB Trust is necessary to determine  
13 whether the Trustees are administering the RCB Trust in compliance with its terms  
14 as Probate Code section 16000 requires by, among other things, following the  
15 sequence of funding and abating gifts that Section 4 of the 14th Amendment  
16 requires. (Exh. C.)

17 46. This Court should order the Trustees to render a full account of their  
18 administration of: (a) the entire RCB Trust from Blum’s death through the date they  
19 fully fund the Marital Trust; and (b) the Marital Trust from the date the Trustees  
20 have fully funded it through the date of the Court’s order.

## 21 **SECOND CLAIM FOR RELIEF**

### 22 **TO INSTRUCT THE TRUSTEES TO FUND THE MARITAL TRUST**

23 47. Petitioner incorporates the preceding paragraphs by reference.

24 48. Probate Code section 17200, subdivision (b)(6) authorizes a beneficiary  
25 to petition the Court to instruct a trustee.

26 49. Now, *over 18 months since Blum died*, the Trustees have still neither  
27 funded the Marital Trust nor explained their failure to do so. The gifts to the Marital  
28 Trust are the next to last to abate, followed only by Blum’s charitable commitments.

1 In violation of Probate Code sections 16060, 16062 and 16063, and Section 6.8 of the  
2 RCB Trust, the Trustees have failed to render an account or provide the information  
3 Petitioner has requested.

4 50. Klein, Scholvinck, and Mims recently sold one of Blum's assets for \$163  
5 million, without disclosing whether the RCB Trust had any interest in it. Petitioner  
6 is informed and believes that the Trustees also transferred Trust property co-owned  
7 with Blum's three daughters to them and/or forgave their indebtedness to the RCB  
8 Trust. There is no reason that the Trustees cannot fund the Marital Trust.

9 51. This Court should direct the Trustees to transfer Blum's interest in the  
10 real properties listed in Section 4.6, \$5 million in cash and marketable securities,  
11 and Blum's tangible personal property to the Marital Trust.

### 12 **THIRD CLAIM FOR RELIEF**

#### 13 **TO ORDER THE TRUSTEES TO PAY DAMAGES FOR BREACH OF TRUST**

14 52. Petitioner incorporates the preceding paragraphs by reference.

15 53. Probate Code sections 16000 and 16002 require the Trustees to  
16 administer the RCB Trust according to its terms and solely in its beneficiaries'  
17 interest. Probate Code section 16003 imposes a duty on the Trustees to deal with the  
18 beneficiaries impartially and "act impartially in investing and managing the trust  
19 property, taking into account any differing interests of the beneficiaries." Under  
20 Probate Code section 16009, the Trustees must keep RCB Trust's property separate  
21 from property not belonging to it.

22 54. The Trustees have breached their duty to administer the RCB Trust  
23 according to its terms. Although it has been more than a year and one-half since  
24 Blum's death: (a) in violation of Sections 4.1, 4.3, and 4.6 of the RCB Trust they have  
25 still not funded the Marital Trust; (b) in violation of Section 6.8, they have also failed  
26 to account; and (c) Petitioner is informed and believes that, in violation of Section 4  
27 of the RCB Trust's 14th Amendment, have deviated from the sequence of gift  
28 funding and abatement.

1           55.     Petitioner is informed and believes that, in an attempt to benefit  
2 Blum’s daughters: (a) the Trustees have not funded the RCB Marital Trust; and (b)  
3 have limited the assets available to fund the Marital Trust to decrease the  
4 distributions to Senator Feinstein.

5           56.     Failing to fund the Marital Trust is a breach of the Trustees’ duty to  
6 administer the Marital Trust for the benefit of Senator Feinstein, the Marital  
7 Trust’s sole beneficiary during her lifetime and a breach of their duty to deal  
8 impartially with the income beneficiary and the remainder beneficiaries. (Prob.  
9 Code §§ 16002 and 16003.)

10           57.     By failing to fund the Marital Trust, the Trustees have also breached  
11 their duty to segregate the Marital Trust’s assets from other assets that do not  
12 belong to the Marital Trust. (Prob. Code § 16009.)

13           58.     This Court should compel the trustees to fund the Marital Trust and  
14 make a pro rata income distribution to Senator Feinstein in the amount of all  
15 income attributable to the assets that the Trustee should have used to fund the  
16 Marital Trust from the date of Richard Blum’s death through the date of the Court’s  
17 order. (Prob. Code § 16420, subd. (a)(3).)

18           59.     Probate Code section 16420, subdivision (a)(3) authorizes the Court to  
19 compel the Trustee’s to redress their breaches of trust by paying money. The  
20 Trustees’ failure to fund the Marital Trust proximately caused Senator Feinstein to  
21 suffer damages in an amount according to proof, but not less than \$1.5 million – the  
22 amount of income and principal the Trustees would have distributed to Senator  
23 Feinstein to date had they properly funded the Marital Trust – together with  
24 prejudgment interest according to proof. The Court should hold the Trustees  
25 personally liable for these damages.

26           60.     The Trustees breached their fiduciary duties to Senator Feinstein with  
27 reckless disregard for her interests, intentionally, in bad faith, and maliciously. She  
28 is therefore entitled to recover punitive damages from the Trustees in an amount

1 sufficient to punish and deter their malicious conduct.

2 **FOURTH CLAIM FOR RELIEF**  
3 **TO SET ASIDE ACTS OF THE TRUSTEES**

4 61. Petitioner incorporates the preceding paragraphs by reference.

5 62. To the extent the Trustees improperly funded gifts contrary to the  
6 sequence in Section Four of the Fourteenth Amendment, this Court should set aside  
7 those gifts, order those assets' return to the RCB Trust, and order that they be  
8 instead used to fund the Marital Trust to the full extent necessary to comply with  
9 the terms of the RCB Trust. (Prob. Code § 16420, subd. (a)(6).)

10 **FIFTH CLAIM FOR RELIEF**  
11 **TO ORDER THE TRUSTEES TO DISGORGE AND REDUCE THEIR**  
12 **COMPENSATION**

13 63. Petitioner incorporates the preceding paragraphs by reference.

14 64. Probate Code section 16420, subdivision (a)(7) authorizes the Court to  
15 reduce the Trustees' compensation or to deny them any compensation whatsoever.

16 65. As discussed above, the Trustees have committed numerous breaches of  
17 their fiduciary duties by, among other things, failing to report, failing to account,  
18 failing to fund the Marital Trust, failing to make income distributions to Senator  
19 Feinstein and, on information and belief, funding gifts to Blum's daughters and  
20 forgiving their Blum or the RCB Trust prior to funding the Marital Trust.

21 66. In light of the Trustees' many and egregious breaches of fiduciary duty  
22 the Court should deny the Trustees any compensation until they fully fund the  
23 Marital Trust and make all of the distributions to Senator Feinstein required  
24 thereunder. To the extent the Trustees have previously paid themselves any  
25 compensation since Blum's death, this Court should therefore order them to disgorge  
26 all such compensation. (Prob. Code § 16420, subd. (a)(7).)

27 ///

28 ///

1 **SIXTH CLAIM FOR RELIEF**

2 **TO SUSPEND AND REMOVE THE TRUSTEES AND APPOINT**  
3 **TEMPORARY TRUSTEE**

4 67. Petitioner incorporates the preceding paragraphs by reference.

5 68. Under Probate Code section 15642, subdivision (a)(1) and (9), the Court  
6 may remove the Trustees for committing breaches of trust and for other good cause.

7 69. The Court should exercise its power under Probate Code section 15642,  
8 subdivision (a)(1) and (9) to remove the Trustees due to their many egregious  
9 breaches of trust as alleged above.

10 70. "If it appears to the court that trust property or the interests of the  
11 beneficiary may suffer loss or injury pending a decision on a petition for removal of  
12 the trustee," Probate Code section 15642, subdivision (e) authorizes the Court to  
13 "suspend the powers of the trustee to extend the Court deems necessary."

14 71. To prevent further loss and injury to Senator Feinstein attributable to  
15 the Trustees' failure to fund the Marital Trust and their other ongoing breaches of  
16 trust as alleged above, the Court should exercise its power under Probate Code  
17 section 15642, subdivision (e) to: (a) suspend the Trustees pending a decision on  
18 whether to remove them; and (b) appoint a temporary trustee in their place to  
19 administer the RCB Trust and the Marital Trust.

20 **SEVENTH CLAIM FOR RELIEF**

21 **DAMAGES FOR FINANCIAL ELDER ABUSE**

22 72. Petitioner incorporates the preceding paragraphs by reference.

23 73. Senator Feinstein was at all relevant times over the age of 65, a  
24 resident of California, and therefore an "elder" as Welfare and Institutions Code  
25 section 15610.27 defines that term. The Trustees have committed elder financial  
26 abuse of Senator Feinstein as defined by Welfare and Institutions Code section  
27 15610.30 by wrongfully and in bad faith depriving her of property rights to which  
28 the RCB Trust entitles her. Among other things, the Trustees failed to fund the



1 Marital Trust as the RCB Trust requires, diverted assets that they should have used  
2 to fund in the Marital Trust, and withheld all distributions due to her from the  
3 Marital Trust. The Trustees committed these acts and omissions purposefully and in  
4 bad faith, and knew or should have known that their conduct was likely to harm  
5 Senator Feinstein.

6 74. Pursuant to Probate Code section 859, the Court should order the  
7 Trustees to pay twice the value of any assets recovered by this action, including,  
8 without limitation, the value of any assets that the Court orders the Trustees to  
9 transfer to the Marital Trust to fund it and the amount of any distributions that the  
10 Court orders the Trustees to make to Senator Feinstein from the Marital Trust.

11 75. The Court should further order the Trustees to pay all of the attorney's  
12 fees and costs that Petitioner incurs in this action on her mother's behalf pursuant  
13 to Welfare and Institutions Code section 15657.5 and Probate Code section 859.

#### 14 **EIGHTH CLAIM FOR RELIEF**

#### 15 **TO PROHIBIT THE TRUSTEES FROM USING ANY TRUST FUNDS TO** 16 **DEFEND THIS ACTION**

17 76. Petitioner incorporates the preceding paragraphs by reference.

18 77. When a trust does not stand to benefit from the Trustees' success in  
19 litigation, there is "no basis for the recovery of expenses out of the trust assets."  
20 (*Whittlesey v. Aiello* (2002) 104 Cal.App.4th 1221, 1230; accord *Terry v. Conlan*  
21 (2005) 131 Cal.App.4th 1445, 1462.)

22 78. Petitioner brings this action compel the Trustees to properly administer  
23 the RCB Trust and Marital Trust according to their terms and the Probate Code.  
24 The Petition seeks to protect the RCB Trust and the Marital Trust from the  
25 Trustees' breaches of fiduciary duty.

26 79. Even if the Trustees were to prevail in this litigation, which they  
27 should not, the RCB Trust and the Marital Trust would reap no benefit. Rather, the  
28 Marital Trust would remain unfunded, the Trustees would still not account or

1 disclose the information that the Probate Code requires them to report, and they  
2 would continue to thwart Blum's clear intent in creating the RCB Trust to support  
3 his wife after his death.

4 80. The Court should issue an order prohibiting the Trustees from using  
5 RCB Trust or Marital Trust funds to defend themselves in this action.

6 **IV. JURISDICTION, VENUE, AND STANDING**

7 81. This Court has jurisdiction over the RCB Trust and the Marital Trust  
8 pursuant to Probate Code sections 16400, 16420, 17000, 17003, and 17200.

9 82. San Francisco County is the proper venue for this action pursuant to  
10 Probate Code sections 17002, subdivision (a), and 17005, subdivision (a)(1). The  
11 principal place of administration of the RCB Trust is in San Francisco County,  
12 where the Trustees carry on the day-to-day activities of the trust at 909 Montgomery  
13 Avenue, Suite 400, San Francisco, CA 94133.

14 83. Petitioner has standing to bring this action on Senator Feinstein's  
15 behalf as her attorney-in-fact pursuant to Code of Civil Procedure section 369,  
16 subdivision (a)(4) and Probate Code sections 4261, 4459, 16420 and 17200 as a  
17 beneficiary of the RCB Trust and Marital Trust.

18 **V. NOTICES**

19 The following individuals are entitled to notice of this action:

20 Dianne Feinstein  
21 *Adult Beneficiary of the Richard C.*  
22 *Blum Revocable Trust*  
23 2460 Lyon Street  
24 San Francisco, CA 94123

John Prokey  
Alison Merino  
Ramsbacher, Prokey, Leonard LLP  
*Attorneys for Michael Klein, Marc*  
*Scholvinck, and Verett Mims*  
111 W. St John Street, Suite 1200  
San Jose, CA 95113

25 Michael Klein  
26 *Co-Trustee of the Richard C. Blum*  
27 *Revocable Trust*  
28 909 Montgomery Avenue, Suite 400  
San Francisco, CA 94133

Verett Mims  
*Co-Trustee of the Richard C. Blum*  
*Revocable Trust*  
909 Montgomery Avenue, Suite 400  
San Francisco, CA 94133

1 Marc Scholvinck  
2 *Co-Trustee of the Richard C. Blum*  
3 *Revocable Trust*  
4 909 Montgomery Avenue, Suite 400  
5 San Francisco, CA 94133

4 Annette Blum  
5 *Adult Beneficiary of the Richard C.*  
6 *Blum Revocable Living Trust*  
7 701 Ocean Street #208  
8 Santa Monica, CA 90402

8 Heidi Blum  
9 *Adult Beneficiary of the Richard C.*  
10 *Blum Revocable Living Trust*  
11 Route des Mont 16  
12 Caux 1824  
13 Switzerland

12 Gregory Blum  
13 *Adult Beneficiary of the Richard C.*  
14 *Blum Revocable Living Trust*  
15 68 Mangels Avenue  
16 San Francisco, CA 94131

16 Eileen Blum, Trustee of the  
17 Irrevocable Trust fbo  
18 Benjamin Francois Charles  
19 Bourgade  
20 *Beneficiary of the Richard C. Blum*  
21 *Revocable Trust*  
22 2836 Washington Street  
23 San Francisco, CA 94115

21 Benjamin Bourgade  
22 *Minor Beneficiary of the Richard C.*  
23 *Blum Revocable Living Trust*  
24 2836 Washington Street  
25 San Francisco, CA 94115

24 Lea Bourgade  
25 *Adult Beneficiary of the Richard C.*  
26 *Blum Revocable Living Trust*  
27 2836 Washington Street San  
28 Francisco, CA 94115

James Murray  
*Successor Co-Trustee of the Richard*  
*C. Blum Revocable Living Trust*  
1650 Broadway #102  
San Francisco, CA 94109

Eileen Blum  
*Adult Beneficiary of the Richard C.*  
*Blum Revocable Living Trust*  
2836 Washington Street  
San Francisco, CA 94115

Christopher Blum  
*Adult Beneficiary of the Richard C.*  
*Blum Revocable Living Trust*  
P.O. Box 18838  
Boulder, CO 80308

Violet Blum  
*Adult Beneficiary of the Richard C.*  
*Blum Revocable Living Trust*  
68 Mangels Avenue  
San Francisco, CA 94131

Eileen Blum, Trustee of the  
Irrevocable Trust fbo  
Julien Arthur Herbert Bourgade  
*Beneficiary of the Richard C. Blum*  
*Revocable Trust*  
2836 Washington Street  
San Francisco, CA 94115

Julien Bourgade  
*Minor Beneficiary of the Richard C.*  
*Blum Revocable Living Trust*  
2836 Washington Street  
San Francisco, CA 94115

Tristan Bourgade  
*Adult Beneficiary of the Richard C.*  
*Blum Revocable Living Trust*  
2836 Washington Street  
San Francisco, CA 94115

1 Eileen Mariano  
2 *Adult Beneficiary of the Richard C.*  
3 *Blum Revocable Trust*  
4 1177 California Street #1602  
5 San Francisco, CA 94108

Rick Mariano  
*Adult Beneficiary of the Richard C.*  
*Blum Revocable Trust*  
7 Clarendon Avenue  
San Francisco, CA 94114

4 Mitchell Riley  
5 *Adult Beneficiary of the Richard C.*  
6 *Blum Revocable Living Trust*  
7 Route des Monts 16  
8 Caux 1824  
9 Switzerland

Spencer Riley  
*Adult Beneficiary of the Richard C.*  
*Blum Revocable Living Trust*  
Route des Monts 16  
Caux 1824  
Switzerland

8 Erica Stone  
9 *Adult Beneficiary of the Richard C.*  
10 *Blum Revocable Living Trust*  
11 993 Cragmont Avenue  
12 Berkeley, CA 94708

Mars Stone  
*Adult Beneficiary of the Richard C.*  
*Blum Revocable Living Trust*  
1114 Park Hills Road  
Berkeley, CA 94708

12 Norbu Tenzing  
13 *Adult Beneficiary of the Richard C.*  
14 *Blum Revocable Living Trust*  
15 631 Folsom Street #12A  
16 San Francisco, CA 94107

The Brookings Institute  
*Beneficiary of the Richard C. Blum*  
*Revocable Living Trust*  
1775 Massachusetts Avenue NW  
Washington, DC 20036

15 One Family Together  
16 Sam Belzing Memorial Fund  
17 *Beneficiary of the Richard C. Blum*  
18 *Revocable Living Trust*  
19 1029 Teaneck Road, Suite 3B  
20 Teaneck, NJ 07666

UC San Diego Gift Processing  
*Beneficiary of the Richard C. Blum*  
*Revocable Living Trust*  
9500 Gilman Drive  
Mail Code 0940  
La Jolla, CA 92093-0940

20 UCSF Foundation  
21 *Beneficiary of the Richard C. Blum*  
22 *Revocable Living Trust*  
23 Gardner Trimble, JD  
24 Box 0248  
25 2001 The Embarcadero, Third Floor  
26 San Francisco, CA 94143

University of San Francisco  
*Beneficiary of the Richard C. Blum*  
*Revocable Living Trust*  
Board of Trustees  
2130 Fulton Street  
San Francisco, CA 94117

25 **VI. PRAYER FOR RELIEF**

26 WHEREFORE Petitioner prays for orders and/or judgment as follows:

27 1. Compelling the Trustees to provide a Probate Code compliant account  
28 of their administration of: (a) the entire RCB Trust from the date of Blum's death

1 through the date they fully fund the Marital Trust; and (b) of the Marital Trust  
2 thereafter through the date of the Court's order.

3 2. Compelling the Trustees to provide a report of all information  
4 requested by Petitioner in her letters to them dated June 8, 2023 and July 18, 2023.

5 3. Instructing and compelling the Trustees to fund the Marital Trust with:  
6 (a) Blum's tangible personal property; (b) Blum's interest in the four real properties  
7 listed in Section 4.6 of the Fourteenth Amendment; and (c) cash and securities to  
8 fund the Marital Trust worth the lesser of \$5 million or the value of the cash and  
9 securities available after funding Blum's outstanding charitable contributions.

10 4. Instructing and compelling the Trustees to make a pro rata income  
11 distribution to Senator Feinstein in the amount of all income attributable to the  
12 assets that the Trustee should have transferred to the Marital Trust from the date of  
13 Richard Blum's death through the date of the judgment herein.

14 5. Holding Michael Klein, Marc Scholvinck and Verett Mims jointly,  
15 severally, and personally liable for the damages proximately caused by their  
16 breaches of trust in an amount according to proof, but not less than \$1.5 million,  
17 plus prejudgment interest thereon according to proof;

18 6. Holding Michael Klein, Marc Scholvinck and Verett Mims jointly,  
19 severally, and personally liable for committing willful breaches of trust with reckless  
20 disregard for Senator Feinstein's interests, intentionally, in bad faith, and  
21 maliciously, and awarding punitive damages in an amount sufficient to punish and  
22 deter such conduct;

23 7. Finding that Michael Klein, Marc Scholvinck, and Verett Mims  
24 willfully disposed of and concealed property belonging to the Marital Trust meant to  
25 benefit Senator Feinstein, an elder, and ordering them in their individual capacities  
26 to pay statutory double damages pursuant to Probate Code section 859;

27 8. Setting aside any distributions other than charitable commitments that  
28 the Trustees made without funding the Marital Trust and ordering the return of all

1 such distributed assets to the RCB Trust for disposition in accordance with its terms  
2 or, alternatively, to the extent that it is not possible to recover such assets, holding  
3 the Trustees jointly, severally, and personally liable for damages equal to the assets'  
4 value in an amount according to proof, together with prejudgment interest according  
5 to proof;

6 9. Ordering Michael Klein, Marc Scholvinck and Verett Mims to disgorge  
7 any compensation paid to them from the RCB Trust and denying them any  
8 compensation for their services as Trustees until they fully fund the Marital Trust  
9 and make all of the distributions to Senator Feinstein required thereunder;

10 10. Suspending Michael Klein, Marc Scholvinck and Verett Mims as  
11 Trustees of the Richard C. Blum Revocable Trust and its Marital Trust, and  
12 appointing a temporary trustee of the Court's choosing in their place;

13 11. Removing Michael Klein, Marc Scholvinck and Verett Mims as  
14 Trustees of the Richard C. Blum Revocable Trust and its Marital Trust;

15 12. Prohibiting the Trustees from using any funds of the RCB Trust to pay  
16 or reimburse any legal expenses they incur in connection with this action;

17 13. Ordering the Trustees to pay all attorney's fees and costs Petitioner  
18 incurs in connection with this action; and

19 14. For such other and further orders and/or relief as this Court may deem  
20 necessary and proper.

21 DATED: August 8, 2023

HARTOG, BAER, ZABRONSKY & VERRIERE  
A Professional Corporation

22  
23  
24 By: 

25 JOHN A. HARTOG  
26 TRAVIS NEAL  
27 AMANDA E. SHERWOOD  
28 *Attorneys for Petitioner*  
Katherine Feinstein as Senator Dianne  
Feinstein's Attorney-in-Fact

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**VERIFICATION**

I, Katherine Feinstein, as Senator Dianne Feinstein’s attorney-in-fact, am the Petitioner in the above-entitled matter. I have read the foregoing PETITION (1) TO COMPEL ACCOUNTING; (2) TO INSTRUCT TRUSTEES TO FUND MARITAL TRUST; (3) FOR BREACH OF TRUST; (4) TO SET ASIDE ACTS OF TRUSTEES; (5) TO DISGORGE AND REDUCE TRUSTEES’ COMPENSATION; (6) TO SUSPEND AND REMOVE TRUSTEES; (7) FOR FINANCIAL ELDER ABUSE; (8) TO PROHIBIT TRUSTEES FROM USING TRUST FUNDS, and know the contents thereof. The factual allegations (as opposed to the conclusions of law) are true of my own knowledge, except as to those matters stated on information and belief, which I believe to be true.

Executed on August 8, 2023, at San Francisco, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DocuSigned by:  
*Katherine Feinstein*  
FF6F27ED4A1C48D...  
Katherine Feinstein, attorney-in-fact  
for Senator Dianne Feinstein

# Exhibit A

**EXHIBIT A  
TO**

**PETITION (1) TO COMPEL ACCOUNTING; (2) TO INSTRUCT TRUSTEES TO FUND  
MARITAL TRUST; (3) FOR BREACH OF TRUST; (4) TO SET ASIDE ACTS OF TRUSTEES;  
(5) TO DISGORGE AND REDUCE TRUSTEES' COMPENSATION; (6) TO SUSPEND AND  
REMOVE TRUSTEES; (7) FOR FINANCIAL ELDER ABUSE; (8) TO PROHIBIT TRUSTEES  
FROM USING TRUST FUNDS**



TWELFTH AMENDMENT AND COMPLETE RESTATEMENT  
OF THE AGREEMENT ESTABLISHING THE  
RICHARD C. BLUM REVOCABLE TRUST

RAMSBACHER PROKEY LEONARD LLP  
Attorneys At Law  
Bank of America Building  
125 South Market Street, Suite 1250  
San Jose, California 95113  
(408) 293-3616

TWELFTH AMENDMENT AND COMPLETE RESTATEMENT  
OF THE AGREEMENT ESTABLISHING THE  
RICHARD C. BLUM REVOCABLE TRUST

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TWELFTH AMENDMENT AND COMPLETE RESTATEMENT  
OF THE AGREEMENT ESTABLISHING THE  
RICHARD C. BLUM REVOCABLE TRUST

On January 9, 1996, RICHARD C. BLUM as Trustor (hereinafter referred to as "Settlor") and as Trustee, established the RICHARD C. BLUM REVOCABLE TRUST. The Settlor amended the RICHARD C. BLUM REVOCABLE TRUST on March 5, 2001, March 26, 2002, May 11, 2007, December 23, 2009, May 14, 2010, August 23, 2011, March 25, 2014, May 30, 2014, June 6, 2014, December 5, 2014, and September 9, 2016. The Settlor now desires to substitute the following Twelfth Amendment and Complete Restatement in its entirety in lieu of the previous trust instrument and all amendments and restatements thereto. Accordingly, pursuant to his power to revoke or amend, the Settlor directs the Trustee to hold, manage, and distribute the trust estate and any additions thereto for the uses and purposes and subject to the rights and powers set forth in this document. For convenience, this trust shall continue to be known as and referred to as the RICHARD C. BLUM REVOCABLE TRUST.

1 Recitals: Family and Marital Status; Trust Estate; Trust Name.

1.1 Family and Marital Status. The Settlor is married to DIANNE FEINSTEIN ("DIANNE"). The Settlor has three (3) children from a prior marriage, namely: ANNETTE CYNTHIA BLUM, born July 8, 1961 ("ANNETTE"); HEIDI BLUM, born June 8, 1964 ("HEIDI"); and EILEEN BLUM, born March 2, 1968 ("EILEEN"). All references to a child of the Settlor or children of the Settlor shall refer to ANNETTE, HEIDI and EILEEN, and any after born children of the Settlor. DIANNE has one (1) child from a prior marriage, namely, KATHERINE ANNE FEINSTEIN ("KATHERINE").

1.2 The Trust Estate. Any property currently held by the Trustee and all property hereafter transferred to any trust created under this trust agreement, and the income and proceeds attributable to all such property, shall constitute the "trust estate" and shall be held, managed, and distributed as provided in this trust agreement. Assets of the trust estate may be listed on Schedule "A" hereto, but a failure to list property transferred to the trust will not mean it is not held by the trust. The Settlor hereby declares that the Trustee holds in trust the property listed on Schedule "A" hereto.

1.3 Trust Name. This trust shall continue to be referred to as the "RICHARD C. BLUM REVOCABLE TRUST." The Trustee may adopt a trust name for any separate trust created hereunder by adding the name of that separate trust as designated herein or by adding "FBO" ("for the benefit of") and the name of the primary beneficiary of such separate trust.

2 Amendment and Revocation.

2.1 General. During the Settlor's lifetime, he shall have the unrestricted power to revoke or amend this trust document or to withdraw a portion or all of the trust estate. In the event of such revocation, the entire estate, or the revoked portions, shall revert to the Settlor as if this trust had not been created.

2.2 At Death of Settlor. Upon the death of the Settlor, all trusts established by this document shall become irrevocable and may not be amended or modified in any manner.

2.3 Procedure. Each amendment, revocation, or notice of withdrawal shall be in a written document other than a Will and shall be effective when received by the Trustee. As soon as reasonably possible after receipt of the revocation or withdrawal, the Trustee shall distribute the affected property.

### 3 Distribution of Principal and Income During Lifetime of the Settlor.

3.1 General. The Trustee shall pay the entire net income of the trust estate, in annual or more frequent installments, to or for the benefit of the Settlor for so long as he shall live. The Trustee shall also distribute to the Settlor so much of the principal as he requests from time to time.

3.2 Disability of the Settlor. If at any time the Settlor shall become disabled, the Trustee shall expend for the Settlor's benefit such part or all of the net income or such part or all of the principal of this trust as the Trustee deems advisable for the Settlor's maintenance, health, comfort, or happiness (including travel, automobiles, and other expenditures which for others might be deemed luxuries). If at any time the Settlor becomes disabled, and if at such time DIANNE is a Qualified Spouse, the Trustee may expend for DIANNE's benefit such part of the net income or such part of the principal of this trust as the Trustee deems advisable for DIANNE's health, education, support, or maintenance, after first ensuring the needs of the Settlor are met. Any income not so expended shall be accumulated and added to principal.

3.3 Trustee's Power to Make Gifts at Direction of the Settlor. During the Settlor's lifetime, the Trustee shall distribute such sums of trust principal to any such person(s) or organization(s) as the Settlor may direct in writing.

4 Division and Distribution Upon Death of the Settlor. Upon the death of the Settlor, the Trustee shall divide and distribute the trust estate, including such items of property as may be received by reason of such death, as provided in this Section 4. The Trustee shall divide and distribute the trust estate in the order listed below in this Section 4. Notwithstanding the foregoing, if the assets of the trust estate are insufficient to satisfy all of the provisions of Sections 4.1 through 4.6 below (i.e., the specific bequests), then the specific bequests shall be reduced or abated in the following order to the extent necessary to ensure that all other specific bequests are satisfied: (i) the bequests in Section 4.6 shall first be reduced or abated on a pro rata basis by value; (ii) the bequests in Section 4.4 shall then be reduced or abated with the loans payable by beneficiaries who are not descendants of the Settlor being reduced or abated first on a pro rata basis by value, then loans payable by grandchildren or more remote descendants of the Settlor being reduced or abated on a pro rata basis by value, then loans payable by children of the Settlor being reduced or abated in equal amounts among the children of the Settlor (i.e., on a per stirpital basis) (to the extent any loans of one or two children of the Settlor have been forgiven in full, the remaining loans payable by children of the Settlor shall continue to be forgiven on a per stirpital basis to the extent assets allow); (iii) the bequests in Section 4.3 shall then be reduced or abated in equal amounts among the children of the Settlor (i.e., on a per stirpital basis); (iv) the

bequests in Section 4.5 shall then be reduced or abated on a pro rata basis by value if such bequests are made to the descendants of the Settlor; (v) the bequests in Section 4.2 shall then be reduced or abated; and (vi) sixth, the bequests in Section 4.1 shall then be reduced or abated on a pro rata basis by value. If a specific bequest of an asset (for example, a bequest of a residence made in Section 4.3) is to be reduced or eliminated, the Trustee shall have discretion to allow the beneficiary(ies) of such bequest(s) to purchase from the trust estate the asset that was to be received by the originally intended bequest but is now reduced or eliminated, thereby allowing such beneficiary to receive the specific asset and avoid any unintended fractional ownership.

It is the Settlor's intent that the bequests made in Sections 4.1 through 4.6 and Section 4.7.1 be net of estate, death, inheritance, and (where there are direct skips) generation-skipping transfer tax. If it is not possible to satisfy all specific bequests net of such taxes, then all such bequests shall be subject to such taxes by equitably prorating such taxes in the manner provided under California law. Notwithstanding the foregoing, any assets qualifying for the marital deduction shall pass free of any estate or inheritance taxes.

4.1 Distribution of Tangible Personal Property. The Settlor intends to hold any and all items of Tangible Personal Property during his and DIANNE's joint lifetimes in the trust estate of the RICHARD C. BLUM AND DIANNE FEINSTEIN JOINT PROPERTY REVOCABLE TRUST (the "Joint Property Trust"). However, upon the death of the Settlor or DIANNE, certain items of Tangible Personal Property held under the Joint Property Trust will be distributed to the Trustee to be held hereunder. The Settlor intends to carry out the distribution of Tangible Personal Property in a synchronized manner with the Joint Property Trust such that, after taking into account distributions of Tangible Personal Property from the trust estate of the Joint Property Trust and lifetime gifts by the Settlor and/or by DIANNE, any and all Tangible Personal Property (or the proceeds of any sales thereof) shall be distributed in equal shares to each of ANNETTE, HEIDI, EILEEN, and KATHERINE (or to her/their respective living descendants on the principle of representation (or a spouse as may be specifically provided hereunder) if any of the foregoing persons are not then living), or to one or more Charities as further provided hereunder. Furthermore, this Section 4.1 provides for distributions of Tangible Personal Property that are deemed part of this trust estate, even during the joint lifetimes of the Settlor and DIANNE, if the Settlor is the first to die, as a savings clause should any such items of Tangible Personal Property remain or become part of the trust estate hereunder during the joint lifetimes of the Settlor and DIANNE.

The Trustee shall divide any remaining Tangible Personal Property as provided in this Section 4.1, and any costs of packing and shipping the Tangible Personal Property to any person under this Section 4.1, where shipment of such property is necessary to its delivery, shall be charged to the residue of the trust estate.

4.1.1 Distribution of Remaining Tangible Personal Property if Settlor is Survived by Dianne. If DIANNE survives the Settlor and is a Qualified Spouse at the time of the Settlor's death, then the Trustee shall distribute any and all remaining Tangible Personal Property to the Marital Trust to be held and administered as provided in Section 5.1 below. If DIANNE does not survive the Settlor or is not a Qualified Spouse at the time of the Settlor's death, then the Trustee shall distribute the remaining Tangible Personal Property as provided in Section 4.1.2 below.



4.1.2 Distribution of Remaining Tangible Personal Property if Settlor is Not Survived by Dianne or Upon Dianne's Death. (i) If DIANNE does not survive the Settlor or is not a Qualified Spouse at the time of the Settlor's death, or (ii) upon assets passing pursuant to this Section 4.1.2 according to the provisions of Section 5.1.4 below, the Trustee shall distribute the remaining Tangible Personal Property as provided in this Section 4.1.2. The Settlor intends that any and all Tangible Personal Property to be distributed pursuant to this Section 4.1.2 (including proceeds from the sale of any Tangible Personal Property allocated to the Marital Trust upon the death of the Settlor), after taking into account distributions of Tangible Personal Property from the trust estate of the Joint Property Trust and any distributions to Charity as allowed hereunder, be distributed in equal shares as follows:

(a) One share for ANNETTE, if she is then living, and if she is not then living, for the descendants of ANNETTE on the principle of representation. If ANNETTE is not then living and has no then living descendant, this share shall not be created.

(b) One share for HEIDI, if she is then living, and if she is not then living, for the descendants of HEIDI on the principle of representation. If HEIDI is not then living and has no then living descendant, this share shall not be created.

(c) One share for EILEEN, if she is then living, and if she is not then living, for the descendants of EILEEN on the principle of representation. If EILEEN is not then living and has no then living descendant, this share shall not be created.

(d) One share for KATHERINE, if she is then living, and if she is not then living, for the descendants of KATHERINE on the principle of representation. If KATHERINE is not then living and has no then living descendant, the Trustee shall create one share for RICK MARIANO, if he is then living, and if he is not then living, this share shall not be created.

