

August 21, 2000

El Montecito Presbyterian Church
1455 East Valley Road
Montecito, CA 93108

Gentlemen:

In December of 1986 Roy Z. Hackbert executed a living trust which paid the income to him for life and on his death, after the payment of all proper expenses, the trust corpus was to be distributed to El Montecito Presbyterian Church as an endowment fund with the income but not the principal to be used for the proper uses of said Church with the request, but not the legal requirement, that a substantial portion of the income be used for the Evangelistic and Missionary Work of the Church. Enclosed is a photocopy of paragraph 4 of the trust which provides for the distribution to El Montecito Presbyterian Church.

Enclosed is a check in the amount of One Million Dollars (\$1,000,000.00) from the Roy Z. Hackbert Trust dated December 15, 1986 payable to El Montecito Presbyterian Church. Additional distributions will be made in the future.

Please acknowledge receipt of this check by signing the receipt at the bottom of this letter and returning one copy to me. A return envelope is enclosed for your convenience.

Sincerely yours,

Roy Z. Hackbert Trust Dtd 12/15/1986

By Earle W. Favor
Earle W. Favor, Successor Trustee

Receipt of the above described check of the Roy Z. Hackbert Trust dtd 12/15/1986 is hereby acknowledged.

Dated: 8/12/00

El Montecito Presbyterian Church

By Ann K. Merrill

Title: Bookkeeper

4. Outright Distributions On Death Of Trustor

Upon the death of the Trustor and after the payment of all proper charges including those described in paragraph 3 of this trust instrument the Trustee shall distribute the then remaining balance of the trust estate to EL MONTECITO PRESBYTERIAN CHURCH, 1455 East Vally Road, Montecito, California, to establish an endowment fund from which the income but not the principal shall be used for proper uses of said Church. Witout making it a legal requirement, the Trustor requests that a substantial portion of such income be used for the Evangelistic and Missionary Work of the Church.

ROY Z. HACKBERT, AS TRUSTEE

OF THE ROY Z. HACKBERT TRUST
DTD 12-15-86
227 BARRANCA AVE. PH. 962-4141
SANTA BARBARA, CA 93109

2026


90-2059
1222

DATE 8-21-2000

PAY TO THE ORDER OF El Monteito Presbyterian Church

\$ 1,000,000⁰⁰/₁₀₀

One Million and 00/100

DOLLARS  Security features include picture of bank.

SANTA BARBARA BANK & TRUST
MAIN OFFICE
20 East Carrillo Street, Santa Barbara, Calif. 93101

Earle W. Farn

FOR _____

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Description of Gift:

On December 15, 1986, Roy Z. Hackbert executed a living trust into which he transferred all of his assets. Paragraph 4 of the trust provides as follows:

“Upon the death of the Trustor ...the Trustee shall distribute the then remaining balance of the trust estate to EL MONTECITO PRESBYTERIAN CHURCH, 1455 East Valley Road, Montecito, California, to establish an endowment fund from which the income but not the principal shall be used for the proper purposes of said Church. Without making it a legal requirement, the Trustor requests that a substantial portion of such income be used for the Evangelistic and Missionary Work of the Church.”

The exact amount of the gift is not known at this time, but it is believed that it will exceed \$1,000,000.

Management of endowment fund:

The Session of the Church shall appoint an Endowment Fund Committee of not more than five members, one of whom shall be the Pastor of El Montecito Presbyterian Church. This Committee shall be charged with the responsibility of investing and reinvesting the endowment fund and applying the income therefrom. In making investments the committee shall use the same standard that a prudent man would make in investing his own funds with a view to protecting the capital of the fund.

Application of Income:

The Endowment Fund Committee shall make recommendations to the Session of the Church as to the application of the income of the fund. It is intended that the request of the Donor as to the application of the income will be honored.

Accountability of Endowment Fund Committee:

In February and September of each year the Endowment Fund Committee shall submit a written report to the Session of the Church disclosing all investments then held in the Fund, the income received in the last six months and the expected income for the ensuing six months.

Tenure of Committee Members:

In appointing the first members of the Endowment Fund Committee, one member shall be appointed for one year, one member for two years and two members for three years. Thereafter members of the Endowment Fund Committee shall serve terms of three years. No member may serve more than two consecutive terms except the Pastor who shall be a permanent member of the committee.