

Richard Nixon Presidential Library
White House Special Files Collection
Folder List

<u>Box Number</u>	<u>Folder Number</u>	<u>Document Date</u>	<u>Document Type</u>	<u>Document Description</u>
8	1	08/20/1973	Letter	From Coopers & Lybrand to RN and PN reporting on an audit of RN's homes. Author unknown. 11 pgs.
8	1	08/20/1973	Letter	From Coopers & Lybrand to RN and PN reporting on an audit of RN's homes. Author unknown. 11 pgs.
8	1	08/14/1972	Other Document	Agreement of Trust between RN and PN, with John D. Ehrlichman as Trustee. Author unknown. 37 pages.

THE PRESIDENT and MRS. NIXON

Letter dated August 20, 1973

COOPERS & LYBRAND
CERTIFIED PUBLIC ACCOUNTANTS

COOPERS & LYBRAND

IN PRINCIPAL AREAS
OF THE WORLD

1251 AVENUE OF THE AMERICAS
NEW YORK, N. Y. 10020

August 20, 1973

The President and Mrs. Nixon
The White House
Washington, D. C. 20500

Dear Mr. President and Mrs. Nixon:

On this date we reported upon our examination of the statement of your assets and liabilities at May 31, 1973 and the related statement of changes in your net assets for the period from January 1, 1969 to May 31, 1973.

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We examined, among other things, the accounting records and other documents relating to: the purchase of your residential properties in Key Biscayne, Florida and San Clemente, California and the sources of funds used therefor; the sale of a part of your interest in the San Clemente property; and the costs paid by you for improvements and for operations of the residential properties through May 31, 1973.

At your request we set forth below, as supplemental information the details with respect to: (a) the purchase of your residential properties and the sources of funds used therefor; (b) the amounts paid (i) with respect to the related obligations including interest, (ii) for improvements and furnishings, and (iii) for

operations of the residential properties, all through May 31, 1973; and (c) the balance of those obligations outstanding at that date that are related to the properties.

RESIDENTIAL PROPERTIES, KEY BISCAWAYNE

500 Bay Lane. Your property at 500 Bay Lane, Key Biscayne, Florida consisting of land, building and furnishings was purchased on December 19, 1968 from Senator and Mrs. George A. Smathers for \$125,000. Other costs in connection with the purchase were \$527. The total purchase price of this residence was \$125,527.

Payment for this property was made as follows:

Assumption of unpaid balance of mortgages payable to: First Federal Savings & Loan Association of Miami	\$45,373
Chaswil, Inc. (mortgage subsequently transferred to Paul E. Williams)	<u>36,875</u> \$ 82,248
Amount paid from bank loan (described below)	<u>43,497</u>
	125,745
Less, Net settlement for interest, taxes, etc.	<u>218</u>
Total	<u>\$125,527</u>

516 Bay Lane. Your property at 516 Bay Lane, Key Biscayne, Florida consisting of land, building and furnishings was also purchased on December 19, 1968 from Manuel Arca, Jr. and Evora Bonet de Arca for \$127,800. Other costs in connection with the purchase were \$128. The total purchase price of this residence was \$127,928.

The President and Mrs. Nixon - 3

Payment for this property was made as follows:

Assumption of unpaid balance of mortgage payable to First Federal Savings & Loan Association of Miami	\$ 27,718
Promissory note and purchase money mortgage issued to Manuel Arca, Jr. and Evora Bonet de Arca, sellers with annual interest of 7.5% (the Arca note)	80,000
Amount paid from bank loan (described below)	<u>20,243</u>
	127,961
Less, Net settlement for interest, taxes, etc.	<u>33</u>
Total	<u>\$127,928</u>

The two previously mentioned payments of \$43,497 and \$20,243 were made from the proceeds of an unsecured loan to you in the amount of \$65,000, obtained on December 19, 1968 from the First National Bank of Miami. These proceeds were disbursed as follows:

Paid to Senator and Mrs. George A. Smathers	\$ 43,497
Paid to Manuel Arca, Jr. and Evora Bonet de Arca	20,243
Sundry expenditures in con- nection with the loan closing	<u>643</u>
	64,383
Cash remitted to you	<u>617</u>
Total loan	<u>\$ 65,000</u>

During the period from December 19, 1968 to June 13, 1969, you made monthly payments with respect to the mortgages on the Bay Lane residences from your personal funds. The payments were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
First Federal Savings & Loan Association of Miami:			
500 Bay Lane	\$ 805	\$1,349	\$2,154
516 Bay Lane	595	630	1,225
Chaswil, Inc./Paul E. Williams	<u>584</u>	<u>916</u>	<u>1,500</u>
Total	<u>\$1,984</u>	<u>\$2,895</u>	<u>\$4,879</u>

On June 13, 1969, the existing mortgages with respect to the property at 516 Bay Lane were paid. You provided \$11,100 from your personal funds and the balance was paid from the proceeds of your mortgage note payable to Greater Miami Federal Savings & Loan Association for \$100,000.

These funds were applied as follows:

Payment in full of unpaid principal and interest (\$3,000) of the Arca note	\$ 83,000
Payment in full of the unpaid principal and interest (\$195) of the mortgage payable to First Federal Savings & Loan Association of Miami	27,318
Sundry costs in connection with the refinancing	<u>782</u>
Total	<u>\$111,100</u>

On September 4, 1969, you repaid from your personal funds the loan of \$65,000 to the First National Bank of Miami and the interest thereon of \$3,504.

You also paid from your personal funds the monthly installments on the existing mortgages on these properties as they have become due from June 13, 1969 to May 31, 1973. These payments are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
First Federal Savings & Loan Association of Miami	\$ 7,252	\$10,802	\$18,054
Chaswil, Inc./ Paul E. Williams	6,413	7,987	14,400
Greater Miami Federal Savings & Loan Association	<u>6,260</u>	<u>28,520</u>	<u>34,780</u>
Total	<u>\$19,925</u>	<u>\$47,309</u>	<u>\$67,234</u>

Through May 31, 1973 you paid from your personal funds for improvements to these properties in the amounts of \$37,942 with respect to 500 Bay Lane, and \$38,479 with respect to 516 Bay Lane as follows:

	<u>500 Bay Lane</u>	<u>516 Bay Lane</u>
Remodeling	\$24,734	\$29,687
Furniture	<u>13,208</u>	<u>8,792</u>
Total	<u>\$37,942</u>	<u>\$38,479</u>

At May 31, 1973 these properties were subject to the liens of mortgages as follows:

<u>Mortgagee</u>	<u>Annual Interest Rate</u>	<u>Monthly Installments Including Interest</u>	<u>Balance of Mortgage</u>
500 Bay Lane:			
First Federal Savings & Loan Association of Miami	6%	\$359 to June, 1985	\$ 37,316
Paul E. Williams	6%	\$300 to November, 1984	29,878
516 Bay Lane:			
Greater Miami Federal Savings & Loan Association	7.5%	\$740 to May, 1994	<u>93,740</u>
Total			<u>\$160,934</u>

RESIDENTIAL PROPERTY, SAN CLEMENTE

We examined documents indicating that Richard M. Nixon and Patricia Nixon, as joint tenants, are beneficiaries of a revocable Trust established April 24, 1969 which terminates in ten years. This Trust was formed to enable the Trustee (Title Insurance and Trust Company of Los Angeles) to take title in your behalf to real property in San Clemente, California.

The Trustee has taken title to two parcels of real property with the following consideration:

The Cotton Parcel:

Land (approximately 26 acres)
and buildings purchased
July 15, 1969 from Victoria
Reyes Cotton Ogden, Lionel E.
Ogden, Edwin L. Harbach,
trustees under deed of trust
executed June 14, 1961,
Victoria Cotton Ogden, Lucy
Ellen Cotton, and Janice
Ogden Vest (formerly Janice
Lucy Ogden) \$1,400,000

Other costs in connection with
the purchase 100

1,400,100

The Elmore Parcel:

Land (approximately 2.9 acres)
purchased October 13, 1969
from John J. Elmore, John
Jameson Elmore and Stephen
Henry Elmore, trustees under
last will and testament of
Hetty J. Elmore \$100,000

Other costs in connection with
the purchase 54 100,054

Total \$1,500,154

The President and Mrs. Nixon - 7

Payment for the Cotton Parcel was made as follows:

Promissory Note with Purchase Money Trust Deed, issued to sellers, payable in four installments of \$100,000 each July 15 thereafter, and \$600,000 payable July 15, 1974, with annual interest at 7.5% (the Cotton note)	\$1,000,000
Cash paid by you	399,609
(The proceeds of a loan to you from Robert H. Abplanalp in the amount of \$450,000 with annual interest at 8%, had been deposited in your bank account on July 11, 1969.)	
Net settlement for real estate taxes	<u>491</u>
Total	<u>\$1,400,100</u>

Payment for the Elmore Parcel was made as follows:

Promissory Note with Purchase Money Trust Deed, issued to sellers, payable in five installments of \$16,000 each October 13, including October 13, 1974, with annual interest at 7.5% (the Elmore note)	\$ 80,000
Cash paid by you	<u>20,054</u>
Total	<u>\$ 100,054</u>

The foregoing obligations are secured solely by the property held in Trust and do not involve any personal liability.