Therefore, upon assets passing pursuant to this Section 4.1.2, the Trustee, after considering the personal preferences of the beneficiaries under this Section 4.1.2, and after accounting for the adjustments as provided in this Section 4.1.2, shall divide any and all Tangible Personal Property, and the sales proceeds of any Tangible Personal Property that were allocated to the Marital Trust upon the death of the Settlor, passing pursuant to this Section 4.1.2, into shares of equal value (or as close to equal shares as reasonably possible, with no offset, since the Settlor recognizes that it may not be possible or practical to divide Tangible Personal Property into exactly equal shares) as provided in subsections (a) through (d) above (the "Tangible Personal Property Shares").

Any item of Tangible Personal Property that was allocated to the Marital Trust upon the Settlor's death but was not included in the trust estate upon DIANNE's death (after accounting for any distributions to Charity as provided hereunder) shall be presumed to have been sold during DIANNE's lifetime and the sales proceeds to be included in the distribution under this Section 4.1.2 shall be the remaining net actual proceeds from any such sale, or if the sales proceeds are for any reason untraceable (as the Trustee may determine), the sales proceeds to be included in the distribution under this Section 4.1.2 shall be equal to the fair market value of such item(s) of Tangible Personal Property as valued upon the Settlor's death.

Notwithstanding the foregoing, if pursuant to DIANNE's exercise of certain powers granted to her under the Joint Property Trust, DIANNE causes the Tangible Personal Property that was once held under the Joint Property Trust to be distributed in such a way so that each of ANNETTE, HEIDI, EILEEN, and KATHERINE (or if deceased, their respective living descendants on the principle of representation (or RICK MARIANO as provided in subsection (d) above)) do not receive an equal share of all such Tangible Personal Property (and/or the proceeds of any sale thereof, but after accounting for any distributions to Charity as allowed hereunder), then the Trustee may reduce any Tangible Personal Property Shares, up to the whole thereof, such that after accounting for any distributions made by DIANNE during her lifetime or at her death under the Joint Property Trust, the DIANNE FEINSTEIN TRUST U/D/T dated June 23, 1978, or any other testamentary or lifetime instrument executed by DIANNE each of ANNETTE, HEIDI, EILEEN, and KATHERINE (or if deceased, their respective living descendants on the principle of representation (or RICK MARIANO as provided in subsection (d) above)) shall receive an equal share, or as close to equal as possible, of all Tangible Personal Property (and/or the proceeds of any sale thereof) received from the trust estate held hereunder, from the Joint Property Trust, and/or from the DIANNE FEINSTEIN TRUST U/D/T dated June 23, 1978 (or any other testamentary instrument of DIANNE). The Trustee shall have sole discretion to determine if such an adjustment is necessary, and to what extent, and to adjust the Tangible Personal Property Shares as the Trustee deems appropriate, and the Trustee's decision in this regard shall be final and incontestable by anyone.

The Trustee shall distribute any Tangible Personal Property Share created under this Section 4.1.2 to the person for whom the share was created, outright and free of trust, subject to the provisions of Section 11.4 below. Notwithstanding the foregoing, if HEIDI is not a resident of the United States at the time of the Settlor's death, her share of any Tangible Personal Property shall be distributed to a Non-Exempt Trust for her benefit (and combined with any other assets held for her in such trust) to be held and distributed in the manner set forth in Section 5.4 below.

The Settlor and/or DIANNE may specify certain items of Tangible Personal Property to be distributed to specified individual(s) who are beneficiaries under this Section 4.1.2 (that is, ANNETTE, HEIDI, EILEEN, KATHERINE, RICK MARIANO, any descendant of any of ANNETTE, HEIDI, EILEEN, or KATHERINE), and any such item(s) so distributed shall then be allocated as a part of (up to the whole thereof) the share created above for any such individual, or for the ancestor of such individual for whom a share is being created above. For example, the Settlor and/or DIANNE may indicate a specific ring to be distributed to EILEEN MARIANO (KATHERINE's daughter), and the value of such ring shall be allocated as part of the total value of the share created above for KATHERINE (assuming that KATHERINE was then living upon distribution under this Section 4.1.2) or allocated as part of the total value of the share created for KATHERINE's descendants or RICK MARIANO (if KATHERINE was not living upon distribution under this Section 4.1.2).

If the Settlor and/or DIANNE desire a specific item of Tangible Personal Property be distributed to a specific beneficiary of this Section 4.1.2, pursuant to the foregoing paragraph, he or she shall complete Schedule "B", attached hereto. The Settlor and/or DIANNE shall describe the item with specific clarity so that the Trustee can accurately identify the item to be distributed and should use his or her best efforts to tie the description to any supporting documentation, such as an appraisal report, a line item on a property insurance rider, or a photograph. The Trustee is empowered to utilize such ancillary information, including input

from the beneficiaries, to properly identify the items to be so specifically allocated, and it shall be at the Trustee's sole discretion to identify the items to be so allocated. If the Trustee determines that an item listed on Schedule "B" is no longer part of the trust estate upon the death of the Settlor or upon the death of DIANNE, as the case may be, that line item on Schedule B shall be void and of no force or effect.

If the total value of the item(s) listed on Schedule "B" to be distributed to a specific individual is greater than the total value of the share to be allocated to that individual (or his or her ancestor), then the Trustee, in the Trustee's discretion, may determine that the specified distribution cannot be made, or the Trustee may offer to distribute such item with the individual receiving such item(s) paying to the trust estate the amount the value of the item(s) exceeds the value of the share to be allocated to such individual (or to his or her ancestor). An individual who is identified to receive a specific item(s) may inform the Trustee if he or she does not wish to receive such item(s) as part of his or her share, and the Trustee shall have the discretion to determine whether or not such item shall be made a part of such individual's share. If both the Settlor and DIANNE have designated the same item of Tangible Personal Property for a specific allocation on their respective Schedule "B"s, the Trustee shall have the discretion to determine which individual shall receive such item and may consider the respective wishes of the individual recipients and any ancillary information the Trustee deems relevant in determining the appropriate final allocation of such item.

If upon the death of the Settlor or upon the death of DIANNE, as the case may be, the individual identified in the Primary Beneficiary column of Schedule "B" is not then living, then the item shall be distributed to the individual identified in the Alternate Beneficiary column, if any. If the Alternate Beneficiary is not then living, or the Alternate Beneficiary column is not completed, the item shall be distributed with the remaining items of Tangible Personal Property pursuant to this Section 4.1.2. The California anti-lapse statute shall not apply to the items listed in Schedule "B" unless specifically identified otherwise.

The Settlor and/or DIANNE may revoke or change any designation made on Schedule "B" by executing a further Schedule B specifically identifying the line item(s) to be revoked or changed. In case of a conflict, a more recently dated designation shall take precedence over any prior designations.

If no descendant of the Settlor, nor KATHERINE, nor any descendant of KATHERINE, nor RICK MARIANO is then living, any and all remaining Tangible Personal Property shall be distributed: (i) pursuant to the remaining provisions of this Section 4 if the distribution under this Section 4.1.2 is upon the death of the Settlor; or (ii) pursuant to Section 4.8 below if the distribution under this Section 4.1.2 is upon the death of DIANNE.

4.2 Bequest in Trust for Dianne. If DIANNE survives the Settlor and is a Qualified Spouse at the time of the Settlor's death, then the Trustee shall allocate the following assets to the Marital Trust to be held and administered as provided in Section 5.1 below:

4.2.1 Hotel Carlton. The Settlor intends that his entire interest in one or more entities that own the Hotel Carlton in San Francisco (whether held in this trust, through entities, or otherwise) be allocated to the Marital Trust. As of the date of this document, the Hotel Carlton is owned by Carlton Hotel Properties, a California limited partnership. Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) and Blum Investment Partners, Inc., a California corporation,

each own interests in Carlton Hotel Properties. The trust estate holds an interest in: (i) the division of Blum Family Partners, L.P. that owns the interest in Carlton Hotel Properties; (ii) Blum Investment Partners, Inc.; and (iii) Blum Investment Partners II, Inc. The Trustee shall exercise all voting and other rights to segregate such indirect interests in the Hotel Carlton so that they are allocated to the Marital Trust. This may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Carlton Hotel Properties to the Marital Trust; (ii) distributing the interest in Carlton Hotel Properties from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s) to the Marital Trust; (iii) allocating all stock in Blum Investment Partners, Inc. to the Marital Trust (provided it owns no other assets at the time of allocation, and the Trustee can cause all other assets to be distributed out before such allocation); (iv) distributing the interest in Carlton Hotel Properties from Blum Investment Partners, Inc., and then allocating such interest to the Marital Trust; and/or (v) similar means of allocating such indirect interests in the Hotel Carlton to the Marital Trust.

4.2.2 Liquid Assets. The Trustee shall allocate to the Marital Trust cash and marketable securities equal in value to five million dollars (\$5,000,000). The Trustee may allocate any combination of cash and marketable securities, including all cash or all marketable securities, or any combination thereof. For purposes of this Section 4.2.2, marketable securities shall include stocks and bonds traded on a public market and readily convertible to cash.

If DIANNE does not survive the Settlor or is not a Qualified Spouse at the time of the Settlor's death, then all bequests made pursuant to this Section 4.2 shall lapse and be distributed pursuant to the remaining provisions of this Section 4.

4.3 Bequest of Residences to Children of Settlor and of Dianne. If upon or as a result of the Settlor's death the trust estate holds any interest in real property that is jointly owned with a child of the Settlor or with KATHERINE (with any such child of the Settlor or KATHERINE being referred to in this Section 4.3 as a Co-Owner respectively), then the Trustee shall distribute the trust estate's interest in such real property to the respective Co-Owner, outright and free of trust, net of estate, death, and inheritance taxes, but otherwise subject to encumbrances such as property taxes and assessments. The Settlor is solely responsible for any mortgages and deeds of trust secured by any such properties, and distribution shall be free of any such mortgage or deed of trust (which may require repayment of any such mortgage and release of any such deed of trust before distribution). If such a Co-Owner does not survive the Settlor, but has any descendant(s) then living, the Trustee shall distribute the trust estate's interest in such real property, net of estate, death, and inheritance taxes, but otherwise subject to encumbrances, including property taxes and assessments (but free of mortgages or deeds of trust, as discussed above), to the descendants of such deceased Co-Owner on the principle of representation, outright and free of trust (subject to Section 11.4 below). Notwithstanding any contrary provision of this Section 4.3, if HEIDI is not a resident of the United States at the time of the Settlor's death (but is then living), any bequest made to her under this Section 4.3 shall be distributed to a Non-Exempt Trust for her benefit (and combined with any other assets held for her in such trust) to be held and distributed in the manner set forth in Section 5.4 below.

To the extent the Settlor has any remaining parent-child exclusion from California property tax reassessment, such exclusion shall be divided equally and so applied among any

child of the Settlor (or qualifying grandchild on the principle of representation) receiving California real property pursuant to this Section 4.3.

4.4 Bequest of Promissory Notes/Forgiveness of Debt. If upon or as a result of the Settlor's death the trust estate holds any promissory note or loan payable to the trust estate or to the Settlor, where the payor is: (i) a child of the Settlor; (ii) BENJAMIN BOURGADE; (iii) KATHERINE, RICK MARIANO, or KATHERINE and RICK MARIANO, jointly; (iv) ERICA STONE; or (v) NORBU TENZING, then the Trustee shall distribute the trust estate's interest in such promissory note(s)/loan(s) to the respective payor, outright and free of trust, net of estate, death, generation-skipping transfer, and inheritance taxes.

If the payor is a child of the Settlor or KATHERINE, but such payor did not survive the Settlor, the Trustee shall distribute promissory note(s)/loan(s) to the then-acting trustee of the living trust of such deceased payor or, if no such living trust is in existence, to the estate of such deceased payor.

Notwithstanding any contrary provision of this Section 4.4, if HEIDI is the payor and she is not a resident of the United States at the time of the Settlor's death (but is then living), any bequest made to HEIDI under this Section 4.4 shall be distributed to a Non-Exempt trust for her benefit (and combined with any other assets held for her in such trust) to be held and distributed in the manner set forth in Section 5.4 below.

The Settlor intends that no loans payable by the Richard C. Blum Irrevocable Children's Trusts (both the 1987 and 1988 trusts and any separate trusts thereunder), the Blum Irrevocable Trust, dated November 2, 2006 (or any separate trust thereunder), or the Blum 2011 Irrevocable Trust (or any separate trust thereunder) be forgiven or transferred to such trusts at his death.

4.5 Bequest of Settlor's Interest in Residences. If the trust estate holds any interest in any one or more of the real properties defined below in this Section 4.5 as the Residential Interests, then the Trustee shall distribute any such Residential Interests as provided in this Section 4.5. It is noted that the majority of these Residential Interests (all except the Washington D.C. property) are currently held in the trust estate of the Joint Property Trust and distributed pursuant to the terms of the Joint Property Trust agreement. However, the Residential Interests that are currently held in the Joint Property Trust are also included in this Section 4.5 as a savings clause should any one or more of these properties for whatever reason become a part of this trust estate before, upon, or as a result of the Settlor's death. If any one or more of the properties included herein in the definition of the Residential Interests is not held in the trust estate hereunder upon, or as a result of the Settlor's death, the bequest under this Section 4.5 shall lapse as to that property/those properties; that is, the Settlor does not intend for the beneficiaries under this Section 4.5 to have any right to any sales proceeds, or replacement property, of any property that would otherwise have been included in the definition of Residential Interests.

The "Residential Interests" are defined as any and all interest held by the trust estate, now or in the future, in any one or more of the following real properties: (1) that certain real property commonly known as 3300 Nebraska Avenue, N.W., Washington D.C.; (2) that certain real property commonly known as 323 Sea Drift, Stinson Beach, California; (3) that certain real property commonly known as 5454 Hanaku Pu'u Po'a, Kauai, Hawaii; and (4) that certain real property commonly known as 2460 Lyon Street, San Francisco, California. If DIANNE survives the Settlor and is a Qualified Spouse at the time of the Settlor's death, then the Trustee shall

distribute any such Residential Interests to the Marital Trust to be held and administered as provided in Section 5.1 below.

If DIANNE does not survive the Settlor or is not a Qualified Spouse at the time of the Settlor's death, then the Trustee shall divide any such Residential Interests into equal shares creating one such share for each child of the Settlor who is then living and one such share for each child of the Settlor who is then deceased but has descendants then living. Each share set aside for a child of the Settlor who is then deceased but has descendants then living shall be further divided into shares for such descendants on the principle of representation.

If any of the Settlor's generation-skipping transfer tax exemption remains after allocation of such exemption as provided in Sections 4.7.1, 4.6, or 4.4 (if any) and after taking into account all allocations of such exemption made during the Settlor's lifetime, then the Trustee shall allocate such remaining exemption to the shares created under this Section 4.5. Such allocation shall be at the Trustee's discretion, but it is the Settlor's intent that the Trustee equalize the benefit of such exemption among each descendant of the Settlor on the principle of representation. Each share created for a then living descendant of the Settlor to which such generation-skipping transfer tax exemption has been allocated shall constitute an Exempt share to be held and distributed for the descendant for whom it was created in the manner set forth in Section 5.3 below. Each share created for a then living descendant of the Settlor to which such generation-skipping transfer tax exemption has not been allocated shall constitute a Non-Exempt share to be held and distributed for the descendant for whom it was created in the manner set forth in Section 5.4 below.

To the extent that an exemption from California property tax reassessment may be applied to a bequest made under this Section 4.5 (after taking into account the application of any parent-child exclusion as provided in Section 4.3 above), such exemption shall be divided equally and so applied among any child of the Settlor (or qualifying grandchild on the principle of representation) receiving California real property pursuant to this Section 4.5.

If no descendant of the Settlor is then living, then this bequest shall lapse and be distributed pursuant to the remaining provisions of this Section 4.

#### 4.6 General Pecuniary Bequests.

4.6.1 Bequest to Gregory Blum. The Trustee shall distribute, outright and free of trust, cash or other property equal in amount to One Hundred Thousand Dollars (\$100,000), net of estate, death, and inheritance taxes, to the Settlor's nephew, GREGORY BLUM, if GREGORY BLUM is then living, and if he is not then living, to the descendants of GREGORY BLUM on the principle of representation. If GREGORY BLUM is not then living and leaves no then living descendant, this bequest shall lapse.

4.6.2 Bequest to Christopher Blum. The Trustee shall distribute, outright and free of trust, cash or other property equal in amount to One Hundred Thousand Dollars (\$100,000), net of estate, death, and inheritance taxes, to the Settlor's nephew, CHRISTOPHER BLUM, if CHRISTOPHER BLUM is then living, and if he is not then living, to the descendants of CHRISTOPHER BLUM on the principle of representation. If CHRISTOPHER BLUM is not then living and leaves no then living descendant, this bequest shall lapse.

4.6.3 Bequest to Children of Gregory Blum and Children of Christopher Blum.

The Trustee shall distribute cash or other property equal in amount to One Hundred Thousand Dollars (\$100,000), net of estate, generation-skipping, death, and inheritance taxes, to each then living child of the Settlor's nephew, GREGORY BLUM, and to each then living child of the Settlor's nephew, CHRISTOPHER BLUM. If upon the death of the Settlor, there is any deceased child of either GREGORY BLUM or CHRISTOPHER BLUM who has left then living descendants, the Trustee shall divide and distribute cash or other property equal in amount to One Hundred Thousand Dollars (\$100,000), net of estate, generation-skipping, death, and inheritance taxes, upon the principle of representation, to the then living descendants of each such deceased child of GREGORY BLUM or CHRISTOPHER BLUM. Any amount to be distributed pursuant to this Section 4.6.3 shall be distributed outright and free of trust, subject to the provisions of Section 11.4 below. If there is no then living descendant of either GREGORY BLUM or CHRISTOPHER BLUM upon the Settlor's death, this bequest shall lapse.

4.7 Division of Remainder into Shares. The Trustee shall divide the remaining trust estate into shares as follows:

4.7.1 GSTT Exempt Share. If any descendant of the Settlor or any grandchild or more remote descendant of DIANNE is then living, the Trustee shall allocate to the "Exempt Share" cash or other property in an amount equal to the amount of the Settlor's generation-skipping transfer tax exemption remaining after taking into account all allocations of such exemption made during the Settlor's lifetime and to direct skips made pursuant to the other provisions of this trust agreement (including but not limited to any direct skips made pursuant to Section 4.4 above and/or Section 4.6 above), net of estate, death, and inheritance taxes. The Trustee shall have the discretion to select the assets to be so allocated but such assets as are selected: (1) shall have an aggregate fair market value at the time of such allocation that is fairly representative of the net appreciation or depreciation in the value of the property available for allocation between the date of valuation for federal estate tax purposes and the date or dates of such allocation; and (2) shall carry with them a pro rata share of the income earned by all assets available for selection between the date of the Settlor's death and the date or dates of such allocation.

The Trustee shall thereafter further divide such Exempt Share into equal shares creating one such share for each grandchild of the Settlor who is then living, one such share for each grandchild of DIANNE who is then living, one such share for each grandchild of the Settlor who is then deceased but has descendants then living, and one such share for each grandchild of DIANNE who is then deceased but has descendants then living. Each share set aside for a grandchild of the Settlor or of DIANNE who is then deceased but has descendants then living shall be further divided into shares for such descendants on the principle of representation. If no grandchild or more remote descendant of the Settlor or of DIANNE is then living, the Trustee shall divide such Exempt Share into equal shares creating one such share for each child of the Settlor who is then living. If no descendant of the Settlor nor any grandchild or more remote descendant of DIANNE is then living, no share shall be created under this Section 4.7.1.

Each share so created for a then living descendant of the Settlor or of DIANNE shall constitute an Exempt separate trust to be held and distributed for the descendant for whom it was created in the manner set forth in Section 5.3 below.

4.7.2 Division of Remainder into Shares. Without commingling Exempt and Non-Exempt shares, the Trustee shall (subject to the remaining provisions of this Section 4.7.2) divide the remaining trust estate into equal shares, creating one (1) such share for each child of the Settlor who is then living and one (1) such share for each child of the Settlor who is then deceased but has descendants then living. Each share set aside for a child of the Settlor who is then deceased but has descendants then living shall be further divided into shares for such descendants on the principle of representation.

If any of the Settlor's generation-skipping transfer tax exemption is remaining after the allocation of the share in Section 4.7.1 above and after taking into account all allocations of such exemption made during the Settlor's lifetime and at death, then the Trustee shall allocate such remaining exemption to the shares created under this Section 4.7.2, and shall create separate Exempt and Non-Exempt shares accordingly. Such allocation shall be in the Trustee's discretion, but it is the Settlor's intent that the Trustee equalize the benefit of such exemption among the three family lines of his children.

Each share created for a then living descendant of the Settlor to which such generation-skipping transfer tax exemption has been allocated shall constitute an Exempt separate trust to be held and distributed for the descendant for whom it was created in the manner set forth in Section 5.3 below. Each share created for a then living descendant of the Settlor to which such generation-skipping transfer tax exemption has not been allocated shall constitute a Non-Exempt separate trust to be held and distributed for the descendant for whom it was created in the manner set forth in Section 5.4 below. If there are no descendants of the Settlor then living, the Trustee shall distribute any remaining assets pursuant to Section 4.8 below.

Notwithstanding the foregoing, when dividing the remainder into equal shares, the Trustee shall do the following:

(a) Solely for purposes of division into shares only to equalize among the Settlor's three daughters, add back to the value of the remainder to be divided: (i) the fair market value of any residence allocated to a daughter of the Settlor pursuant to Section 4.3 above; and (ii) the fair market value of any promissory notes/forgiveness of debt allocated to a daughter of the Settlor directly, to the then-acting trustee of the living trust of a deceased daughter of the Settlor, to the estate of a deceased daughter of the Settlor, or to a Non-Exempt trust for the benefit of HEIDI pursuant to Section 4.4 above (but excluding any promissory note to HEIDI directly related to her interests in GEMINI DESIGN PARTNERS, S.A.).

(b) Allocate to a share for a then living child of the Settlor, or a share for a child who is then deceased but has descendants then living: (i) the fair market value of any residence allocated pursuant to Section 4.3 above to such child; and (ii) the fair market value of any promissory notes/forgiveness of debt allocated pursuant to Section 4.4 above to or for the benefit of such child, to the then-acting trustee of the living trust of such deceased daughter of the Settlor, to the estate of such deceased daughter of the Settlor, or to a Non-Exempt trust for the benefit of HEIDI (but excluding any promissory note to HEIDI directly related to her interests in GEMINI DESIGN PARTNERS, S.A.).

(c) Allocate, to the extent possible, the following assets equally among the shares created for each then living child of the Settlor and each child who is then deceased but has descendants then living:



(i) The Fairmont Grand Del Mar. The Settlor's interest in one or more entities that own an interest in the Fairmont Grand Del Mar in San Diego (whether held in this trust, through entities, or otherwise). As of the date of this instrument the Fairmont Grand Del Mar is owned by GDM Hotel Properties LLC, a Delaware limited liability company, which is owned by GDM Hotel Properties Mezz Member, LLC, a Delaware limited liability company, which is owned by Grand Del Mar Hotel Properties Limited Partnership, a Delaware limited partnership. Montgomery Street Hotel GDM, L.P., a Delaware limited partnership, owns a limited partnership interest in Grand Del Mar Hotel Properties Limited Partnership. Blum Family Partners GDM, L.L.C., a Delaware limited liability company, owns an interest in Montgomery Street Hotel GDM, L.P. A separate division of Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) owns Blum Family Partners GDM, L.L.C. The trust estate holds an interest in the division of Blum Family Partners, L.P. that owns Blum Family Partners GDM, L.L.C. The Trustee shall exercise all voting and other rights to segregate such indirect interests in the Fairmont Grand Del Mar in San Diego so that they are so allocated among the shares for the Settlor's descendants. The Trustee shall focus on ultimate profits, loss, and equity ownership, regardless of the indirect nature of the ownership. Thus, this allocation may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Blum Family Partners GDM, L.L.C. among the shares for the Settlor's descendants; (ii) distributing the interest in Blum Family Partners GDM, L.L.C. from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s) among the shares for the Settlor's descendants; and/or (iii) similar means of allocating such indirect interests in the Fairmont Grand Del Mar among the shares for the Settlor's descendants.

(ii) Montgomery Street Partners II, LP. The Settlor's interest in one or more entities that own an interest in Montgomery Street Partners II, LP (or a successor entity) (whether held in this trust, through entities, or otherwise). As of the date of this instrument, a division of Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) owns an interest in Montgomery Street Partners II, LP. The Trustee shall exercise all voting and other rights to segregate such indirect interests in Montgomery Street Partners II, LP so that they are so allocated among the shares for the Settlor's descendants. In making such allocation, the Trustee shall focus on ultimate profits, loss, and equity ownership, regardless of the indirect nature of the ownership. This allocation may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Montgomery Street Partners II, LP among the shares for the Settlor's descendants; (ii) distributing the interest in Montgomery Street Partners II, LP from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s) among the shares for the Settlor's descendants; and/or (iii) similar means of allocating such indirect interests in Montgomery Street Partners II, LP among the shares for the Settlor's descendants.

(iii) Montgomery Street Partners GP II, L.L.C. The Settlor's interest in one or more entities that own an interest in Montgomery Street Partners GP II, L.L.C (or a successor entity) (whether held in this trust, through entities, or otherwise). As of the date of this instrument, a division of Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) owns an

interest in Montgomery Street Partners GP II, L.L.C. The Trustee shall exercise all voting and other rights to segregate such indirect interests in Montgomery Street Partners GP II, L.L.C. so that they are so allocated among the shares for the Settlor's descendants. In making such allocation, the Trustee shall focus on ultimate profits, loss, and equity ownership, regardless of the indirect nature of the ownership. This allocation may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Montgomery Street Partners GP II, L.L.C. among the shares for the Settlor's descendants; (ii) distributing the interest in Montgomery Street Partners GP II, L.L.C. from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s) among the shares for the Settlor's descendants; and/or (iii) similar means of allocating such indirect interests in Montgomery Street Partners GP II, L.L.C. among the shares for the Settlor's descendants.

(iv) Storage Post Brooklyn (Walker Street). The Settlor's interest in one or more entities that own an interest in Storage Post Brooklyn in Brooklyn, New York (whether held in this trust, through entities, or otherwise). As of the date of this agreement, Storage Post Brooklyn is owned by Storage Post HHF Venture 2 LLC, a Delaware limited liability company. Storage Post MSP Brooklyn LLC, a Delaware limited liability company, owns an interest in Storage Post HHF Venture 2 LLC. Walker Street SP Brooklyn I, LLC, a Delaware limited liability company, owns an interest in Storage Post MSP Brooklyn LLC. A division of Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) owns an interest in Walker Street SP Brooklyn I, LLC. The Trustee shall exercise all voting and other rights to segregate such indirect interests in Storage Post Brooklyn in Brooklyn, New York so that they are so allocated among the shares for the Settlor's descendants. In making such allocation, the Trustee shall focus on ultimate profits, loss, and equity ownership, regardless of the indirect nature of the ownership. This allocation may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Walker Street SP Brooklyn I, LLC among the shares for the Settlor's descendants; (ii) distributing the interest in Walker Street SP Brooklyn I, LLC from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s) among the shares for the Settlor's descendants; and/or (iii) similar means of allocating such indirect interests in Storage Post Brooklyn, New York among the shares for the Settlor's descendants.

(v) Blum Investment Partners II, Inc. The Settlor's interest (whether held in this trust or otherwise) in Blum Investment Partners II, Inc., a Delaware corporation. The Trustee shall exercise all voting and other rights to segregate such interest in so that it is so allocated among the shares for the Settlor's descendants.

(vi) Hotel Carlton. If DIANNE does not survive the Settlor or is not a Qualified Spouse of the Settlor at the time of the Settlor's death, the Settlor's entire interest in one or more entities that own the Hotel Carlton in San Francisco (whether held in this trust, through entities, or otherwise). As of the date of this document, the Hotel Carlton is owned by Carlton Hotel Properties, a California limited partnership. Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) and Blum Investment Partners, Inc., a California corporation both own interests in Carlton Hotel Properties. The trust estate holds an interest in the division of

Blum Family Partners, L.P. that owns the interest in Carlton Hotel Properties, Blum Investment Partners, Inc., and Blum Investment Partners II, Inc. The Trustee shall exercise all voting and other rights to segregate such indirect interests in The Hotel Carlton so that they are so allocated among the shares for the Settlor's descendants. In making such allocation, the Trustee shall focus on ultimate profits, loss, and equity ownership, regardless of the indirect nature of the ownership. This allocation may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Carlton Hotel Properties among the shares for the Settlor's descendants; (ii) distributing the interest in Carlton Hotel Properties from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s) among the shares for the Settlor's descendants; (iii) allocating all stock in Blum Investment Partners, Inc. among the shares for the Settlor's descendants (provided it owns no other assets at the time of allocation, and the Trustee can cause all other assets to be distributed out before such allocation); (iv) distributing the interest in Carlton Hotel Properties from Blum Investment Partners, Inc., and then allocating such interest among the shares for the Settlor's descendants; and/or (v), similar means of allocating such indirect interests in the Hotel Carlton among the shares for the Settlor's descendants.

(d) For purposes of determining the value of the total trust estate and the value of any assets to be allocated pursuant to this Section 4.7.2, including the value of any applicable residence or promissory notes, finally determined federal estate tax values shall be used, or if the Settlor dies in a year when there is no estate tax, the fair market value of the trust assets on the Settlor's date of death shall be used. Subject to the foregoing, the Trustee shall have complete and absolute discretion in choosing the assets to be allocated to each share and may allocate the assets in cash or in kind, or partly in each, on a pro rata or non pro rata basis, and in undivided interests or not. Any assets allocated in kind shall be valued for purposes of allocation at their values on the date or dates of allocation.

4.8 Alternate Distribution. The Trustee shall distribute any remaining trust estate passing pursuant to this Section 4.8 outright and free of trust (subject to Section 11.4 below) to the descendants of the Settlor on the principle of representation. If no descendant of the Settlor is then living, the Trustee shall distribute any remaining trust estate passing pursuant to this Section 4.8 outright and free of trust to DIANNE, provided DIANNE survives the Settlor and is a Qualified Spouse at the time of the Settlor's death. If no descendant of the Settlor is then living and DIANNE does not survive the Settlor or is not a Qualified Spouse at the time of the Settlor's death, the Trustee shall distribute any remaining trust estate passing pursuant to this Section 4.8 outright and free of trust to one or more Charities whose purpose is relief of global poverty. The Trustee has full discretion and authority to identify such Charity or Charities to receive the bequest under this Section 4.8, and if multiple Charities are identified, to determine the proportional distribution among such Charities.

## 5 Trusts Created Upon Death of the Settlor.

### 5.1 Marital Trust.

5.1.1 Assets of the Marital Trust. The Marital Trust held pursuant to this Section 5.1 is to hold assets allocated to the Marital Trust pursuant to the terms of this trust agreement

(the "Separate Property Trust") and may also hold certain assets that may be allocated to the Marital Trust created hereunder pursuant to the terms of the Joint Property Trust, or pursuant to a duly executed power of appointment executed thereunder (with any such assets allocated to the Marital Trust held hereunder pursuant to the terms of the Joint Property Trust, or pursuant to a duly executed power of appointment executed thereunder, being deemed assets coming from the Joint Property Trust). In addition, any interests in the Residential Interests allocated to the Marital Trust held hereunder pursuant to Section 4.5 above shall be construed under this Section 5.1 as assets coming from the Joint Property Trust.

The Settlor intends that any and all Tangible Personal Property, as well as the proceeds of any sale thereof, be distributed upon DIANNE's death in equal shares to each of ANNETTE, HEIDI, EILEEN, and KATHERINE (or to her/their respective living descendants on the principle of representation (or a spouse as may be specifically provided hereunder) if any of the foregoing persons predecease DIANNE), or to one or more Charities as further provided hereunder. Therefore, the Trustee is instructed to maintain custody of all Tangible Personal Property, and segregate sales proceeds from any sale thereof, so that the intended distribution may occur upon DIANNE's death, as further provided under this trust agreement (with specific reference to Section 5.1.4 and 4.1.2).

5.1.2 Distribution of Income. Commencing with the death of the Settlor and during DIANNE's lifetime, the Trustee shall pay to or apply for the benefit of DIANNE the entire net income of the trust, in quarter-annual or more frequent installments. DIANNE shall have the exclusive and unrestricted right to possession of any residential property or Tangible Personal Property of the trust rent-free, including the right to occupy residential property as a personal residence or to authorize the Trustee to rent the property. No person shall have the power to appoint any part of the trust property to any person other than to DIANNE.

5.1.3 Distribution of Principal. To the extent that: (i) the net income of the trust in any given year is less than \$1.5 million (and in the case of any short year, pro rated on a daily basis based upon a 365-day year); and (ii) there are sufficient liquid assets in the trust estate, then the Trustee shall distribute liquid assets to DIANNE in an amount that causes her total receipts from the trust to equal \$1.5 million (and in the case of any short year, pro rated on a daily basis based upon a 365-day year).

5.1.4 Distribution on Dianne's Death. Upon DIANNE's death, the Trustee shall distribute any and all remaining Tangible Personal Property, and any and all remaining sales proceeds from any sale of Tangible Personal Property once held in the trust estate of the Marital Trust, whether originally coming from the Joint Property Trust or the Separate Property Trust, as provided in Section 4.1.2 above. Notwithstanding the foregoing or any other provision in this trust agreement to the contrary, distributions of Tangible Personal Property may be made from the Marital Trust, upon DIANNE's death, to one or more Charities selected by DIANNE, provided that the Trustee of the Marital Trust created hereunder, and the Trustee of the Survivor's Trust Created Under the Joint Property Trust, or of the DIANNE FEINSTEIN TRUST U/D/T dated June 23, 1978, as amended, as the case may be, consents to any such transfer in writing. DIANNE shall be deemed to have a special power of appointment, limited to carry out the power given to her in this paragraph to distribute Tangible Personal Property to one or more Charities with the necessary Trustee consents, and such power of appointment may be exercised only by a

provision contained in the last written document other than a Will, filed with the Trustee prior to DIANNE's death, which specifically refers to and expressly exercises this power. To the extent that any transfer of Tangible Personal Property is made to any one or more Charities in compliance with this Section 5.1.4, the Tangible Personal Property Shares to be created under Section 4.1.2 above shall be reduced in equal proportion.

