

distributions, allocations, or divisions, taking into account the fair market value as of the date of distribution, allocation, or division, whichever first occurred, of the assets so distributed, allocated, or divided.

B. My Trustee shall value any assets distributed, allocated, or divided to satisfy (in whole or in part) a pecuniary distribution at the fair market value of such assets on the date of such distribution, allocation, or division, whichever first occurs.

Section 3.4. - Accounting Allocations

A. Except as otherwise specifically provided in this Agreement and except as provided in Paragraph B of this Section 3.4, my Trustee shall allocate receipts and disbursements in accordance with sound trust accounting principles and have discretion to allocate receipts and disbursements when, in the judgment of my Trustees, the treatment is uncertain under applicable laws or generally accepted accounting principles.

B. Except as otherwise specifically provided in this Agreement, my Trustee shall not treat any part of the principal amount of the proceeds of sale of any asset of this Trust as income distributable to or for the benefit of any beneficiary entitled to distributions of income; provided, however, that my Trustee shall treat a portion of any proceeds of sale of any financial instrument originally issued or acquired at a discount equal to the amount which (1) has previously been characterized as ordinary income for income tax purposes or (2) will be characterized as ordinary income for income tax purposes in the year of such sale, as income for trust accounting purposes.

Section 3.5. - Spendthrift Provision

During the term of this Trust, no money or other assets (either principal or income) payable or distributable under the provisions of this Agreement shall be pledged, assigned, transferred, given, conveyed, hypothecated, sold, anticipated, charged, or encumbered by any of the Beneficiaries or any other beneficiaries hereunder, nor shall the income and principal of this Trust, while in the possession of my Trustee, be liable for any debts, contracts, obligations, or undertakings of such Beneficiaries or other beneficiaries, voluntary or involuntary, or for any claims or judgments against any Beneficiary or other beneficiary, including claims for alimony or for the support of any Beneficiary's or other beneficiary's spouse or children, or for reimbursement of a federal, state or local government, or any agency of any federal, state, or local government, for the support of any Beneficiary or other beneficiary hereunder, prior to the time such money or assets are actually paid or distributed to such Beneficiary or other beneficiary. Any attempted pledge, assignment, transfer, gift, conveyance, hypothecation, anticipation, charge, or encumbrance of any money or assets (either income or principal) payable or distributable under the provisions of this Agreement by any of the Beneficiaries or any other beneficiaries hereunder prior to the time such money or assets are actually paid or distributed to such Beneficiary or other beneficiary shall be null and void and shall not be recognized by my Trustee.