On July 15, 1970, the proceeds of a loan from Robert H. Abplanalp in the amount of \$175,000, with interest at 8%, were deposited in your bank account. On that date, you paid the current installment on the Cotton note (\$100,000) and the related interest (\$75,000).

On October 13, 1970, you paid from your personal funds the current installment on the Elmore note (\$16,000) and the related interest (\$6,000).

On December 15, 1970, you sold a portion of your interest in the Trust, representing the entire Elmore Parcel (2.9 acres) and a part (approximately 20.1 acres) of the Cotton Parcel, to Robert H. Abplanalp and C. G. Rebozo, co-partners doing business under the firm name and style of B. & C. Investment Company. On December 24, 1970, the Trustee acknowledged receipt of a document of assignment and transfer of a part of your interest in the Trust to B. & C. Investment Company.

Consideration received for this sale consisted of:

Assumption of obligation under Promissory Notes of B. & C. Investment Company of:	
Part of the Cotton note	\$560,000
The Elmore note	64,000
Principal amount of two notes payable to Robert H. Abplanalp, deemed paid	<u>625,000</u> <u>\$1,249,000</u>

After the sale, you retained your interest in the Trust representing approximately 5.9 acres of the Cotton Parcel including the residence and other improvements referred to as Casa Pacifica, and had an obligation of \$340,000 representing the unpaid portion of the Cotton note which had not been assumed by B. & C. Investment Company.

Subsequently, you paid from your personal funds the interest (\$56,883) owed on the notes payable to Robert H. Abplanalp (the principal of which was deemed paid in connection with the sale to B. & C. Investment Company), the interest (\$28,993) due to December 15, 1970 on the Cotton and Elmore notes, and the installments and interest (\$113,102) due in 1971 and 1972 on the part of the Cotton note not assumed by B. & C. Investment Company.

At May 31, 1973, the unpaid balance of the Cotton note amounted to \$700,000. At that date, your obligation for the note amounted to \$264,440. It is due, with interest of 7.5%, in installments of \$37,780 and \$226,660 on July 15, 1973 and 1974, respectively. Your interest in Casa Pacifica is subject to the terms of the Purchase Money Trust Deed issued with the Cotton note.

Prior to May 31, 1973 you incurred and paid from your personal funds \$217,270 for improvements, furnishings and other costs at Casa Pacifica as follows:

<u>Description</u>	<u>Amount</u>
Improvements and furnishings:	
Kitchen remodeling	\$ 30,440
Other remodeling costs	27,167
Painting	25,165
Swimming pool, including heater	14,950
Work on sewer system	13,318
Landscaping	7,804
Work on porch and fireplace	5,936
Driveway paving	1,146
Other costs	6,188
Furnishings	<u>55,863</u>
	187,977
Acquisition costs:	
Commission to realtor	\$25,000
Geotechnical survey	<u>4,293</u> <u>29,293</u>
Total	<u>\$217,270</u>

AMOUNTS PAID FOR OPERATIONS OF THE RESIDENTIAL PROPERTIES

During the period from the respective dates of purchase to May 31, 1973, you have paid from your personal funds certain operating expenses, exclusive of interest, of your residences in Key Biscayne, Florida and in San Clemente, California. The amounts

The President and Mrs. Nixon - 10

paid, after deducting \$4,800 representing utilities and maintenance costs of the golf facilities at San Clemente that were reimbursed by The Golfing Friends of the President, were:

Real estate taxes	\$ 72,298*
Utilities	31,175
Fire and casualty insurance	4,713
Household maintenance	<u>59,104</u>
	<u>\$167,290</u>

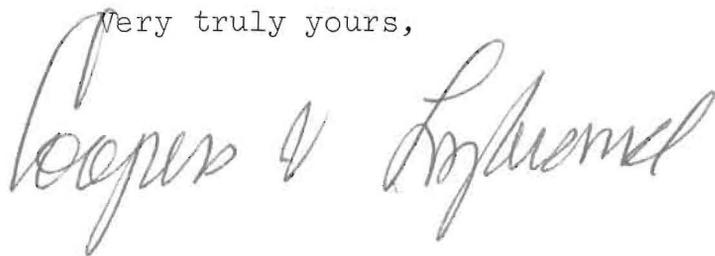
*This amount does not include \$2,125 of real estate taxes that were accrued but were not paid at May 31, 1973.

OPINION

The amounts set forth above with respect to the purchase or improvement of the residential properties are stated on the basis of your cost. They do not include any amounts paid by the Government of the United States or others in connection with these residences.

In our opinion, the information set forth above presents fairly: (a) the purchase of your residential properties and the sources of the funds used therefor; (b) the amounts paid by you (i) with respect to the related obligations including interest, (ii) for improvements and furnishings, and (iii) for operations of the residential properties, all through May 31, 1973; and (c) the balance of those obligations outstanding at that date that are related to the properties.

Very truly yours,



THE PRESIDENT and MRS. NIXON

Letter dated August 20, 1973

COOPERS & LYBRAND
CERTIFIED PUBLIC ACCOUNTANTS

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Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We examined, among other things, the accounting records and other documents relating to: the purchase of your residential properties in Key Biscayne, Florida and San Clemente, California and the sources of funds used therefor; the sale of a part of your interest in the San Clemente property; and the costs paid by you for improvements and for operations of the residential properties through May 31, 1973.

At your request we set forth below, as supplemental information the details with respect to: (a) the purchase of your residential properties and the sources of funds used therefor; (b) the amounts paid (i) with respect to the related obligations including interest, (ii) for improvements and furnishings, and (iii) for

The President and Mrs. Nixon - 2

operations of the residential properties, all through May 31, 1973; and (c) the balance of those obligations outstanding at that date that are related to the properties.

RESIDENTIAL PROPERTIES, KEY BISCAWAYNE

500 Bay Lane. Your property at 500 Bay Lane, Key Biscayne, Florida consisting of land, building and furnishings was purchased on December 19, 1968 from Senator and Mrs. George A. Smathers for \$125,000. Other costs in connection with the purchase were \$527. The total purchase price of this residence was \$125,527.

Payment for this property was made as follows:

Assumption of unpaid balance of mortgages payable to: First Federal Savings & Loan Association of Miami	\$45,373
Chaswil, Inc. (mortgage subsequently transferred to Paul E. Williams)	<u>36,875</u> \$ 82,248
Amount paid from bank loan (described below)	<u>43,497</u>
	125,745
Less, Net settlement for interest, taxes, etc.	<u>218</u>
Total	<u>\$125,527</u>

516 Bay Lane. Your property at 516 Bay Lane, Key Biscayne, Florida consisting of land, building and furnishings was also purchased on December 19, 1968 from Manuel Arca, Jr. and Evora Bonet de Arca for \$127,800. Other costs in connection with the purchase were \$128. The total purchase price of this residence was \$127,928.