Upon DIANNE's death, the Trustee shall divide the remaining trust assets into equal shares creating one such share for each child of the Settlor who is then living and one such share for each child of the Settlor who is then deceased but has descendants then living. In dividing the remaining assets of the Marital Trust, the Trustee shall allocate all direct and indirect interests (whether through entities or otherwise) in the Hotel Carlton in San Francisco (or an entity owning the Hotel Carlton) held in the Marital Trust equally among the shares created for each then living child of the Settlor and each child who is then deceased but has descendants then living. Each share set aside for a child of the Settlor who is then deceased but has descendants then living shall be further divided into shares for such descendants on the principle of representation. Each such share so created shall either be added to the Exempt or Non-Exempt trust (as the case may be) then held under Section 5.3 or 5.4, respectively, for the descendant for whom such share was created, or if no such trust exists, shall constitute a separate Exempt or Non-Exempt (as the case may be) trust to be held and distributed for the benefit of the descendant for whom such share was created in accordance with the provisions of Section 5.3 or 5.4, respectively.

If the entire trust estate of the Marital Trust is not fully disposed of by the preceding provisions of this Section 5.1.4, the Trustee shall distribute such remaining trust assets, coming from either the Separate Property Trust or the Joint Property Trust, in the manner set forth in Section 4.8 above

5.2 Settlor's Intent. The Settlor intends that the assets of any Exempt or Non-Exempt trusts held and distributed pursuant to Section 5.3 and 5.4, respectively be invested for the primary benefit of the person for whom such trust was created (the "Beneficiary" for purposes of this Section 5.2). The Settlor intends for these trusts to provide creditor protection, protect family wealth from being commingled with community property, and to pass as much wealth as possible to the next generation free of transfer taxation. Thus, the Trustee may invest the trust estate for the Beneficiary's benefit with lesser regard to the interests of the remainder beneficiaries and may expend trust income and principal to benefit a Beneficiary even if not distributed outright to the Beneficiary. Thus, for example, if a Beneficiary needs a home, the Trustee may purchase the home in the name of the trust and pay all expenses associated with the home from income and principal of the Beneficiary's trust. In this way, the Beneficiary may benefit from the trust without receiving actual distributions and the trust assets are more likely to be preserved for the remainder beneficiaries.

The Settlor intends that distributions of principal to or for the benefit of a Beneficiary retain their character as the separate property of the Beneficiary, and not benefit a Beneficiary's spouse (except as the Beneficiary may determine by his or her testamentary power of appointment). Thus, when distributing principal to a Beneficiary who is married, the Trustee shall require the Beneficiary take reasonable measures to avoid commingling such distribution with community property, such as a prenuptial or postnuptial agreement or other arrangement, before distributing principal to such Beneficiary. The Trustee shall have the power to retain trust counsel, at the expense of the trust, to review any such agreement or arrangement so the Trustee

is reasonably satisfied that the distributed property will retain its character as the separate property of the Beneficiary. Furthermore, in exercising his or her discretion to distribute the principal of a Beneficiary's trust, the Trustee may consider such Beneficiary's efforts in maintaining principal distributions as his or her separate property, and if such Beneficiary has not taken adequate measures in the past, the Trustee in his or her sole discretion may decide to not make principal distributions, or make other adequate arrangements consistent with this intent (such as purchasing a house in the trust as discussed above). The Trustee shall not be liable if any distribution actually becomes or is commingled with community property.

The Settlor intends for the income and principal of any Non-Exempt trust held for the benefit of a Beneficiary be used before the principal of any Exempt trust is invaded, unless: (i) the tax laws change such that this is no longer prudent or (ii) it is otherwise not practical.

### 5.3 Exempt Trusts.

5.3.1 Distribution of Income and Principal. Commencing with the passing of assets to a trust held and administered pursuant to this Section 5.3, the Trustee may distribute, from time to time, to or for the benefit of the person for whom the Exempt trust was created (the "Beneficiary" for purposes of this Section 5.3) as much of the net income and, if insufficient, as much of the principal of such Beneficiary's trust as in the reasonable discretion of the Trustee may be required for the health, education, support, or maintenance of such Beneficiary. When making such distributions, the Trustee shall consider the Settlor's intent as expressed in Section 5.3 above and the Trustee may consider or disregard, to the extent the Trustee deems advisable, such Beneficiary's other income or resources that are known to the Trustee, such Beneficiary's ability to obtain gainful employment, and the obligation of others to support such Beneficiary. The Trustee shall accumulate any income not so distributed and add it to the principal of such trust.

5.3.2 Special Power of Appointment. Each Beneficiary shall have the limited power to determine who shall receive the principal and any undistributed income of his or her Exempt trust upon his or her death. This power shall be limited to the power to appoint to or for the benefit of one or more of the other descendants of the Settlor, one or more of the other descendants of DIANNE, the Beneficiary's surviving spouse, and/or one or more Charities. However, an appointment in favor of a Beneficiary's surviving spouse may only be made to a trust that may distribute trust income (not principal) for a period no longer than such spouse's lifetime, as the Beneficiary determines, and the remainder beneficiaries shall be comprised of one or more appointees otherwise permitted under the provisions of this Section 5.3.2. If no descendant of the Settlor or of DIANNE is then living, the Beneficiary may appoint to or for the benefit of such persons or entities other than his or her creditors, estate, or the creditors of his or her estate as he or she shall determine. In exercising the foregoing special power of appointment, a Beneficiary may appoint outright or in trust, in present or future interests, or in any combination of these, and may create new restrictions, conditions, and powers of appointment (specifically excluding, however, a general power exercisable inter vivos) in or for the benefit of any of the objects of this power; and may appoint all of the assets subject to this special power of appointment to any such object of this power to the exclusion of the others. An appointment in further trust may be made to a Trustee who is not an object of this power. This special power of appointment may be exercised only by a provision contained in the last written

document other than a Will, filed with the Trustee prior to the death of the Beneficiary which specifically refers to and expressly exercises this power.

5.3.3 Distribution on Death. Upon the death of a Beneficiary, the Trustee shall distribute the remaining assets of such deceased Beneficiary's trust in such manner as he or she shall have effectively appointed, and shall divide any part of such deceased Beneficiary's trust that has not been effectively appointed into shares for his or her then living descendants on the principle of representation. The Trustee shall hold and distribute each resulting share as a separate trust for the benefit of the person for whom such share is set aside in accordance with the provisions of this Section 5.3.

If such deceased Beneficiary leaves no descendant then living, the Trustee shall divide the unappointed portion of such deceased Beneficiary's trust into shares upon the principle of representation for the then living descendants of such deceased Beneficiary's closest ancestor who was a descendant of the Settlor or, if none, upon the principle of representation for the then living descendants of the Settlor (or if the Beneficiary was a descendant of DIANNE, upon the principle of representation for the then living descendants of such deceased Beneficiary's closest ancestor who was a descendant of DIANNE or, if none, upon the principle of representation for the then living descendants of DIANNE or, if none, upon the principle of representation for the then living descendants of the Settlor). Each such share so created shall either be added to the trust then held hereunder for the descendant for whom such share was created, or if no such trust exists, shall constitute a separate trust to be held and distributed for the benefit of the descendant for whom such share was created in accordance with the provisions of this Section 5.3.

If no descendant of the Settlor is then living, such unappointed portion of such trust shall be distributed in the manner set forth in Section 4.8 above.

5.3.4 Minimum Value. The Trustee shall have the power to terminate any trust held hereunder by distributing its entire principal and any undistributed income to the Beneficiary of such trust, outright and free of trust, if (1) such Beneficiary has attained age twenty-one (21); (2) the Trustee deems, in his or her sole discretion, that the establishment or continuance of such trust is not warranted in view of its size; and (3) the fair market value of such trust's assets is less than One Hundred Thousand Dollars (\$100,000).

#### 5.4 Non-Exempt Trusts.

5.4.1 Distribution of Income and Principal. Commencing with the passing of assets to a trust held and administered pursuant to this Section 5.4, the Trustee may distribute, from time to time, to or for the benefit of the person for whom the Non-Exempt trust was created (the "Beneficiary" for purposes of this Section 5.4) as much of the net income and, if insufficient, as much of the principal of such Beneficiary's trust as in the reasonable discretion of the Trustee may be required for the health, education, support, or maintenance of such Beneficiary. When making such distributions, the Trustee shall consider the Settlor's intent as expressed in Section 5.3 above and the Trustee may consider or disregard, to the extent the Trustee deems advisable, such Beneficiary's other income or resources that are known to the Trustee, such Beneficiary's ability to obtain gainful employment, and the obligation of others to

support such Beneficiary. The Trustee shall accumulate any income not so distributed and add it to the principal of such trust.

5.4.2 Power of Appointment Over Non-Exempt Trust. Each Beneficiary shall have the limited power to determine who shall receive the principal and any undistributed income of his or her Non-Exempt trust upon his or her death. This power shall be limited to the power to appoint to or for the benefit of one or more of the other descendants of the Settlor, the Beneficiary's surviving spouse, and/or one or more Charities. However, an appointment in favor of a Beneficiary's surviving spouse may only be made to a trust that may distribute trust income (not principal) for a period no longer than such spouse's lifetime, as the Beneficiary determines, and the remainder beneficiaries shall be comprised of one or more appointees otherwise permitted under the provisions of this Section 5.4.2. If no descendant of the Settlor is then living, the Beneficiary may appoint to or for the benefit of such persons or entities other than his or her creditors, estate, or the creditors of his or her estate as he or she shall determine. In exercising the foregoing power of appointment, a Beneficiary may appoint outright or in trust, in present or future interests, or in any combination of these, and may create new restrictions, conditions and powers of appointment (specifically excluding, however, a general power exercisable inter vivos) in or for the benefit of any of the objects of this power; and may appoint all of the assets subject to this special power of appointment to any such object of this power to the exclusion of the others. An appointment in further trust may be made to a Trustee who is not an object of this power. This power of appointment may be exercised only by a provision contained in the last written document other than a Will, filed with the Trustee prior to the death of the Beneficiary which specifically refers to and expressly exercises this power.

Notwithstanding the foregoing paragraph, if distribution of a Beneficiary's trust pursuant to Section 5.4.3 below (as if the Beneficiary did not exercise a power of appointment over such Beneficiary's trust) would cause the assets of such trust to be subject to generation-skipping transfer tax, then such Beneficiary shall also have the right to appoint his or her Non-Exempt trust to the creditors of his or her estate exercisable in the manner provided in the preceding paragraph. This paragraph is intended to allow a Non-Exempt trust to avoid generation-skipping transfer tax in the event distribution would otherwise cause such tax.

5.4.3 Distribution on Death. Upon the death of a Beneficiary, the Trustee shall distribute the remaining assets of such deceased Beneficiary's trust in such manner as he or she shall have effectively appointed, and shall divide any part of such deceased Beneficiary's trust that has not been effectively appointed into shares for his or her then living descendants on the principle of representation. The Trustee shall hold and distribute each resulting share as a separate trust for the benefit of the person for whom such share is set aside in accordance with the provisions of this Section 5.4.

If such deceased Beneficiary leaves no descendant then living, the Trustee shall divide the unappointed portion of such deceased Beneficiary's trust into shares upon the principle of representation for the then living descendants of such deceased Beneficiary's closest ancestor who was a descendant of the Settlor or, if none, upon the principle of representation for the then living descendants of the Settlor. Each such share so created shall either be added to the trust then held hereunder for the descendant for whom such share was created, or if no such trust exists, shall constitute a separate trust to be held and distributed for the benefit of the descendant for whom such share was created in accordance with the provisions of this Section 5.4.



If no descendant of the Settlor is then living, such unappointed portion of such trust shall be distributed in the manner set forth in Section 4.8 above.

5.4.4 Minimum Value. The Trustee shall have the power to terminate any trust held hereunder by distributing its entire principal and any undistributed income to the Beneficiary of such trust, outright and free of trust, if (1) such Beneficiary has attained age twenty-one (21); (2) the Trustee deems, in his or her sole discretion, that the establishment or continuance of such trust is not warranted in view of its size; and (3) the fair market value of such trust's assets is less than One Hundred Thousand Dollars (\$100,000).

## 6 Trustee.

6.1 Initial and Successor Trustees. RICHARD C. BLUM shall serve as the initial Trustee. If RICHARD C. BLUM becomes unwilling or unable to act, MICHAEL R. KLEIN, MARC SCHÖLVINCK, JAMES MURRAY, and JOHN RAMSBACHER shall act as Co-Trustees of the trusts created by this trust agreement. If any one of MICHAEL R. KLEIN, MARC SCHÖLVINCK, JAMES MURRAY, and JOHN RAMSBACHER is or becomes unwilling or unable to serve, the remaining three of them shall continue to serve as Co-Trustees. If any two of MICHAEL R. KLEIN, MARC SCHÖLVINCK, JAMES MURRAY, and JOHN RAMSBACHER are or become unwilling or unable to serve, the remaining two of them shall continue to serve as Co-Trustees. If any three of MICHAEL R. KLEIN, MARC SCHÖLVINCK, JAMES MURRAY, and JOHN RAMSBACHER are or become unwilling or unable to serve, the remaining individual shall continue to serve as Trustee and shall appoint at least one additional person (who is not a beneficiary or spouse of a beneficiary of such trust) to serve as Co-Trustee(s), so there are at least two Co-Trustees (and no Trustee is a beneficiary or spouse of a beneficiary of such trust, subject to the provisions of the following paragraph) serving at all times after RICHARD C. BLUM ceases to serve as Trustee.

Notwithstanding the foregoing, with respect to any Marital Trust created hereunder, DIANNE may become a Co-Trustee of such Marital Trust to serve with the Co-Trustees appointed pursuant to the first paragraph of this Section 6.1 by giving written notice of her intent to serve to such then serving Co-Trustees. Alternatively, DIANNE may appoint KATHERINE or RICK MARIANO as a Co-Trustee of any such Marital Trust to serve with the Co-Trustees appointed pursuant to the first paragraph above of this Section 6.1 by giving written notice to such then serving Co-Trustees. If DIANNE is unable or unwilling to serve as a Co-Trustee or to appoint KATHERINE or RICK MARIANO to serve, KATHERINE shall have the right to appoint either herself or RICK MARIANO to serve as Co-Trustee of any such Marital Trust to serve with the Co-Trustees appointed pursuant to the first paragraph above of this Section 6.1 by giving written notice of such appointment to the then serving Co-Trustees. If both DIANNE and KATHERINE are unable or unwilling to serve as a Co-Trustee or to appoint RICK MARIANO to serve, RICK MARIANO shall have the right to appoint himself as Co-Trustee of any such Marital Trust to serve with the Co-Trustees appointed pursuant to the first paragraph above of this Section 6.1 by giving written notice of such appointment to the then serving co-Trustees. If there is a Co-Trustee of any Marital Trust serving pursuant to this paragraph, then there shall at all times be at least three Co-Trustees then serving, at least two pursuant to the preceding paragraph and one pursuant to this paragraph.

Each Trustee shall have the power while acting as Trustee (acting jointly as Co-Trustees) to appoint one or more individuals, private fiduciaries, or corporations to act as successor Trustee in the event all of the then named successor Trustees are unwilling or unable to act. In any such appointment of an individual or private fiduciary, the then acting Trustee may designate whether such appointee individual/private fiduciary shall also have the power to designate successor Trustees. The power to designate a successor Trustee shall be exercised in a signed and dated document with the most recent document prevailing over all previously executed conflicting documents (including those executed by a prior serving Trustee).

At all times and for all trusts created hereunder, the Trustee shall be a United States Person as defined in Internal Revenue Code § 7701(a)(30), as amended. If a person named as a Trustee pursuant to the preceding provisions of this Section 6.1 would otherwise violate the United States Person requirement, then the next named successor shall immediately be appointed as Trustee.

Any reference to a private fiduciary, bank, or trust company shall include any successor entity thereto, whether by merger, consolidation, change of name or otherwise. Notwithstanding the foregoing, an appointment of a private fiduciary who is an individual where such appointment does not specifically include its successors shall mean only that individual and if/when that individual is no longer willing or able to act, the successor trustee provisions of this Section 6.1 shall apply.

No bond shall be required of any Trustee appointed under or pursuant to this agreement, whether acting jointly or alone.

6.2 Co-Trustees. Any time there is more than one person acting as Trustee, actions by the Co-Trustees shall be by majority. Notwithstanding the foregoing, any Co-Trustee may, from time to time, delegate to the other Co-Trustee(s) routine acts of trust administration and may establish bank or other accounts for the trust that will honor the signature of one or of either co-Trustee.

In the event a majority decision cannot be reached among Co-Trustees, the then-serving Co-Trustees shall appoint an individual, private fiduciary, trust company, or corporation to serve as an additional Co-Trustee. For example, if there are four Co-Trustees serving as Co-Trustees of a trust and such Co-Trustees cannot reach a majority decision related to the administration of the trust, the Co-Trustees (by majority) shall appoint a fifth Co-Trustee to participate in the administration of the trust. Such appointment shall be exercised in a signed and dated document with the most recent document prevailing over all previously executed conflicting documents (including those executed by a prior serving Trustee). Any additional Co-Trustee appointed pursuant to this paragraph shall only act for the purpose of allowing the Co-Trustees to reach a majority decision regarding the issue for which such Co-Trustee was appointment. Such Co-Trustee's appointment shall immediately cease following a majority decision on said issue being reached.

Any dissenting or abstaining Trustee may be absolved from personal liability by registering a written dissent with the records of the trust; the dissenting Trustee shall thereafter act with the other Trustees in any manner necessary or appropriate to effectuate the decision of the majority.

6.3 Limitations on Trustee Powers. Notwithstanding any other provision of this trust agreement, the powers of the Trustee over any irrevocable trust created by this agreement shall be subject to the following limitations:

(a) The Trustee shall have no power or discretion with respect to any life insurance policy on the life of the Trustee that constitutes an incident of ownership (as that term is used in Internal Revenue Code § 2042, as amended) in that policy.

(b) A Trustee who transfers or transferred property to this trust, or any trust created hereunder, may only exercise a power or discretion with respect to the distribution of income or principal to a beneficiary to the extent such power or discretion is limited to an ascertainable standard (as that term is used in Internal Revenue Code § 2041, as amended).

(c) A Trustee who is a beneficiary of a trust created hereunder may only exercise a power or discretion with respect to the distribution of income or principal to such Trustee to the extent such power or discretion is limited by an ascertainable standard (as that term is used in Internal Revenue Code § 2041, as amended).

(d) A Trustee who is a beneficiary of a trust created hereunder may only hold a power, in his or her capacity as Trustee, to make, or not make, any tax election to the extent holding such a power would not cause estate inclusion merely by reason of holding such a power, for example, so long as holding such power is not deemed a general power of appointment or a lapse of a general power of appointment (as those terms are used in Internal Revenue Code § 2041, as amended), and may only exercise a power to make, or not make, a tax election to the extent that exercising such a power is not deemed a taxable gift for federal gift tax purposes by such Trustee.

(e) The Trustee shall have no power to make any distribution or to exercise any power that would otherwise satisfy a legal obligation of support of the Trustee.

(f) If the Trustee would, but for this provision, have had any power or discretion described in sub-sections (a) through (e), above, or if a Trustee disclaims, releases, or restricts in scope any power granted to such Trustee by this trust agreement, that power or discretion shall be exercised by the Independent Trustee. Any purported exercise of a power or discretion enumerated in this Section 6.3 by a Trustee shall be void ab initio and of no force or effect unless and until ratified by the Independent Trustee, in which case such ratification shall apply nunc pro tunc.

6.4 Independent Trustee. The Trustee of each irrevocable trust created by this agreement may, from time to time, appoint a Qualified Person for the purpose of acting as Independent Trustee to exercise tax sensitive or other discretionary powers. Each Independent Trustee shall be appointed in a written document signed by the Trustee and shall commence to act upon his, her, or its acceptance of the office. Each Independent Trustee shall remain in office until he, she, or it resigns or is otherwise unable to serve, but may from time to time renounce, release, or restrict the scope of any power so granted.

An Independent Trustee shall serve solely for such purpose and shall have no responsibility for the administration or management of the trust and no power so granted the Independent Trustee shall be exercised by the Trustee. No Independent Trustee shall be liable to any interested party for acts or omissions of that Independent Trustee, except those resulting from that Independent Trustee's willful misconduct or gross negligence.

6.5 Resignation. Each Trustee shall have the right to resign, without reason for the resignation, by delivering written notice of his or her resignation to the following persons, listed in order of priority: (1) the Settlor, if the Settlor is then living; (2) any other Trustee then acting; (3) any persons authorized to designate a successor Trustee; (4) current trust income and principal beneficiaries known to the Trustee (or, in the case of a minor beneficiary, to the parent or guardian of that beneficiary); or (5) the successor Trustee. Though no set time period for such notice is required, a reasonable time period must be allowed. If no successor Trustee is willing and able to serve, a Trustee may resign by petitioning a court of competent jurisdiction for the appointment of a successor Trustee, at the expense of the trust and not of the Trustee. Upon approval of his, her or its final accounting by those entitled to it and acceptance of the trust by the successor Trustee, the resigning Trustee shall be discharged. A Trustee who becomes incompetent shall be considered to have resigned as Trustee upon a determination of such Trustee's incompetence.

Each Independent Trustee shall have the right to resign by delivering written notice of resignation to the Trustee. An Independent Trustee who becomes incompetent shall be considered to have resigned as Independent Trustee upon a determination of such Independent Trustee's incompetence.

6.6 Power to Remove and Replace Trustee. If at any time after the Settlor's death a corporation or private fiduciary is serving as Trustee of any trust created pursuant to this trust agreement, the beneficiaries of such trust, acting together, may, from time to time, with or without cause, remove such corporation or private fiduciary as Trustee (but not the Independent Trustee), and appoint a replacement corporation or private fiduciary as Trustee.

Each removal of a Trustee and appointment of a replacement Trustee shall be in writing delivered to the removed Trustee and to the replacement Trustee and filed with the records of the trust. Upon approval of the removed Trustee's final accounting by those entitled to it and acceptance of the trust by the replacement Trustee, the removed Trustee shall be discharged. Any persons named pursuant to Section 6.1 above as successor Trustees to the removed Trustee shall remain as successor Trustees to the replacement Trustee unless otherwise provided under the provisions of this trust agreement.

6.7 Compensation. Each individual Trustee (other than the Settlor) and each Independent Trustee shall be entitled to reasonable compensation for services rendered. A corporate Trustee (if any) shall be entitled to compensation for its services in the amount and at the time specified in its schedule of fees and charges established from time to time by its Trust Department for the administration of accounts of a character similar to this one and in effect when such compensation is payable. All Trustees shall be reimbursed for reasonable expenses incurred on behalf of the trust.

Each Independent Trustee shall be entitled to reasonable compensation for services rendered and shall be reimbursed for reasonable expenses incurred on behalf of the trust, and the

Trustee shall have the power to negotiate such compensation. If an Independent Trustee is simultaneously providing legal, investment or accounting services on behalf of the trust or the trust beneficiaries, such Independent Trustee is entitled to charge its normal and customary fee for any such services rendered in addition to the compensation received as Independent Trustee under this trust agreement.

6.8 Annual Accounting. Upon the request of the Settlor, the Trustee shall render a written accounting of the Trustee's administration of the trust estate. After the death of the Settlor, the Trustee shall render an accounting at least annually of his, her or its administration of each trust created under this document by submitting a record of receipts, disbursements, distributions, gains, losses, assets on hand, and other pertinent information to the beneficiary(ies) thereof. As to any portion of the trust that terminates and is distributed at the death of the Settlor, an accounting of the Trustee's actions during the period of winding-up shall be made to the beneficiaries of the trust.

Written approval by the person entitled to receive an accounting shall, as to all matters shown in that accounting, be binding upon all beneficiaries of the trust for which such accounting was rendered, whether then living or thereafter born, but no Trustee who is also an income beneficiary shall have the power to approve his or her own accounting. If any person requesting an accounting is incompetent, written approval of or objection to any such accounting shall be made by the person having legal custody of such person, or by the legally appointed guardian or conservator of the estate of such person. The Trustee may, in his, her or its absolute discretion, request judicial settlement of his, her or its accounts at the expense of the trust estate.

So long as a corporate Trustee is not acting, the Trustee is requested to employ an accountant skilled in fiduciary accounting and fiduciary income taxation to assist with the preparation of the annual accounting and income tax returns for each irrevocable trust.

6.9 Powers and Responsibilities of Successor Trustee. A successor Trustee shall be vested with all the rights, powers, and privileges of the original Trustee. A successor Trustee shall have no responsibility or accountability for the acts of a predecessor Trustee. The accountability and responsibility of a successor Trustee shall be limited to those assets or properties record title to which is in the name of the predecessor Trustee when the successor Trustee commences to act, or that are either delivered to the successor Trustee, or the existence of which is made known in writing to the successor Trustee.

6.10 Trustee's Liability. No Trustee shall be liable to any interested party for acts or omissions of that Trustee, except those resulting from that Trustee's willful misconduct or gross negligence. This standard shall also apply regarding a Trustee's liability for the acts or omissions of any Co-Trustee, predecessor Trustee, or agent employed by the Trustee.

7 Powers of the Trustee. To carry out the purposes of each trust created under this agreement, and subject to any limitations expressed in this agreement, the Trustee has the powers and discretions set forth in this Section 7 in addition to any now or later conferred by law over all trusts created by this trust agreement. In exercising such powers, the Trustee shall act in a manner that is reasonable and equitable in view of the interests of income and principal beneficiaries, and in the manner in which persons of ordinary prudence, diligence, discretion and judgment would act in the management of their own affairs except as otherwise provided herein.

The enumeration of certain powers of the Trustee shall not limit the Trustee's general powers, the Trustee being granted and having as to the trust estate and in the execution of this trust all the rights, powers and privileges that an absolute owner of the same property would have, subject, however, to the Trustee's fiduciary duties and responsibilities.

7.1 Receive, Reject, or Retain Property. To receive any property from any person, by Will or otherwise, to reject any property that by reason of hazardous materials or substance the Trustee determines (after investigation at the expense of the trust) would be detrimental to the trust purpose, or to retain any property received at the inception of the trust or at any other time, whether such property is unproductive or is property in which the Trustee is personally interested or in which the Trustee owns an undivided interest as trustee of another trust, or upon which there is known or later discovered to be hazardous materials or substances requiring remedial action pursuant to environmental laws, and to keep all or part of the trust property at any place within the United States or abroad. Notwithstanding the foregoing, DIANE shall have the right to require the Trustee to hold only productive assets in any trust, or portion thereof, that qualified for the federal estate tax marital deduction at the death of the Settlor.

7.2 Digital Assets/Accounts. To (i) access, manage, and control the Settlor's digital devices, including but not limited to, desktops, laptops, tablets, peripherals, storage devices, mobile telephones, smartphones, and any similar digital device that currently exists or may exist as technology develops or such comparable items as technology develops for the purpose of accessing, modifying, deleting, controlling, or transferring the Settlor's Digital Assets (as defined in Section 12.4 below); (ii) access, modify, delete, control, and transfer (as provided under this trust agreement) the Settlor's Digital Assets; and (iii) employ any consultants or agents to advise or assist him, her, or it in decrypting any encrypted electronically stored information or in bypassing, resetting, or recovering any password or other kind of authentication or authorization related to the Settlor's Digital Assets.

To the extent the Settlor has prepared a written memorandum with instructions concerning such Digital Assets, including their access, handling, distribution and disposition, the Settlor requests that the Trustee and the trust beneficiaries follow such instructions.

The Settlor hereby authorizes any person or entity that possesses, custodies, or controls any electronically stored information relating to the Settlor or that provides to the Settlor any electronic communication service, remote computing service, or remote data storage service, whether public or private, to divulge to the Trustee: (1) any electronically stored information relating to the Settlor; (2) the contents of any communication that is in electronic storage by that service or that is carried or maintained on that service; and (3) any catalogue of electronic communications, record, or other information pertaining to the Settlor with respect to that service. This authorization is to be construed to be the Settlor's lawful consent under the Electronic Communications Privacy Act of 1986, as amended; the Computer Fraud and Abuse Act of 1986, as amended; the Revised Uniform Fiduciary Access to Digital Assets Act, as amended (California Probate Code §§ 870 et seq.); and any other applicable federal or state data privacy law or criminal law.

7.3 Operate Business. To continue to hold and operate any business or other enterprise that is or becomes trust property, on such terms and for such a time as the Trustee, in the Trustee's discretion, deems advisable; to purchase, acquire, invest in, or otherwise participate

in, any business or other enterprise on behalf of the trust as a sole proprietor, as a general or limited partner, a member of a limited liability company, as a shareholder, or in any other capacity; or to sell, dissolve, liquidate, or terminate any such business. The Trustee shall also have the power to incorporate, reorganize, or otherwise change the form of a business or enterprise that is part of the trust, through merger or consolidation of two or more enterprises or otherwise, and to participate in that business or enterprise as a sole proprietor, as a general or limited partner, as a member, as a shareholder, or in any other capacity. Any operation, sale, purchase, acquisition, investment in, or dissolution or liquidation of a business interest, in good faith, shall be at the risk of the trust, and without liability on the part of the Trustee for any resulting losses. The Trustee shall also have the power to contribute capital or loan money to the business or enterprise on such terms and conditions as the Trustee deems advisable. The powers granted to the Trustee pursuant to this Section 7.3 shall be exercisable without court approval or supervision.

7.4 Invest and Reinvest. To invest in and acquire every kind of property (real, personal, or mixed) and every kind of investment, including but not limited to improved and unimproved real property, corporate and government obligations of every kind, stocks (both preferred and common), shares of mutual funds of any character, shares of investment companies, interest-bearing accounts, foreign assets, interests in closely held entities and other assets as specified in this agreement and under law of the trust's situs. The Trustee is under no duty to diversify assets transferred to the trust or diversify assets put in place or being used for the benefit of a current income beneficiary of such trust (such as a residence, investment in a closely-held entity, etc.). Further, the Trustee has no duty to diversify or vote to diversify assets held in an entity in which the trust has an interest and where the Trustee has no duty to diversify the interest in such entity held in the trust. The Trustee should, however, diversify the trust assets that are the product of assets transferred to the trust and that are not put in place or being used for the benefit of a current income beneficiary of such trust. This section shall be construed as expanding the standards of the prudent investor rule and should not be read to limit the powers granted to the Trustee under the other provisions of this agreement.

7.5 Deposit Funds. To deposit trust funds in banks, savings and loans and credit unions (including accounts in the banking department of a Trustee that is a corporation or partnership) that are insured by a government agency or collateralized, but not to exceed in any one institution the maximum limit of insurance or collateralization under the laws and regulations that may exist from time to time.

7.6 Acquire or Dispose of Property. To acquire or dispose of property, for cash or on credit, at public or private sale, or by exchange, and in connection with any such sale, disposition or exchange, to give such warranties and indemnifications as the Trustee deems appropriate and to manage, control, divide, develop, improve, exchange, partition, change the character of, or abandon trust property or any interest therein.

7.7 Borrow, Encumber. To borrow money for any trust purpose upon such terms and conditions as may be determined by the Trustee, and to encumber the trust estate or any part thereof by mortgage, deed of trust, pledge or otherwise, for a term within or extending beyond the term of the trust.

7.8 Repair. To make ordinary or extraordinary repairs, alterations, or improvements in buildings or other trust property, to demolish any improvements, to raze existing or erect new party walls or buildings.

7.9 Develop Land. To subdivide or develop land; to create restrictions, easements, and other servitudes, with or without consideration; to make or obtain the vacation of plats and adjust boundaries; to adjust differences in valuation on exchange or partition by giving or receiving consideration; to dedicate land or easements to public use with or without consideration.

7.10 Lease. To enter into a lease for any purpose as lessor or lessee, with or without an option to purchase or renew, for a term within or extending beyond the term of the trust; to amend or extend existing leases.

7.11 Manage Mineral Interests. To enter into a lease or other arrangement for exploration and removal of gas, oil, geothermal energy or other minerals or natural resources, or enter into community lease, pooling, repressurization, unitization, or other type of agreements relating to the development, operation, and conservation of gas, oil, other mineral and geothermal properties.

7.12 Grant or Acquire Options. To grant or acquire options and rights of first refusal involving the disposition or acquisition of any trust property including the power to sell covered call options and to purchase put options on securities owned by the trust and to purchase call options and sell put options to close out the foregoing, so long as such options are traded on an established securities exchange, to engage in spreads, straddles, ration writing, and any other forms of option trading, and to trade in and maintain a securities brokerage account on a cash or margin basis.

7.13 Lend. To lend or relend the trust estate, or any part, including the power to make loans to any beneficiary.

7.14 Powers Respecting Securities. To have, respecting securities, all the rights, powers, privileges and responsibilities of an owner, including, but not limited to, the power to vote, give general or limited proxies, pay calls, assessments, and other sums; to assent to corporate sales or other acts, to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers, and liquidations, and in that connection, to give warranties and indemnifications and to deposit securities with and transfer title to any protective or other committee; to exchange, exercise, or sell stock subscription or conversion rights; and regardless of any limitations elsewhere in this agreement relative to investments by the Trustee, to accept and retain as an investment any securities received through the exercise of any of the foregoing powers.

7.15 Register Stock. To register or qualify for exemption from registration shares of stock in any corporation with any agency or agencies of any government (including, but not limited to, the Securities and Exchange Commission of the United States), to participate in any such registration or qualification for exemption from registration, to apply for and to secure the



approval of any agency of any government with respect to the sale of such shares, to sell such shares to the public or to private investors or to participate in the public or private sale of such shares, to enter into an agreement with respect to any such sale with any broker, investment banker, or underwriter, to incur and to pay all expenses necessary or appropriate in connection with any such registration, qualification or sale, and to take all other action necessary or appropriate in order to consummate any such sale.

7.16 Use Nominee. To hold securities or other property of the trust estate in the name of the Trustee, in the name of a nominee or in street name accounts with brokers, or in the name of a custodian (or its nominee) selected by the Trustee, with or without disclosure of this trust, the Trustee being responsible for the acts of such custodian, broker, or nominee affecting such property, and to acquire and retain securities in unregistered form so that ownership passes by delivery.

7.17 Insure. To carry such insurance as the Trustee shall determine, including the power to insure the Trustee against liability with respect to third persons.

