DECLARATION OF TRUST

Article 1: Creation of Trust

1.01 Declaration. This Declaration of Trust is made by and this Trust Agreement is entered into by and between **ELIZABETH ANN SHAVER**, as Settlor, and **ELIZABETH ANN SHAVER**, as Trustee. The Trustee hereby declares that he has received certain property from the Settlor as the sole and surviving Trustee of **SHAVER FAMILY TRUST** dated September 25, 1985, which constitutes the Survivor's Trust Estate assets (hereinafter the "Trust Estate") as described in Schedule A and holds that property in trust, to be held, administered and distributed according to the terms of this instrument.

1.02 Names of Trusts. The trusts created by this instrument shall be known collectively as the **ELIZABETH ANN SHAVER SURVIVOR'S TRUST,** and each separate trust created under this instrument shall be referred to by adding the name or designation of that separate trust as it appears in the appropriate section of this instrument.

1.03 Effective Date. This Agreement shall be effective on the date it is executed by the parties.

1.04 Marital Status. The Settlor was previously married to **JOHN WHITMAN SHAVER** who passed away on June 1, 2001. The Settlor is not currently married.

1.05 Identification of Living Children. The Settlor has three (3) living child whose names are: **KATHRYN LYNN STOLTZFUS, KAREN RUTH HALL** and **JOHN WHITMAN SHAVER, JR.**.

1.06 Deceased Children. The Settlor has no deceased children.

Article 2: Trust Property

2.01 Definition of Trust Estate. All property subject to this instrument from time to time is referred to as the "Trust Estate" and shall be held, administered. and distributed as provided in this instrument. The Trustee shall hold, administer, and distribute the property described in Schedule A. any other property that may be hereafter subject to this Trust, and the income and proceeds attributable to all such property, in accordance with the provisions of this instrument.

2.02 Additions to Trust. From time to time, the Trustee may accept additions to this Trust from any source. All such additions shall become a part of the Trust Estate and shall be held, administered, and distributed in accordance with the terms of this instrument. That additional property shall become part of the Trust Estate upon written acceptance of it by the Trustee. Any additions to the Trust shall be made by designating in writing the property to be added. However, the titling of any account, deed, or similar asset in the name of the Trustee, as Trustee of this Trust, or any alternate or successor Trustee acting under this instrument, shall be deemed to be a transfer to this Trust. Any designation by a third party, whether by will, deed, account title designation, or similar transfer, shall also be a transfer to the Trust Estate.

Article 3: Rights and Powers of Settlor

3.01 Powers of Revocation and Amendment. This Trust may be amended, revoked, or terminated, in whole or in part, by the Settlor at any time during the Settlor's lifetime. After the Settlor's death, this Trust shall be irrevocable and not subject to amendment.

3.02 Method of Revocation or Amendment. Any amendment, revocation, or termination of any trust created by this instrument shall be made by a written instrument, signed by the Settlor and delivered in person or by certified mail to the Trustee. An exercise of the power of amendment substantially affecting the duties, rights, and liabilities of the Trustee shall be effective only if agreed to by the Trustee in writing.

3.03 Delivery of Property After Revocation. After any revocation or termination, the Trustee shall promptly deliver the designated property to the Settlor.

3.04 Settlor's Power to Borrow From Trust Estate. Notwithstanding any other provision in this instrument, during the Settlor's lifetime, the Settlor may borrow from the income or principal of the Trust Estate, with or without security, such amounts on such terms as the Settlor specifies in a signed writing filed with the Trustee.

3.05 Exercise of Settlor's Rights and Powers by Others. Any right or power that the Settlor could exercise personally under the terms of this instrument, including the power to amend, revoke, or terminate any trust created by this instrument, may be exercised for and on behalf of the Settlor by an attorney-in-fact who, at the time of the exercise, is duly appointed and acting for the Settlor under

a valid and enforceable special power of attorney executed by the Settlor or a durable power of attorney executed by the Settlor under the *Uniform Durable Power of Attorney Act*, or any successor statute, or, if there is no such attorney-in-fact, by a duly appointed and acting conservator of the Settlor, after petition to the court in accordance with *California Probate Code* section 2580, or any successor statute.

Article 4: Payments and Distributions During Settlor's Lifetime

4.01 Payment of Income During Settlor's Lifetime. So long as the Settlor is living, the Trustee shall pay to or apply for the benefit of the Settlor all of the net income from the Trust, in monthly or other convenient installments (but not less often than annually) as the Settlor and the Trustee may agree on from time to time request in writing.