The President and Mrs. Nixon - 3

Payment for this property was made as follows:

Assumption of unpaid balance of mortgage payable to First Federal Savings & Loan Association of Miami	\$ 27,718
Promissory note and purchase money mortgage issued to Manuel Arca, Jr. and Evora Bonet de Arca, sellers with annual interest of 7.5% (the Arca note)	80,000
Amount paid from bank loan (described below)	<u>20,243</u>
	127,961
Less, Net settlement for interest, taxes, etc.	<u>33</u>
Total	<u>\$127,928</u>

The two previously mentioned payments of \$43,497 and \$20,243 were made from the proceeds of an unsecured loan to you in the amount of \$65,000, obtained on December 19, 1968 from the First National Bank of Miami. These proceeds were disbursed as follows:

Paid to Senator and Mrs. George A. Smathers	\$ 43,497
Paid to Manuel Arca, Jr. and Evora Bonet de Arca	20,243
Sundry expenditures in con- nection with the loan closing	<u>643</u>
	64,383
Cash remitted to you	<u>617</u>
Total loan	<u>\$ 65,000</u>

The President and Mrs. Nixon - 4

During the period from December 19, 1968 to June 13, 1969, you made monthly payments with respect to the mortgages on the Bay Lane residences from your personal funds. The payments were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
First Federal Savings & Loan Association of Miami:			
500 Bay Lane	\$ 805	\$1,349	\$2,154
516 Bay Lane	595	630	1,225
Chaswil, Inc./Paul E. Williams	<u>584</u>	<u>916</u>	<u>1,500</u>
Total	<u>\$1,984</u>	<u>\$2,895</u>	<u>\$4,879</u>

On June 13, 1969, the existing mortgages with respect to the property at 516 Bay Lane were paid. You provided \$11,100 from your personal funds and the balance was paid from the proceeds of your mortgage note payable to Greater Miami Federal Savings & Loan Association for \$100,000.

These funds were applied as follows:

Payment in full of unpaid principal and interest (\$3,000) of the Arca note	\$ 83,000
Payment in full of the unpaid principal and interest (\$195) of the mortgage payable to First Federal Savings & Loan Association of Miami	27,318
Sundry costs in connection with the refinancing	<u>782</u>
Total	<u>\$111,100</u>

On September 4, 1969, you repaid from your personal funds the loan of \$65,000 to the First National Bank of Miami and the interest thereon of \$3,504.

You also paid from your personal funds the monthly installments on the existing mortgages on these properties as they have become due from June 13, 1969 to May 31, 1973. These payments are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
First Federal Savings & Loan Association of Miami	\$ 7,252	\$10,802	\$18,054
Chaswil, Inc./ Paul E. Williams	6,413	7,987	14,400
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Total	<u>\$19,925</u>	<u>\$47,309</u>	<u>\$67,234</u>

Through May 31, 1973 you paid from your personal funds for improvements to these properties in the amounts of \$37,942 with respect to 500 Bay Lane, and \$38,479 with respect to 516 Bay Lane as follows:

	<u>500 Bay Lane</u>	<u>516 Bay Lane</u>
Remodeling	\$24,734	\$29,687
Furniture	<u>13,208</u>	<u>8,792</u>
Total	<u>\$37,942</u>	<u>\$38,479</u>

At May 31, 1973 these properties were subject to the liens of mortgages as follows:

<u>Mortgagee</u>	<u>Annual Interest Rate</u>	<u>Monthly Installments Including Interest</u>	<u>Balance of Mortgage</u>
500 Bay Lane:			
First Federal Savings & Loan Association of Miami	6%	\$359 to June, 1985	\$ 37,316
Paul E. Williams	6%	\$300 to November, 1984	29,878
516 Bay Lane:			
Greater Miami Federal Savings & Loan Association	7.5%	\$740 to May, 1994	<u>93,740</u>
Total			<u>\$160,934</u>

RESIDENTIAL PROPERTY, SAN CLEMENTE

We examined documents indicating that Richard M. Nixon and Patricia Nixon, as joint tenants, are beneficiaries of a revocable Trust established April 24, 1969 which terminates in ten years. This Trust was formed to enable the Trustee (Title Insurance and Trust Company of Los Angeles) to take title in your behalf to real property in San Clemente, California.

The Trustee has taken title to two parcels of real property with the following consideration:

The Cotton Parcel:

Land (approximately 26 acres)
and buildings purchased
July 15, 1969 from Victoria
Reyes Cotton Ogden, Lionel E.
Ogden, Edwin L. Harbach,
trustees under deed of trust
executed June 14, 1961,
Victoria Cotton Ogden, Lucy
Ellen Cotton, and Janice
Ogden Vest (formerly Janice
Lucy Ogden) \$1,400,000

Other costs in connection with
the purchase _____ 100
1,400,100

The Elmore Parcel:

Land (approximately 2.9 acres)
purchased October 13, 1969
from John J. Elmore, John
Jameson Elmore and Stephen
Henry Elmore, trustees under
last will and testament of
Hetty J. Elmore \$100,000

Other costs in connection with
the purchase _____ 54 _____ 100,054

Total \$1,500,154

The President and Mrs. Nixon - 7

Payment for the Cotton Parcel was made as follows:

Promissory Note with Purchase Money Trust Deed, issued to sellers, payable in four installments of \$100,000 each July 15 thereafter, and \$600,000 payable July 15, 1974, with annual interest at 7.5% (the Cotton note)	\$1,000,000
Cash paid by you	399,609
(The proceeds of a loan to you from Robert H. Abplanalp in the amount of \$450,000 with annual interest at 8%, had been deposited in your bank account on July 11, 1969.)	
Net settlement for real estate taxes	<u>491</u>
Total	<u>\$1,400,100</u>

Payment for the Elmore Parcel was made as follows:

Promissory Note with Purchase Money Trust Deed, issued to sellers, payable in five installments of \$16,000 each October 13, including October 13, 1974, with annual interest at 7.5% (the Elmore note)	\$ 80,000
Cash paid by you	<u>20,054</u>
Total	<u>\$ 100,054</u>

The foregoing obligations are secured solely by the property held in Trust and do not involve any personal liability.

On July 15, 1970, the proceeds of a loan from Robert H. Abplanalp in the amount of \$175,000, with interest at 8%, were deposited in your bank account. On that date, you paid the current installment on the Cotton note (\$100,000) and the related interest (\$75,000).

On October 13, 1970, you paid from your personal funds the current installment on the Elmore note (\$16,000) and the related interest (\$6,000).

The President and Mrs. Nixon - 8

On December 15, 1970, you sold a portion of your interest in the Trust, representing the entire Elmore Parcel (2.9 acres) and a part (approximately 20.1 acres) of the Cotton Parcel, to Robert H. Abplanalp and C. G. Rebozo, co-partners doing business under the firm name and style of B. & C. Investment Company. On December 24, 1970, the Trustee acknowledged receipt of a document of assignment and transfer of a part of your interest in the Trust to B. & C. Investment Company.

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The Elmore note	64,000
Principal amount of two notes payable to Robert H. Abplanalp, deemed paid	<u>625,000</u> <u>\$1,249,000</u>

After the sale, you retained your interest in the Trust representing approximately 5.9 acres of the Cotton Parcel including the residence and other improvements referred to as Casa Pacifica, and had an obligation of \$340,000 representing the unpaid portion of the Cotton note which had not been assumed by B. & C. Investment Company.

Subsequently, you paid from your personal funds the interest (\$56,883) owed on the notes payable to Robert H. Abplanalp (the principal of which was deemed paid in connection with the sale to B. & C. Investment Company), the interest (\$28,993) due to December 15, 1970 on the Cotton and Elmore notes, and the installments and interest (\$113,102) due in 1971 and 1972 on the part of the Cotton note not assumed by B. & C. Investment Company.

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Prior to May 31, 1973 you incurred and paid from your personal funds \$217,270 for improvements, furnishings and other costs at Casa Pacifica as follows:

<u>Description</u>	<u>Amount</u>
Improvements and furnishings:	
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Other remodeling costs	27,167
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Driveway paving	1,146
Other costs	6,188
Furnishings	<u>55,863</u>
	187,977
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Geotechnical survey	<u>4,293</u> 29,293
Total	<u>\$217,270</u>

AMOUNTS PAID FOR OPERATIONS OF THE RESIDENTIAL PROPERTIES

During the period from the respective dates of purchase to May 31, 1973, you have paid from your personal funds certain operating expenses, exclusive of interest, of your residences in Key Biscayne, Florida and in San Clemente, California. The amounts

The President and Mrs. Nixon - 10

paid, after deducting \$4,800 representing utilities and maintenance costs of the golf facilities at San Clemente that were reimbursed by The Golfing Friends of the President, were:

Real estate taxes	\$ 72,298*
Utilities	31,175
Fire and casualty insurance	4,713
Household maintenance	<u>59,104</u>
	<u>\$167,290</u>

*This amount does not include \$2,125 of real estate taxes that were accrued but were not paid at May 31, 1973.

OPINION

The amounts set forth above with respect to the purchase or improvement of the residential properties are stated on the basis of your cost. They do not include any amounts paid by the Government of the United States or others in connection with these residences.