7.18 Advance Funds. To advance money for the protection of the trust, and for all expenses, losses and liabilities sustained or incurred in the administration of the trust or because of the holding or ownership of any trust assets, for which advances, with interest, the Trustee shall have a lien on the trust assets as against each beneficiary.

7.19 Pay, Contest, or Settle Claims. To pay, contest or settle any claim by or against the trust by compromise, arbitration, or otherwise; and to release in whole or in part, any claim belonging to the trust.

7.20 Litigate. To prosecute or defend actions, claims, or proceedings for the protection of trust assets and of the Trustee in the performance of the Trustee's duties.

7.21 Pay Expenses. To pay for the management, collection or protection of the trust estate, and any taxes or assessments that may be levied upon the trust estate or its income.

7.22 Employ Advisors, Agents, Experts. To employ or consult with persons, corporations, or associations, including attorneys, auditors, investment advisers, appraisers or other agents or qualified experts, even if they are associated or affiliated with the Trustee, to advise or assist the Trustee in the performance of the Trustee's duties; to act without independent investigation upon their recommendations, the written opinion of any such person submitted to the Trustee being a full and complete authorization and protection in respect of any action taken or not taken by the Trustee in good faith.

The Trustee is specifically authorized to delegate any and all actions permitted to be delegated under applicable state and federal law (specifically excluding any discretionary distribution powers), including but not limited to the provisions of California Probate Code § 16052, as amended, provided such delegation is made in an acknowledged power of attorney that specifically authorizes the attorney-in-fact to perform the powers or rights so delegated. The Trustee shall exercise reasonable care, skill and caution in selecting an agent and establishing the scope and terms of the delegation and shall periodically review the agent's actions in order to

monitor the agent's performance and compliance with the terms of the delegation. The Trustee may revoke the exercise of any such delegation at any time.

7.23 Deal With Environmental Hazards. To deal with matters involving the actual or threatened contamination of trust assets (whether real or personal) by hazardous substances, or involving compliance with environmental laws and regulations, including conducting environmental assessments, audits and site monitoring, and taking remedial action (whether or not required by governmental authorities) to contain, clean up or remove any environmental hazard.

7.24 Allocate Between Principal and Income; Establish Reserves; Budget. To determine what is principal and income and what items shall be charged or credited to either; to maintain or not maintain reserves for any trust purpose and in the manner the Trustee deems appropriate; and, if applicable, to budget the estimated income and expenses of the trusts in such manner as to equalize, insofar as practicable, periodic payments to beneficiaries. The Trustee's discretion under this section shall be construed broadly, and no inference of imprudence or partiality shall arise if such discretion is exercised in a manner contrary to the default rules of law that would apply in the absence of this section. The Settlor contemplates that the Trustee's allocations pursuant to this section are likely to deviate from the default rules of law in those situations in which the default rules arbitrarily allocate fixed percentages of receipts to principal and income. Nevertheless, when exercising the discretion granted by this section, the Trustee shall act reasonably and treat the beneficiaries impartially.

7.25 Allocate or Distribute in Cash or in Kind. Except as otherwise expressly provided for herein, upon any division or partial or final distribution of the trust estate, to partition, allot and distribute the trust estate in undivided interests or in kind, or in money, or partly in any of them, at such valuations and according to such method or procedure as the Trustee shall determine, including the power to allocate or distribute all or a part of any particular asset to any beneficiary or trust without being required to equalize the aggregate tax bases of the assets so allocated or distributed.

7.26 Dealings with Settlor's Estate and Trusts. To purchase assets from or sell to, loan funds or assets to, or exchange assets with the Settlor's estate or any other trust established by the Settlor (including separate trusts established by this agreement) on such reasonable terms and in such reasonable amounts as the Trustee deems advisable, even if the Trustee is also the fiduciary of such estate or trust.

7.27 Use Custodian. The Trustee is authorized to appoint a bank or trust company as Custodian for securities and any other trust assets. The Custodian shall keep the deposited property, collect and receive the income and principal, and hold, invest, disburse or otherwise dispose of the property or its proceeds (specifically including selling and purchasing securities and delivering securities sold and receiving securities purchased) upon the order of the Trustee. The Custodian's fees shall be charged against income or principal, or both, in such proportions (or all against either income or principal) as the Trustee deems proper. The Trustee may delegate to retained investment counsel the power to instruct the Custodian with respect to all such matters, in which case the Custodian is directed to comply with such instructions. The Custodian

shall not be liable to any beneficiary or any other person interested in the trust for any action taken pursuant to the order or instructions of the Trustee or the investment counsel to whom the aforesaid powers have been delegated.

7.28 Execute Documents. To execute and deliver all documents that will accomplish or facilitate the exercise of the powers vested in the Trustee.

7.29 Reservation of Right to Surrender Powers; Limit Taxation. Notwithstanding any other provisions in this trust, in order to carry out its purposes, the Trustee is expressly authorized to disclaim, waive or release, in whole or in part, temporarily or irrevocably, in any manner or to any extent, any power, right, authority, or discretion conferred upon such Trustee by any provision of this agreement, in a writing filed with the records of the trust. A material purpose in establishing this trust is to obtain, at the death of the Settlor, the marital deduction allowable pursuant to the Internal Revenue Code or other similar statute in force from time to time. The Trustee is, therefore, expressly authorized to enter into any and all agreements with the Internal Revenue Service or any other governmental body or official or to execute, from time to time, any declarations of policy or disclaimers restricting the discretions and powers given the Trustee in order to preserve the marital deduction provided for herein, and any power, duty or discretionary authority granted the Trustee shall be construed so as to comply with the provisions of the Internal Revenue Code governing the marital deduction, and to the extent any such provision cannot be so construed, it shall be deemed void.

7.30 Special Powers Reserved to Settlor as Trustee. The Settlor, while acting as Trustee, shall have the power to encumber, by mortgage or trust deed, any real property, or to create a security interest in any personal property, as security for any indebtedness or obligation of the Settlor existing on the date of establishment of this trust or thereafter created by him in his capacity as Settlor and to guarantee any indebtedness or obligation of the Settlor existing on the date of establishment of this trust or thereafter created by him in his capacity as Settlor.

8 Treatment of Life or Other Insurance. The rights, powers, obligations and duties of the Trustee with respect to any policies of life or other insurance, the proceeds of which are made payable to the Trustee, shall be as follows:

8.1 Trust as Beneficiary. The Trustee may be named as beneficiary of life insurance policies not owned by the trust and shall not be required to pay premiums or other charges on such policies. The Trustee may hold such policies as may be delivered to the Trustee, subject to the order of the owner thereof, without any obligation during the life of the insured other than safekeeping. The Trustee shall not be responsible for any acts or omissions of the person possessing the incidents of ownership in any policy payable to the trust.

8.2 Purchase of Insurance; Exercise of Incidents of Ownership. The Trustee may purchase insurance on the life of the Settlor or of any beneficiary or may purchase accident and health insurance for the Settlor or for any beneficiary or for the spouse or child of any beneficiary. The Trustee may hold as an investment life insurance policies that have been assigned to the trust, and is authorized to continue the payment of premiums on such insurance for such period as the Trustee deems wise.

The Trustee shall have full power and authority to exercise any option, privilege or benefit in connection with any such policy, provided, however, that such power shall be exercised only for the benefit of the trust estate and one or more of the beneficiaries.

8.3 Limitations on Insured Trustee. Should any irrevocable trust created under this trust agreement hold as an asset any policy on the life of the Trustee of such trust, such Trustee shall have none of the powers set forth above to deal with such policy and none of the incidents of ownership in it. Such powers and rights shall rather be exercised solely by the Independent Trustee, or if no Independent Trustee is serving, by MICHAEL R. KLEIN, MARC SCHÖLVINCK, JAMES MURRAY, and JOHN RAMSBACHER, as Special Trustee. Each such policy shall be held as a segregated asset of such trust subject to the sole management of the Special Trustee. Premiums on any such policy shall be paid from the principal of the trust. The Special Trustee shall have full power and authority to exercise any option, privilege or benefit in connection with any such policy, provided, however, that such power shall be exercised only for the benefit of the trust estate and one or more of the beneficiaries.

8.4 Collection on Maturity. Upon receipt of proof of death of the insured, or upon maturity of any policy prior to the insured's death, or upon the happening of any event that causes the proceeds of an accident or health policy to be payable, the Trustee shall use reasonable efforts to collect all sums payable. However, the Trustee shall not be required to enter into or maintain any litigation to enforce payment or to defend any action relating to the payment of the proceeds unless there are funds available from the trust estate that are sufficient to pay all expenses and liabilities that the Trustee might incur or be subjected to by any action on its part or unless the Trustee has been indemnified to the extent that the trust assets are insufficient. The Trustee may compromise, arbitrate, or otherwise adjust claims under any policy upon collection or at any other time, and may exercise any settlement options granted by any policy. The receipt of the Trustee to the insurer shall be a full discharge, and the Trustee shall not be required to collect from an insured, the insured's estate, or any other person, amounts necessary to repay any loan secured by a policy, the proceeds of which are payable to the trust.

## 9 Retirement Accounts.

9.1 Trust as Beneficiary of Retirement Account. The Settlor intends that each trust hereunder that owns an interest in a Stretch-Out Retirement Account (as that term is defined below in Section 9.4) enjoy the longest possible deferral period under the Minimum Distribution Rules (as that term is defined below in Section 9.3). Accordingly, the following shall apply:

(a) The Trustee of a trust so designated shall, within the time limit prescribed under the Minimum Distribution Rules, deliver documentation required under said rules to the respective administrators and custodians of each Stretch-Out Retirement Account.

(b) For purposes of this trust agreement, when the Trustee is directed to distribute an interest in a Stretch-Out Retirement Account to an individual or another trust, the Trustee is to assign all of the Trustee's interests in and powers over such Stretch-Out Retirement Account interest (e.g., to direct investments and withdrawals) to such individual or to the trustee of such other trust, and such direction shall not be interpreted as requiring the Trustee to

withdraw the assets from the Stretch-Out Retirement Account or to make a “taxable distribution” from the Stretch-Out Retirement Account for income tax purposes. The Settlor specifically intends that any such “distribution” of a Stretch-Out Retirement Account shall be handled in a manner that results in zero, or the minimum possible amount of income tax payable by either the trust, said individual, or said other trust.

(c) The administrators, custodians, or other fiduciaries of the respective Stretch-Out Retirement Accounts shall incur no liability to the trust or to any of its beneficiaries for acting upon the written instruction of the Trustee pursuant to this Section 9.

9.2 Determination Date. The term “Determination Date” refers, with respect to the death of the Settlor (or the death of another, if the context specifically indicates) the thirtieth (30th) day of September of the calendar year following the calendar year of the death of the Settlor or other individual, or such other date as may be provided under Treasury Regulation § 1.401(a)(9)-4 for determining post-death designated beneficiaries under the Minimum Distribution Rules.

9.3 Minimum Distribution Rules. The term “Minimum Distribution Rules” refers to the rules of Internal Revenue Code § 401(a)(9).

9.4 Stretch-Out Retirement Account. The term “Stretch-Out Retirement Account” refers to a Tax-Advantaged Account that is subject to the Minimum Distribution Rules, and with respect to a trust hereunder, satisfies the following conditions: (i) the interest in the Tax-Advantaged Account (or successor Tax-Advantaged Account, e.g. an inherited IRA that receives a rollover from a qualified retirement plan) became part of the trust by reason of the Settlor’s death (or the death of another, depending on the context); and (ii) the provisions governing the Tax-Advantaged Account permit the Trustee of the trust to take distributions following the year of death of the balance of the interest over the life expectancy of a trust beneficiary (or the oldest member of a group of individuals determined under the Minimum Distribution Rules to which a trust beneficiary belongs), assuming such trust otherwise qualifies to do so under the Minimum Distribution Rules.

9.5 Stretch-Out Beneficiary. The term “Stretch-Out Beneficiary” refers, with respect to a trust hereunder that owns an interest in a Stretch-Out Retirement Account, to the trust beneficiary whose life expectancy is or will be used in determining the timing and amount of post-death distributions (or to the trust beneficiary whose life expectancy would have been so used if he or she was the oldest member of the group of individuals determined under the Minimum Distribution Rules to which he or she belongs).

9.6 Tax-Advantaged Account. The term “Tax-Advantaged Account” refers to any plan, contract, or other arrangement (other than a life insurance contract) that is allowed under the Internal Revenue Code to accumulate any part of its income in a tax-advantaged manner (e.g. income tax-deferred or income tax free) for the benefit of an owner, beneficiary, or successor, and includes, by way of example and not limitation, a qualified or non-qualified annuity, a deferred compensation plan, or a retirement or individual retirement account arrangement established under Internal Revenue Code §§ 401, 403, 408, 408A, or 457. A plan account or

arrangement that is otherwise a “Tax-Advantaged Account” and that owns one or more life insurance contracts among its assets is a “Tax-Advantaged Account.” A plan, contract, or other arrangement that is reasonably believed to qualify for tax-advantaged treatment under the Internal Revenue Code is a “Tax-Advantaged Account” even if it is subsequently determined it did not so qualify.

9.7 See-Through Trust/Conduit Trust. The term “See-Through Trust” refers to a trust that would be allowed under the Minimum Distribution Rules to use a trust beneficiary’s life expectancy as the measuring life to calculate minimum required distributions. If a trust held hereunder holds a Stretch-Out Retirement Account and would not otherwise be deemed a See-Through Trust by the Determination Date, then notwithstanding any provision in this trust agreement to the contrary other than “special needs trust” provisions designed to protect needs-based government benefits, the following provisions shall apply to such trust so that such trust will be deemed a “conduit trust”:

Notwithstanding any contrary provision under this trust agreement, effective ab initio from the creation of the trust, to the extent the Trustee receives distributions from a Stretch-Out Retirement Account as to which the beneficiary is a Stretch-Out Beneficiary (as these terms are defined in Sections 9.4 and 9.5), the Trustee shall distribute to or apply for the benefit of the beneficiary all of such Stretch-Out Retirement Account distributions (net of expenses, and net of income, estate, inheritance, generation-skipping transfer tax, or any other tax, to the extent said expenses and taxes are properly allocable to distributions received or to the balance remaining in said Stretch-Out Retirement Account), for as long as the beneficiary shall live or until the earlier termination of the trust.

For so long as the beneficiary is the Stretch-Out Beneficiary of a Stretch-Out Retirement Account, a Trustee who (i) made a qualified disclaimer with respect to an interest in such Stretch-Out Retirement Account, (ii) owes a legal obligation of support to such beneficiary, or (iii) is the beneficiary, shall not withdraw “Excess Distributions” from such Stretch-Out Retirement Account, rather the power to withdraw any such Excess Distributions shall be reserved to the Independent Trustee. For purposes of this paragraph, “Excess Distributions” refers, with respect to an interest in a Stretch-Out Retirement Account, to any distribution from such Stretch-Out Retirement Account in excess of the amounts reasonably necessary to: (i) comply with the Minimum Distribution Rules; (ii) provide for the beneficiary’s health, education, support, or maintenance in his or her accustomed manner of living; (iii) comply with the legal obligation to pay income, estate, inheritance, generation-skipping transfer tax, or other taxes properly chargeable to distributions received from or on the balance remaining in such Stretch-Out Retirement Account; (iv) provide for payment of trust expenses properly allocable to distributions received from or on the balance remaining in such Stretch-Out Retirement Account; and (v) comply with the requirements of a QTIP election to the extent that such Stretch-Out Retirement Account is allocated to a QTIP trust.

## 10 Payment of Debts, Expenses and Taxes.

10.1 Payment on Death of Settlor (or Dianne). Upon the death of the Settlor, the Trustee may pay the following obligations and liabilities as soon as reasonably convenient, not necessarily in the order stated: (a) all of the Settlor’s bona fide debts; (b) the expenses of the Settlor’s last illness and funeral; (c) the costs and expenses, including attorneys’ fees, necessary

to institute any legal proceeding and to file any tax returns required to determine the amount of federal estate or other death taxes arising by reason of the Settlor's death; (d) the amount of federal or state estate or inheritance taxes and any generation-skipping transfer taxes arising by reason of the inclusion of the trust estate, or a portion thereof, in the Settlor's taxable estate or taxable property.

If a Marital Trust was created for DIANNE pursuant to this trust agreement, then upon DIANNE's death, the Trustee may pay the amount of federal or state estate or inheritance taxes and any generation-skipping transfer taxes arising by reason of the inclusion of the trust estate of the Marital Trust, or a portion thereof, in DIANNE's taxable estate or taxable property.

If the Settlor or DIANNE, as the case may be, dies leaving an estate subject to probate, the Trustee may pay to his or her executor or administrator the amount of any federal estate or other death tax arising by reason of inclusion of the trust estate or any portion in his or her taxable estate or taxable property.

**10.2 Source of Payment at Settlor's Death (or Dianne's Death).** Upon the death of the Settlor, payment of the items authorized by clause (a) of Section shall be made from the trust property that would have been subject to such debts were the RICHARD C. BLUM REVOCABLE TRUST not in existence; payment of the items authorized by clauses (b) and (c) of Section above shall be made from the income or principal of the trust estate; and payment of the taxes authorized by clause (d) of Section 10.1 shall be made from the trust property that is subject to the estate tax, equitably prorating such taxes in the manner provided under California law, except (i) that property qualifying for the federal estate tax marital deduction shall pass free of any estate or inheritance taxes, and (ii) as otherwise provided in this trust agreement. If the Settlor has made bequests that are to be net of estate, death, or inheritance taxes, but there are insufficient assets in the Settlor's estate to pay all such estate, death, or inheritance taxes, such bequests shall be subject to such taxes by equitably prorating the taxes in the manner provided under California law. To the extent that taxes would be chargeable to both Exempt and Non-Exempt trusts established for the benefit of the same beneficiary, such taxes chargeable to such beneficiary's Exempt trust shall be paid out of such beneficiary's Non-Exempt trust.

Upon DIANNE's death, if she survived the Settlor and a Marital Trust was created for her lifetime benefit as provided hereunder, payment of federal or state estate or inheritance taxes and any generation-skipping transfer taxes shall be paid from such Marital Trust. If bequests made at DIANNE's death are to be net of estate, death, or inheritance taxes, but there are insufficient assets in the remaining trust estate hereunder to pay all such estate, death, or inheritance taxes, such bequests shall be subject to such taxes by equitably prorating the taxes in the manner provided under California law. To the extent that taxes would be chargeable to both Exempt and Non-Exempt trusts established for the benefit of the same beneficiary, such taxes chargeable to such beneficiary's Exempt trust shall be paid out of such beneficiary's Non-Exempt trust.

### **10.3 Generation-Skipping Transfer Tax Provisions.**

**10.3.1 Allocate GST Exemption.** The Trustee shall have the power to allocate the Settlor's available generation-skipping transfer tax exemption in such amounts and to such assets as the Trustee, in his, her or its sole discretion, believes will best minimize the aggregate transfer taxes paid by the trusts established by this agreement, without the need to compensate any trust

for any benefit or detriment arising from such allocation. The Settlor intends the Trustee coordinate with the executors of the Settlor's Will and the trustee of any other trusts established by the Settlor when allocating the Settlor's remaining generation-skipping transfer tax exemption among the assets passing at his death.

10.3.2 Petition Court for General Power. If the Trustee determines that the burdens of generation-skipping transfer taxes, income taxes, and death taxes on a trust created hereunder, the Settlor's estate, or the beneficiaries of that trust would be reduced, the Trustee may petition the court to amend the trust to grant to one or more trust beneficiaries who are non-skip persons in a generation below the transferor for generation-skipping transfer tax purposes a general testamentary power of appointment over all or a specified portion of that Non-Exempt Trust. Any power to amend the trust is within the discretion of the court, and the preceding sentence shall not be construed to give the Trustee any power that the Trustee does not already have under California trust law to petition the court under the appropriate circumstances, nor shall it be construed to limit the power of the Trustee or any beneficiary under California trust law to petition the court under the appropriate circumstances.

10.3.3 Payment of GST Tax. Upon an event causing a "direct skip," a "taxable distribution," or a "taxable termination" for the purposes of the federal or other generation-skipping transfer tax, the Trustee may pay the amount of generation-skipping transfer tax due from the assets subject to such tax (including the property being distributed), but the amount paid shall not exceed the amount of such tax generated by the treatment of such trust property as property subject to tax.

#### 10.4 Stretch-Out Retirement Accounts and Other Tax-Advantaged Accounts.

10.4.1 "Stretch-Out Retirement Accounts" Passing Under Trust Instrument. Notwithstanding the preceding provisions of this Section 10, the Trustee shall not apply Stretch-Out Retirement Account assets (as that term is defined in Section 9.4) passing under any trust hereunder to pay amounts authorized by the preceding provisions of this Section 10 to the extent such amounts are chargeable to other assets, except as follows:

(a) Payment Prior to September 30 Determination Date. If the Trustee determines, prior to the Determination Date, that all or any portion of a debt of the Settlor, expense of administration, or tax is properly chargeable by reason of the Settlor's death to a beneficiary's interest in a Stretch-Out Retirement Account passing under any trust hereunder, the Trustee shall pay such amount prior to the Determination Date by applying the following assets in any combination the Trustee determines in its sole discretion (and such payment shall be credited against the amount chargeable to such Stretch-Out Retirement Account interest): (i) assets from such Stretch-Out Retirement Account interest; (ii) assets the beneficiary offers to provide for this purpose; or (iii) assets the Trustee selects for this purpose (other than assets qualifying for the charitable or marital deductions from federal estate tax in the Settlor's estate) from assets passing under any one or more trusts hereunder to or for the benefit of the beneficiary as determined by the Trustee in its sole discretion. The Settlor requests, but does not require, that the Trustee apply assets other than Stretch-Out Retirement Account assets to pay such amount when doing so reduces the need to take a distribution from the Stretch-Out



Retirement Account earlier than would otherwise be necessary, thus enhancing the beneficiary's ability to benefit from income tax deferred compounding.

(b) Amounts Determined On or After September 30 Determination Date. If the Trustee determines, on or after the Determination Date, that all or any portion of a debt of the Settlor, expense of administration, or any tax would be properly chargeable by reason of the Settlor's death, but for the operation of this Section 10.4.1, to a beneficiary's interest in one or more Stretch-Out Retirement Account interests passing under any trust hereunder, the Trustee shall pay such amount by first applying the following assets in any combination the Trustee determines in its sole discretion: (i) assets the beneficiary offers to provide for this purpose; or (ii) assets the Trustee selects for this purpose (other than Stretch-Out Retirement Account assets or assets qualifying for the charitable or marital deductions from federal estate tax in the Settlor's estate) from assets passing under any one or more trusts hereunder to or for the benefit of the beneficiary as determined by the Trustee in its sole discretion; and the Trustee shall apply assets from such Stretch-Out Retirement Account interests to pay such amount only to the extent that said other assets are insufficient to do so.

10.4.2 Tax-Advantaged Accounts or Other Assets Passing Outside Trust. If the Trustee determines that all or any portion of a debt of the Settlor, expense of administration, or tax is properly chargeable, by reason of the Settlor's death, to a beneficiary's interest in property not passing under any trust hereunder (including by way of example and not limitation a Tax-Advantaged Account), the Trustee may in its sole discretion pay (or not pay) all or part of such amount by applying any combination the Trustee determines in its sole discretion of the following assets (and any such payment shall be credited against the amount chargeable to such interest in property not passing under any trust hereunder): (i) assets the beneficiary offers to provide for this purpose; or (ii) assets the Trustee selects for this purpose (other than assets qualifying for the charitable or marital deductions from federal estate tax in the Settlor's estate) from assets passing under any one or more trusts hereunder to or for the benefit of the beneficiary as determined by the Trustee in its sole discretion. The Settlor requests, but does not require, that the Trustee apply assets other than Tax-Advantaged Account assets to pay such amount when doing so reduces the need to take a distribution from a Tax-Advantaged Account earlier than would otherwise be necessary, thus enhancing the beneficiary's ability to benefit from income tax deferred compounding. The Trustee's powers provided under this Section 10.4.2 are in addition to, and not in place of, other powers provided the Trustee under this or other instruments, or under applicable law.

10.5 Tax Elections, Generally. It is the Settlor's intention to take advantage of tax savings available under applicable federal and/or state law to maximize overall tax savings to the extent not inconsistent with the other dispositive provisions of this trust agreement. The "personal representative" of the Settlor's estate shall have the power to make any applicable elections or actions related to elections allowable under the Internal Revenue Code or the tax law of any other jurisdiction, including but not limited to the power to do any one or more of the actions enumerated below. To the extent that the executor of the Settlor's estate is appointed and is statutorily authorized to make the elections and actions contemplated by this provision, such executor shall be deemed the "personal representative" for such purposes. However, if no such executor is appointed, the Settlor intends that the Trustee hereunder, or to the extent the Trustee

disclaims or a power is otherwise delegated to the Independent Trustee, the Independent Trustee, shall be deemed the "personal representative" for such purposes. Such personal representative, in his/her/its sole discretion, shall have the power to:

- (a) elect the alternate valuation date if an estate tax return is filed;
- (b) apply for any deferrals available to the estate under the federal estate tax law for the payment of estate taxes;
- (c) elect any item either as an income or estate tax deduction for any tax reporting purpose;
- (d) determine when a particular item will be deducted or reported as income;
- (e) disclaim all or any portion of any interest in any property passing to the Settlor or his estate;
- (f) join with DIANNE or DIANNE's estate in preparing and filing income or gift tax returns for any years for which the Settlor had not filed such returns before his death and consent to any gifts made by DIANNE as being made one-half by each spouse for gift tax purposes, even though such action may subject the Settlor's estate to additional tax liabilities;
- (g) as further provided in this Section 10.6 below, elect to treat property passing in trust for the benefit of DIANNE as Qualified Terminable Interest Property so as to obtain all or part of the unlimited marital deduction under federal and any applicable state law;
- (h) elect, or opt not to elect, portability of any deceased spousal unused exclusion ("DSUE") amount available at the Settlor's death. The Settlor desires for the personal representative to make the final determination as to whether or not to make such election and as to whether or not to file a federal estate tax return for this purpose. The Settlor specifically intends that DIANNE shall not have any right to compel the personal representative to file such estate tax return to either elect, or to opt out of, any such DSUE amount. If a federal estate tax return is filed with a DSUE election, the personal representative shall provide a copy of such return to DIANNE with any reasonable supporting documentation that may be foreseeably required if the Settlor's estate tax return is subsequently audited. Other than providing such documents, the personal representative is under no obligation to DIANNE, DIANNE's estate, heirs, beneficiaries, or assigns, to maintain records to substantiate the DSUE election or the DSUE amount.

The Trustee need not, but may, make offsetting adjustments to the interests of income or principal beneficiaries or among various trusts or gifts to compensate for any benefits or detriments arising from making any of the above actions/elections. No person adversely affected by any of the above actions/elections is entitled to any reimbursement or adjustment, and the Trustee shall not be required to make any adjustment between income and principal or in the amount of any property passing to any beneficiary as a result of any election under this provision. The preceding sentence is applicable in all events, including when the Trustee shall exercise any discretion the Trustee may hold to allocate the benefits of such actions or elections

among the various beneficiaries, even if the consequence of such actions or elections is to directly or indirectly prefer one beneficiary or group of beneficiaries over others. Any costs associated with any exercise of any of the above powers shall be incurred by the Settlor's estate as an expense of administration. The Trustee shall be held harmless for any of the above actions/elections provided the Trustee did not act with gross negligence or willful neglect.

10.6 Marital Deduction; QTIP and Reverse QTIP Elections. The Settlor presently intends that any outright distributions to DIANNE and any allocation of assets to any Marital Trusts administered under Section 5.1 qualify for the marital deduction under the Internal Revenue Code. Furthermore, the Settlor intends that the "personal representative" (as defined in Section 10.5 above) of the Settlor also contemplate an election to treat any or all assets allocated to the Bypass Share as qualified for the marital deduction under the Internal Revenue Code. The Settlor intends that the Bypass Share may qualify for a QTIP election to allow flexibility to balance the potential estate tax minimization of the Bypass Trust with the potential income tax minimization that may be achieved with the Bypass QTIP Trust (from a step-up in income tax basis after inclusion in DIANNE's estate).

The Settlor intends that the personal representative of the Settlor's estate make an election under Internal Revenue Code § 2056(b)(7)(B), as amended (a "QTIP election") to treat all or a portion of any qualifying trust for the benefit of DIANNE as qualified for the marital deduction after careful consideration of all relevant circumstances, including optimal tax consequences (including but not limited to estate taxes, generation-skipping transfer taxes, and income taxes), availability and potential dispositive effects of a DSUE election, liquidity of trust assets to pay taxes, the health and life expectancy of DIANNE, and effects on the remaindermen's interests. The Settlor understands that making a QTIP election for all or a portion of the Bypass Share, and/or any Marital Trusts, may cause DIANNE's estate to exceed the amount that can ultimately be shielded by DIANNE's applicable exclusion amount, with or without DSUE.

The personal representative of the Settlor shall not be liable to the remaindermen if the election to qualify all or part of trusts held hereunder for the marital deduction causes more than an optimal amount of property to be later taxed in DIANNE's estate or if a failure to make such a marital deduction election causes greater eventual income tax consequences due to not receiving a step-up in income tax basis at DIANNE's death.

To the extent that a QTIP election has been made under an applicable trust held hereunder, the Trustee shall thereafter administer such trust in a manner that will not invalidate the election or disqualify the property in which DIANNE has a qualifying income interest for life. Any provisions under this trust agreement that could be deemed to invalidate the qualification under Internal Revenue Code § 2056(b)(7) shall be disregarded.

10.6.1 Partial QTIP Election. If a QTIP election is made to qualify some but not all of the property allocated to an applicable trust for the federal estate tax marital deduction, such trust shall be divided into two separate trusts pursuant to the terms of the election.

On receipt of written notification by the personal representative of the Settlor that such personal representative intends to make a QTIP election with respect to some but not all of the assets in a trust, the Trustee shall divide such trust into two separate trusts. The Trustee shall have the discretion to select the assets to be allocated among the two separate trusts but such assets as are selected shall have (1) an aggregate fair market value at the time of such allocation

that is fairly representative of the net appreciation or depreciation in the value of the property available for allocation between the date of valuation for federal estate tax purposes and the date or dates of such allocation and (2) shall carry with them a pro rata share of the income earned by all assets available for selection between the date of the Settlor's death and the date or dates of such allocation.

The Settlor intends that the personal representative of the Settlor then actually make the QTIP election in accordance with the notification provided to the Trustee. The Trustee shall not be liable for relying on the written instructions of the personal representative of the Settlor when acting in accordance with the provisions of this section.

**10.6.2 Reverse QTIP Election.** The personal representative of the Settlor may make the special election under Internal Revenue Code § 2652(a)(3) (a "reverse QTIP election") to treat all or a portion of the assets of a trust for which the QTIP election is made as if that election had not been made, making the Settlor the transferor of the assets for purposes of the generation-skipping transfer tax.

On receipt of written notification by the personal representative of the Settlor that such personal representative intends to make a reverse QTIP election with respect to some but not all of the assets in a trust, the Trustee shall divide such trust into two separate trusts so that the inclusion ratio of the trust for which the reverse QTIP election is made is zero. The Trustee shall have the discretion to select the assets to be allocated among the two separate trusts but such assets as are selected shall have (1) an aggregate fair market value at the time of such allocation that is fairly representative of the net appreciation or depreciation in the value of the property available for allocation between the date of valuation for federal estate tax purposes and the date or dates of such allocation and (2) shall carry with them a pro rata share of the income earned by all assets available for selection between the date of the Settlor's death and the date or dates of such allocation.

The Settlor intends that the personal representative of the Settlor then actually make the reverse QTIP election in accordance with the notification provided to the Trustee. The Trustee shall not be liable for relying on the written instructions of the personal representative of the Settlor when acting in accordance with the provisions of this section.

**10.7 Closing Period/Trustee's Power to Defer Division or Distribution.** To permit the orderly use of trust assets to meet obligations arising by reason of the death of the Settlor or other beneficiary and to provide for the orderly disposition or distribution of the trust estate, notwithstanding any provision that might require immediate division or distribution, the Trustee may, in the Trustee's discretion, defer actual division or distribution for such reasonable period of time (the "closing period") as is needed to effectively identify, take possession of, value, divide, and distribute the assets of the trust, as well as to address any necessary tax filings/payments. During the closing period, the Trustee may manage the trust assets through a single administrative trust. The ability of the Trustee to delay division or distribution during the closing period shall not affect the vesting of interests, which shall be as of the date of death. However, no beneficiary shall be entitled to payment or distribution of his or her share before the end of the closing period, but the Trustee, in the Trustee's sole discretion, may make partial or complete distribution of any share at such times and in such amounts as the Trustee deems equitable. Retention of a beneficiary's share shall not affect such beneficiary's right to any income from it or such beneficiary's power of disposition over such share. Notwithstanding the

foregoing, the Trustee shall not delay any distribution that might result in losing eligibility for a federal estate tax marital deduction or charitable deduction.

11 General Administrative Provisions. The following general provisions shall apply to each trust created by this agreement.

11.1 Powers Personal. Each power and right granted to the Settlor or beneficiary by this agreement (including powers to amend, withdraw, revoke, or exercise a power of appointment) is personal and may not be exercised by another except, during such time that the power holder lacks capacity, by the power holder's guardian or conservator acting by authority of a court of competent jurisdiction, or by the power holder's attorney-in-fact acting under an acknowledged durable power of attorney that specifically authorizes said attorney-in-fact to exercise such power or right.

11.2 Notice to Trustee. Until the Trustee shall receive written notice of any event upon which the right to payment may depend, the Trustee shall incur no liability to persons whose interests may have been affected by that event for disbursements made in good faith.

11.3 Spendthrift. No beneficiary of an irrevocable trust created by this agreement shall have the power to encumber, assign, or in any other manner transfer his or her interest in such trust, whether income or principal, except to a descendant or sibling. Such interest shall not be subject to his or her liabilities or obligations or to legal process. The Trustee may, however, deposit in any bank or savings and loan account designated in writing by a beneficiary, to his or her credit, income or principal payable to such beneficiary. This Section 11.3 shall not prevent a beneficiary from disclaiming his or her interest in any trust established by this agreement, in whole or in part.