4.02 Distributions of Principal at Request of Settlor. During the Settlor's lifetime, the Trustee shall distribute to or apply for the benefit of the Settlor as much of the principal of the Trust as the Trustee in the Trustee's discretion deems proper for the Settlor's comfort, welfare and happiness.

4.03 Requests for Settlor If Settlor Unable to Make Request Personally. If, at any time, the Settlor is unable personally to make a request of the Trustee, the Settlor's right to make the request may be exercised for or on behalf of the Settlor by an attorney-in-fact who, at the time of the exercise, is duly appointed and acting for the Settlor under a special power of attorney or a valid and enforceable durable power of attorney executed by the Settlor under the Uniform Durable Power of Attorney Act, or any successor statute. If there is no such attorney-in-fact, then the Trustee shall have discretion to make any income payment or principal distribution to or for the benefit of the Settlor that the Settlor could have requested personally if the Settlor was able to do so. The Trustee shall have discretion to determine when a Settlor is unable personally to request income payments from the Trustee for purposes of this section.

4.04 Consideration of Beneficiary's Other Resources. In making any payments of income or distributions of principal from any trust created by this instrument for the health, support, maintenance, comfort, welfare, or happiness of any person, the Trustee shall take into consideration, to the extent the Trustee deems advisable, any other income or resources available to that person that

are known to the Trustee and that are reasonably available for that purpose. All decisions of the Trustee regarding payments under this Article 4, if any, are within the Trustee's discretion and shall be final and incontestable by anyone.

4.05 Trustee's Power to Determine Income and Principal. Unless otherwise specifically provided in this instrument, the determination of all matters with respect to that which is principal and income of any trust under this instrument and the apportionment and allocation of receipts, expenses, and other charges between principal and income shall be governed by the provisions of the *California Revised Uniform Principal and Income Act* from time to time existing. The Trustee, in the Trustee's discretion shall determine any matter not provided for either in this instrument or in the *California Revised Uniform Principal and Income Act*.

Article 5: Payments and Distributions Following Settlor's Death

5.01 Payment of Death Taxes, Debts, and Expenses by Trustee Upon Statement From Personal Representative. After the Settlor's death, upon receipt by the Trustee of a written statement from the personal representative of the Settlor's estate requesting that the Trustee pay death taxes, debts, and expenses (as defined in Article 7), with respect to any property in the Settlor's estate, the Trustee shall pay, either directly or to the personal representative, any amounts requested by the personal representative for those purposes, in the manner specified below. The Trustee may rely upon the personal representative's statement and shall not be liable for any act or omission by the personal representative in protesting or failing to protest the legality, propriety, or amount of the death taxes, debts and expenses. If there is no personal representative, the Trustee shall make the payments directly. Payments of debts and expenses shall be made by the Trustee from the Trust Estate. All death taxes payable by reason of the death of the Settlor shall also be paid by the Trustee out of the Trust Estate.

5.02 Distribution of Trust. On the death of the Settlor, and after the payment of all expenses having been made as called for in paragraph 5.01 above, the Trustee shall divide the remaining Trust Estate assets as then constituted into three equal shares. One such equal share shall be distributed to the Settlor's daughter. **KATHRYN LYNN STOLTZFUS**, and another such equal share shall be

distributed to the Settlor's daughter, **KAREN RUTH HALL**, free of trust. The remaining such equal share shall be distributed to, **KAREN RUTH HALL**, in trust for the Settlor's son, **JOHN WHITMAN SHAVER, JR.** and shall be known and referred to as "**JOHN'S TRUST**". If, for any reason, **KAREN RUTH HALL** ceases to act as Trustee of **JOHN'S TRUST**, then **KATHRYN LYNN STOLTZFUS** shall serve as Trustee of **JOHN'S TRUST**. The Trustee of this trust shall hold, administer and distribute the assets of **JOHN'S TRUST** for the benefit of **JOHN** as follows:

(a) Purpose. The primary purpose of this trust is to provide a supplemental and emergency fund to supplement any public benefits available to **JOHN WHITMAN SHAVER, JR.** during his lifetime. It is the intention of the Settlor that the assets of the trust shall, to the fullest extent permitted by law, be free from assignment or collection for the satisfaction of the claims of any creditors or government agencies. If this trust were to be invaded by creditors or subject to any liens encumbrances, or if the terms of this trust were to be applied so as to cause **JOHN'S** eligibility for public benefits to be terminated, it is likely that the trust assets would be depleted before his death, and the purpose of this trust could not then be fulfilled.