In our opinion, the information set forth above presents fairly: (a) the purchase of your residential properties and the sources of the funds used therefor; (b) the amounts paid by you (i) with respect to the related obligations including interest, (ii) for improvements and furnishings, and (iii) for operations of the residential properties, all through May 31, 1973; and (c) the balance of those obligations outstanding at that date that are related to the properties.

Very truly yours,

Coopers & Lybrand

AGREEMENT OF TRUST

by and between

RICHARD M. NIXON
and
PATRICIA R. NIXON,

as Settlers

and

JOHN D. EHRLICHMAN,

as Trustee

Dated: August 14, 1972

MUDGE ROSE GUTHRIE & ALEXANDER
20 BROAD STREET, NEW YORK, NEW YORK

THIS AGREEMENT OF TRUST made the 14th day of August, 1972 by and between RICHARD M. NIXON and PATRICIA R. NIXON, as Settlers and JOHN D. EHRLICHMAN, as Trustee,

WHEREAS, the Settlers desire, by this Agreement, to create a revocable trust, to be known as "The Patricia R. Nixon Trust", the principal thereof to consist of the property set forth in Schedule A annexed hereto and made a part hereof, and of such other property as may hereafter be delivered to the Trustee or his successor or successors,

NOW, THEREFORE, THIS AGREEMENT OF TRUST WITNESSETH:

That the Settlers have granted, conveyed, assigned, transferred, set over and delivered, and by these presents do grant, convey, assign, transfer, set over and deliver unto the Trustee (which term, whenever it is used in this Agreement, shall be deemed to mean the original Trustee named above and any additional or successor Trustee or Trustees at any time acting hereunder, whether individual or institutional, unless by express provision or necessary implication another meaning is clearly intended), all the right, title and interest which the Settlers now have in and to the property set forth in Schedule A annexed hereto and made a part hereof, the receipt of which property is hereby acknowledged by the Trustee,

TO HAVE AND TO HOLD the said property listed in Schedule A annexed hereto and any additional property at any time delivered to the Trustee pursuant to the terms of this Agreement, all of which is sometimes hereinafter referred to as the Primary Trust Fund, in trust, nevertheless, for the following uses and purposes and subject to the terms, conditions, powers and agreements hereinafter set forth:

FIRST: (A) During the life of RICHARD M. NIXON, the Trustee shall hold the Primary Trust Fund, without being under any obligation to invest the same, and shall pay over or apply so much or all of the net income, if any, and/or principal therefrom as RICHARD M. NIXON shall from time to time direct, and shall accumulate the balance of any net income not directed to be paid over or applied and add the same to the principal of the Primary Trust Fund, upon the happening of which event such accumulated income so added to such principal shall for all purposes become and be a part thereof.

(B) Upon the death of RICHARD M. NIXON, if PATRICIA R. NIXON shall then be living, the Trustee shall hold and manage the Primary Trust Fund, which term shall be deemed to include any property added thereto in accordance with the terms and provisions of that certain Agreement of Trust made and executed the same day as this Agreement of Trust by and between RICHARD M. NIXON and

PATRICIA R. NIXON, as Settlers, and RICHARD M. NIXON, as Trustee, pursuant to which a trust, referred to in that Agreement of Trust and hereafter in this Agreement as "The Family and Literary Properties Trust", was created, and shall invest and reinvest the Primary Trust Fund, other than any residential real property being used by PATRICIA R. NIXON and held as part of the Primary Trust Fund, shall collect the rents, if any, interest, dividends and other income from the Primary Trust Fund and, after the payment of all lawful charges therefrom, shall dispose of the Primary Trust Fund as follows:

(1) If any residential real property shall be held as part of the Primary Trust Fund, then PATRICIA R. NIXON shall have the absolute and unqualified power, at any time and from time to time during the continuance of the trust created hereunder, to direct the retention of such residential real property, together with all appurtenances, buildings and/or improvements thereon, or to direct the sale of any such residential real property, appurtenances, buildings and/or improvements, or any part thereof, and, if she so directs, the purchase of other residential real property in replacement thereof. As to any residential real property at any time held as part of the Primary Trust Fund, the Trustee shall make the same available to PATRICIA R. NIXON for her exclusive use, without requiring the payment of any

rent therefor, and shall pay, out of the income and, if necessary or advisable, the principal of the Primary Trust Fund, so much or all of any taxes or assessments levied on such residential real property, appurtenances, buildings and/or other improvements, any charges or expenses, whether ordinary or extraordinary, as may be incurred in maintaining or improving such residential real property, appurtenances, buildings and/or other improvements, and the cost of insuring the same against loss, fire, theft and/or liability, as PATRICIA R. NIXON shall direct. In no event shall the Trustee be subjected to any liability for retaining or selling any residential real property, appurtenances, buildings and/or improvements, or any part thereof held as part of the Primary Trust Fund, or for paying, out of the income and, if necessary, the principal of the Primary Trust Fund, any costs or expenses relating to any such residential real property, in accordance with directions from said PATRICIA R. NIXON. Further, no person interested in the Primary Trust Fund shall have any right to question any direction relating to such residential real property made by PATRICIA R. NIXON, and her determination to direct a retention or sale of any such residential real property, appurtenances, buildings and/or improvements, or any part thereof, or to

direct a purchase of replacement residential real property, as provided herein, or to direct the payment of any costs or expenses relating to any such residential real property, shall be final, binding and conclusive upon all persons interested in the trust created under this Agreement of Trust, and the interests of all of such persons are hereby limited accordingly.

(2) All of the net income from the Primary Trust Fund remaining after the payments, if any, provided for in subdivision (1) of this subparagraph (B) of this Article FIRST, and so much or all of the principal thereof as the Trustee shall deem advisable, shall be paid over or applied to or for the benefit of PATRICIA R. NIXON for and during the term of her life, in quarterly installments or at such more frequent intervals as the Trustee shall determine.

(C) Upon the death of PATRICIA R. NIXON, she having survived RICHARD M. NIXON, the Primary Trust Fund, which term shall be deemed to include any property added thereto in accordance with the terms and provisions of the Agreement of Trust under which The Family and Literary Properties Trust was created, or so much thereof as then remains, shall be paid over, transferred and delivered to and among such person or persons, corporation or corporations, and/or institution or institutions (including, but without limitation, the creditors of PATRICIA R. NIXON, her

estate, and the creditors of her estate), and in such shares, estates and proportions, in trust or otherwise, and with or without further powers of appointment in the appointees, as PATRICIA R. NIXON shall direct in and by her Last Will and Testament duly admitted to probate or duly established. If PATRICIA R. NIXON shall fail to exercise the general power of appointment thus conferred upon her, or if her exercise thereof shall be ineffective or invalid, or if she shall only partially exercise said power of appointment, or if her exercise thereof shall be partially ineffective or invalid, then the Primary Trust Fund, or so much thereof as then remains and shall not have been validly and effectively disposed of by PATRICIA R. NIXON in exercise of said power of appointment or, if PATRICIA R. NIXON shall not be living at the time of RICHARD M. NIXON's death, then, upon the death of RICHARD M. NIXON or, if RICHARD M. NIXON and PATRICIA R. NIXON shall die in or as the immediate result of a common accident or disaster, then, upon the happening of such event and without regard to who may have survived the other, the Primary Trust Fund, including any property added thereto in accordance with the provisions of the Agreement of Trust under which The Family and Literary Properties Trust was created, shall be disposed of as follows:

- (1) If the event causing the disposition of the Primary Trust Fund shall be the death of PATRICIA R. NIXON,

she having survived RICHARD M. NIXON, the Trustee shall have the power, in the Trustee's sole and uncontrolled discretion, to pay, out of the Primary Trust Fund, before the division of the same into any shares or parts, all debts, funeral, administration and legal expenses of PATRICIA R. NIXON's estate and all estate, transfer, inheritance or succession taxes, whether federal or state or other, including any interest and penalties assessed thereon, payable by reason of the death of PATRICIA R. NIXON. In making any such payment, the Trustee is authorized to rely upon a certification from PATRICIA R. NIXON's Executor or Executors as to the amounts to be paid without further inquiring into the accuracy or correctness of any such certification, and upon making any such payment, the Trustee shall be released from any liability for the application of such funds.