11.4 Payments to Minors/Disabled Persons. Distributions (whether of income or principal) by the Trustee to or for the benefit of a beneficiary who is under age twenty-one (21) or to a beneficiary who is otherwise disabled may, at the sole discretion of the Trustee, be made: (a) directly to such beneficiary; (b) to any person with whom the beneficiary resides or who has actual custody of such beneficiary, without the intervention of a guardian or conservator; (c) by expending money for the benefit of such beneficiary; (d) to a guardian or conservator of such beneficiary; (e) to a custodian under the California Uniform Transfers to Minors Act or similar act of any other state; (f) to a Special Needs Trust created pursuant to Section 11.5; or (g) to a trust otherwise held for the benefit of such beneficiary under this trust agreement (giving due regard to Exempt and Non-Exempt trusts). The Trustee shall not be required to see to the application of any such payments so made, but such payees' receipts shall be a full discharge to the Trustee. The decision of the Trustee as to direct payments or application of such funds shall be conclusive and binding on all parties in interest.

11.5 Creation of Special Needs Trust. The Trustee (provided the Trustee is not the current beneficiary for whom this provision would apply) may establish a trust that meets the needs of a beneficiary's circumstances including, but not limited to, the establishment of a special needs trust to preserve or qualify the beneficiary for need based public benefits, a spendthrift trust, or a separate property trust. If exercising the foregoing provision would cause

inclusion in the Trustee's estate for federal estate tax purposes, this power shall be exercised by the Independent Trustee.

11.6 Separate Trust Estates; Management as a Unit. The Trustee need not segregate assets physically when making any division into shares, but may allocate undivided interests in property to such shares or may allocate different properties thereto and may administer the assets of all shares as a unit until such time as the Trustee is required to make distribution. In such event, separate accounts shall be kept for each trust estate, and each such share shall be treated as a separate trust for all purposes.

11.7 Stock of Professional Corporation. Only a Trustee who is a "licensed person" (as defined by the California Corporations Code) with respect to the stock of a professional corporation held by the trust shall have the power to vote, manage or take any action whatsoever with respect to such stock, and such stock shall only be registered in the name of such licensed person as Trustee. If no Trustee is a licensed person, the Trustee shall tender such stock for redemption or sell such stock to a licensed person and the proceeds of such redemption or sale shall be added to and become part of the trust.

11.8 S Corporation Stock. If a trust holds stock in an S corporation and such trust is not an eligible S corporation shareholder, the Independent Trustee may in his, her, or its sole discretion take any one or more of the following actions in order to permit such S corporation stock to be held by one or more eligible shareholders: (i) distribute such stock to the beneficiaries of such trust; (ii) divide the trust into separate trusts, allocating the S corporation stock to one such separate trust; (iii) amend the trust, or a separate sub-trust, to require mandatory distribution of income; and/or (iv) make tax elections on behalf of the trust or any one or more of the separate trusts to be treated as an eligible shareholder, including electing to treat such trust as an electing small business trust. The aforementioned powers are in addition to any other powers conferred upon the Independent Trustee by law or under this agreement.

11.9 Allocation of Assets to Separate Sub-Trusts. The Trustee shall divide any trust created by this agreement as necessary to prevent a trust from having an inclusion ratio of greater than zero (0) by dividing any such trust into two shares, an Exempt trust and a Non-Exempt trust. The Exempt trust shall consist of all property that is exempt from the application of the federal generation-skipping transfer tax by reason of allocation of generation-skipping transfer exemption or otherwise (i.e., a trust that has an "inclusion ratio," as defined in Internal Revenue Code § 2642, of zero, or that is exempt from the generation-skipping transfer tax under the effective date legislation of the Tax Reform Act of 1986). The Non-Exempt trust shall consist of the balance of the property allocable to that trust. The Trustee shall have the discretion to select the assets to be so allocated but shall allocate assets to such trusts in a manner that is fair and equitable and, to the extent possible, fairly represents the net appreciation or depreciation in the value of the property available for allocation.

The Exempt and Non-Exempt trusts shall be separate trusts for all purposes but shall have the same provisions. Notwithstanding the foregoing, the Trustee may exercise administrative and distributive discretion and donees of powers of appointment may exercise their powers differently with respect to the Exempt and Non-Exempt trusts.

Distributions of principal or income to the Settlor's children, distributions to education institutions for tuition for the benefit of the Settlor's grandchildren or more remote descendants and distributions to medical providers for medical care provided a grandchild or more remote descendant of the Settlor shall be made first from such person's Non-Exempt trust. Other distributions of principal or income to the Settlor's grandchildren or more remote descendants may be made from such beneficiary's Exempt or Non-Exempt trusts as the Trustee determines will best minimize taxes.

11.10 Merging Trusts. The Trustee, in the Trustee's discretion and without Court approval, shall have the power to merge two or more trusts established by the Settlor and/or DAINNE if the Trustee determines that: (i) the terms of the trusts are substantially similar; and (ii) the merger of such trusts will not defeat or substantially impair the accomplishment of the trusts' purposes or the interests of the trust beneficiary(ies). Notwithstanding the foregoing, the Trustee shall not merge trusts having different inclusion ratios for generation-skipping transfer tax purposes.

11.11 Undistributed Income. Except as specifically provided elsewhere in this agreement, income accrued or in the hands of the Trustee for payment to an income beneficiary at the termination of his or her interest or estate shall go to the beneficiaries entitled to the next succeeding interest in the proportions in which they take such interest unless such income is the subject of an exercised power of appointment. The Trustee shall not be required to prorate taxes and other current expenses to the date of termination.

11.12 Power of Appointment. The provisions of this Section 11.12 shall govern the exercise of any power of appointment granted under the provisions of this trust agreement, unless otherwise specifically provided.

A power holder must be over the age of fifteen (15) at the time of exercising the power to validly exercise any power of appointment granted to him or her hereunder. When exercising a power of appointment, the power holder may appoint outright or in trust, in present or future interests, or in any combination of these, and may create new restrictions, conditions and powers of appointment (specifically excluding, however, a general power exercisable inter vivos) in or for the benefit of any of the objects of this power; and may appoint all of the assets subject to the power of appointment to any such object of this power to the exclusion of the others. An appointment in further trust may be made to a Trustee who is not an object of this power. Notwithstanding the foregoing, unless specifically provided hereunder, no special power of appointment granted under the provisions of this trust agreement shall be exercised to create a further power of appointment that can be exercised to postpone the vesting of the trust estate, or to suspend the absolute ownership or power of alienation of such trust estate, beyond the applicable rule against perpetuities period without regard to the date of execution of this trust agreement (this limitation is to avoid estate inclusion under Internal Revenue Code § 2041(a)(3)).

A power of appointment granted under this trust agreement may be exercised only by a provision contained in the last written document other than a Will, delivered to the Trustee prior to the power holder's death that specifically refers to and expressly exercises such power. Any instrument of appointment shall be revocable during the power holder's lifetime, i.e. the power

holder may not irrevocably exercise the power of appointment during the power holder's lifetime.

The validity of a power holder's exercise of a power of appointment need not be determined prior to the power holder's death. Thus, such an exercise is not invalid if made by the power holder prior to attaining the minimum required age, so long as the power holder has attained that age prior to death; and an exercise is not invalid if the appointees indicated are not permissible appointee at the time of exercise but are permissible appointees at the time of power holder's death.

Notwithstanding the foregoing, no power of appointment may be exercised by a power holder with respect to any property interest previously disclaimed by such power holder.

The purported exercise of a power of appointment granted under this trust agreement shall be of no force or effect if such exercise was the result of compulsion. If such purported exercise is the result of compulsion, the Trustee shall administer the property subject to such power of appointment as if such exercise had not occurred. The exercise of a power of appointment shall be deemed to be the result of compulsion if such exercise is in response to or by reason of any order or other direction of any court, other than by the power holder's guardian or conservator acting by authority of a court of competent jurisdiction.

11.13 Records of the Trust. The Settlor declares that any assets transferred to the Trustee during the Settlor's lifetime after the initial funding of the trust need not be by schedule hereto, but may be listed in any appropriate record, or the Trustee may rely on extrinsic evidence in determining the character and the extent of the assets held in trust.

11.14 Use of Residence. If any residence that was occupied by the Settlor and DIANNE at the death of the Settlor or subsequently acquired pursuant to the provisions of this Section 11.14 is included, in whole or in part, in any trust hereunder of which DIANNE is a beneficiary, DIANNE may personally use and occupy such residence rent free during her life as long as she desires. If at any time or times DIANNE desires another residence, the Trustee may sell or lease such residence and acquire, by purchase or lease, another residence selected by DIANNE that has the same or less value.

So long as DIANNE occupies such residence, the Trustee may pay mortgage or trust deed payments, taxes, special assessments, insurance, maintenance and repair expenses in connection with such residence in proportion to the interest owned by each trust. However, the Trustee may make such expenditures from the principal of such trusts only to the extent reasonably required for the support and maintenance of DIANNE in her accustomed manner of living, and the balance of such expenditures, if any, shall be paid by DIANNE personally.

If DIANNE ceases to occupy such residence, or becomes disabled and unable to occupy it, the Trustee may terminate the rights given to DIANNE by this Section 11.14. If such rights are so terminated, the Trustee may lease, sell, or otherwise dispose of and administer such residence (or interest) in the same manner as other property included in such trusts.

11.15 Disclosure to Third Parties. Any transfer agent or other person dealing with the trust shall be entitled to rely on a copy of the trust that omits Sections 3,4, and 5 thereof and any amendments thereto, which partial copy shall be certified as a true copy of those portions then in effect by the then acting Trustee. A transfer agent or other person dealing with the trust shall incur no liability to the trust or to any of its beneficiaries for acting upon any order or request of



the Trustee made pursuant to the terms set forth in the certified copy, and shall not be required to see to the disposition of any proceeds.

11.16 Rules of Construction And Change of Situs. The validity, construction and all rights under this trust agreement (including those respecting the exercise of a power of appointment) shall be governed by the internal law (and not the law of conflicts) of the state of its current situs; provided, however, that all matters pertaining to the Trustee's administration of real property shall be governed by the laws of the situs of such real property, including such state's law of conflicts. The initial situs shall be California. The Trustee may, with the consent of a majority of the beneficiaries of such trust who are entitled to current distributions of income or principal, change the situs of such trust and elect to have such trust, and this trust agreement applicable to such trust, be governed (for purposes of validity, construction, all rights under the trust and otherwise) by the laws of another jurisdiction. When establishing an irrevocable trust pursuant to this trust agreement, the Trustee shall have the power to choose the trust situs and which state's law will apply to such trust. Any such move shall be considered an act carrying out the original intent of the Settlor, and not an act by a Trustee or beneficiary to change the beneficial interests of any person, or the addition of any person as a beneficiary.

11.17 Evidence of Death. The death of a beneficiary or of a Trustee shall be evidenced by filing a certified copy of such person's death certificate with the Trustee or, in the case of a deceased Trustee, with the successor Trustee.

11.18 Headings, Fonts, Gender. Clause headings and print fonts are for reading convenience and shall be disregarded when construing this trust agreement. The masculine, feminine, or neuter gender and the singular or plural shall each include the others whenever the context indicates.

11.19 Presumption of Survivorship. If the Settlor and DIANNE die simultaneously, or under circumstances making it impossible to determine the order of their deaths, DIANNE shall be conclusively presumed to have survived the Settlor.

11.20 Intentional Omission of Heirs. Except as otherwise provided in this agreement, the Settlor has intentionally omitted any provision for any heir of the Settlor, or any person claiming to be an heir of the Settlor, whether or not known to the Settlor

11.21 Inapplicability of Statutes Regarding Consent. The Settlor intend that the terms of this trust document supersede any provisions of California Probate Code §§ 5020-5032 (on spousal consent to nonprobate transfers of community property) that may be contrary to the terms of this trust.

11.22 No-Contest Clause. If any beneficiary under this trust, singularly or in combination with any other person or persons, directly or indirectly does any of the following acts, then the right of that person to take any interest given to him or her by this trust agreement shall be void, and any gift or other interest in the trust property to which the beneficiary would otherwise have been entitled shall pass as if he or she had predeceased the Settlor without descendants.

(a) Without probable cause challenges the validity of this trust, or the validity of any contract, agreement (including any trust agreement), declaration of trust, beneficiary designation, or other document executed by the Settlor, or executed by another for the benefit of the Settlor that is in existence on the date that this trust agreement is executed and further described as a Will, a beneficiary designation of an annuity, retirement plan, IRA, Keogh, pension or profit sharing plan or insurance policy, or a buy sell agreement, on any of the following grounds:

- (i) Forgery;
- (ii) Lack of due execution;
- (iii) Lack of capacity;
- (iv) Menace, duress, fraud, or undue influence;
- (v) Revocation pursuant to the terms of this trust agreement; other applicable instrument, document, or contract (as described in (a) above), or applicable law; or
- (vi) Disqualification of a beneficiary who is a “disqualified person” as described in California Probate Code section 21350 or applicable successor statute.

(b) Files a pleading to challenge the transfer of property under this trust agreement or other applicable instrument, document, or contract (as described in (a) above), on the grounds that it was not the transferor’s property at the time of the transfer; or

(c) Files a creditor’s claim or prosecutes any action against this trust or the estate of the Settlor for any debt alleged to be owed to the beneficiary-claimant.

11.23 Perpetuities Savings Clause. It is the express desire of the Settlor that the trusts created under this trust agreement continue for as long a time as it is beneficial to the beneficiaries, practical to administer, and consistent with the intent of the Settlor as otherwise provided herein, without being considered void due to a violation of any applicable rule against perpetuities. Avoiding or deferring estate and other transfer taxes shall be considered in determining what is in the best interest of the beneficiaries. Unless terminated earlier in accordance with other provisions of this trust agreement or unless otherwise provided herein, all trusts created under this trust agreement or by exercise of a power of appointment granted hereunder shall terminate at the latest possible date as determined under applicable law. Upon termination of a trust under this section, the Trustee shall distribute all of the principal and undistributed income of the trust to the income beneficiaries of the trust in the proportion in which they are entitled (or eligible, in the case of discretionary payments) to receive income immediately before the termination. If that portion is not fixed by the terms of the trust, the Trustee shall distribute all of the trust property to the persons then entitled or eligible to receive income from the trust outright in a manner that, in the Trustee’s opinion, will give effect to the intent of the Settlor in creating the trust. The Trustee’s decision is to be final and incontestable by anyone.

11.24 No Foreign Trust. It is the Settlor’s intention that all trusts created by this trust agreement qualify as United States persons under Internal Revenue Code § 7701(a)(30)(E), as amended, and that all provisions of this trust agreement be interpreted to carry out this intent. If

circumstances arise such that a trust created under this trust agreement would otherwise be deemed to be a “foreign trust” under the Internal Revenue Code, then the following provisions shall immediately take effect upon the occurrence of such circumstances: (1) the Superior Court of California shall be deemed to have jurisdiction over the administration of such trust, (2) the next available “United States Person” named as a successor Trustee under Section 6.1 above shall immediately serve as the Trustee, and (3) any power, fiduciary or otherwise, held by a person who is not a “United States Person” shall be effective only to the extent such power is not the power to make a “substantial decision” as defined in Treasury Regulation § 301.7701-7. “United States Person” shall have the meaning set forth in Internal Revenue Code § 7701(a)(30)(A) through (C), as amended. If there is no available United States Person named as a successor Trustee under Section 6.1, then the beneficiary or beneficiaries of such trust, who are United States Persons, or if none, the Independent Trustee, shall immediately be appointed as Special Trustee of such trust with the authority to control all substantial decisions of the trust and with the power to appoint a United States Person as Trustee of such trust and to perform any other acts that may be necessary to avoid a determination that the trust is a foreign trust. While a beneficiary is serving as Special Trustee, no distributions shall be allowed from such trust. At such time as the trust would no longer be considered a foreign trust regardless of the provisions of this Section 11.25 being invoked, the requirements of (1) (2) and (3) shall no longer apply.

12 Definitions. The following provisions apply to each trust established by this agreement.

12.1 Beneficiary, beneficiary. The capitalized term “Beneficiary” has the meaning set forth in Section 5 above; the lower case term “beneficiary” means any person who has a present or future interest in the trust.

12.2 Charity. The term “Charity” means an organization that is described in Internal Revenue Code § 2055(a), as amended, and that qualifies as a recipient of charitable contributions under Internal Revenue Code § 170(c), as amended.

12.3 Descendants, Child, Grandchild. The term “descendants” means the lineal descendants of the person referred to and such term (and other class terminology such as “child” and “grandchild”) shall include an adopted person who lived for a significant period during his or her minority as a member of the adoptive parent’s household, such a determination to be made by the Trustee, in the Trustee’s sole discretion. Such terms shall not include a stepchild or a foster child or any person who would be deemed an “equitable adoptee” under California law. If a term refers to two persons together, e.g., “their children,” the term refers to those who are children of both. If a term refers to two persons alternatively, e.g., “his or her children,” the term refers to those who are children of either.

12.4 Digital Assets. “Digital Assets” shall include, but not be limited to, emails, email accounts, digital music, digital photographs, digital videos, software licenses, social network accounts, cloud storage accounts, file sharing accounts, financial accounts, domain registration accounts, DNS service accounts, web hosting accounts, tax preparation service accounts, online stores, affiliate programs, other online accounts and similar digital items that currently exist or may exist as technology develops or such comparable items as technology develops, regardless of the ownership of the physical device upon which the digital item is stored, and anything

defined as a Digital Asset under the Revised Fiduciary Access to Digital Assets Act, as amended (California Probate Code §§ 870 et seq.).

12.5 Disability. For a definition of the terms “disability” or “disabled” see the definition for “Incompetent” below.

12.6 Education. The term “education” means costs of tuition and other fees charged by an educational institution, books and other educational materials and related expenses involved in pursuing to advantage a course of studies at any recognized educational institution, whether public or private, elementary, secondary, college, university or graduate school, professional school, trade school or institute. Related expenses may include living and travel expenses reasonably related to the beneficiary’s studies. The Trustee, in his, her or its sole discretion, shall determine (a) whether a beneficiary is pursuing an educational program within the foregoing definition, and (b) the extent to which the costs of such program are appropriate for payment by the Trustee.

12.7 Exempt. The term “Exempt” refers to a trust, or to assets in a trust, that are exempt from the application of the federal generation-skipping transfer tax by reason of allocation of generation-skipping transfer tax exemption or otherwise (such as, by way of example and not limitation, a trust that has an “inclusion ratio” as defined in Internal Revenue Code § 2642 of zero, or that is exempt from the generation-skipping transfer tax under the effective date legislation of the Tax Reform Act of 1986).

12.8 Incompetency, Incapacity, and Related Terms. A person shall be deemed “incompetent,” “incapacitated,” “disabled,” or suffering from “incompetency,” “incapacity,” or “disability,” if and for so long as such person is incapable of conducting his or her regular affairs, which condition is likely to extend for a period of greater than ninety (90) days, and which condition has been demonstrated by any one or more of the following: (i) a court of competent jurisdiction has made a finding to that effect; (ii) a guardian or conservator of his or her person or estate duly appointed by a court of competent jurisdiction is serving; (iii) upon certification by the person’s regularly attending physician (licensed to practice under the laws of the state where the person is domiciled) that the person is unable to properly care for himself or herself, for his or her person, or for his or her property, which certification shall be made by such physician in a written declaration under penalty of perjury; (iv) upon certification by two physicians (licensed to practice under the laws of the state where the person is domiciled) other than the person’s regularly attending physician, that the person is unable to properly care for himself or herself, for his or her person, or for his or her property, which certification shall be made by each physician in a written declaration under penalty of perjury; or (v) the person has not yet attained the age of majority under applicable state law.

Notwithstanding the foregoing, for purposes of determining a beneficiary’s ability/disability to exercise any right or receive any benefit otherwise provided under this trust agreement, the Trustee shall have discretion to determine when a beneficiary is unable to exercise any such right or to directly receive any such benefit, in such Trustee’s reasonable discretion, notwithstanding an absence of the criteria in (i) through (v) above being met. If any beneficiary disputes the Trustee’s determination of his or her disability, such beneficiary may petition the court for a finding regarding the same and the court’s finding shall be conclusive. If

the beneficiary is unsuccessful in challenging the Trustee's determination, the beneficiary shall bear all expenses associated with the court proceeding; if the beneficiary is successful in his or her challenge, the trust property shall bear all expenses associated with such court proceeding.

For purposes of determining a Trustee's capacity to serve as Trustee, each Trustee agrees to cooperate in any examination reasonably necessary for the purpose of determining such capacity, agrees to waive the doctor-patient privilege in respect to the results of such examination, and agrees to provide written authorization in compliance with the privacy regulations under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d) and the provisions of California Civil Code § 56.10 for the disclosure and use of such Trustee's health information and medical records to the extent that such disclosure and use are necessary to make a determination of the Trustee's capacity. Refusal to submit to the examination, to provide the waiver, or to provide the written authorization when requested by the successor Trustee and the current beneficiaries of the trust shall be deemed a resignation by that Trustee.

12.9 Internal Revenue Code. The terms "Internal Revenue Code," "IRC," or "Code" mean the Internal Revenue Code of 1986 as amended from time to time.

12.10 Non-Exempt. The term "Non-Exempt" refers to a trust, or to assets in a trust, that are not "Exempt."

12.11 Principle of Representation. The term "principle of representation" refers to division among a decedent's descendants into as many equal shares as there are (i) surviving children of the decedent, if any, and (ii) children of the decedent who failed to survive the decedent but who left descendants who survive the decedent. Each surviving child is allocated one share. The share of each child who failed to survive the decedent but who left descendants who survive the decedent is divided in the same manner, with subdivision repeating at each succeeding generation until the share is fully allocated among surviving descendants. The term "principle of representation" as used in this trust agreement shall be analogous to "by representation" or "by right of representation" as those terms are defined in California Probate Code § 246.

12.12 Qualified Person. With respect to a trust, a person or entity is a "Qualified Person" if the person or entity is a corporation, partnership, limited liability company, or an individual qualified to act as a trustee in the United States or any other common law jurisdiction other than the Settlor, a beneficiary of the trust, or a person who is a "related or subordinate party" (as such term is defined in Internal Revenue Code § 672, as amended) with respect to the Settlor or beneficiary of the trust.

12.13 Qualified Spouse. The term "Qualified Spouse" shall mean the spouse of the Settlor who was married to and living with the Settlor at the time of the Settlor's death. However, the Settlor and the person referred to may be living apart at the time of the Settlor's death provided there was an intent for the parties to live together again (e.g., one party temporarily living somewhere else for a job or to care for a family member), or they could not live together due to the circumstances (e.g., one party living in a skilled nursing facility). The Trustee shall, in the Trustee's sole and absolute discretion, determine whether the person referred

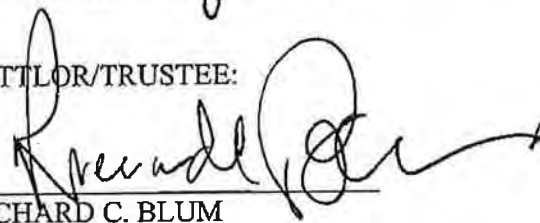
to as the spouse meets the requirement of "living with the Settlor at the time of his death." However, if the person referred to as the spouse is the then acting Trustee, the next named successor Trustee shall make such determination.

12.14 Settlor. The term "Settlor" has the meaning set forth in the first sentence of this trust agreement.

12.15 Tangible Personal Property. The term "Tangible Personal Property" includes, but is not limited to, the following items whether in physical or digital format: personal automobiles, recreational vehicles, boats, airplanes, frequent flyer benefits, loyalty program benefits, pets, horses, livestock, collectables, files, papers, writings, letters, emails, blog posts, website content, manuscripts, financial records, china, silver, books, pictures, photographs, videos, music, paintings, sculpture, other works of art, furniture and furnishings, electronics, clothing, jewelry, personal effects and all other similar items of tangible personal property used personally by one or both Settlor. "Tangible Personal Property" includes any insurance coverage on such property and any proceeds of such insurance coverage. "Tangible Personal Property" does not include cash/currency (domestic, foreign, or digital, such as bitcoins), intangible assets (even if represented by tangible documentation of ownership, unless specifically listed above), property used in a trade or business, bars of gold, coins, or other investment grade items of precious metal, stones and like property held primarily for investment.

12.16 Trustee. The term "Trustee" means the original Trustee named in the first sentence of this trust agreement and any successor Trustee. The term Trustee refers to the singular or plural as the context may require.

Executed, accepted, and received at San Francisco California,  
on June 15 2017.

SETTLOR/TRUSTEE:  
  
RICHARD C. BLUM

ACKNOWLEDGEMENT

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

State of California

County of San Francisco

On June 15, 2017 before me, Julia Chungsun Lee Notary Public, personally appeared RICHARD C. BLUM, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Julia Chungsun Lee (Seal)



TWELFTH AMENDMENT AND COMPLETE RESTATEMENT  
OF THE AGREEMENT ESTABLISHING THE  
RICHARD C. BLUM REVOCABLE TRUST

SCHEDULE A

1.



TWELFTH AMENDMENT AND COMPLETE RESTATEMENT  
OF THE AGREEMENT ESTABLISHING THE  
RICHARD C. BLUM REVOCABLE TRUST

SCHEDULE B

SPECIFIC ALLOCATION OF ITEMS OF  
TANGIBLE PERSONAL PROPERTY

Item of Tangible Personal Property	Primary Beneficiary	Alternate Beneficiary, if any	Settlor Signature/ Dianne	Date of Signature

\* May be continued on additional pages consistent with format above

# Exhibit B

**EXHIBIT B  
TO**

**PETITION (1) TO COMPEL ACCOUNTING; (2) TO INSTRUCT TRUSTEES TO FUND  
MARITAL TRUST; (3) FOR BREACH OF TRUST; (4) TO SET ASIDE ACTS OF TRUSTEES;  
(5) TO DISGORGE AND REDUCE TRUSTEES' COMPENSATION; (6) TO SUSPEND AND  
REMOVE TRUSTEES; (7) FOR FINANCIAL ELDER ABUSE; (8) TO PROHIBIT TRUSTEES  
FROM USING TRUST FUNDS**

**THIRTEENTH AMENDMENT OF THE  
AGREEMENT ESTABLISHING THE  
RICHARD C. BLUM REVOCABLE LIVING TRUST**

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This THIRTEENTH AMENDMENT TO THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE TRUST (this "Amendment") is executed by RICHARD C. BLUM, as Settlor and Trustee of the RICHARD C. BLUM REVOCABLE TRUST, dated January 9, 1996.

**RECITALS:**

WHEREAS, RICHARD C. BLUM, as Trustor (hereinafter referred to as "Settlor"), established the RICHARD C. BLUM REVOCABLE TRUST on January 9, 1996 (the "Trust"). The Settlor amended the RICHARD C. BLUM REVOCABLE TRUST numerous times and then amended and completely restated the RICHARD C. BLUM REVOCABLE TRUST by execution of that certain TWELFTH AMENDMENT AND COMPLETE RESTATEMENT OF THE AGREEMENT CREATING THE RICHARD C. BLUM REVOCABLE TRUST on June 15, 2017 (the "Trust Agreement");

WHEREAS, per the terms of the Trust Agreement, RICHARD C. BLUM is the current duly appointed Trustee acting under the Trust Agreement;

WHEREAS, Section 2.1 of the Trust Agreement provides that during his lifetime, the Settlor shall have the unrestricted power to amend the Trust Agreement and Section 2.3 of the Trust Agreement provides that each amendment shall be in a written document other than a Will and shall be effective when received by the Trustee; and

WHEREAS, RICHARD C. BLUM desires to exercise his right of amendment, and, to that end, does hereby amend the Trust Agreement on the terms stated below.

NOW THEREFORE, the Trust Agreement is amended as follows:

I Section 1.2 of the Trust Agreement is hereby amended in its entirety to provide as follows:

"1.2 The Trust Estate. Any property currently held by the Trustee and all property thereafter transferred to any trust created under this trust agreement, and the income and proceeds attributable to all such property, shall constitute the 'trust estate' and shall be held, managed, and distributed as provided in this trust agreement. Assets may be listed on Schedule A hereto or any amendment to Schedule A hereto, but a failure to list property transferred to the trust will not mean it is not held by the trust."

II By execution of this document, the Settlor hereby declares that all assets detailed on Schedule A hereto are held by him as Trustee to this trust. Therefore, the Settlor and the Trustee hereby declare that the Trustee holds the property listed on Schedule A hereto. In addition, the Settlor confirms that such declarations are a transfer of the subject property to this Trustee as part

of the trust estate. Furthermore, the Settlor understands and believes that all assets detailed on Schedule A attached hereto are his sole and separate property.

III Section 11.25 is hereby added to the Trust Agreement and shall provide in its entirety as follows:

"11.25 Defense Directive. The Trustee is authorized to defend, at the expense of the trust estate, any contest or other attack of any nature on this trust or any of its provisions."

IV No-Contest Clause. If any beneficiary under this Amendment or the Trust Agreement, singularly or in combination with any other person or persons, directly or indirectly does any of the following acts, then the right of that person to take any interest given to him or her by this Amendment or the Trust Agreement shall be void, and any gift or other interest in the trust property to which the beneficiary would otherwise have been entitled shall pass as if he or she had predeceased the Settlor without issue:

(a) Without probable cause challenges the validity of the Trust Agreement, this Amendment, or the validity of any contract, agreement (including any trust agreement), declaration of trust, beneficiary designation, or other document executed by the Settlor, or executed by another for the benefit of the Settlor that is in existence on the date that this Amendment is executed and further described as a Will, a beneficiary designation of an annuity, retirement plan, IRA, Keogh, pension or profit sharing plan or insurance policy, or a buy sell agreement, on any of the following grounds:

- (i) Forgery;
- (ii) Lack of due execution;
- (iii) Lack of capacity;
- (iv) Menace, duress, fraud, or undue influence;
- (v) Revocation pursuant to the terms of this trust declaration; other applicable instrument, document, or contract (as described in (a) above), or applicable law;
- (vi) Disqualification of a beneficiary who is a "disqualified person" as described in California Probate Code section 21350 or applicable successor statute.

(b) Files a pleading to challenge the transfer of property to the Trust under the Trust Agreement, this Amendment, or other applicable instrument, document, or contract (as described in (a) above), on the grounds that it was not the transferor's property at the time of the transfer; or


(c) Files any creditor's claim or prosecutes any action against any trust created under the Trust Agreement or the estate of the Settlor for any debt alleged to be owed to the beneficiary-claimant.

V The Settlor intends that the No-Contest Clause set forth in Paragraph IV above applies to all provisions of the Trust Agreement, this Amendment, and all transfers to the Trustee of the

RICHARD C. BLUM REVOCABLE TRUST whether pursuant to the Trust Agreement, this Amendment, or otherwise.

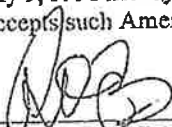
VI In every other respect, the Settlor incorporates by reference, confirms, and ratifies the terms of the Trust Agreement.

IN WITNESS WHEREOF, the Settlor has executed this THIRTEENTH AMENDMENT OF THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE TRUST this 29 day of May, 2018, at San Francisco CO, California.

  
\_\_\_\_\_  
RICHARD C. BLUM, Settlor

ACCEPTANCE BY TRUSTEE

The undersigned Trustee of the RICHARD C. BLUM REVOCABLE TRUST, dated January 9, 1996 hereby acknowledges receipt of the foregoing Amendment to the Trust Agreement and accepts such Amendment.

  
\_\_\_\_\_  
RICHARD C. BLUM, Trustee

Dated: May 29, 2018

ACKNOWLEDGEMENT

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

State of California  
County of SAN FRANCISCO

On May 29, 2018, before me, Julia Chungsun Lee, Notary Public, personally appeared Richard C. Blum, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Julia Chungsun Lee (Seal)



## SCHEDULE A

### ASSETS OF THE RICHARD C. BLUM REVOCABLE LIVING TRUST

#### Cash and Securities

100% interest in Goldman Sachs Account 7DRS  
100% interest in Bank of America Checking Account ending in 4408  
100% interest in First Republic Money Market Checking Account ending in 6694  
100% interest in JP Morgan Account ending in 6741  
100% interest in JP Morgan Account ending in 2131  
100% interest in Stifel Nicolaus Brokerage Account ending in 4170  
100% interest in Northern Trust Brokerage Account ending in 2239  
100% interest in Northern Trust Brokerage Account ending in 5347

Any and all other property interests in stocks and other securities (whether in certificate form or in a dividend reinvestment plan), and any and all government bonds (whether in certificate form or held by custodians).