(b) Funds to Supplement Other Resources. It is the intention of the Settlor that any payment or distributions from this trust to or for the benefit of **JOHN WHITMAN SHAVER, JR.** shall supplement any public benefits or other private resources available to him. The Trustee may, in the exercise of the Trustee's discretion, seek as necessary all available public benefits for **JOHN,** and shall segregate any public benefits received by the trustee for that purpose in a separate trust or account and administer the same for the benefit of **JOHN**. All public benefits received by the Trustee for that purpose, together with any other resources available to **JOHN,** shall be taken into account by the Trustee in making payments or distributions to or for the benefit of **JOHN.** The Trustee shall regularly consult with **JOHN** for the purpose of determining **JOHN'S** needs and resources. The Trustee shall not exercise the Trustee's discretion to make any payments or distributions to or for the benefit of **JOHN** if the Trustee determines, in the Trustee's sole discretion, that public benefits, private resources, or a combination of public benefits and private resources are reasonably available to **JOHN** to satisfy those needs.

(c) Restrictions on Use of Funds. No part of the income or principal of the Trust shall be used to replace or supplant public benefits of any country or any state, federal, or other governmental agency that has legal responsibility to serve persons with disabilities or conditions that are the same

as or similar to those of **JOHN WHITMAN SHAVER, JR.**. For purposes of determining **JOHN'S** eligibility for any public benefits, no part of the principal or undistributed income of the Trust estate shall be considered available to him, and he shall have no right to compel the Trustee to release principal or income to him or for his benefit or otherwise to have any access to any of the trust assets. In the event that the Trustee is requested to release principal or income of the Trust to or on behalf of **JOHN** to pay for any equipment, medication, services, or any other health needs that any public benefits would be authorized to provide for were it not for the existence of the Trust, or in the event that the Trustee is requested to petition any court or any administrative agency for authorization to release principal or income for any purpose of that kind, the Trustee shall deny the request and take whatever administrative or judicial steps may be necessary to continue the eligibility of **JOHN** for all available public benefits, including obtaining a determination or declaration from a court of competent jurisdiction that the Trust principal is not available to **JOHN** for purposes of determining his eligibility for any public benefits. Any expenses of the Trustees in this regard, including attorneys' fees, shall be a proper charge to the trust estate.

(d) Discretionary Payments and Distributions. During the lifetime of **JOHN WHITMAN SHAVER, JR.**, the Trustee shall pay to or apply for the benefit of **JOHN** as much of the net income and as much of the principal of the Trust, up to the whole thereof, as the Trustee, in the Trustee's sole discretion, from time to time deems necessary or advisable for the satisfaction of his special needs. For this purpose, "special needs" refers the requisites for maintaining **JOHN'S** good health, comfort and safety, and welfare when, in the discretion of the Trustee, those requisites are not being provided for by any public agency, office or department of any state or the United States, or by any person or persons with a legal obligation to support **JOHN.** "Special Needs' shall include, but not be limited to, medical and dental care, special equipment, programs of training, education, and rehabilitation, travel needs, and recreation not provided for or reimbursed by public benefits. The Trustee shall consult with any guardian, conservator, custodian, or other person who cares for **JOHN** regarding his special needs. Expenditures made by the Trustee under this section may include reasonable compensation to any person who provides for the special needs of **JOHN** as provided in this section. Any expenditure permitted by this section may be made either with or without prior court order. Any income not paid pursuant to this provision at the end of the calendar year shall be added to the principal of the Trust.

Article 7: Concluding Provisions

7.01 Perpetuities Savings Clause. Notwithstanding any other provision of this instrument, every trust created by this instrument shall terminate no later than twenty-one (21) years after the death of the last survivor of the Settlor's spouse and issue who are alive at the creation of the Trust. For purposes of this perpetuities savings clause, a trust shall be deemed to have been created on the date the Trust becomes irrevocable or the date of the death of the Settlor, whichever occurs first. If a trust is terminated 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 proportion 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 to be final and incontestable by anyone.

7.02 No-Contest Clause. If any beneficiary under this instrument, singularly or in combination with any other person or persons, directly or indirectly contests this instrument or the will of the Settlor in whole or in part, or opposes, objects to, or seeks to invalidate any of the provisions of this instrument or of the will of the Settlor, then the right of that person to take any interest given to him or her by this instrument 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. Said contesting beneficiary shall instead receive the sum of **One dollar ($1.00)** and no further interest whatsoever in my estate.