(2) The balance of the Primary Trust Fund remaining after the payments directed under subdivision (1) of this subparagraph (C) of this Article FIRST, or the entire Primary Trust Fund, if the event causing the disposition of the Primary Trust Fund shall be the death of RICHARD M. NIXON, or the death of RICHARD M. NIXON and PATRICIA R. NIXON in or as the immediate result of a common accident or disaster, shall be divided into as many equal shares as there shall be children of the Settlers then living, with

a further equal share for the issue, collectively, of any child of the Settlers who shall theretofore have died leaving issue who are then living, and such shares, as so determined, shall be disposed of as follows:

(a) Each share set aside for a child of the Settlers shall continue to be held in trust for the benefit of such child and/or her issue in accordance with all of the terms and provisions of subparagraph (D) of this Article FIRST; and

(b) Each share set aside for the then living issue, collectively, of any child of the Settlers who shall theretofore have died leaving issue who shall then be living shall be paid over, transferred and delivered to such then living issue, to be divided among such issue, per stirpes and not per capita, provided, however, if any such share, or any part thereof, shall thereupon become payable to any person who shall then be under the age of twenty-five (25) years, then such share or part shall not be paid over to such person free of trust, but instead shall continue to be held in trust for the benefit of such person in accordance with all of the terms and provisions of subparagraph (E) of this Article FIRST; or if there shall be no issue of the Settlers then living, then the same shall be paid over, transferred and delivered to THE

RICHARD M. NIXON FOUNDATION, for its general uses and purposes.

(D) Each share of the Primary Trust Fund set aside for a child of the Settlers shall be held by the Trustee as a separate trust for the benefit of such child, and the Trustee shall manage, invest and reinvest the same, shall collect the rents, dividends, interest and other income therefrom and, after the payment of all lawful charges therefrom, shall pay over or apply, to or for the benefit of any one or more members of the class consisting of the child of the Settlers for whose benefit such share was set aside and such of the issue of such child of the Settlers as shall be living at the time each such payment or application is made, so much or all of the net income therefrom and/or principal thereof as the Trustee (other than any person with a present or potential beneficial interest in such separate trust, if such person shall at that time be acting as a Trustee hereunder) shall, for any reason whatsoever, deem advisable, proper or necessary, and shall accumulate the balance of any of such net income not so paid over or applied and shall add the same to the principal of such separate trust, whereupon such accumulated income shall become a part of the principal of such separate trust for all purposes. Any determination by the Trustee of any separate trust held under this subparagraph (D) of this Article FIRST to make or not to make any such payment or application of any part or all of the net income and/or

principal of such separate trust to or for the benefit of any one or more members of the class of persons to or for whose benefit the net income and/or principal of such separate trust could be paid shall not impose any duty or obligation on such Trustee to make any similar payment and/or application to or for the benefit of any other member or members of the class of persons to or for whose benefit such net income and/or principal could be paid or on the Trustee of any other separate trust held under this Agreement of Trust to make any similar payment and/or application to or for the benefit of any one or more members of the class of persons to or for whose benefit the net income and/or principal of such other separate trust held hereunder could be paid, and such determination shall be final, binding and conclusive upon all persons interested in such separate trust or in any other separate trust held under this Agreement. Upon the death of the child of the Settlers in whose name a separate trust is being held under this subparagraph (D), the principal of such separate trust, or so much thereof as shall then remain, together with all accrued and/or accumulated income thereon, shall be paid over, transferred and delivered to and among such child's then living issue, to be divided among such issue per stirpes and not per capita, or if such child shall leave no issue surviving, then to and

among such issue of the Settlers as shall be living at the time of such child's death, to be divided among such issue per stirpes and not per capita, provided, however, that if any share or part of the principal of said trust shall thereupon become payable to (i) a child of the Settlers for whose benefit a separate trust is then being administered under the provisions of this subparagraph (D) of this Article FIRST or (ii) any person, other than a child of the Settlers, who shall not have attained the age of twenty-five (25) years, then such share or part shall not be paid over, transferred and delivered free of trust to such child of the Settlers or to such other person, as the case may be, but shall instead, (i) in the case of any share payable to a child of the Settlers, be added to the principal of the separate trust being administered for the benefit of such child under this subparagraph (D), whereupon the same shall become a part of the principal of such separate trust for all purposes and shall thereafter be held, managed and disposed of accordingly, or (ii) in the case of any share or part payable to any person, other than a child of the Settlers, who shall not have attained the age of twenty-five (25) years, be held by the Trustee as a separate trust for the benefit of such person and managed and disposed of in accordance with all of the terms and provisions of subparagraph (E) of

this Article FIRST; or, if there shall be no issue of the Settlers then living, then the same shall be paid over, transferred and delivered to THE RICHARD M. NIXON FOUNDATION, for its general uses and purposes.

(E) Each share or part of the Primary Trust Fund or of any trust held under subparagraph (D) of this Article FIRST which is directed to be held in trust for any person who shall not have attained the age of twenty-five (25) years shall be held by the Trustee, in trust, nevertheless, as a separate trust for the benefit of such person, and the Trustee shall manage, invest and reinvest the same, shall collect the rents, interest, dividends and other income therefrom and, after payment of all lawful charges therefrom, shall pay over or apply so much or all of the net income and/or principal therefrom for the support, maintenance and/or education of such person as the Trustee (other than any person with a present or potential beneficial interest in such separate trust, if such person shall at that time be acting as a Trustee hereunder) shall determine, and shall accumulate the balance of any such income not so paid over or applied and add the same to the principal of such trust, whereupon the same shall be treated as principal for all of the purposes of this Agreement of Trust.

Each separate trust held under the pro-

visions of this subparagraph (E) of this Article FIRST shall terminate (i) upon the attainment of the age of twenty-five (25) years by the person for whose benefit such trust was originally set aside, (ii) upon the death of such person prior to his or her having attained the age of twenty-five (25) years, or (iii) upon the lapse of twenty-one (21) years after the death of the last to die as between all issue of RICHARD M. NIXON living at the time of his death, whichever event shall first occur and, upon such termination, the principal of such trust, or so much thereof as shall then remain, together with all accrued and/or accumulated income thereon, shall be paid over, transferred and delivered to the person for whose benefit such trust was set aside, if such person shall then be living, or if such person shall not then be living, then to such of the issue of such person as shall then be living, to be divided among such issue per stirpes and not per capita, or if there shall be no issue of such person then living, then to the then living issue of such person's nearest ancestor who shall have been a descendant of the Settlers and who shall have issue then living, to be divided among such issue per stirpes and not per capita, or if there shall be no such issue then living, then to such issue of the Settlers as shall then be living, to be divided among such issue per stirpes and not per capita, provided, however, that if the

event causing the termination of such trust shall have been the death of the person for whose benefit such trust was set aside, and if any share or part of the principal of such trust shall thereupon become payable to (i) a child of the Settlers for whose benefit a separate trust is then being administered under the provisions of subparagraph (D) of this Article FIRST, or (ii) any person, other than a child of the Settlers, for whose benefit a separate trust is then being administered under the provisions of this subparagraph (E) of this Article FIRST, then such share or part shall not be paid over, transferred and delivered free of trust to such child of the Settlers, or to such other person, as the case may be, but shall instead, (i) in the case of any share payable to a child of the Settlers, be added to the principal of the trust being held for the benefit of such child and/or her issue under the provisions of subparagraph (D) of this Article FIRST, thereafter to be held, administered and disposed of as a part of such principal for all purposes, or (ii) in the case of any share or part payable to any person, other than a child of the Settlers, for whose benefit a separate trust is then being administered under the provisions of this subparagraph (E) of this Article FIRST, be added to the principal of such separate trust then being held for the benefit of such person under this subparagraph (E), thereafter to be held, administered and disposed of as a part

of such principal for all purposes; or if there shall be no issue of the Settlers then living, then the same shall be paid over, transferred and delivered to THE RICHARD M. NIXON FOUNDATION, for its general uses and purposes.

SECOND: The Settlers or either of them shall have the right at any time and from time to time, by deed, assignment or other conveyance executed during their lifetimes, and/or by devise or bequest by his or her Last Will and Testament, or any Codicil thereto, duly admitted to probate or duly established, to make contributions of cash, securities and/or other property to any trust or trusts directed to be held under the provisions of this Agreement of Trust. The Trustee shall also accept additions of property to the principal of the trust created hereunder made in accordance with the terms and provisions of that certain Agreement of Trust made and executed the same day as the date of execution of this Agreement of Trust by and between RICHARD M. NIXON and PATRICIA R. NIXON, as Settlers and RICHARD M. NIXON, as Trustee, pursuant to which a trust, referred to in that Agreement of Trust as The Family and Literary Properties Trust, was created. Any other person may, with the consent of the Trustee, at any time and from time to time, by deed, assignment or other conveyance, and/or by devise or bequest by his or her Last Will and Testament, or any Codicil thereto,

duly admitted to probate or duly established, make contributions of cash, securities and/or other property to any trust or trusts directed to be held under this Agreement of Trust.