#### Business Assets

Any and all interests in Blum Family Partners, L.P., a Delaware limited partnership, and all sub-divisions of Blum Family Partners, L.P. held in the name of Richard C. Blum and/or the Richard C. Blum Revocable Living Trust, including but not limited to:

- 99% limited partnership interest in the sub-division of Blum Family Partners, L.P. owning 11,665 shares of Avid Technology, Inc. stock in BTIG Brokerage Account 7DRT
- 81.147528% limited partnership interest in the sub-division of Blum Family Partners, L.P. owning interests in BBA Foresight, LLC, an Arizona limited liability company
- 99% limited partnership interest in the sub-division of Blum Family Partners, L.P. owning interests in BBA Foresight, LLC, a New Mexico limited liability company
- 99% limited partnership interest in the sub-division of Blum Family Partners, L.P. owning interests in Bell Mountain Capital Partners, LLC, a Delaware limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in BFP Tideline LLC, a Delaware limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Bill Press Partners, LLC, a Delaware limited liability company
- 89.477784% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Blum Family Partners GDM, L.L.C., a Delaware limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Blum GA IV, L.P., a Delaware limited partnership
- 99% interest in sub-division of Blum Family Partners, L.P. owning interests in Campanile Impact Fund, L.P., a Delaware limited partnership

- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Carlton Hotel Properties, a California limited partnership
- 49% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Central Station Land LLC, a California limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Coral Growth Investments Limited
- 74.25% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Francisco Partners, LP
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Gobi Investments Partners LP, a Delaware limited partnership
- 69.3% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Greycroft Partners, L.P., a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in BCP Investment, L.P., a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Latitude Capital Management LP, a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Lucky Bluff, L.L.C., a California limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Montgomery Street Partners II, L.P., a California limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in RST, Inc.
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Petits Pains & Co., L.P., a California limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Tensile Capital Partners, LP, a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Tenzing Global Investors LLC, a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Blum Capital Partners T, L.P., a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in TPG Chinos Co-Invest, L.P., a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Walker Street SP Brooklyn I, LLC, a Delaware limited liability company
- 77.22% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Zignal Labs, Inc., a Delaware corporation
- 82.17% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Pontifax Global Food and Agriculture Technology Fund, LP
- 75.24% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Vida Ventures, LLC
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in 812 Brooks LLC, a Delaware limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Montgomery Street GP Acquisition Fund GP, LP



- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Montgomery Street GP Acquisition Fund, LP

81.388% limited partnership interest in Blum Capital Partners, L.P., a California limited partnership

95.593995% of the shares of stock in RCBA, Inc., a Delaware corporation

37,169 shares of CB Richard Ellis Group Inc. stock held in BTIG Brokerage Account 7DRS

5,996 shares of Avid Technology, Inc. stock in BTIG Brokerage Account 7DRS

100% interest in Yosemite Investments LLC, a California limited liability company

24.13% interest in Blum Strategic GP II, L.L.C., a Delaware limited liability company

8.56% interest in Blum Strategic Equity II, L.L.C., a Delaware limited liability company

12.95% interest in Blum Strategic GP III, L.L.C., a Delaware limited liability company

10.63% interest in Blum Strategic Equity III, L.L.C., a Delaware limited liability company

0.31% interest in Blum Strategic GP IV, L.L.C., a Delaware limited liability company

6.24% interest in Blum Strategic Equity IV, L.L.C., a Delaware limited liability company

19.93% interest in Blum Strategic GP V, L.L.C., a Delaware limited liability company

40% interest in Tenzing Asian Art LLC, a California limited liability company

100% of Blum Investment Partners, Inc., a California corporation

100% of Blum Investments Partners II Inc., a California corporation

65.4% limited partnership interest in Blum Capital Partners T, L.P., a Delaware limited partnership

100% interest in Montgomery Tideline, LLC

#### Real Property

Undivided 1% interest in that certain real property commonly known as 701 Ocean Avenue #208, City of Santa Monica, County of Los Angeles, State of California (APNs 4293-014-183 & 4293-014-184)

Undivided 1% interest in that certain real property commonly known as 2836 & 2638 Washington Street, City of San Francisco, County of San Francisco (APN Lot 13, Block 979)

Undivided 50% interest in that certain real property commonly known as 3300 Nebraska Avenue NW, Washington D.C. (APN 1513-0000-0005)

Undivided 87.13% interest in that certain real property commonly known as 9105 State Highway 89, City of Tahoma, County of El Dorado, State of California (APN 016-131-06-100)

100% of the improvements on that certain real property commonly known as 9105 State Highway 89, City of Tahoma, County of El Dorado, State of California (APN 016-131-06-100)

Loans Receivable

Any and all promissory notes and other receivables payable by Annette C. Blum to Richard C. Blum and/or the Richard C. Blum Revocable Trust, including but not limited to: (i) that certain promissory note dated September 1, 2012 with a face amount of \$1,722,976; and (ii) that certain promissory note dated March 29, 2018 with a face amount of \$2,428,900 and/or any other loan in connection with the purchase of share of Capital Stock in Park South Tenants Corporation and Annette C. Blum's interest in that certain Proprietary Lease for Apartment Number 20H at 200 Central Park South, New York, New York

Any and all promissory notes and other receivables payable by Heidi Blum to Richard C. Blum and/or the Richard C. Blum Revocable Trust, including but not limited to: (i) that certain promissory note dated September 1, 2012 with a face amount of \$5,168,112; and (ii) those certain loans with a collective principal balance of approximately \$6,647,757

Any and all promissory notes and other loans payable by Eileen Blum to Richard C. Blum and/or the Richard C. Blum Revocable Trust, including but not limited to: (i) that certain promissory note dated September 1, 2012 with a face amount of \$2,799,461; and (ii) any promissory note or loan in connection with Eileen Blum's purchase of interests in that certain real property known as 641 Hilary Drive, Tiburon, California

Any promissory note or loan in connection with Alain Bourgade's purchase of interests in that certain real property known as 641 Hilary Drive, Tiburon, California

That certain promissory note dated October 11, 2012 payable by the Blum 2011 Irrevocable Trust to the Richard C. Blum Revocable Trust with a face amount of \$4,951,649

Any and all promissory notes and other loans payable by the 1987-1988 Richard C. Blum Children's Trust to Richard C. Blum and/or the Richard C. Blum Revocable Trust, including but not limited to: (i) that certain promissory note dated April 1, 2014 with a face amount of \$17,213,667; (ii) that certain loan made on November 16, 2017 in the face amount of \$5,494,421; and (iii) that certain revolving loan originating on August 13, 2012

Any and all promissory notes and other loans payable by Erica Stone and/or Mars Stone to Richard C. Blum and/or the Richard C. Blum Revocable Trust

Any and all promissory notes and other loans payable by Norbu Tenzing to Richard C. Blum and/or the Richard C. Blum Revocable Trust

Any and all promissory notes and other loans payable by any grandchild of the Settlor, including Benjamin Bourgade and Julien Bourgade, to Richard C. Blum and/or the Richard C. Blum Revocable Trust

Any and all promissory notes and other loans payable by BBA Foresight I to Richard C. Blum and/or the Richard C. Blum Revocable Trust

Any and all promissory notes and other loans payable by BBA Foresight II to Richard C. Blum and/or the Richard C. Blum Revocable Trust

Notwithstanding any contrary provision in this Schedule A, any asset, such as a qualified retirement plan, pension plan or commercial annuity, where the transfer of such asset would result in the immediate recognition of income subject to income tax, is specifically excluded from assignment to the trust estate and will remain titled in the name of the Settlor during the Settlor's lifetime.

RICHARD C. BLUM, as the Settlor of the RICHARD C. BLUM REVOCABLE TRUST, dated January 9, 1996 (the "Trust"), hereby declares the above assets are assets of the trust estate of the Trust whether title is held by the Trust or by the Settlor, and whether acquired before or after execution of the Trust's governing trust agreement. Any property of the Settlor held in a name other than that of the trustee of the Trust shall be held by such party of record as a nominee for the benefit of the Trust.

# Exhibit C

**EXHIBIT C  
TO**

**PETITION (1) TO COMPEL ACCOUNTING; (2) TO INSTRUCT TRUSTEES TO FUND  
MARITAL TRUST; (3) FOR BREACH OF TRUST; (4) TO SET ASIDE ACTS OF TRUSTEES;  
(5) TO DISGORGE AND REDUCE TRUSTEES' COMPENSATION; (6) TO SUSPEND AND  
REMOVE TRUSTEES; (7) FOR FINANCIAL ELDER ABUSE; (8) TO PROHIBIT TRUSTEES  
FROM USING TRUST FUNDS**

**FOURTEENTH AMENDMENT OF THE  
AGREEMENT ESTABLISHING THE  
RICHARD C. BLUM REVOCABLE LIVING TRUST**

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This FOURTEENTH AMENDMENT TO THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE TRUST (this "Amendment") is executed by RICHARD C. BLUM, as Settlor and Trustee of the RICHARD C. BLUM REVOCABLE TRUST, dated January 9, 1996.

**RECITALS:**

WHEREAS, RICHARD C. BLUM, as Trustor (hereinafter referred to as "Settlor"), established the RICHARD C. BLUM REVOCABLE TRUST on January 9, 1996 (the "Trust"). The Settlor amended the RICHARD C. BLUM REVOCABLE TRUST numerous times and then amended and completely restated the RICHARD C. BLUM REVOCABLE TRUST by execution of that certain TWELFTH AMENDMENT AND COMPLETE RESTATEMENT OF THE AGREEMENT CREATING THE RICHARD C. BLUM REVOCABLE TRUST on June 15, 2017 (the "Twelfth Amendment and Restatement") and then subsequently executed the THIRTEENTH AMENDMENT OF THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE LIVING TRUST on May 29, 2018 (the "Thirteenth Amendment");

WHEREAS, the Twelfth Amendment and Restatement as amended by the Thirteenth Amendment is hereinafter referred to as the "Trust Agreement";

WHEREAS, per the terms of the Trust Agreement, RICHARD C. BLUM is the current duly appointed Trustee acting under the Trust Agreement;

WHEREAS, Section 2.1 of the Trust Agreement provides that during his lifetime, the Settlor shall have the unrestricted power to amend the Trust Agreement and Section 2.3 of the Trust Agreement provides that each amendment shall be in a written document other than a Will and shall be effective when received by the Trustee; and

WHEREAS, RICHARD C. BLUM desires to exercise his right of amendment, and, to that end, does hereby amend the Trust Agreement on the terms stated below.

NOW THEREFORE, the Trust Agreement is amended as follows:

I Section 1.1 is hereby amended in its entirety to provide as follows:

"1.1 Family and Marital Status. The Settlor is married to DIANNE FEINSTEIN ('DIANNE'). The Settlor has three (3) children from a prior marriage, namely: (i) ANNETTE CYNTHIA BLUM, born July 8, 1961 ('ANNETTE'); (ii) HEIDI BLUM, born June 8, 1964 ('HEIDI'); and (iii) EILEEN BLUM, born March 2, 1968 ('EILEEN'). All references to a child of the Settlor or children of the Settlor shall refer only to ANNETTE, HEIDI, and EILEEN. Furthermore, for all purposes of this agreement, the descendants of the Settlor shall include only

ANNETTE, HEIDI, EILEEN, and any descendants (as that term is defined in Section 12.3 below) of ANNETTE, HEIDI, and EILEEN.

DIANNE has one (1) child from a prior marriage, namely, KATHERINE ANNE FEINSTEIN ('KATHERINE')."

II Section 3.4 is hereby added to the Trust Agreement and shall provide in its entirety as follows:

"3.4 Sale of Airplane(s). If the trust holds one or more airplanes and the Settlor becomes unable to use such airplane(s) due to his physical or mental incapacity, then the Trustee shall immediately sell such airplane(s). If the trust holds an interest in any business entity that owns one or more airplanes and the Settlor becomes unable to use such airplane(s) due to his physical or mental incapacity, then the Trustee shall exercise all voting power in such entity in favor of immediately selling such airplane(s)."

III Section 4 of the Trust Agreement is hereby amended in its entirety to provide as follows:

"4 Division and Distribution Upon Death of the Settlor. Notwithstanding any provision herein to the contrary, as soon as practicable following the Settlor's death, the Trustee shall sell any airplane(s) that are or become part of the trust estate as a result of the death of the Settlor. The resulting funds from the sale of such airplane(s) owned directly by the trust shall be distributed pursuant to the provisions of this Section 4 as cash proceeds (and not pursuant to the provisions regarding distribution of tangible personal property). If the trust holds, or receives as a result of the Settlor's death, an interest in any business entity that owns one or more airplanes, the Trustee shall exercise all voting rights in such entity in favor of selling such airplane(s) as soon as practicable after the Settlor's death.

Upon the death of the Settlor, the Trustee shall divide and distribute the trust estate, including such items of property as may be received by reason of such death, as provided in this Section 4. The Trustee shall divide and distribute the trust estate in the order listed below in this Section 4.

Notwithstanding the foregoing, if the assets of the trust estate are insufficient to satisfy all of the provisions of Sections 4.1 through 4.8 below (i.e., the specific bequests), then the specific bequests shall be reduced or abated in the following order to the extent necessary to ensure that all other specific bequests are satisfied: (i) the amount set aside in Section 4.8 shall first be reduced or abated; (ii) the bequests in Section 4.7 shall then be reduced or abated on a pro rata basis by value; (iii) the bequests in Section 4.5 shall then be reduced or abated with the loans payable by beneficiaries who are not descendants of the Settlor being reduced or abated first on a pro rata basis by value, then loans payable by grandchildren or more remote descendants of the Settlor being reduced or abated on a pro rata basis by value, then loans payable by children of the Settlor being reduced or abated in equal amounts among the children of the Settlor (i.e., on a per stirpital basis) (to the extent any loans of one or two children of the Settlor have been forgiven in full, the remaining loans payable by children of the Settlor shall continue to be forgiven on a per stirpital basis to the extent assets allow); (iv) the bequests in Section 4.4 shall then be reduced or abated in equal amounts among the children of the Settlor (i.e., on the basis of

the principle of representation); (v) the bequests in Section 4.6 shall then be reduced or abated on a pro rata basis by value if such bequests are made to the descendants of the Settlor; (vi) the bequests in Section 4.3 shall then be reduced or abated; (vii) the bequests in Section 4.1 shall then be reduced or abated on a pro rata basis by value; and (viii) amount needed to satisfy the charitable commitments shall be reduced or abated. If a specific bequest of an asset (for example, a bequest of a residence made in Section 4.3) is to be reduced or eliminated, the Trustee shall have discretion to allow the beneficiary(ies) of such bequest(s) to purchase from the trust estate the asset that was to be received by the originally intended bequest but is reduced or eliminated, thereby allowing such beneficiary to receive the specific asset and avoid any unintended fractional ownership.

It is the Settlor's intent that the bequests made in Sections 4.1 through 4.7 and Section 4.9.1 be net of estate, death, inheritance, and (where there are direct skips) generation-skipping transfer tax. All such taxes on such bequests shall be paid from the remainder share of the trust estate passing pursuant to Section 4.9.2 in the manner provided in that Section. It is the Settlor's intent that if a beneficiary receives a specific bequest and a share of the remainder, then any such taxes on such beneficiary's specific bequest shall be paid from the remainder, including such beneficiary's share of the remainder as if such specific bequest were not to an individual who is also a remainder beneficiary. The Settlor intends that the provisions of Section 4.8 be an expense of the trust estate and not be subject to estate, death, inheritance, or generation-skipping transfer tax; however, to the extent such provisions are subject to any such tax, all such taxes shall be paid from the remainder share of the trust estate passing pursuant to Section 4.9.2 in the foregoing manner. If it is not possible to satisfy all specific bequests net of such taxes, then all such bequests shall be subject to such taxes by equitably prorating such taxes in the manner provided under California law. Notwithstanding the foregoing, any assets qualifying for the marital deduction shall pass free of any estate or inheritance taxes.

**4.1 Distribution of Tangible Personal Property.** The Settlor intends to hold any and all items of Tangible Personal Property during his and DIANNE's joint lifetimes in the trust estate of the RICHARD C. BLUM AND DIANNE FEINSTEIN JOINT PROPERTY REVOCABLE TRUST (the "Joint Property Trust"). However, upon the death of the Settlor or DIANNE, certain items of Tangible Personal Property held under the Joint Property Trust will be distributed to the Trustee to be held hereunder. The Settlor intends to carry out the distribution of Tangible Personal Property in a synchronized manner with the Joint Property Trust such that, after taking into account distributions of Tangible Personal Property from the trust estate of the Joint Property Trust and lifetime gifts by the Settlor and/or by DIANNE, any and all Tangible Personal Property (or the proceeds of any sales thereof) shall be distributed in equal shares to each of ANNETTE, HEIDI, EILEEN, and KATHERINE (or to her/their respective living descendants on the principle of representation (or a spouse as may be specifically provided hereunder) if any of the foregoing persons are not then living), or to one or more Charities as further provided hereunder. Furthermore, this Section 4.1 provides for distributions of Tangible Personal Property that are deemed part of this trust estate, even during the joint lifetimes of the Settlor and DIANNE, if the Settlor is the first to die, as a savings clause should any such



items of Tangible Personal Property remain or become part of the trust estate hereunder during the joint lifetimes of the Settlor and DIANNE.

The Trustee shall divide any remaining Tangible Personal Property as provided in this Section 4.1, and any costs of packing and shipping the Tangible Personal Property to any person under this Section 4.1, where shipment of such property is necessary to its delivery, shall be charged to the residue of the trust estate.

4.1.1 Distribution of Remaining Tangible Personal Property if Settlor is Survived by Dianne. If DIANNE survives the Settlor and is a Qualified Spouse at the time of the Settlor's death, then the Trustee shall distribute any and all remaining Tangible Personal Property to the Marital Trust to be held and administered as provided in Section 5.1 below. If DIANNE does not survive the Settlor or is not a Qualified Spouse at the time of the Settlor's death, then the Trustee shall distribute the remaining Tangible Personal Property as provided in Section 4.1.2 below.

4.1.2 Distribution of Remaining Tangible Personal Property if Settlor is Not Survived by Dianne or Upon Dianne's Death. (i) If DIANNE does not survive the Settlor or is not a Qualified Spouse at the time of the Settlor's death, or (ii) upon assets passing pursuant to this Section 4.1.2 according to the provisions of Section 5.1.4 below, the Trustee shall distribute the remaining Tangible Personal Property as provided in this Section 4.1.2. The Settlor intends that any and all Tangible Personal Property to be distributed pursuant to this Section 4.1.2 (including proceeds from the sale of any Tangible Personal Property allocated to the Marital Trust upon the death of the Settlor), after taking into account distributions of Tangible Personal Property from the trust estate of the Joint Property Trust and any distributions to Charity as allowed hereunder, be distributed in equal shares as follows:

(a) One share for ANNETTE, if she is then living, and if she is not then living, for the descendants of ANNETTE on the principle of representation. If ANNETTE is not then living and has no then living descendant, this share shall not be created.

(b) One share for HEIDI, if she is then living, and if she is not then living, for the descendants of HEIDI on the principle of representation. If HEIDI is not then living and has no then living descendant, this share shall not be created.

(c) One share for EILEEN, if she is then living, and if she is not then living, for the descendants of EILEEN on the principle of representation. If EILEEN is not then living and has no then living descendant, this share shall not be created.

(d) One share for KATHERINE, if she is then living, and if she is not then living, for the descendants of KATHERINE on the principle of representation. If KATHERINE is not then living and has no then living descendant, the Trustee shall create one share for RICK MARIANO, if he is then living, and if he is also not then living, this share shall not be created.



Therefore, upon assets passing pursuant to this Section 4.1.2, the Trustee, after considering the personal preferences of the beneficiaries under this Section 4.1.2, and after accounting for the adjustments as provided in this Section 4.1.2, shall divide any and all Tangible Personal Property, and the sales proceeds of any Tangible Personal Property that were allocated to the Marital Trust upon the death of the Settlor, passing pursuant to this Section 4.1.2, into shares of equal value (or as close to equal shares as reasonably possible, with no offset, since the Settlor recognizes that it may not be possible or practical to divide Tangible Personal Property into exactly equal shares) as provided in subsections (a) through (d) above (the "Tangible Personal Property Shares").

Any item of Tangible Personal Property that was allocated to the Marital Trust upon the Settlor's death but was not included in the trust estate upon DIANNE's death (after accounting for any distributions to Charity as provided hereunder) shall be presumed to have been sold during DIANNE's lifetime and the sales proceeds to be included in the distribution under this Section 4.1.2 shall be the remaining net actual proceeds from any such sale, or if the sales proceeds are for any reason untraceable (as the Trustee may determine), the sales proceeds to be included in the distribution under this Section 4.1.2 shall be equal to the fair market value of such item(s) of Tangible Personal Property as valued upon the Settlor's death.

Notwithstanding the foregoing, if pursuant to DIANNE's exercise of certain powers granted to her under the Joint Property Trust, DIANNE causes the Tangible Personal Property that was once held under the Joint Property Trust to be distributed in such a way so that each of ANNETTE, HEIDI, EILEEN, and KATHERINE (or if deceased, their respective living descendants on the principle of representation (or RICK MARIANO as provided in subsection (d) above)) do not receive an equal share of all such Tangible Personal Property (and/or the proceeds of any sale thereof, but after accounting for any distributions to Charity as allowed hereunder), then the Trustee may reduce any Tangible Personal Property Shares, up to the whole thereof, such that after accounting for any distributions made by DIANNE during her lifetime or at her death under the Joint Property Trust, the DIANNE FEINSTEIN TRUST U/D/T dated June 23, 1978, or any other testamentary or lifetime instrument executed by DIANNE each of ANNETTE, HEIDI, EILEEN, and KATHERINE (or if deceased, their respective living descendants on the principle of representation (or RICK MARIANO as provided in subsection (d) above)) shall receive an equal share, or as close to equal as possible, of all Tangible Personal Property (and/or the proceeds of any sale thereof) received from the trust estate held hereunder, from the Joint Property Trust, and/or from the DIANNE FEINSTEIN TRUST U/D/T dated June 23, 1978 (or any other testamentary instrument of DIANNE). The Trustee shall have sole discretion to determine if such an adjustment is necessary, and to what extent, and to adjust the Tangible Personal Property Shares as the Trustee deems appropriate, and the Trustee's decision in this regard shall be final and incontestable by anyone.

The Trustee shall distribute any Tangible Personal Property Share created under this Section 4.1.2 to the person for whom the share was created, outright and free of trust, subject to the provisions of Section 11.4 below. Notwithstanding the foregoing, if HEIDI is not a resident of the United States at the time of the Settlor's death,

her share of any Tangible Personal Property shall be distributed to a Non-Exempt Trust for her benefit (and combined with any other assets held for her in such trust) to be held and distributed in the manner set forth in Section 5.4 below.

The Settlor and/or DIANNE may specify certain items of Tangible Personal Property to be distributed to specified individual(s) who are beneficiaries under this Section 4.1.2 (that is, ANNETTE, HEIDI, EILEEN, KATHERINE, RICK MARIANO, any descendant of any of ANNETTE, HEIDI, EILEEN, or KATHERINE), and any such item(s) so distributed shall then be allocated as a part of (up to the whole thereof) the share created above for any such individual, or for the ancestor of such individual for whom a share is being created above. For example, the Settlor and/or DIANNE may indicate a specific ring to be distributed to EILEEN MARIANO (KATHERINE's daughter), and the value of such ring shall be allocated as part of the total value of the share created above for KATHERINE (assuming that KATHERINE was then living upon distribution under this Section 4.1.2) or allocated as part of the total value of the share created for KATHERINE's descendants or RICK MARIANO (if KATHERINE was not living upon distribution under this Section 4.1.2).

If the Settlor and/or DIANNE desire a specific item of Tangible Personal Property be distributed to a specific beneficiary of this Section 4.1.2, pursuant to the foregoing paragraph, he or she shall complete Schedule "B", attached hereto. The Settlor and/or DIANNE shall describe the item with specific clarity so that the Trustee can accurately identify the item to be distributed and should use his or her best efforts to tie the description to any supporting documentation, such as an appraisal report, a line item on a property insurance rider, or a photograph. The Trustee is empowered to utilize such ancillary information, including input from the beneficiaries, to properly identify the items to be so specifically allocated, and it shall be at the Trustee's sole discretion to identify the items to be so allocated. If the Trustee determines that an item listed on Schedule "B" is no longer part of the trust estate upon the death of the Settlor or upon the death of DIANNE, as the case may be, that line item on Schedule B shall be void and of no force or effect.

If the total value of the item(s) listed on Schedule "B" to be distributed to a specific individual is greater than the total value of the share to be allocated to that individual (or his or her ancestor), then the Trustee, in the Trustee's discretion, may determine that the specified distribution cannot be made, or the Trustee may offer to distribute such item with the individual receiving such item(s) paying to the trust estate the amount the value of the item(s) exceeds the value of the share to be allocated to such individual (or to his or her ancestor). An individual who is identified to receive a specific item(s) may inform the Trustee if he or she does not wish to receive such item(s) as part of his or her share, and the Trustee shall have the discretion to determine whether or not such item shall be made a part of such individual's share. If both the Settlor and DIANNE have designated the same item of Tangible Personal Property for a specific allocation on their respective Schedule "B"s, the Trustee shall have the discretion to determine which individual shall receive such item and may consider the respective wishes of the individual recipients and any ancillary information the Trustee deems relevant in determining the appropriate final allocation of such item.

If upon the death of the Settlor or upon the death of DIANNE, as the case may be, the individual identified in the Primary Beneficiary column of Schedule "B"

is not then living, then the item shall be distributed to the individual identified in the Alternate Beneficiary column, if any. If the Alternate Beneficiary is not then living, or the Alternate Beneficiary column is not completed, the item shall be distributed with the remaining items of Tangible Personal Property pursuant to this Section 4.1.2. The California anti-lapse statute shall not apply to the items listed in Schedule "B" unless specifically identified otherwise.

The Settlor and/or DIANNE may revoke or change any designation made on Schedule "B" by executing a further Schedule B specifically identifying the line item(s) to be revoked or changed. In case of a conflict, a more recently dated designation shall take precedence over any prior designations.

If no descendant of the Settlor, nor KATHERINE, nor any descendant of KATHERINE, nor RICK MARIANO is then living, any and all remaining Tangible Personal Property shall be distributed: (i) pursuant to the remaining provisions of this Section 4 if the distribution under this Section 4.1.2 is upon the death of the Settlor; or (ii) pursuant to Section 4.9 below if the distribution under this Section 4.1.2 is upon the death of DIANNE.

4.2 Satisfaction of Charitable Bequests. Upon the death of the Settlor, the Trustee shall satisfy all outstanding charitable commitments made personally by the Settlor during his lifetime, including those charitable commitments made personally by the Settlor that are not legally enforceable. If any such grant is a multi-year grant, then the Trustee shall satisfy the entire grant upon the death of the Settlor.

This bequest shall not result in the satisfaction of any charitable commitments made by the Blum Family Foundation, a California Non-Profit Corporation, or any donor-advised fund directed by the Settlor or over which the Settlor is an advisor. Furthermore, this bequest shall not result in any additional funds being contributed to the Blum Family Foundation, a California Non-Profit Corporation, or any donor-advised fund that the Settlor has previously donated funds to that may have independent outstanding charitable commitments.

4.3 Bequest in Trust for Dianne. If DIANNE survives the Settlor and is a Qualified Spouse at the time of the Settlor's death, then the Trustee shall allocate the following assets to the Marital Trust to be held and administered as provided in Section 5.1 below:

4.3.1 Hotel Carlton. The Settlor intends that his entire interest in one or more entities that own the Hotel Carlton in San Francisco (whether held in this trust, through entities, or otherwise) be allocated to the Marital Trust. As of the date of this document, the Hotel Carlton is owned by Carlton Hotel Properties, a California limited partnership. Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) and Blum Investment Partners, Inc., a California corporation, each own interests in Carlton Hotel Properties. The trust estate holds an interest in: (i) the division of Blum Family Partners, L.P. that owns the interest in Carlton Hotel Properties; (ii) Blum Investment Partners, Inc.; and (iii) Blum Investment Partners II, Inc. The Trustee shall exercise all voting and other

rights to segregate such indirect interests in the Hotel Carlton so that they are allocated to the Marital Trust. This may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Carlton Hotel Properties to the Marital Trust; (ii) distributing the interest in Carlton Hotel Properties from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s) to the Marital Trust; (iii) allocating all stock in Blum Investment Partners, Inc. to the Marital Trust (provided it owns no other assets at the time of allocation, and the Trustee can cause all other assets to be distributed out before such allocation); (iv) distributing the interest in Carlton Hotel Properties from Blum Investment Partners, Inc., and then allocating such interest to the Marital Trust; and/or (v) similar means of allocating such indirect interests in the Hotel Carlton to the Marital Trust.

4.3.2 Liquid Assets. The Trustee shall allocate to the Marital Trust cash and marketable securities equal in value to five million dollars (\$5,000,000). The Trustee may allocate any combination of cash and marketable securities, including all cash or all marketable securities, or any combination thereof. For purposes of this Section 4.3.2, marketable securities shall include stocks and bonds traded on a public market and readily convertible to cash.

If DIANNE does not survive the Settlor or is not a Qualified Spouse at the time of the Settlor's death, then all bequests made pursuant to this Section 4.3 shall lapse and be distributed pursuant to the remaining provisions of this Section 4.

4.4 Bequest of Residences to Children of Settlor and of Dianne. If upon or as a result of the Settlor's death the trust estate holds any interest in real property that is jointly owned with ANNETTE, HEIDI, EILEEN, or KATHERINE (with ANNETTE, HEIDI, EILEEN, or KATHERINE being referred to in this Section 4.4 as a Co-Owner respectively), then the Trustee shall distribute the trust estate's interest in such real property to the respective Co-Owner, outright and free of trust, subject to encumbrances such as property taxes and assessments. The Settlor is solely responsible for any mortgages and deeds of trust secured by any such properties, and distribution shall be free of any such mortgage or deed of trust (which may require repayment of any such mortgage and release of any such deed of trust before distribution). If such a Co-Owner does not survive the Settlor, but has any descendant(s) then living, the Trustee shall distribute the trust estate's interest in such real property, subject to encumbrances, including property taxes and assessments (but free of mortgages or deeds of trust, as discussed above), to the descendants of such deceased Co-Owner on the principle of representation, outright and free of trust (subject to Section 11.4 below). Notwithstanding any contrary provision of this Section 4.4, if HEIDI is not a resident of the United States at the time of the Settlor's death (but is then living), any bequest made to her under this Section 4.4 shall be distributed to a Non-Exempt Trust for her benefit (and combined with any other assets held for her in such trust) to be held and distributed in the manner set forth in Section 5.4 below.

To the extent the Settlor has any remaining parent-child exclusion from California property tax reassessment, such exclusion shall be divided equally and so

applied among any child of the Settlor (or qualifying grandchild on the principle of representation) receiving California real property pursuant to this Section 4.4.

4.5 Request of Promissory Notes/Forgiveness of Debt. If upon or as a result of the Settlor's death the trust estate holds any promissory note or loan payable to the trust estate or to the Settlor, where the payor is: (i) ANNETTE; (ii) HEIDI; (iii) EILEEN; (iv) BENJAMIN BOURGADE or the trust created under the IRREVOCABLE TRUST FOR THE BENEFIT OF BENJAMIN FRANCOIS CHARLES BOURGADE; (v) JULIEN BOURGADE or the trust created under the IRREVOCABLE TRUST FOR THE BENEFIT OF JULIEN ARTHUR HERBERT BOURGADE; (vi) KATHERINE individually, RICK MARIANO individually, or KATHERINE and RICK MARIANO jointly; (vii) ERICA STONE individually, MARS STONE individually, or ERICA STONE and MARS STONE jointly; or (viii) NORBU TENZING, then the Trustee shall distribute the trust estate's interest in such promissory note(s)/loan(s) to the respective payor, outright and free of trust.

If the payor is ANNETTE, HEIDI, EILEEN, or KATHERINE, but such payor did not survive the Settlor, the Trustee shall distribute promissory note(s)/loan(s) to the then-acting trustee of the living trust of such deceased payor or, if no such living trust is in existence, to the estate of such deceased payor.

Notwithstanding any contrary provision of this Section 4.5, if HEIDI is the payor and she is not a resident of the United States at the time of the Settlor's death (but is then living), any bequest made to HEIDI under this Section 4.5 shall be distributed to a Non-Exempt trust for her benefit (and combined with any other assets held for her in such trust) to be held and distributed in the manner set forth in Section 5.4 below.

The Settlor intends that no loans payable by the Richard C. Blum Irrevocable Children's Trusts (both the 1987 and 1988 trusts and any separate trusts thereunder), the Blum Irrevocable Trust, dated November 2, 2006 (or any separate trust thereunder), or the Blum 2011 Irrevocable Trust (or any separate trust thereunder) be forgiven or transferred to such trusts at his death.

4.6 Bequest of Settlor's Interest in Residences. If the trust estate holds any interest in any one or more of the real properties defined below in this Section 4.6 as the Residential Interests, then the Trustee shall distribute any such Residential Interests as provided in this Section 4.6. It is noted that the majority of these Residential Interests (all except the Washington D.C. property) are currently held in the trust estate of the Joint Property Trust and distributed pursuant to the terms of the Joint Property Trust agreement. However, the Residential Interests that are currently held in the Joint Property Trust are also included in this Section 4.6 as a savings clause should any one or more of these properties for whatever reason become a part of this trust estate before, upon, or as a result of the Settlor's death. If any one or more of the properties included herein in the definition of the Residential Interests is not held in the trust estate hereunder upon, or as a result of the Settlor's death, the bequest under this Section 4.6 shall lapse as to that property/those properties; that is, the Settlor does not intend for the beneficiaries under this Section 4.6 to have any right to any sales proceeds, or replacement property, of any property that would otherwise have been included in the definition of Residential Interests.



The "Residential Interests" are defined as any and all interest held by the trust estate, now or in the future, in any one or more of the following real properties: (1) that certain real property commonly known as 3300 Nebraska Avenue, N.W., Washington D.C.; (2) that certain real property commonly known as 323 Sea Drift, Stinson Beach, California; (3) that certain real property commonly known as 5454 Hanaku Pu'u Po'a, Kauai, Hawaii; and (4) that certain real property commonly known as 2460 Lyon Street, San Francisco, California. If DIANNE survives the Settlor and is a Qualified Spouse at the time of the Settlor's death, then the Trustee shall distribute any such Residential Interests to the Marital Trust to be held and administered as provided in Section 5.1 below.

If DIANNE does not survive the Settlor or is not a Qualified Spouse at the time of the Settlor's death, then the Trustee shall divide any such Residential Interests into equal shares creating one such share for each child of the Settlor who is then living and one such share for each child of the Settlor who is then deceased but has descendants then living. Each share set aside for a child of the Settlor who is then deceased but has descendants then living shall be further divided into shares for such descendants on the principle of representation.

If any of the Settlor's generation-skipping transfer tax exemption remains after allocation of such exemption as provided in Sections 4.9.1, 4.7, or 4.5 (if any) and after taking into account all allocations of such exemption made during the Settlor's lifetime, then the Trustee shall allocate such remaining exemption to the shares created under this Section 4.6. Such allocation shall be at the Trustee's discretion, but it is the Settlor's intent that the Trustee equalize the benefit of such exemption among each descendant of the Settlor on the principle of representation. Each share created for a then living descendant of the Settlor to which such generation-skipping transfer tax exemption has been allocated shall constitute an Exempt share to be held and distributed for the descendant for whom it was created in the manner set forth in Section 5.3 below. Each share created for a then living descendant of the Settlor to which such generation-skipping transfer tax exemption has not been allocated shall constitute a Non-Exempt share to be held and distributed for the descendant for whom it was created in the manner set forth in Section 5.4 below.

To the extent that an exemption from California property tax reassessment may be applied to a bequest made under this Section 4.6 (after taking into account the application of any parent-child exclusion as provided in Section 4.4 above), such exemption shall be divided equally and so applied among any child of the Settlor (or qualifying grandchild on the principle of representation) receiving California real property pursuant to this Section 4.6.

If no descendant of the Settlor is then living, then this bequest shall lapse and be distributed pursuant to the remaining provisions of this Section 4.