7.03 Definition of Death Taxes. The term "death taxes," as used in this instrument, shall mean all inheritance, estate, succession, and other similar taxes that are payable by any person on account of that person's interest in the estate of the decedent, or by reason of the decedent's death, including penalties and interest, but excluding the following:

(a) Any addition to the federal estate tax for any "excess retirement accumulation" under *Internal Revenue Code* section 4980A.

(b) Any additional tax that may be assessed under *Internal Revenue Code* section 2032A.

7.04 Definition of Debts and Expenses. As used in this instrument, the term "debts and expenses" shall include the following:

(a) All costs, expenses of litigation, counsel fees, or other charges that the Trustee incurs in connection with the determination of the amount of the death taxes, interest, or penalties referred to in Section 7.03 of this instrument, and

(b) Legally enforceable debts, funeral expenses, expenses of last illness, and administration and property expenses.

7.05 Definition of Issue. As used in this instrument, the term "issue" refers to all lineal descendants of all generations, with the relationship of parent and child at each generation being determined by the definitions of "child" and "children" set forth in this instrument.

7.06 Number and Gender. As used in this instrument, references in the masculine gender shall be deemed to include the feminine and neuter gender, and vice versa, and references to the singular shall be deemed to include the plural, and vice versa, wherever the context so permits.

7.07 Captions. The captions appearing in this instrument are for convenience of reference only, and shall be disregarded in determining the meaning and effect of the provisions of this instrument.

7.08 Severability Clause. If any provision of this instrument is invalid, that provision shall be disregarded, and the remainder of this instrument shall be construed as if the invalid provision had not been included.

7.09 California Law to Apply. All questions concerning the validity, interpretation, and administration of this instrument, including any trusts created under this instrument, shall be governed by the laws of the State of California, regardless of the domicile of any Trustee or beneficiary.

Article 8: Signature and Execution

8.01 Execution. I certify that I have read the foregoing Declaration of Trust and that it correctly states the terms and conditions under which the Trust Estate is to be held, administered, and distributed. As Trustee of the Trust created by this Declaration of Trust, I approve this Declaration of Trust in all particulars, and agree to be bound by its terms and conditions.

Executed on this 7th day of August, 2001, at Goleta, California.

TRUSTEE:

ELIZABETH ANN SHAVER

8.02 Acceptance by Settlor. I, as Settlor of the Trust created by this Declaration of Trust, certify that I have read the foregoing Declaration of Trust and that it correctly states the terms and conditions under which the Trust Estate is to be held, administered, and distributed. As Settlor of the Trust created by this Declaration of Trust, I approve this Declaration of Trust in all particulars, and agree to be bound by its terms and conditions.

Executed on this 7th day of August, 2001, at Goleta, California.

SETTLOR:

ELIZABETH ANN SHAVER

ACKNOWLEDGMENT

State of California)
) ss.
County of Santa Barbara)

On this 7th day of August, 2001, before me, Melissa F. Rinehart, a notary public, personally appeared **ELIZABETH ANN SHAVER**, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the **ELIZABETH ANN SHAVER SURVIVOR'S TRUST** and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS MY HAND AND SEAL.

MELISSA F. RINEHART
COMM. # 1276440
NOTARY PUBLIC-CALIFORNIA
SANTA BARBARA COUNTY
COMM. EXP. SEPT. 10, 2004

Melissa F. Rinehart
Notary Public in and for said County and State

SCHEDULE A

SCHEDULE OF TRUST ASSETS

Real Property

That certain residential real property commonly known and referred to as 6117 Craigmont Drive, Goleta, California 93117.

That certain acreage located in Hawaii

Checking/Savings Accounts	Approx. Amount
Bank of America, Acct. #04166-30476	$ 4,000.00
Santa Barbara Bank & Trust, Acct. # 04-102-000871-4	$ 2,500.00

Investments & Annuities	
American Express Annuity, Acct. #	$120,000.00
Sun Life Ragatta Gold Annuity Policy # 07700983376	$ 45,000.00
Allianz Valuemark III Annuity Policy #DA401368	$ 70,000.00
Prudential Money Market Fund	$ 20,000.00
Prudential Securities Money Market, Acct. #	$ 10,030.68
U.S. Government Series "E" Bonds	$ 9,000.00