THIRD: (A) Whenever, under any of the provisions of this Agreement of Trust, the Trustee is authorized to pay over or apply any portion of the income and/or principal of any trust created hereunder to or for the benefit of any beneficiary of such trust who shall at the time of such payment and/or application be a minor, then, anything herein contained to the contrary notwithstanding, the Trustee is hereby authorized, in the Trustee's absolute discretion, to pay over such income and/or principal to such minor, or to apply the same directly for the benefit of such minor or to pay such income and/or principal to such minor's parent, or to any adult person with whom such minor may then be living, or to the guardian of such minor, regardless of whether such guardian shall have qualified as the guardian of such minor under the laws of the jurisdiction in which the trust is being administered. The written receipt of such minor, parent, guardian or other person for any amount so paid, or evidence of the application of any amount by the Trustee for the benefit of such minor, shall be an absolute discharge to the Trustee in respect of the amount so paid or applied.

(B) If any part of the principal of any trust created by this Agreement of Trust shall at any time become distributable or payable to any person who shall at such time be a minor, the Trustee may, in the Trustee's absolute and uncontrolled discretion, either pay over such principal or any part thereof to the parent of such minor or to any adult person with whom such minor shall then be living, or to the guardian of the person or property of such minor, regardless of whether such guardian shall have qualified as such guardian under the laws of the jurisdiction in which the trust is being administered, or retain and hold the same or the balance thereof as donee of a power during minority to manage property vested in such minor, and, in such case, so much of the principal and income therefrom as said Trustee shall deem necessary or desirable may be applied by them from time to time for the support, maintenance and education of such minor, and any principal and/or income therefrom retained by the Trustee shall be invested and reinvested and accumulated for the benefit of such minor until he or she shall have attained majority, and thereupon the entire fund shall be paid over to such person to whom the same is distributable or payable as aforesaid, or, if such person shall die before attaining majority, then the same shall be paid over to such person's legal representatives. The

application of income or principal to the support, maintenance or education of a minor as herein provided may be made either directly by the Trustee or by payment of such income or principal to the parent of such minor or to the guardian of the person or property of such minor or to the person with whom such minor may reside at the time of such payment. In holding any principal or income for any minor pursuant to this provision, the Trustee shall have all the rights, powers, privileges, duties, exemptions and discretions conferred under any of the provisions of this Agreement of Trust upon the Trustee, whether the same be of management, investment, reinvestment or otherwise. In making any payment to the parent or to the guardian of such minor or to the person with whom such minor resides, the Trustee shall not be required to obtain any bond or other security, and the receipt of any one of said persons for such payment to, on behalf of, or for the maintenance, support or education of such minor, shall be a full and complete discharge to the Trustee, who shall not be bound to see to the application or use of any such payment.

FOURTH: In so far as it may be permissible by law so to provide, no beneficiaries of any trust created under this Agreement shall under any circumstances have any power of alienation, either voluntary or involuntary, of any of the prop-

erty at any time constituting any part of said trust, or any income or profits arising or to arise therefrom or any part thereof, prior to the actual receipt thereof by such beneficiary; nor shall any such beneficiary have any power to encumber the principal of said trust or any part thereof, or to encumber or anticipate the income and profits therefrom or any part thereof; nor shall any such beneficiary have any control of said income or profits, or any part thereof, until after the actual receipt thereof by such beneficiary; and neither the principal of said trust nor any income arising therefrom shall ever at any time be subject to the claims of creditors of any such beneficiary, or of the spouse, if any, of any such beneficiary.

FIFTH: If any prior beneficiary and any subsequent beneficiary of any trust created under this Agreement of Trust, other than RICHARD M. NIXON and PATRICIA R. NIXON, shall die in or as the immediate result of a common accident or disaster, then, without regard as to who survived the other it shall be deemed, for all purposes of this Agreement of Trust, that such prior beneficiary survived, and any trust or trusts created hereunder shall be held, administered and disposed of accordingly.

SIXTH: The Trustee at any time acting hereunder, including any additional or successor Trustee or Trustees ap-

pointed under the provisions hereof, in addition to any power conferred upon the Trustee under any other paragraph of this Agreement of Trust and in addition to any general power or authority which such Trustee would otherwise possess by law, are hereby given full power and authority:

(1) To sell, either by private contract or at public auction, grant options in respect of, exchange, mortgage or lease for any term of years, or otherwise dispose of any or all of the trust funds, whether real or personal, of whatsoever nature or kind and wheresoever the same may be situated, for such consideration, whether for cash or upon credit or partly for cash and partly upon credit, and upon such other terms and conditions as deemed proper, and to make, execute, acknowledge and deliver any and all deeds, leases, assignments, mortgages or other instruments, and to do all acts deemed necessary and proper to effectuate or in connection with any such disposition of the trust funds; and in no case shall any purchaser of property from the Trustee or other persons dealing with the Trustee be bound to see to the application of the purchase money or other property or fund under any of the provisions of this Agreement;

(2) To manage, operate, repair, improve, mortgage or lease (whether for a period longer or shorter than ten years and whether expiring before or after the termination of any trust created hereunder) any real estate, whether improved or unimproved, forming a part of the trust funds;

(3) To adjust, compromise, compound and settle any and all claims, debts or obligations due to or from the trust funds to such extent and upon such terms and conditions as

the Trustee may deem advisable without first bringing against the claimant or compelling the claimant to bring any action at law, suit in equity, or any other legal proceeding to establish any such claims, and to reduce the rate of interest on, to extend or otherwise modify, or to foreclose upon default or otherwise enforce or to abstain from the enforcement of any such right, claim, debt or obligation, and to abandon, if deemed advisable, any property, real or personal, constituting a part of the trust funds; to execute and deliver to the federal or any state or other taxing authorities instruments waiving any statutory or other time limitations as to any tax matters in any way relating to the trust funds; and to execute all agreements, deeds, releases or other documents necessary or proper in connection with any adjustment, compromise, compounding, settlement or waiver, and said Trustee shall not be held responsible for any losses which may occur to the trust funds by reason thereof;

(4) To submit to final arbitration any matter of difference with others;

(5) To borrow money upon the security of the trust funds or any part thereof for any purpose or purposes deemed necessary or proper for the management thereof, including, but without limitation, the purchase of securities or other property for the account of the trust; and this power to borrow money shall include the power to borrow from any corporate Trustee at any time acting hereunder, on terms no less favorable as to security, interest or other matters related to such borrowing, than those made available by it to borrowers generally who or which have credit standing comparable to that of the said trust, and such corporate Trustee shall in no event be penalized in any way on account of such borrowing, whether by reason of self-dealing or otherwise; and it is hereby provided that the said Trustee shall, notwithstanding any rule of law

to the contrary, have the power to maintain a margin account or accounts and to make such pledges of and other undertakings with respect to assets of the trust as shall in the judgment of the Trustee be advisable in connection with the establishment and maintenance of such account or accounts;

(6) To continue the trust funds invested in such stocks, bonds or other securities and property delivered to the Trustee upon the execution of this Agreement or hereafter acquired from any additions to the trust funds, without any requirement for diversification and including the carrying on of any business, joint venture or enterprise in which the funds represented by such stocks, bonds and other securities or property may be invested at the time the same are received;

(7) To invest and reinvest all or any part of the trust funds in such manner and in such securities and other property, real or personal, as deemed advisable, without being limited in such investments to that property or those securities which otherwise would alone be lawful for trustees' investments under any laws applicable thereto, and without being required to diversify such investments in any manner whatsoever; without in any way limiting the power of investment and reinvestment herein conferred upon the Trustee, the Settlers direct that the foregoing provisions should be construed to include a power to invest in securities of any kind of corporation commonly known as an investment trust company or mutual fund;

(8) To vote in person or by proxy any shares of stock in any corporation constituting a part of the trust funds at any meeting of the stockholders of such corporation, to deposit any stocks, bonds or other securities with any committee under any plan of reorganization, recapitalization or readjustment of any corporation, and generally, as to any shares of stock, bonds, scrip or other secur-

ities which may at any time form a part of the trust funds, to enjoy the same powers under ordinary conditions and also in the case of a merger, lease, consolidation or reorganization, readjustment or recapitalization, sale of assets or other corporate action as might be exercised by an individual owner who is under no trust obligation, including the acceptance and holding thereafter of any securities which may be issued as a result of such corporate action;