#### 4.7 General Pecuniary Bequests.

4.7.1 Bequest to Gregory Blum. The Trustee shall distribute, outright and free of trust, cash or other property equal in amount to One Hundred Thousand Dollars (\$100,000) to the Settlor's nephew, GREGORY BLUM, if GREGORY BLUM is then living, and if he is not then living, to the descendants of GREGORY BLUM on the

principle of representation. If GREGORY BLUM is not then living and leaves no then living descendant, this bequest shall lapse.

4.7.2 Bequest to Christopher Blum. The Trustee shall distribute, outright and free of trust, cash or other property equal in amount to One Hundred Thousand Dollars (\$100,000), If CHRISTOPHER BLUM is not then living and leaves no then living descendant, this bequest shall lapse.

4.7.3 Bequest to Children of Gregory Blum and Children of Christopher Blum. The Trustee shall distribute cash or other property equal in amount to One Hundred Thousand Dollars (\$100,000) to each then living child of the Settlor's nephew, GREGORY BLUM, and to each then living child of the Settlor's nephew, CHRISTOPHER BLUM. If upon the death of the Settlor, there is any deceased child of either GREGORY BLUM or CHRISTOPHER BLUM who has left then living descendants, the Trustee shall divide and distribute cash or other property equal in amount to One Hundred Thousand Dollars (\$100,000) upon the principle of representation, to the then living descendants of each such deceased child of GREGORY BLUM or CHRISTOPHER BLUM. Any amount to be distributed pursuant to this Section 4.7.3 shall be distributed outright and free of trust, subject to the provisions of Section 11.4 below. If there is no then living descendant of either GREGORY BLUM or CHRISTOPHER BLUM upon the Settlor's death, this bequest shall lapse.

4.8 Continued Funding of Petits Pains & Co., L.P. Upon the death of the Settlor, the Trustee shall set aside cash or other property equal to Five Hundred Thousand Dollars (\$500,000) to continue supporting the operations of PETITS PAINS & CO., L.P., a California limited partnership ("Petits Pains"), subject to the provisions of this Section 4.8.

The Settlor intends that upon the death of the Settlor the Trustee continue supporting Petits Pains' operations for up to one (1) year after the death of the Settlor to the extent Petits Pains needs continuing financial assistance and as set forth herein. On the first business day of each month following the Settlor's death, the Trustee shall contribute to Petits Pains cash or other property equal to the average monthly contribution of the Settlor (either outright or via contributions to the sub-entity of Blum Family Partners, LP owning an Interest In Petit Pains) over the six-month period prior to the Settlor's death. The Trustee shall not make any additional contributions to Petits Pains aside from those set forth in the preceding sentence. Notwithstanding the foregoing, if Petit Pains does not need additional funding to continue operations in any particular month, the Trustee shall not contribute funds to Petits Pains during that month. The Settlor contemplates and hopes that less than Five Hundred Thousand Dollars (\$500,000) be contributed to Petit Pains pursuant to this Section 4.8. Furthermore, all contributions to Petits Pains shall cease on the earliest of: (i) the one-year anniversary of the Settlor's death; (ii) the amount contributed to Petits Pains equals Five Hundred Thousand Dollars (\$500,000); and (iii) Petits Pains ceasing all business operations.

If Petits Pains is not an active business at the time of the Settlor's death, no funds shall be set aside pursuant to this Section 4.8. Upon such time as contributions to

Petits Pains cease pursuant to the foregoing paragraph, any remaining funds from those set aside pursuant to this Section 4.8 shall be distributed pursuant to Section 4.9 below (Division of Remainder into Shares).

Any contributions made to Petits Pains pursuant to this Section 4.8 shall not be deemed a bequest to any interest holder or employee of Petits Pains. No interest holder in or employee of Petits Pains shall have any claim to the assets set aside pursuant to this Section 4.8 nor any right to personally enforce the provisions of this Section 4.8.

To the extent any cash or other property set aside and disposed of pursuant to this Section 4.8 is subject to estate, death, and inheritance taxes, all such taxes shall be paid from the remainder share of the trust estate passing pursuant to Section 4.9.2.

4.9 Division of Remainder into Shares. The Trustee shall divide the remaining trust estate into shares as follows:

4.9.1 GSTT Exempt Share. If any descendant of the Settlor or any grandchild or more remote descendant of DIANNE is then living, the Trustee shall allocate to the "Exempt Share" cash or other property in an amount equal to the amount of the Settlor's generation-skipping transfer tax exemption remaining after taking into account all allocations of such exemption made during the Settlor's lifetime and to direct skips made pursuant to the other provisions of this trust agreement (including but not limited to any direct skips made pursuant to Section 4.5 above and/or Section 4.7 above). The Trustee shall have the discretion to select the assets to be so allocated but such assets as are selected: (1) shall have an aggregate fair market value at the time of such allocation that is fairly representative of the net appreciation or depreciation in the value of the property available for allocation between the date of valuation for federal estate tax purposes and the date or dates of such allocation; and (2) shall carry with them a pro rata share of the income earned by all assets available for selection between the date of the Settlor's death and the date or dates of such allocation.

The Trustee shall thereafter further divide such Exempt Share into equal shares creating one such share for each grandchild of the Settlor who is then living, one such share for each grandchild of DIANNE who is then living, one such share for each grandchild of the Settlor who is then deceased but has descendants then living, and one such share for each grandchild of DIANNE who is then deceased but has descendants then living. Each share set aside for a grandchild of the Settlor or of DIANNE who is then deceased but has descendants then living shall be further divided into shares for such descendants on the principle of representation. If no grandchild or more remote descendant of the Settlor or of DIANNE is then living, the Trustee shall divide such Exempt Share into equal shares creating one such share for each child of the Settlor who is then living. If no descendant of the Settlor nor any grandchild or more remote descendant of DIANNE is then living, no share shall be created under this Section 4.9.1.

Each share so created for a then living descendant of the Settlor or of DIANNE shall constitute an Exempt separate trust to be held and distributed for the descendant for whom it was created in the manner set forth in Section 5.3 below.



4.9.2 Division of Remainder into Shares. The Trustee shall pay any and all death, inheritance, estate, and transfer taxes on the bequests in Section 4.1 through 4.9.1 above, as well as all expenses of trust administration, from the remaining trust estate passing pursuant to this Section 4.9.2. If a beneficiary receives a specific bequest and a share of the remainder, any such taxes on such beneficiary's specific bequest shall be paid from the remainder pursuant to the foregoing sentence, and such beneficiary's share of the remainder shall bear a portion of such taxes in the same manner as if such bequest were not to a remainder beneficiary. Thereafter, the Trustee shall (subject to the remaining provisions of this Section 4.9.2) divide what remains of the trust estate into equal shares, creating one (1) such share for each child of the Settlor who is then living and one (1) such share for each child of the Settlor who is then deceased but has descendants then living. Each share set aside for a child of the Settlor who is then deceased but has descendants then living shall be further divided into shares for such descendants on the principle of representation.

If any of the Settlor's generation-skipping transfer tax exemption is remaining after the allocation of the share in Section 4.9.1 above and after taking into account all allocations of such exemption made during the Settlor's lifetime and at death, then the Trustee shall allocate such remaining exemption to the shares created under this Section 4.9.2, and shall create separate Exempt and Non-Exempt shares accordingly. Such allocation shall be in the Trustee's discretion, but it is the Settlor's intent that the Trustee equalize the benefit of such exemption among the three family lines of his children.

Each share created for a then living descendant of the Settlor to which such generation-skipping transfer tax exemption has been allocated shall constitute an Exempt separate trust to be held and distributed for the descendant for whom it was created in the manner set forth in Section 5.3 below. Each share created for a then living descendant of the Settlor to which such generation-skipping transfer tax exemption has not been allocated shall constitute a Non-Exempt separate trust to be held and distributed for the descendant for whom it was created in the manner set forth in Section 5.4 below. If there are no descendants of the Settlor then living, the Trustee shall distribute any remaining assets pursuant to Section 4.10 below.

Notwithstanding the foregoing, when dividing the remainder into equal shares, the Trustee shall do the following:

(a) Solely for purposes of division into shares and to equalize among the Settlor's three daughters, add back to the value of the remainder to be divided: (i) the fair market value of any residence allocated to a daughter of the Settlor pursuant to Section 4.4 above; and (ii) subject to the following paragraphs of this Section 4.9.2(a), the fair market value of any promissory notes/forgiveness of debt allocated to a daughter of the Settlor directly, to the then-acting trustee of the living trust of a deceased daughter of the Settlor, to the estate of a deceased daughter of the Settlor, or to a Non-Exempt trust for the benefit of HEIDI pursuant to Section 4.5 above (but excluding any promissory note to HEIDI directly related to her interests in GEMINI DESIGN PARTNERS, S.A.).

Notwithstanding the foregoing, an amount equal to One Million Dollars (\$1,000,000) of any promissory notes/loans payable by HEIDI that are distributed to HEIDI directly, to the living trust of HEIDI, to the estate of HEIDI, or to a Non-Exempt

trust for the benefit of HEIDI (collectively, "Heidi's Loans") shall be distributed as set forth in Section 4.5 above but shall not be added back for purposes of dividing the remainder of the trust estate into shares as set forth in the foregoing paragraph. Any portion of Heidi's Loans in excess of One Million Dollars (\$1,000,000) shall be distributed as set forth in Section 4.5 above and added back to the value of the remainder to be divided pursuant to the foregoing paragraph. It is the Settlor's intention that One Million Dollars (\$1,000,000) of Heidi's Loans be forgiven without offset to her share of the remainder.

For example, if the total amount of Heidi's Loans at the Settlor's death is \$11,800,000. Then the Settlor intends that the entire amount of the \$11,800,000 be distributed as set forth in Section 4.5 above. Of that amount: (i) \$1,000,000 will be distributed without offset to HEIDI's share of the remainder; and (ii) \$10,800,000 will be added back to the remainder as provided in the first paragraph of this Section 4.9.2(a).

(b) Allocate to a share for a then living child of the Settlor, or a share for a child who is then deceased but has descendants then living: (i) the fair market value of any residence allocated pursuant to Section 4.4 above to such child; and (ii) the fair market value of any promissory notes/forgiveness of debt allocated pursuant to Section 4.5 above (and subject to the provisions of Section 4.9.2(a) above regarding Heidi's loans) to or for the benefit of such child, to the then-acting trustee of the living trust of such deceased daughter of the Settlor, to the estate of such deceased daughter of the Settlor, or to a Non-Exempt trust for the benefit of HEIDI (but excluding any promissory note to HEIDI directly related to her interests in GEMINI DESIGN PARTNERS, S.A.).

(c) Allocate, to the extent possible (but not to the extent that equal allocation of the following assets would result in any one share having a greater value than the other shares created pursuant to this Section 4.9.2), the following assets equally among the shares created for each then living child of the Settlor and each child who is then deceased but has descendants then living:

(i) The Fairmont Grand Del Mar. The Settlor's interest in one or more entities that own an interest in the Fairmont Grand Del Mar in San Diego (whether held in this trust, through entities, or otherwise). As of the date of this instrument the Fairmont Grand Del Mar is owned by GDM Hotel Properties LLC, a Delaware limited liability company, which is owned by GDM Hotel Properties Mezz Member, LLC, a Delaware limited liability company, which is owned by Grand Del Mar Hotel Properties Limited Partnership, a Delaware limited partnership. Montgomery Street Hotel GDM, L.P., a Delaware limited partnership, owns a limited partnership interest in Grand Del Mar Hotel Properties Limited Partnership. Blum Family Partners GDM, L.L.C., a Delaware limited liability company, owns an interest in Montgomery Street Hotel GDM, L.P. A separate division of Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) owns Blum Family Partners GDM, L.L.C. The trust estate holds an interest in the division of Blum Family Partners, L.P. that owns Blum Family Partners GDM, L.L.C. The Trustee shall exercise all voting and other rights to segregate such indirect interests in the Fairmont Grand Del Mar in San Diego so that they are so allocated among the shares for the Settlor's

descendants. The Trustee shall focus on ultimate profits, loss, and equity ownership, regardless of the indirect nature of the ownership. Thus, this allocation may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Blum Family Partners GDM, L.L.C. among the shares for the Settlor's descendants; (ii) distributing the interest in Blum Family Partners GDM, L.L.C. from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s) among the shares for the Settlor's descendants; and/or (iii) similar means of allocating such indirect interests in the Fairmont Grand Del Mar among the shares for the Settlor's descendants.

(ii) Montgomery Street Partners II, LP. The Settlor's interest in one or more entities that own an interest in Montgomery Street Partners II, LP (or a successor entity) (whether held in this trust, through entities, or otherwise). As of the date of this instrument, a division of Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) owns an interest in Montgomery Street Partners II, LP. The Trustee shall exercise all voting and other rights to segregate such indirect interests in Montgomery Street Partners II, LP so that they are so allocated among the shares for the Settlor's descendants. In making such allocation, the Trustee shall focus on ultimate profits, loss, and equity ownership, regardless of the indirect nature of the ownership. This allocation may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Montgomery Street Partners II, LP among the shares for the Settlor's descendants; (ii) distributing the interest in Montgomery Street Partners II, LP from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s) among the shares for the Settlor's descendants; and/or (iii) similar means of allocating such indirect interests in Montgomery Street Partners II, LP among the shares for the Settlor's descendants.

(iii) Montgomery Street Partners GP II, L.L.C. The Settlor's interest in one or more entities that own an interest in Montgomery Street Partners GP II, L.L.C. (or a successor entity) (whether held in this trust, through entities, or otherwise). As of the date of this instrument, a division of Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) owns an interest in Montgomery Street Partners GP II, L.L.C. The Trustee shall exercise all voting and other rights to segregate such indirect interests in Montgomery Street Partners GP II, L.L.C. so that they are so allocated among the shares for the Settlor's descendants. In making such allocation, the Trustee shall focus on ultimate profits, loss, and equity ownership, regardless of the indirect nature of the ownership. This allocation may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Montgomery Street Partners GP II, L.L.C. among the shares for the Settlor's descendants; (ii) distributing the interest in Montgomery Street Partners GP II, L.L.C. from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s) among the shares for the Settlor's descendants; and/or (iii) similar means of allocating such indirect interests in Montgomery Street Partners GP II, L.L.C. among the shares for the Settlor's descendants.

(iv) Storage Post Brooklyn (Walker Street). The Settlor's interest in one or more entities that own an interest in Storage Post Brooklyn in Brooklyn, New York (whether held in this trust, through entities, or otherwise). As of the date of this agreement, Storage Post Brooklyn is owned by Storage Post HHF Venture 2 LLC, a Delaware limited liability company. Storage Post MSP Brooklyn LLC, a Delaware limited liability company, owns an interest in Storage Post HHF Venture 2 LLC. Walker Street SP Brooklyn I, LLC, a Delaware limited liability company, owns an interest in Storage Post MSP Brooklyn LLC. A division of Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) owns an interest in Walker Street SP Brooklyn I, LLC. The Trustee shall exercise all voting and other rights to segregate such indirect interests in Storage Post Brooklyn in Brooklyn, New York so that they are so allocated among the shares for the Settlor's descendants. In making such allocation, the Trustee shall focus on ultimate profits, loss, and equity ownership, regardless of the indirect nature of the ownership. This allocation may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Walker Street SP Brooklyn I, LLC among the shares for the Settlor's descendants; (ii) distributing the interest in Walker Street SP Brooklyn I, LLC from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s) among the shares for the Settlor's descendants; and/or (iii) similar means of allocating such indirect interests in Storage Post Brooklyn, New York among the shares for the Settlor's descendants.

(v) Blum Investment Partners II, Inc. The Settlor's interest (whether held in this trust or otherwise) in Blum Investment Partners II, Inc., a Delaware corporation. The Trustee shall exercise all voting and other rights to segregate such interest in so that it is so allocated among the shares for the Settlor's descendants.

(vi) Hotel Carlton. If DIANNE does not survive the Settlor or is not a Qualified Spouse of the Settlor at the time of the Settlor's death, the Settlor's entire interest in one or more entities that own the Hotel Carlton in San Francisco (whether held in this trust, through entities, or otherwise). As of the date of this document, the Hotel Carlton is owned by Carlton Hotel Properties, a California limited partnership. Blum Family Partners, L.P., a Delaware limited partnership (of which Blum Investment Partners II, Inc., a Delaware corporation, is the general partner) and Blum Investment Partners, Inc., a California corporation both own interests in Carlton Hotel Properties. The trust estate holds an interest in the division of Blum Family Partners, L.P. that owns the interest in Carlton Hotel Properties, Blum Investment Partners, Inc., and Blum Investment Partners II, Inc. The Trustee shall exercise all voting and other rights to segregate such indirect interests in The Hotel Carlton so that they are so allocated among the shares for the Settlor's descendants. In making such allocation, the Trustee shall focus on ultimate profits, loss, and equity ownership, regardless of the indirect nature of the ownership. This allocation may include: (i) allocating the appropriate division of Blum Family Partners, L.P. that holds an interest in Carlton Hotel Properties among the shares for the Settlor's descendants; (ii) distributing the interest in Carlton Hotel Properties from Blum Family Partners, L.P. and Blum Investment Partners II, LP, and then allocating such interest(s)

among the shares for the Settlor's descendants; (iii) allocating all stock in Blum Investment Partners, Inc. among the shares for the Settlor's descendants (provided it owns no other assets at the time of allocation, and the Trustee can cause all other assets to be distributed out before such allocation); (iv) distributing the interest in Carlton Hotel Properties from Blum Investment Partners, Inc., and then allocating such interest among the shares for the Settlor's descendants; and/or (v), similar means of allocating such indirect interests in the Hotel Carlton among the shares for the Settlor's descendants.

(d) Allocate the remaining assets of the trust estate in a manner that results in the creation of equal shares pursuant to the provisions of this Section 4.9.2, after taking into consideration the allocation of the fair market value of any residential interests and promissory notes/forgiveness of debt as provided in the foregoing provisions of Section 4.9.2.

(e) For purposes of determining the value of the total trust estate and the value of any assets to be allocated pursuant to this Section 4.9.2, including the value of any applicable residence or promissory notes, finally determined federal estate tax values shall be used, or if the Settlor dies in a year when there is no estate tax, the fair market value of the trust assets on the Settlor's date of death shall be used. Subject to the foregoing, the Trustee shall have complete and absolute discretion in choosing the assets to be allocated to each share and may allocate the assets in cash or in kind, or partly in each, on a pro rata or non pro rata basis, and in undivided interests or not. Any assets allocated in kind shall be valued for purposes of allocation at their values on the date or dates of allocation.

(f) Any and all death, inheritance, estate, and transfer taxes on what remains of the trust estate actually held or distributed to or for the benefit of a beneficiary pursuant to this Section 4.9.2 (i.e., excluding any promissory note, loan, or residential interest specifically bequeathed pursuant to the foregoing provisions of this Article 4 that was added for purposes of determining the division) shall be borne by the such beneficiary's share based on the proportionate value of such beneficiary's share. As an example of the Settlor's intent for the allocation of estate, death, and inheritance taxes on specific bequests of the promissory notes and what remains of the trust estate, Schedule C attached hereto is incorporated into the Trust Agreement. Schedule C illustrates a simple example of tax allocation showing only forgiveness of promissory notes pursuant to Section 4.5 above and distribution of a hypothetical trust estate remainder of \$100,000,000. Schedule C is provided for illustration purposes only and the Settlor acknowledges that all values are hypothetical and not necessarily indicative of current promissory note or remainder values.

4.10 Alternate Distribution. The Trustee shall distribute any remaining trust estate passing pursuant to this Section 4.10 outright and free of trust (subject to Section 11.4 below) to the descendants of the Settlor on the principle of representation. If no descendant of the Settlor is then living, the Trustee shall distribute any remaining trust estate passing pursuant to this Section 4.10 outright and free of trust to DIANNE, provided



DIANNE survives the Settlor and is a Qualified Spouse at the time of the Settlor's death. If no descendant of the Settlor is then living and DIANNE does not survive the Settlor or is not a Qualified Spouse at the time of the Settlor's death, the Trustee shall distribute any remaining trust estate pursuant to this Section 4.10 outright and free of trust to one or more Charities whose purpose is relief of global poverty. The Trustee has full discretion and authority to identify such Charity or Charities to receive the bequest under this Section 4.10, and if multiple Charities are identified, to determine the proportional distribution among such Charities."

IV Section 10.2 of the Trust Agreement is amended in its entirety to provide as follows:

"10.2 Source and Manner of Payment at Settlor's Death (or Dianne's Death). Upon the death of the Settlor, payment of the items authorized by clause (a) of Section 10.1 shall be made from the trust property that would have been subject to such debts were the RICHARD C. BLUM REVOCABLE TRUST not in existence; payment of the items authorized by clauses (b) and (c) of Section 10.1 above shall be made from the income or principal of the trust estate; and payment of the taxes authorized by clause (d) of Section 10.1 shall be made as set forth in Section 4.9.2 above, except (i) that property qualifying for the federal estate tax marital deduction shall pass free of any estate or inheritance taxes, and (ii) as otherwise provided in this trust agreement. If the Settlor has made bequests that are to be net of estate, death, or inheritance taxes, but there are insufficient assets in the Settlor's estate to pay all such estate, death, or inheritance taxes, such bequests shall be subject to such taxes by equitably prorating the taxes in the manner provided under California law. To the extent that taxes would be chargeable to both Exempt and Non-Exempt trusts established for the benefit of the same beneficiary, such taxes chargeable to such beneficiary's Exempt trust shall be paid out of such beneficiary's Non-Exempt trust.

Upon DIANNE's death, if she survived the Settlor and a Marital Trust was created for her lifetime benefit as provided hereunder, payment of federal or state estate or inheritance taxes and any generation-skipping transfer taxes shall be paid from such Marital Trust. If bequests made at DIANNE's death are to be net of estate, death, or inheritance taxes, but there are insufficient assets in the remaining trust estate hereunder to pay all such estate, death, or inheritance taxes, such bequests shall be subject to such taxes by equitably prorating the taxes in the manner provided under California law. To the extent that taxes would be chargeable to both Exempt and Non-Exempt trusts established for the benefit of the same beneficiary, such taxes chargeable to such beneficiary's Exempt trust shall be paid out of such beneficiary's Non-Exempt trust."

V Section 12.3 of the Trust Agreement is amended in its entirety to provide as follows:

"12.3 Descendants, Child, Grandchild. The term "descendants" means the lineal descendants of the person referred to and such term (and other class terminology such as 'child' and 'grandchild') shall include an adopted person who lived for a significant period during his or her minority as a member of the adoptive parent's household, such a determination to be made by the Trustee, in the Trustee's sole discretion. Such terms shall not include a stepchild or a foster child or any person who would be deemed an 'equitable

adoptee' under California law. If a term refers to two persons together, e.g., 'their children,' then term refers to those who are children of both. If a term refers to two persons alternatively, e.g., 'his or her children,' the term refers to those who are children of either.

Notwithstanding any other provision of this agreement, "child of the Settlor" shall in all circumstances mean only ANNETTE, HEIDI, and EILEEN. Furthermore, descendants of the Settlor shall include only ANNETTE, HEIDI, EILEEN, and the descendants (as defined in the previously paragraph) of ANNETTE, HEIDI, and EILEEN. Any other person claiming to be a child or descendant of the Settlor, whether currently living or not yet born or adopted or known or unknown to the Settlor, is intentionally omitted from inheriting under this agreement."

VI Schedule C attached hereto is hereby incorporated into the Trust Agreement.

VII No-Contest Clause. If any beneficiary under this Amendment or the Trust Agreement, singularly or in combination with any other person or persons, directly or indirectly does any of the following acts, then the right of that person to take any interest given to him or her by this Amendment or the Trust Agreement shall be void, and any gift or other interest in the trust property to which the beneficiary would otherwise have been entitled shall pass as if he or she had predeceased the Settlor without issue:

(a) Without probable cause challenges the validity of the Trust Agreement, this Amendment, or the validity of any contract, agreement (including any trust agreement), declaration of trust, beneficiary designation, or other document executed by the Settlor, or executed by another for the benefit of the Settlor that is in existence on the date that this Amendment is executed and further described as a Will, a beneficiary designation of an annuity, retirement plan, IRA, Keogh, pension or profit sharing plan or insurance policy, or a buy sell agreement, on any of the following grounds:

(i) Forgery;  
(ii) Lack of due execution;  
(iii) Lack of capacity;  
(iv) Menace, duress, fraud, or undue influence;  
(v) Revocation pursuant to the terms of this trust declaration; other applicable instrument, document, or contract (as described in (a) above), or applicable law;  
(vi) Disqualification of a beneficiary under California Probate Code section 21380 or applicable successor statute.


(b) Files a pleading to challenge the transfer of property to the Trust under the Trust Agreement, this Amendment, or other applicable instrument, document, or contract (as described in (a) above), on the grounds that it was not the transferor's property at the time of the transfer; or

(c) Files any creditor's claim or prosecutes any action against any trust created under the Trust Agreement or the estate of the Settlor for any debt alleged to be owed to the beneficiary-claimant.

VIII The Settlor intends that the No-Contest Clause set forth in Paragraph VII above applies to all provisions of the Trust Agreement, this Amendment, and all transfers to the Trustee of the RICHARD C. BLUM REVOCABLE TRUST whether pursuant to the Trust Agreement, this Amendment, or otherwise.

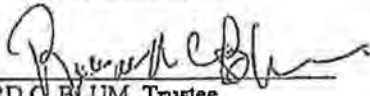
IX In every other respect, the Settlor incorporates by reference, confirms, and ratifies the terms of the Trust Agreement.

IN WITNESS WHEREOF, the Settlor has executed this <sup>fourteenth</sup> ~~thirteenth~~ AMENDMENT OF THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE TRUST this \_\_\_\_\_ day of \_\_\_\_\_, 2020, at \_\_\_\_\_, California.

  
\_\_\_\_\_  
RICHARD C. BLUM, Settlor

ACCEPTANCE BY TRUSTEE

The undersigned Trustee of the RICHARD C. BLUM REVOCABLE TRUST, dated January 9, 1996 hereby acknowledges receipt of the foregoing Amendment to the Trust Agreement and accepts such Amendment.

  
\_\_\_\_\_  
RICHARD C. BLUM, Trustee

Dated: \_\_\_\_\_, 2020

June 26, 2020  
San Francisco



**ACKNOWLEDGEMENT**

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

State of California

County of \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**FOURTEENTH AMENDMENT OF THE AGREEMENT ESTABLISHING THE  
RICHARD C. BLUM REVOCABLE TRUST**

**SCHEDULE C**

**ALLOCATION OF ESTATE, DEATH, AND INHERITANCE TAXES**

	Total	Annette	Heidi	Eileen
<u>Step 1 - Gifts of Loans to Daughters</u>				
Loans Payable by Daughters to be Forgiven in Section 4.5	20,032,778	4,108,456	11,815,869	4,108,453
"Off the Top" \$1M Loan Forgiveness to Heidi Blum in Section 4.9.2			1,000,000	
Remaining Loans Payable by Blum Daughters	19,032,778	4,108,456	10,815,869	4,108,453
<u>Step 2 - Reduce Remainder by Estate Tax on Step 1</u>				
Remainder \$100M	100,000,000			
Estate Tax on Loan Forgiveness (from Step 1)	<u>(8,017,111)</u>			
Remainder	91,986,889			
<u>Step 3 - Division of Remainder</u>				
Add Back Loans Payable by Blum Daughters	19,032,778	4,108,456	10,815,869	4,108,453
Allocation of Remainder to Each Blum Daughter	<u>91,986,889</u>	<u>32,898,100</u>	<u>26,190,687</u>	<u>32,898,103</u>
Each Blum Daughter Grosses the Same (Not counting \$1M forgiveness of Heidi's Loans)	111,019,667	37,006,556	37,006,556	37,006,556
<u>Step 4 - Allocate Estate Tax to Remainder Shares</u>				
Percentage of Remainder		36%	28%	36%
Estate Tax Allocation Based on Share of Remainder Received	<u>(18,085,000)</u>	<u>(6,715,565)</u>	<u>(10,368,870)</u>	<u>(14,905,565)</u>
Net Share of Remainder to Each Blum Daughter	51,986,889	18,592,539	14,801,808	18,592,541
<b>Breakdown of Net Amount Received</b>				
Total Loan Forgiveness	20,032,778	4,108,456	11,815,869	4,108,453
Net Share of Remainder	51,986,889	18,592,539	14,801,808	18,592,541
Loan Forgiveness Plus Net Remainder for Each Blum Daughter	72,019,667	22,700,995	26,617,677	22,700,994

# Exhibit D

**EXHIBIT D  
TO**

**PETITION (1) TO COMPEL ACCOUNTING; (2) TO INSTRUCT TRUSTEES TO FUND  
MARITAL TRUST; (3) FOR BREACH OF TRUST; (4) TO SET ASIDE ACTS OF TRUSTEES;  
(5) TO DISGORGE AND REDUCE TRUSTEES' COMPENSATION; (6) TO SUSPEND AND  
REMOVE TRUSTEES; (7) FOR FINANCIAL ELDER ABUSE; (8) TO PROHIBIT TRUSTEES  
FROM USING TRUST FUNDS**

**SEVENTEENTH AMENDMENT OF THE  
AGREEMENT ESTABLISHING THE  
RICHARD C. BLUM REVOCABLE LIVING TRUST**

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This SEVENTEENTH AMENDMENT TO THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE TRUST (this "Seventeenth Amendment") is executed by RICHARD C. BLUM, as Settlor and Trustee of the RICHARD C. BLUM REVOCABLE TRUST, dated January 9, 1996.

**RECITALS:**

WHEREAS, RICHARD C. BLUM, as Trustor (hereinafter referred to as "Settlor"), established the RICHARD C. BLUM REVOCABLE TRUST on January 9, 1996 (the "Trust"). The Settlor amended the RICHARD C. BLUM REVOCABLE TRUST numerous times and then amended and completely restated the RICHARD C. BLUM REVOCABLE TRUST by execution of that certain TWELFTH AMENDMENT AND COMPLETE RESTATEMENT OF THE AGREEMENT CREATING THE RICHARD C. BLUM REVOCABLE TRUST on June 15, 2017 (the "Twelfth Amendment and Restatement"), then subsequently executed the THIRTEENTH AMENDMENT OF THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE LIVING TRUST on May 29, 2018 (the "Thirteenth Amendment"), then again subsequently executed the FOURTEENTH AMENDMENT OF THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE LIVING TRUST on June 26, 2020 (the "Fourteenth Amendment"), then again subsequently executed the FIFTEENTH AMENDMENT OF THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE LIVING TRUST on August 19, 2021 (the "Fifteenth Amendment"), and then again subsequently executed the SIXTEENTH AMENDMENT OF THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE LIVING TRUST on September 8, 2021 (the "Sixteenth Amendment");

WHEREAS, the Twelfth Amendment and Restatement as amended by the Thirteenth Amendment, the Fourteenth Amendment, the Fifteenth Amendment, and the Sixteenth Amendment is hereinafter referred to as the "Trust Agreement";

WHEREAS, RICHARD C. BLUM is the current duly appointed Trustee acting under the Trust Agreement;

WHEREAS, RICHARD C. BLUM desires to appoint MICHAEL KLEIN and MARC SCHOLVINCK as Co-Trustees to serve as Co-Trustees with RICHARD C. BLUM;

WHEREAS, Section 2.1 of the Trust Agreement provides that during his lifetime, the Settlor shall have the unrestricted power to amend the Trust Agreement and Section 2.3 of the Trust Agreement provides that each amendment shall be in a written document other than a Will and shall be effective when received by the Trustee; and

WHEREAS, RICHARD C. BLUM desires to exercise his right of amendment, and, to that end, does hereby amend the Trust Agreement on the terms stated below.

NOW THEREFORE, the following actions are taken and the Trust Agreement is amended as follows:

I RICHARD C. BLUM hereby appoints MICHAEL KLEIN and MARC SCHOLVINCK as Co-Trustees of the of the Trust to serve as Co-Trustees with RICHARD C. BLUM. To reflect this appointment, Section 6.1(a) of the Trust Agreement is amended in its entirety to provide as follows:

“(a) RICHARD C. BLUM, MICHAEL KLEIN, and MARC SCHOLVINCK are Co-Trustees of the trust and all assets thereunder.”

II Section 6.1(b) of the Trust Agreement is hereby amended in its entirety to provide as follows:

“(b) If any one of RICHARD C. BLUM, MICHAEL KLEIN, or MARC SCHOLVINCK becomes unable or unwilling to act, VERETT MIMS shall act as Co-Trustee of all trusts created under this trust agreement along with the other two then-acting Co-Trustees. If any two of RICHARD C. BLUM, MICHAEL KLEIN, MARC SCHOLVINCK, or VERETT MIMS become unable or unwilling to act, then JAMES MURRAY shall act as Co-Trustee of all trusts created under this trust agreement along with the other two then-acting Co-Trustees. If any three of RICHARD C. BLUM, MICHAEL KLEIN, MARC SCHOLVINCK, VERETT MIMS, and JAMES MURRAY become unwilling or unable to act, then the remaining two shall continue to act as Co-Trustees of all trusts created under this trust agreement. If RICHARD C. BLUM and any three of MICHAEL KLEIN, MARC SCHOLVINCK, VERETT MIMS, and JAMES MURRAY become unwilling or unable to act, the remaining individual shall act as Trustee and shall appoint at least one additional person (who is not a beneficiary or a spouse (or significant other) of a beneficiary of such trust) to act as Co-Trustee(s), so there are at least two Co-Trustees (and no Trustee is a beneficiary or a spouse of a beneficiary of such trust, subject to the provisions of paragraph (c) below) serving at all times after RICHARD C. BLUM ceases to serve as Trustee. If RICHARD C. BLUM is or becomes the only one of the above-named that is willing and able to act as Trustee, then he may serve as sole Trustee or may appoint additional Co-Trustees to serve with him.”

III Section 6.2 of the Trust Agreement is hereby amended in its entirety to provide as follows:

“6.2 Co-Trustees. Any time there is more than one person acting as Trustee, actions by the Co-Trustees shall be by majority. Notwithstanding the foregoing, any Co-Trustee may, from time to time, delegate to the other Co-Trustee(s) routine acts of trust administration and may establish bank or other accounts for the trust that will honor the signature of one or of any Co-Trustee. Also notwithstanding the foregoing, while RICHARD C. BLUM is acting as a Co-Trustee, RICHARD C. BLUM, as Co-Trustee, may

take any and all actions without the consent, approval, or action of any other Co-Trustee (i.e., RICHARD C. BLUM – as a Co-Trustee – may singularly act on behalf of the trust and bind the trust with his signature).

In the event there is an even number of Co-Trustees and a majority decision cannot be reached among Co-Trustees, then then-acting Co-Trustees shall appoint an individual, private fiduciary, trust company, or corporation to serve as an additional Co-Trustee. For example, if there are four Co-Trustees of a trust and such Co-Trustees cannot reach a majority decision related to the administration of the trust, the Co-Trustees (by majority) shall appoint a fifth Co-Trustee to participate in the administration of the trust. Such appointment shall be exercised in a signed and dated document with the most recent document prevailing over all previously executed conflicting documents (including those executed by a prior serving Trustee). Any additional Co-Trustees appointed pursuant to this paragraph shall only act for the purpose of allowing the Co-Trustees to reach a majority decision regarding the issue for which such Co-Trustee was appointed. Such Co-Trustee's appointment shall immediately cease following a majority decision on said issue being reached.

Any dissenting or abstaining Trustee may be absolved from personal liability by registering a written dissent with the records of the trust; the dissenting or abstaining Trustee shall thereafter act with the other Trustees in any manner necessary or appropriate to effectuate the decision of the majority. Furthermore, if RICHARD C. BLUM takes any action as a Co-Trustee and the other Co-Trustee(s) do not consent to or participate in such action, then such Co-Trustee(s) shall be absolved from personal liability for any such action (regardless of whether such non-consenting or non-participating Co-Trustees registered a written dissent)."

IV Section 6.7 of the Trust Agreement is hereby amended in its entirety to provide as follows:

"6.7 Compensation. Each individual Trustee (other than the Settlor or DIANE if she is acting as Trustee of any Marital Trust) shall be entitled to reasonable compensation for services rendered and shall be reimbursed for reasonable expenses incurred on behalf of the trust. The Settlor specifies that reasonable compensation for MICHAEL KLEIN, MARC SCHOLVINCK, VERETT MIMS, and JAMES MURRAY (or any person appointed as Co-Trustee pursuant to the provisions of Section 6.1(b) above) while serving as a Co-Trustee shall be five hundred dollars (\$500) per hour. Each such Co-Trustee shall keep time records of their activities serving as Co-Trustee to support any and all compensation. A corporate Trustee (if any) shall be entitled to compensation for its services in the amount and at the time specified in its schedule of fees and charges established from time to time by its trust department for the administration of accounts of a character similar to this one and in effect when such compensation is payable. All Trustees shall be reimbursed for reasonable expenses incurred on behalf of the trust.

Each Independent Trustee shall be entitled to reasonable compensation for services rendered and shall be reimbursed for reasonable expenses incurred on behalf of the trust, and the Trustee shall have the power to renegotiate such compensation. If an Independent Trustee is simultaneously providing legal, investment, or accounting services on behalf of the trust or the trust beneficiaries, such Independent Trustee is entitled to charge its normal

and customary fee for any such services rendered in addition to the compensation received as Independent Trustee under this trust agreement.”

V Section 6.10 of the Trust Agreement is hereby amended in its entirety to provide as follows:

“6.10 Trustee’s Liability. No Trustee shall be liable to an interested party for acts or omissions of that Trustee, except those resulting from intentional breach of trust, gross negligence, bad faith, or reckless indifference. This standard shall also apply regarding a Trustee’s liability for the acts or omissions of any Co-Trustee, predecessor Trustee, or agent employed by the Trustee.

Any individual currently serving as a Trustee may expend any portion of trust assets to defend any claim brought against the Trustee, even if the Trustee’s defense would exhaust the trust’s value, unless the Trustee is shown to have acted with intentional breach of trust, gross negligence, bad fair, or reckless indifference. Any individual that formerly served as a 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 with intentional breach of trust, gross negligence, bad fair, or reckless indifference.”

VI No-Contest Clause. If any beneficiary under this Amendment or the Trust Agreement, singularly or in combination with any other person or persons, directly or indirectly does any of the following acts, then the right of that person to take any interest given to him or her by this Amendment or the Trust Agreement shall be void, and any gift or other interest in the trust property to which the beneficiary would otherwise have been entitled shall pass as if he or she had predeceased the Settlor without issue:

(a) Without probable cause challenges the validity of the Trust Agreement, this Amendment, or the validity of any contract, agreement (including any trust agreement), declaration of trust, beneficiary designation, or other document executed by the Settlor, or executed by another for the benefit of the Settlor that is in existence on the date that this Amendment is executed and further described as a Will, a beneficiary designation of an annuity, retirement plan, IRA, Keogh, pension or profit sharing plan or insurance policy, or a buy sell agreement (individually, a “Dispositive Instrument”), on any of the following grounds:

- (i) Forgery;
- (ii) Lack of due execution;
- (iii) Lack of capacity;
- (iv) Menace, duress, fraud, or undue influence;
- (v) Revocation pursuant to the terms of this trust declaration; other applicable instrument, document, or contract (as described in (a) above), or applicable law;
- (vi) Disqualification of a beneficiary under California Probate Code section 21380 or applicable successor statute.

(b) Files a pleading to challenge the transfer of property to the Trust under the Trust Agreement, this Amendment, or other Dispositive Instrument, on the grounds that it was not the transferor's property at the time of the transfer; or

(c) Files any creditor's claim or prosecutes any action against any trust created under the Trust Agreement or the estate of the Settlor for any debt alleged to be owed to the beneficiary-claimant.

VII The Settlor intends that the No-Contest Clause set forth in Paragraph VI above applies to all provisions of the Trust Agreement (which includes the Twelfth Amendment and Restatement, the Thirteenth Amendment, the Fourteenth Amendment, the Fifteenth Amendment, the Sixteenth Amendment), this Seventeenth Amendment, and all transfers to the Trustee of the RICHARD C. BLUM REVOCABLE TRUST whether pursuant to the Trust Agreement, this Seventeenth Amendment, or otherwise.

VIII In every other respect, the Settlor incorporates by reference, confirms, and ratifies the terms of the Trust Agreement.

IN WITNESS WHEREOF, the Settlor has executed this SEVENTEENTH AMENDMENT OF THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE TRUST this December 1, 2021, at San Francisco, California.

  
\_\_\_\_\_  
RICHARD C. BLUM, Settlor

**ACCEPTANCE OF APPOINTMENT AS CO-TRUSTEES AND  
ACKNOWLEDGMENT OF RECEIPT**

By their signatures hereto, MICHAEL KLEIN and MARC SCHOLVINCK hereby accept their appointment as Co-Trustees of the Trust and all assets thereunder. The current Co-Trustees of the Trust are RICHARD C. BLUM, MICHAEL KLEIN, and MARC SCHOLVINCK. The undersigned Co-Trustees hereby acknowledge receipt of the foregoing Seventeenth Amendment to the Trust Agreement and accept such Seventeenth Amendment.

  
\_\_\_\_\_  
RICHARD C. BLUM, Co-Trustee

Dated: December 1, 2021

\_\_\_\_\_  
MICHAEL KLEIN, Co-Trustee

Dated: \_\_\_\_\_, 2021

\_\_\_\_\_  
MARC SCHOLVINCK, Co-Trustee

Dated: \_\_\_\_\_, 2021



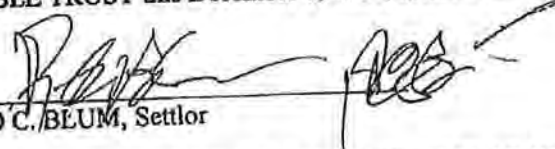
(b) Files a pleading to challenge the transfer of property to the Trust under the Trust Agreement, this Amendment, or other Dispositive Instrument, on the grounds that it was not the transferor's property at the time of the transfer; or

(c) Files any creditor's claim or prosecutes any action against any trust created under the Trust Agreement or the estate of the Settlor for any debt alleged to be owed to the beneficiary-claimant.

VII The Settlor intends that the No-Contest Clause set forth in Paragraph VI above applies to all provisions of the Trust Agreement (which includes the Twelfth Amendment and Restatement, the Thirteenth Amendment, the Fourteenth Amendment, the Fifteenth Amendment, the Sixteenth Amendment), this Seventeenth Amendment, and all transfers to the Trustee of the RICHARD C. BLUM REVOCABLE TRUST whether pursuant to the Trust Agreement, this Seventeenth Amendment, or otherwise.

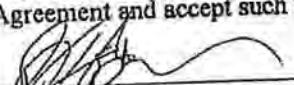
VIII In every other respect, the Settlor incorporates by reference, confirms, and ratifies the terms of the Trust Agreement.

IN WITNESS WHEREOF, the Settlor has executed this SEVENTEENTH AMENDMENT OF THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE TRUST this December 1, 2021, in San Francisco, California.

  
\_\_\_\_\_  
RICHARD C. BLUM, Settlor

**ACCEPTANCE OF APPOINTMENT AS CO-TRUSTEES AND  
ACKNOWLEDGMENT OF RECEIPT**

By their signatures hereto, MICHAEL KLEIN and MARC SCHOLVINCK hereby accept their appointment as Co-Trustees of the Trust and all assets thereunder. The current Co-Trustees of the Trust are RICHARD C. BLUM, MICHAEL KLEIN, and MARC SCHOLVINCK. The undersigned Co-Trustees hereby acknowledge receipt of the foregoing Seventeenth Amendment to the Trust Agreement and accept such Seventeenth Amendment.

  
\_\_\_\_\_  
RICHARD C. BLUM, Co-Trustee

Dated: December 1, 2021

  
\_\_\_\_\_  
MICHAEL KLEIN, Co-Trustee

Dated: December 7, 2021

\_\_\_\_\_  
MARC SCHOLVINCK, Co-Trustee

Dated: \_\_\_\_\_, 2021

(b) Files a pleading to challenge the transfer of property to the Trust under the Trust Agreement, this Amendment, or other Dispositive Instrument, on the grounds that it was not the transferor's property at the time of the transfer; or

(c) Files any creditor's claim or prosecutes any action against any trust created under the Trust Agreement or the estate of the Settlor for any debt alleged to be owed to the beneficiary-claimant.

VII The Settlor intends that the No-Contest Clause set forth in Paragraph VI above applies to all provisions of the Trust Agreement (which includes the Twelfth Amendment and Restatement, the Thirteenth Amendment, the Fourteenth Amendment, the Fifteenth Amendment, the Sixteenth Amendment), this Seventeenth Amendment, and all transfers to the Trustee of the RICHARD C. BLUM REVOCABLE TRUST whether pursuant to the Trust Agreement, this Seventeenth Amendment, or otherwise.

VIII In every other respect, the Settlor incorporates by reference, confirms, and ratifies the terms of the Trust Agreement.

IN WITNESS WHEREOF, the Settlor has executed this SEVENTEENTH AMENDMENT OF THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE TRUST this December 1, 2021, at San Francisco, California.

  
\_\_\_\_\_  
RICHARD C. BLUM, Settlor

ACCEPTANCE OF APPOINTMENT AS CO-TRUSTEES AND  
ACKNOWLEDGMENT OF RECEIPT

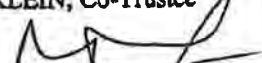
By their signatures hereto, MICHAEL KLEIN and MARC SCHOLVINCK hereby accept their appointment as Co-Trustees of the Trust and all assets thereunder. The current Co-Trustees of the Trust are RICHARD C. BLUM, MICHAEL KLEIN, and MARC SCHOLVINCK. The undersigned Co-Trustees hereby acknowledge receipt of the foregoing Seventeenth Amendment to the Trust Agreement and accept such Seventeenth Amendment.

  
\_\_\_\_\_  
RICHARD C. BLUM, Co-Trustee

Dated: December 1, 2021

\_\_\_\_\_  
MICHAEL KLEIN, Co-Trustee

Dated: \_\_\_\_\_, 2021

  
\_\_\_\_\_  
MARC SCHOLVINCK, Co-Trustee

Dated: 12/6, 2021

**ACKNOWLEDGEMENT**

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

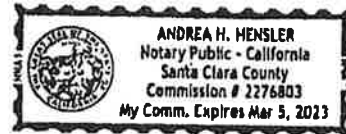
State of California  
County of ~~San Francisco~~ *Alameda*

On December 1, 2021, before me, Andrea H. Hensler, Notary Public, personally appeared Richard C. Blum, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature *Andrea Hensler* (Seal)



# Exhibit E

**EXHIBIT E  
TO**

**PETITION (1) TO COMPEL ACCOUNTING; (2) TO INSTRUCT TRUSTEES TO FUND  
MARITAL TRUST; (3) FOR BREACH OF TRUST; (4) TO SET ASIDE ACTS OF TRUSTEES;  
(5) TO DISGORGE AND REDUCE TRUSTEES' COMPENSATION; (6) TO SUSPEND AND  
REMOVE TRUSTEES; (7) FOR FINANCIAL ELDER ABUSE; (8) TO PROHIBIT TRUSTEES  
FROM USING TRUST FUNDS**



**Hartog Baer Zabronsky Verriere**

TRUST AND ESTATE LAW

A Professional Corporation

**John A. Hartog\*†**  
**David W. Baer**  
**Andrew Zabronsky**

**Anthony G. Matricciani**  
**Travis Neal**  
**Kevin P. O'Brien**  
**Sabina Sadykhova**  
**Amanda E. Sherwood**  
**Evan Winet**

*California State Bar, Board Of Legal  
Specialization Certified Specialist:*  
\*Estate Planning, Trust & Probate Law  
†Taxation Law

June 8, 2023

VIA E-MAIL ONLY: amerino@rp1lawfirm.com

Alison B. Merino  
Ramsbacher Prokey Leonard LLP  
111 W. St. John Street, Suite 1200  
San Jose, CA 95113

***Re: The Richard C. Blum Revocable Trust and the Richard C. Blum  
Marital Trust of 1996***

Dear Ms. Merino:

This letter constitutes a written request by a beneficiary for an account and report on the administration of the Richard C. Blum Revocable Trust (*RCB Trust*). This letter also serves as a request for a distribution from the Richard C. Blum Marital Trust of 1996 (*1996 Marital Trust*) for Senator Dianne Feinstein's health, maintenance, and support expenses.

***The RCB Trust***

Your March 27 letter stated that the trustees had not yet funded the Marital Trust created under the RCB Trust (*Marital Trust*). The purported reason for this failure was a "lack of liquidity" and Mr. Blum's estate's "large estate tax liability."

The asserted large estate tax liability is irrelevant to the funding of the 1996 Marital Trust. This distribution is free of tax and no estate tax exposure arises in consequence of its funding. The trustees' delay of 15 months and counting is giving rise to a claim for breach of fiduciary duty.

We appreciate the difficulties of administering Mr. Blum's estate, but these challenges do not excuse the trustees' failure to inform the surviving spouse regarding the funding of her gift. The widow has received no updates on the Marital Trust funding; she is concerned that the trustees have generated liquidity, e.g., the sale of Mr. Blum's interest in the Claremont Hotel, yet have refused to fund the Marital Trust.

We request an account of the RCB Trust for the period from Mr. Blum's death until May 31, 2023. Please provide this account within 60 days of the date of this letter. We further request a report by the trustees of the RCB Trust that includes a list of the RCB Trust's assets and liabilities, any sales or transfers of RCB Trust assets since Mr. Blum's death, and a summary of the current cash on hand. Please provide this report within 60 days of the date of this letter. Unless Ms. Feinstein is provided with a date certain by which the Marital Trust will be funded, she has authorized us to file a Petition to Compel Distribution, among other available remedies.

Please provide an update on the status of the estate tax return for Richard Blum's estate. We request that you provide our office with a copy of the estate tax return prior to its filing, so that we may review the characterization of Mr. Blum's property as community or separate.

### ***1996 Marital Trust***

Under the 1996 Marital Trust, the trustee may distribute principal for Senator Feinstein's health, education, maintenance and support. Ms. Feinstein requests health, maintenance and support payments as follows:

1. \_\_\_\_\_ in the amount of \_\_\_\_\_ ; this agency coordinated Senator Feinstein's care \_\_\_\_\_ ; we enclose invoices covering the period from March 5, 2023 through May 7, 2023.
2. The monthly salary of \_\_\_\_\_ ; \_\_\_\_\_ is Senator Feinstein's \_\_\_\_\_ salary can be confirmed with the Blum Family Office. We request reimbursement for three months of \_\_\_\_\_ , and a commitment by the 1996 Marital Trust trustees to pay \_\_\_\_\_ compensation henceforth.
3. The annual contract for \_\_\_\_\_ , in the amount of \_\_\_\_\_

Please recall these enclosures contain confidential information. We request you remember to maintain the confidentiality of this healthcare related information.

Alison Merino  
Re: Richard C. Blum Revocable Trust  
June 8, 2023  
Page 3 of 3

Please respond by Noon on June 16, 2023 to advise when our client can expect reimbursement for these health, maintenance and support related expenses. If you have any questions regarding the expenses, please contact me.

Very truly yours,

HARTOG, BAER, ZABRONSKY & VERRIERE  
A Professional Corporation



By: TRAVIS NEAL

TN:kg:sng

cc: Katherine Feinstein (*via email only w/encl.*)  
Rick Mariano (*via email only w/encl.*)  
John Prokey (*via email only w/encl.*)

379619\*3949-001

**[ENCLOSURES OMITTED]**



# Exhibit F

**EXHIBIT F  
TO**

**PETITION (1) TO COMPEL ACCOUNTING; (2) TO INSTRUCT TRUSTEES TO FUND MARITAL TRUST; (3) FOR BREACH OF TRUST; (4) TO SET ASIDE ACTS OF TRUSTEES; (5) TO DISGORGE AND REDUCE TRUSTEES' COMPENSATION; (6) TO SUSPEND AND REMOVE TRUSTEES; (7) FOR FINANCIAL ELDER ABUSE; (8) TO PROHIBIT TRUSTEES FROM USING TRUST FUNDS**



**Hartog Baer Zabronsky Verriere**

TRUST AND ESTATE LAW

A Professional Corporation

**John A. Hartog\*†**  
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**Anthony G. Matricciani**  
**Travis Neal**  
**Kevin P. O'Brien**  
**Sabina Sadykhova**  
**Amanda E. Sherwood**  
**Evan Winet**

*California State Bar, Board Of Legal  
Specialization Certified Specialist:*  
\*Estate Planning, Trust & Probate Law  
†Taxation Law

July 13, 2023

VIA E-MAIL ONLY: amerino@rpllawfirm.com

Alison B. Merino  
Ramsbacher Prokey Leonard LLP  
111 W. St. John Street, Suite 1200  
San Jose, CA 95113

***Re: The Richard C. Blum Revocable Trust***

Dear Ms. Merino:

By letter dated June 8, 2023, we requested information on and an account of the Richard C. Blum Revocable Trust (the *RCB Trust*). Our letter requested this information for the period from Mr. Blum's death until May 31, 2023. The 60 day deadline for providing the information and account will run on August 7, 2023. (See Prob. Code §17200(b)(7).)

We request that any report by the trustees of the RCB Trust include a list of the RCB Trust's assets and liabilities, any sales or transfers of RCB Trust assets since Mr. Blum's death, and a summary of the current cash on hand. We further request that the report detail the status of all assets included on Schedule A attached to the enclosed 13<sup>th</sup> Amendment of the RCB Trust. This schedule is the most current asset schedule of which we are aware.

Please also provide an update on the status of the estate tax return for Richard Blum's estate. We request that you provide our office with a copy of the estate tax return prior to its filing, so that we may review the characterization of Mr. Blum's property as community or separate.

Alison B. Merino  
Re: The Richard C. Blum Revocable Trust  
July 13, 2023  
Page 2 of 2

Very truly yours,

HARTOG, BAER, ZABRONSKY & VERRIERE  
A Professional Corporation



By: TRAVIS NEAL

TN:sng

Enclosure

cc: Katherine Feinstein (*via email only w/encl.*)

John Prokey (*via email only w/encl.*)

381528\*3949-004

**THIRTEENTH AMENDMENT OF THE  
AGREEMENT ESTABLISHING THE  
RICHARD C. BLUM REVOCABLE LIVING TRUST**

---

This THIRTEENTH AMENDMENT TO THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE TRUST (this "Amendment") is executed by RICHARD C. BLUM, as Settlor and Trustee of the RICHARD C. BLUM REVOCABLE TRUST, dated January 9, 1996.

**RECITALS:**

WHEREAS, RICHARD C. BLUM, as Trustor (hereinafter referred to as "Settlor"), established the RICHARD C. BLUM REVOCABLE TRUST on January 9, 1996 (the "Trust"). The Settlor amended the RICHARD C. BLUM REVOCABLE TRUST numerous times and then amended and completely restated the RICHARD C. BLUM REVOCABLE TRUST by execution of that certain TWELFTH AMENDMENT AND COMPLETE RESTATEMENT OF THE AGREEMENT CREATING THE RICHARD C. BLUM REVOCABLE TRUST on June 15, 2017 (the "Trust Agreement");

WHEREAS, per the terms of the Trust Agreement, RICHARD C. BLUM is the current duly appointed Trustee acting under the Trust Agreement;

WHEREAS, Section 2.1 of the Trust Agreement provides that during his lifetime, the Settlor shall have the unrestricted power to amend the Trust Agreement and Section 2.3 of the Trust Agreement provides that each amendment shall be in a written document other than a Will and shall be effective when received by the Trustee; and

WHEREAS, RICHARD C. BLUM desires to exercise his right of amendment, and, to that end, does hereby amend the Trust Agreement on the terms stated below.

NOW THEREFORE, the Trust Agreement is amended as follows:

I Section 1.2 of the Trust Agreement is hereby amended in its entirety to provide as follows:

"1.2 The Trust Estate. Any property currently held by the Trustee and all property thereafter transferred to any trust created under this trust agreement, and the income and proceeds attributable to all such property, shall constitute the 'trust estate' and shall be held, managed, and distributed as provided in this trust agreement. Assets may be listed on Schedule A hereto or any amendment to Schedule A hereto, but a failure to list property transferred to the trust will not mean it is not held by the trust."

II By execution of this document, the Settlor hereby declares that all assets detailed on Schedule A hereto are held by him as Trustee to this trust. Therefore, the Settlor and the Trustee hereby declare that the Trustee holds the property listed on Schedule A hereto. In addition, the Settlor confirms that such declarations are a transfer of the subject property to this Trustee as part

of the trust estate. Furthermore, the Settlor understands and believes that all assets detailed on Schedule A attached hereto are his sole and separate property.

III Section 11.25 is hereby added to the Trust Agreement and shall provide in its entirety as follows:

"11.25 Defense Directive. The Trustee is authorized to defend, at the expense of the trust estate, any contest or other attack of any nature on this trust or any of its provisions."

IV No-Contest Clause. If any beneficiary under this Amendment or the Trust Agreement, singularly or in combination with any other person or persons, directly or indirectly does any of the following acts, then the right of that person to take any interest given to him or her by this Amendment or the Trust Agreement shall be void, and any gift or other interest in the trust property to which the beneficiary would otherwise have been entitled shall pass as if he or she had predeceased the Settlor without issue:

(a) Without probable cause challenges the validity of the Trust Agreement, this Amendment, or the validity of any contract, agreement (including any trust agreement), declaration of trust, beneficiary designation, or other document executed by the Settlor, or executed by another for the benefit of the Settlor that is in existence on the date that this Amendment is executed and further described as a Will, a beneficiary designation of an annuity, retirement plan, IRA, Keogh, pension or profit sharing plan or insurance policy, or a buy sell agreement, on any of the following grounds:

- (i) Forgery;
- (ii) Lack of due execution;
- (iii) Lack of capacity;
- (iv) Menace, duress, fraud, or undue influence;
- (v) Revocation pursuant to the terms of this trust declaration; other applicable instrument, document, or contract (as described in (a) above), or applicable law;
- (vi) Disqualification of a beneficiary who is a "disqualified person" as described in California Probate Code section 21350 or applicable successor statute.

(b) Files a pleading to challenge the transfer of property to the Trust under the Trust Agreement, this Amendment, or other applicable instrument, document, or contract (as described in (a) above), on the grounds that it was not the transferor's property at the time of the transfer; or


(c) Files any creditor's claim or prosecutes any action against any trust created under the Trust Agreement or the estate of the Settlor for any debt alleged to be owed to the beneficiary-claimant.

V The Settlor intends that the No-Contest Clause set forth in Paragraph IV above applies to all provisions of the Trust Agreement, this Amendment, and all transfers to the Trustee of the

RICHARD C. BLUM REVOCABLE TRUST whether pursuant to the Trust Agreement, this Amendment, or otherwise.

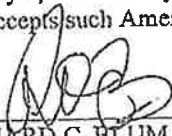
VI In every other respect, the Settlor incorporates by reference, confirms, and ratifies the terms of the Trust Agreement.

IN WITNESS WHEREOF, the Settlor has executed this THIRTEENTH AMENDMENT OF THE AGREEMENT ESTABLISHING THE RICHARD C. BLUM REVOCABLE TRUST this 29 day of May, 2018, at San Francisco CO, California.

  
\_\_\_\_\_  
RICHARD C. BLUM, Settlor

ACCEPTANCE BY TRUSTEE

The undersigned Trustee of the RICHARD C. BLUM REVOCABLE TRUST, dated January 9, 1996 hereby acknowledges receipt of the foregoing Amendment to the Trust Agreement and accepts such Amendment.

  
\_\_\_\_\_  
RICHARD C. BLUM, Trustee

Dated: May 29, 2018

ACKNOWLEDGEMENT

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

State of California  
County of SAN FRANCISCO

On May 29, 2018, before me, Julia Chungsun Lee, Notary Public, personally appeared Richard C. Blum, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Julia Chungsun Lee (Seal)



## SCHEDULE A

### ASSETS OF THE RICHARD C. BLUM REVOCABLE LIVING TRUST

#### Cash and Securities

100% interest in Goldman Sachs Account 7DRS  
100% interest in Bank of America Checking Account ending in 4408  
100% interest in First Republic Money Market Checking Account ending in 6694  
100% interest in JP Morgan Account ending in 6741  
100% interest in JP Morgan Account ending in 2131  
100% interest in Stifel Nicolaus Brokerage Account ending in 4170  
100% interest in Northern Trust Brokerage Account ending in 2239  
100% interest in Northern Trust Brokerage Account ending in 5347

Any and all other property interests in stocks and other securities (whether in certificate form or in a dividend reinvestment plan), and any and all government bonds (whether in certificate form or held by custodians).

#### Business Assets

Any and all interests in Blum Family Partners, L.P., a Delaware limited partnership, and all sub-divisions of Blum Family Partners, L.P. held in the name of Richard C. Blum and/or the Richard C. Blum Revocable Living Trust, including but not limited to:

- 99% limited partnership interest in the sub-division of Blum Family Partners, L.P. owning 11,665 shares of Avid Technology, Inc. stock in BTIG Brokerage Account 7DRT
- 81.147528% limited partnership interest in the sub-division of Blum Family Partners, L.P. owning interests in BBA Foresight, LLC, an Arizona limited liability company
- 99% limited partnership interest in the sub-division of Blum Family Partners, L.P. owning interests in BBA Foresight, LLC, a New Mexico limited liability company
- 99% limited partnership interest in the sub-division of Blum Family Partners, L.P. owning interests in Bell Mountain Capital Partners, LLC, a Delaware limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in BFP Tideline LLC, a Delaware limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Bill Press Partners, LLC, a Delaware limited liability company
- 89.477784% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Blum Family Partners GDM, L.L.C., a Delaware limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Blum GA IV, L.P., a Delaware limited partnership
- 99% interest in sub-division of Blum Family Partners, L.P. owning interests in Campanile Impact Fund, L.P., a Delaware limited partnership



- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Carlton Hotel Properties, a California limited partnership
- 49% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Central Station Land LLC, a California limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Coral Growth Investments Limited
- 74.25% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Francisco Partners, LP
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Gobi Investments Partners LP, a Delaware limited partnership
- 69.3% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Greycroft Partners, L.P., a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in BCP Investment, L.P., a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Latitude Capital Management LP, a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Lucky Bluff, L.L.C., a California limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Montgomery Street Partners II, L.P., a California limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in RST, Inc.
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Petits Pains & Co., L.P., a California limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Tensile Capital Partners, LP, a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Tenzing Global Investors LLC, a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Blum Capital Partners T, L.P., a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in TPG Chinos Co-Invest, L.P., a Delaware limited partnership
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Walker Street SP Brooklyn I, LLC, a Delaware limited liability company
- 77.22% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Zignal Labs, Inc., a Delaware corporation
- 82.17% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Pontifax Global Food and Agriculture Technology Fund, LP
- 75.24% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Vida Ventures, LLC
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in 812 Brooks LLC, a Delaware limited liability company
- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Montgomery Street GP Acquisition Fund GP, LP

- 99% limited partnership interest in sub-division of Blum Family Partners, L.P. owning interests in Montgomery Street GP Acquisition Fund, LP

81.388% limited partnership interest in Blum Capital Partners, L.P., a California limited partnership

95.593995% of the shares of stock in RCBA, Inc., a Delaware corporation

37,169 shares of CB Richard Ellis Group Inc. stock held in BTIG Brokerage Account 7DRS

5,996 shares of Avid Technology, Inc. stock in BTIG Brokerage Account 7DRS

100% interest in Yosemite Investments LLC, a California limited liability company

24.13% interest in Blum Strategic GP II, L.L.C., a Delaware limited liability company

8.56% interest in Blum Strategic Equity II, L.L.C., a Delaware limited liability company

12.95% interest in Blum Strategic GP III, L.L.C., a Delaware limited liability company

10.63% interest in Blum Strategic Equity III, L.L.C., a Delaware limited liability company

0.31% interest in Blum Strategic GP IV, L.L.C., a Delaware limited liability company

6.24% interest in Blum Strategic Equity IV, L.L.C., a Delaware limited liability company

19.93% interest in Blum Strategic GP V, L.L.C., a Delaware limited liability company

40% interest in Tenzing Asian Art LLC, a California limited liability company

100% of Blum Investment Partners, Inc., a California corporation

100% of Blum Investments Partners II Inc., a California corporation

65.4% limited partnership interest in Blum Capital Partners T, L.P., a Delaware limited partnership

100% interest in Montgomery Tideline, LLC

#### Real Property

Undivided 1% interest in that certain real property commonly known as 701 Ocean Avenue #208, City of Santa Monica, County of Los Angeles, State of California (APNs 4293-014-183 & 4293-014-184)

Undivided 1% interest in that certain real property commonly known as 2836 & 2638 Washington Street, City of San Francisco, County of San Francisco (APN Lot 13, Block 979)

Undivided 50% interest in that certain real property commonly known as 3300 Nebraska Avenue NW, Washington D.C. (APN 1513-0000-0005)

Undivided 87.13% interest in that certain real property commonly known as 9105 State Highway 89, City of Tahoma, County of El Dorado, State of California (APN 016-131-06-100)

100% of the improvements on that certain real property commonly known as 9105 State Highway 89, City of Tahoma, County of El Dorado, State of California (APN 016-131-06-100)

Loans Receivable

Any and all promissory notes and other receivables payable by Annette C. Blum to Richard C. Blum and/or the Richard C. Blum Revocable Trust, including but not limited to: (i) that certain promissory note dated September 1, 2012 with a face amount of \$1,722,976; and (ii) that certain promissory note dated March 29, 2018 with a face amount of \$2,428,900 and/or any other loan in connection with the purchase of share of Capital Stock in Park South Tenants Corporation and Annette C. Blum's interest in that certain Proprietary Lease for Apartment Number 20H at 200 Central Park South, New York, New York

Any and all promissory notes and other receivables payable by Heidi Blum to Richard C. Blum and/or the Richard C. Blum Revocable Trust, including but not limited to: (i) that certain promissory note dated September 1, 2012 with a face amount of \$5,168,112; and (ii) those certain loans with a collective principal balance of approximately \$6,647,757

Any and all promissory notes and other loans payable by Eileen Blum to Richard C. Blum and/or the Richard C. Blum Revocable Trust, including but not limited to: (i) that certain promissory note dated September 1, 2012 with a face amount of \$2,799,461; and (ii) any promissory note or loan in connection with Eileen Blum's purchase of interests in that certain real property known as 641 Hilary Drive, Tiburon, California

Any promissory note or loan in connection with Alain Bourgade's purchase of interests in that certain real property known as 641 Hilary Drive, Tiburon, California

That certain promissory note dated October 11, 2012 payable by the Blum 2011 Irrevocable Trust to the Richard C. Blum Revocable Trust with a face amount of \$4,951,649

Any and all promissory notes and other loans payable by the 1987-1988 Richard C. Blum Children's Trust to Richard C. Blum and/or the Richard C. Blum Revocable Trust, including but not limited to: (i) that certain promissory note dated April 1, 2014 with a face amount of \$17,213,667; (ii) that certain loan made on November 16, 2017 in the face amount of \$5,494,421; and (iii) that certain revolving loan originating on August 13, 2012

Any and all promissory notes and other loans payable by Erica Stone and/or Mars Stone to Richard C. Blum and/or the Richard C. Blum Revocable Trust

Any and all promissory notes and other loans payable by Norbu Tenzing to Richard C. Blum and/or the Richard C. Blum Revocable Trust

Any and all promissory notes and other loans payable by any grandchild of the Settlor, including Benjamin Bourgade and Julien Bourgade, to Richard C. Blum and/or the Richard C. Blum Revocable Trust

Any and all promissory notes and other loans payable by BBA Foresight I to Richard C. Blum and/or the Richard C. Blum Revocable Trust

Any and all promissory notes and other loans payable by BBA Foresight II to Richard C. Blum and/or the Richard C. Blum Revocable Trust

Notwithstanding any contrary provision in this Schedule A, any asset, such as a qualified retirement plan, pension plan or commercial annuity, where the transfer of such asset would result in the immediate recognition of income subject to income tax, is specifically excluded from assignment to the trust estate and will remain titled in the name of the Settlor during the Settlor's lifetime.

RICHARD C. BLUM, as the Settlor of the RICHARD C. BLUM REVOCABLE TRUST, dated January 9, 1996 (the "Trust"), hereby declares the above assets are assets of the trust estate of the Trust whether title is held by the Trust or by the Settlor, and whether acquired before or after execution of the Trust's governing trust agreement. Any property of the Settlor held in a name other than that of the trustee of the Trust shall be held by such party of record as a nominee for the benefit of the Trust.