(9) To vote for an individual Trustee, or for any officer or employee of a corporate Trustee, or for either of them to be a director or an officer of any corporation in which the trust funds may be interested, or to be a member of any committee related in any way to such corporation, and any Trustee or officer or employee of any corporate Trustee may serve as such director or officer or committee member, and receive proper remuneration for such services, and may exercise free and untrammelled discretion with respect to all matters concerning the affairs of such corporation, and no Trustee or officer or employee of a corporate Trustee so acting as a director or officer or as a member of such committee shall be accountable for his acts as such to any person interested in the trust funds;

(10) To accept or substitute any stocks, bonds, scrip or other securities in exchange for any securities which may at any time constitute any part of the trust funds, and to exercise any powers incidental to any such acceptance or substitution; to pay all assessments, subscriptions or other sums of money for the protection of the Trustee's interests as holder of any stocks, bonds or other securities, and to exercise any option contained in any stocks, bonds or other securities for the conversion of the same into other securities, and thereafter to hold any securities thus received;

(11) To cause to be registered in the

name of the Trustee hereunder any securities which may from time to time comprise the trust funds, or to take and keep them unregistered, and to retain them or any part thereof in such condition that they will pass by delivery;

(12) To pay out of principal or income any and all claims or demands which properly may become payable from time to time against the trust funds, and the Trustee's allocation of any such charges against principal or income or partly against principal and partly against income shall be final and conclusive and binding upon all persons interested in the trust funds, and the Trustee's discretion in making the same shall not be questioned;

(13) In case of securities taken or purchased at a premium, not to be bound to set apart any portion of the income as a sinking fund to restore or absorb such premium, but the same may be done if deemed desirable;

(14) With respect to any and all stocks and bonds at any time delivered to the Trustee by the Settlers to treat as income any dividends (except liquidating dividends) declared but not yet paid on any such stocks and any and all interest accrued on any bonds, at the time of delivery of such stocks, bonds or other securities to the Trustee by the Settlers; and during the term of administration of each trust created hereunder, to treat as income any and all cash dividends (whether of the kind sometimes described as "ordinary dividends" or "extra-ordinary dividends") except liquidating dividends, and to treat as principal (a) all liquidating dividends and (b) all distributions made in the shares of the corporation making the same, whether in the form of a stock split or a stock dividend or otherwise, and (c) all warrants, and (d) all dividends or distributions made in the stock of a corporation other than the one declaring the same, and (e) any and all distributions made other than from ordinary income by any investment trust company,

mutual fund or real estate investment trust; and in connection therewith, to determine, in the Trustee's discretion, whether any cash dividend is or is not a liquidating dividend; and to retain or distribute all such dividends accordingly as herein provided;

(15) To allocate between principal and income any and all rents from leaseholds and any dividends or other distributions in respect of any stock of oil, gas, mining or lumber companies, and any and all distributions in respect of the kind of property ordinarily known as a wasting investment, constituting a part of the trust fund at any time, in such manner that there shall be allocated to income only ordinary income and there shall be allocated to principal any amounts representing depreciation, depletion, reserve, or other adjustments which are necessary or proper to insure the preservation as principal of the capital invested in such stock or property;

(16) To effect the division of the principal of the trust funds or to distribute the same either in kind or in money or partly in kind and partly in money, and for the purpose of such allotment the judgment of the Trustee concerning the propriety thereof and the form of such division or distribution and the relative values for the purpose of such division or distribution of the securities or the real or personal property so allotted shall be binding and conclusive on all persons interested under this Agreement;

(17) To delegate the power and discretions, or any of them, to any one or more of the other Trustee, with further power to revoke any such delegations, and further, to appoint from time to time, in the Trustee's discretion, an agent or agents for the purpose of performing any act which the Trustee is authorized, empowered or directed to do, whether or not such act may require discretion on the part of such agent or agents, and the acts of any such duly appointed

agent or agents shall in all respects be as lawful and binding upon the trusts as if performed by the Trustee and the Trustee shall not be personally liable to any beneficiary hereunder or to any other person by reason of any act done or omitted by the agent or agents so appointed, whether such act required discretion on the part of such agent or agents or involved a delegation of discretion by the Trustee;

(18) To commingle the assets of all or any of the foregoing trust funds the one with the other so that any one of said trust funds may consist in whole or in part of an undivided share or shares in assets, the remaining undivided share or shares in which constitute the whole or a part of any other trust fund, and to substitute at any time and from time to time any investment or asset constituting a part or the whole of any trust fund for any investment or asset constituting a part or the whole of any other trust fund;

(19) So long as there shall be no corporate Trustee acting under this Agreement, to employ or retain any bank, corporation or other institution to act as custodian of the assets of the trust created hereunder, and to permit said bank, corporation or institution to hold said assets in its name, or in the name of its nominee, and to pay to said bank, corporation and/or institution its charges for acting as such custodian, and to charge the same against principal or income as the Trustee in the Trustee's discretion, shall determine, and the Trustee shall be entitled to reimbursement for the same and for such necessary and proper charges and expenses as may be incurred in connection therewith. Any such bank, corporation or institution which acts as such custodian shall not be liable or responsible in any way to any person interested in the trust created under this Agreement, for any act performed by it in accordance with the instructions of the Trustee, or of any of the Trustee's duly appointed agents; and

(20) Without in any way affecting the right of any Trustee to act as such fiduciary, or to receive compensation for so acting, to employ counsel, investment advisers, brokers, accountants, clerks and agents, and any firm of which any individual Trustee may be a partner or with which any individual Trustee may be associated and any corporation of which any individual Trustee may be a director, officer, stockholder, employee or in any way interested, may be so employed by the Trustee for such purpose, and to pay to any such firm or corporation such fees, commissions, compensation and/or remuneration for services rendered from principal or income as the Trustee may deem proper; and to purchase and/or sell for the account of any trust under this Agreement, any real and/or personal property, stocks, bonds and other securities or property from, to or through any firm or corporation acting as a principal without regard to the fact that such corporation is a Trustee or that an individual Trustee may be a partner of such firm or may be associated with such firm, or may be a director, officer, stockholder, employee of or in any way interested in such corporation, and, in the case of any such sale or purchase, to accept such sales price, in the case of a sale, or to pay such purchase price, in the case of a purchase, as the Trustee may deem proper.

SEVENTH: A majority of the Trustees at any time acting hereunder or, if there shall only be one Trustee then acting hereunder, such sole Trustee, shall have the power at any time and from time to time (i) to appoint an individual or individuals or a bank or trust company or different individuals or banks or trust companies as an additional or successor Trustee or as additional or successor Trustees of the Primary Trust Fund or of any separate trust or trusts directed to be held hereunder,

such appointment or appointments to take effect immediately or upon the happening of any future contingency as shall be specified in the instrument of appointment, provided that in no event shall there be more than three Trustees nor more than one bank or trust company acting as Trustee of any trust directed to be held hereunder, (ii) to remove any Trustee or Trustees at any time acting hereunder, and (iii) to revoke any contingent appointment of any additional or successor Trustee made in accordance with the provisions of this Article SEVENTH. RICHARD M. NIXON, regardless of whether or not he may be acting as a Trustee hereunder, shall have the power to remove any Trustee or Trustees at any time acting hereunder, to revoke any contingent appointment of a successor or an additional Trustee made by a majority of the Trustees or the sole Trustee acting hereunder, and, in his discretion, to appoint a successor Trustee or Trustees to act in the place and stead of the Trustee or Trustees so removed or whose contingent appointment has been revoked, or an additional Trustee or additional Trustees to act hereunder.

All instruments of appointment or removal of a successor or additional Trustee or of successor or additional Trustees or of revocation of a contingent appointment under the provisions of this Article SEVENTH shall be in writing and shall take effect at the time therein specified. Each successor or additional Trustee named herein or appointed hereunder

shall accept his, her or its appointment by an instrument in writing agreeing to perform the duties of said office and to be bound by all of the terms of this Agreement of Trust. Any successor or additional Trustee appointed pursuant to this Article SEVENTH shall have all of the rights, powers, privileges, duties, exemptions and discretions conferred upon the original Trustee under any of the provisions of this Agreement of Trust.

EIGHTH: No Trustee acting under this Agreement of Trust, whether named herein or appointed pursuant to the provisions hereof, shall be required to give or file any bond or other security for the faithful performance of his, her or its duties as such Trustee in any jurisdiction whatsoever.

NINTH: During RICHARD M. NIXON's life, the original Trustee named in this Agreement of Trust shall not be entitled to receive any commissions and/or compensation for acting as a Trustee hereunder. From and after RICHARD M. NIXON's death, said original Trustee, if he shall still be acting as a Trustee hereunder, shall be entitled to receive such commissions or compensation as shall be allowable by statute or custom to a Trustee of an inter vivos trust under the law of the State of California, as the same shall from time to time be in force and effect, and at the times and intervals provided by statute or custom. Any additional or successor Trustee appointed pursuant

to the provisions of Article SEVENTH of this Agreement shall be entitled to receive such commissions or compensation as shall be specified in the instrument appointing such successor or additional Trustee.

TENTH: No Trustee at any time acting hereunder shall be responsible for any error of judgment or mistake of fact or law, and any such Trustee shall be fully protected also for any action taken in good faith, in accordance with the advice of counsel, or in reliance thereon. No Trustee acting hereunder shall be responsible for the act, default or omission of any other Trustee, nor for the default or misconduct of any agent or attorney appointed by any Trustee (except that any bank or institutional Trustee shall be liable for the default or misconduct of its own agents, servants and attorneys). Each Trustee shall be liable only for his, her or its own wilful misconduct or gross negligence.

ELEVENTH: Any Trustee acting hereunder may resign and be discharged from the trusts and obligations hereunder by giving written notice, duly acknowledged, of his, her or its resignation to RICHARD M. NIXON, if he shall then be living, and to the other Trustee or Trustees then acting with such resigning Trustee or Trustees of any trust or trusts created

hereunder, or if there be no such Trustee then acting hereunder, to the income beneficiary or beneficiaries of the trust or trusts of which such resigning Trustee is acting as a Trustee hereunder, and if any of such income beneficiaries be a minor, then to the guardian of such minor, or if there be no such guardian, to the parent of such minor, or if there be no such parent, then to the person with whom such minor resides.

TWELFTH: An adopted child shall be deemed to be a child of such child's adopting, or natural, parent or parents in determining under any provision of this Agreement of Trust the persons who constitute the children, issue or descendants of the Settlor or any other person.

THIRTEENTH: The original Trustee, and any successor Trustee or Trustees at any time acting hereunder, may from time to time and upon the termination of any of the separate trust or trusts of which he, she or it is a Trustee, or upon any division of the principal of the Primary Trust Fund or any separate trust held hereunder, or upon his, her or its resignation or removal, render an account of his, her or its proceedings (or the legal representative of any deceased Trustee may render an account of the proceedings of his, her or its decedent) from the date of the last account to the date of said account or

the termination or division of such trust or of such resignation, removal or death. In lieu of a judicial accounting, such account may be rendered (1) if the trust accounted for has terminated, and the principal thereof is payable free of trust, to the person or persons then entitled to receive distribution of the remainder of the trust fund, (2) if the trust accounted for has terminated, but the principal thereof is to be continued in trust or held as part of any other trust or trusts created hereunder, to the person or persons to whom the income from such other trust or trusts is required to be distributed, and (3) if the trust accounted for has not terminated, to the person or persons to whom the income from such trust may then be distributed; and if said account is approved in writing by such person or persons, or if any of them be an infant, by the guardian of said infant's property, or if there be no such guardian, by one of said infant's parents, or if there be no such parent, by the person with whom said infant resides, or if any of them be an incompetent, by the guardian or committee of said incompetent's property, such approval shall be final, binding and conclusive upon all persons who may then or thereafter have an interest in the trust accounted for.

FOURTEENTH: During RICHARD M. NIXON's life, the Settlers, acting jointly, and after the death of PATRICIA R. NIXON, RICHARD M. NIXON alone, shall have the right at any time and from time to

time to revoke, alter, amend or otherwise change this Agreement of Trust or any of the provisions hereof, to substitute any assets or properties for any of the assets which may at any time form a part of any trust fund hereunder, and to withdraw all or any part of such assets, and to make such other changes with respect to this Agreement of Trust or any trust fund hereunder as he may desire. Except as aforesaid, this Agreement of Trust and the trusts created hereunder shall be irrevocable.

FIFTEENTH: The Settlers are domiciled in the State of California. Accordingly, all questions pertaining to the construction, regulation, validity and effect of this Agreement of Trust and/or of the trust created hereunder shall, during the entire term thereof, be determined in accordance with the law of the State of California.

SIXTEENTH: Should any provision of this Agreement of Trust be or become invalid or unenforceable, the remaining provisions hereof shall be and shall continue to be fully effective and enforceable.

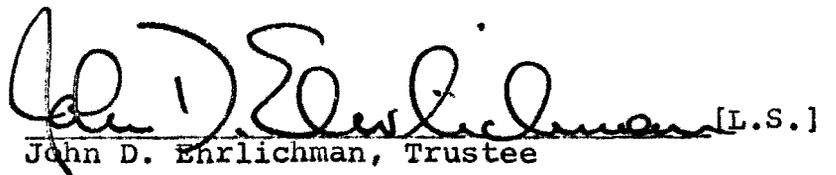
SEVENTEENTH: The Trustee, by joining in the execution of this Agreement of Trust, signifies his acceptance of the trust.

IN WITNESS WHEREOF, the parties hereto have hereunto

set their hands and seals as Settlers and Trustee on the day and year first above written.

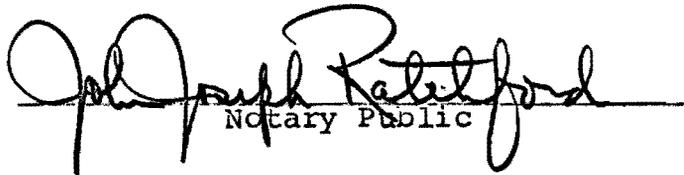
 [L.S.]
Richard M. Nixon, Settlor

 [L.S.]
Patricia R. Nixon, Settlor

 [L.S.]
John D. Ehrlichman, Trustee

STATE OF)
District of Columbia) : ss.:
COUNTY OF)

On the 11th day of August, 1972, before me personally appeared RICHARD M. NIXON, PATRICIA R. NIXON and JOHN D. EHRLICHMAN, to me known and known to me to be the persons described in and who executed the foregoing Agreement of Trust, and they duly acknowledged to me that they executed the same.

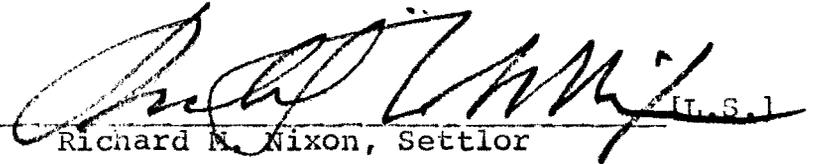

Notary Public

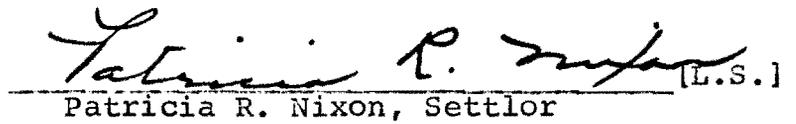
My Commission Expires May 31, 1973

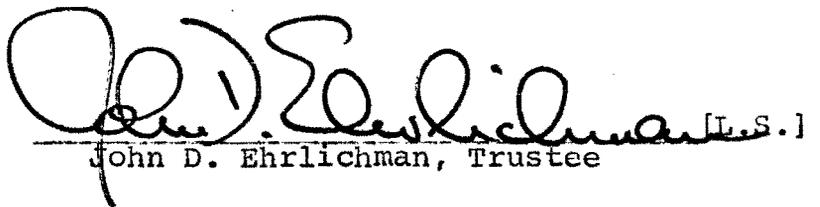
SCHEDULE A

Attached to and made a part of that certain Agreement of Trust made and executed the ^{17th} day of ^{August}, 1972, at ^{Washington, D. C.}, by and between RICHARD M. NIXON and PATRICIA R. NIXON, as Settlers, and JOHN D. EHRLICHMAN, as Trustee.

Cash - Ten (\$10⁰⁰/₁₀₀)


Richard M. Nixon, Settlor [L.S.]


Patricia R. Nixon, Settlor [L.S.]


John D. Ehrlichman, Trustee [L.S.]