

SECOND AMENDMENT TO AGREEMENT

This Second Amendment to Agreement is made between and among the Regents of the University of California, a California Public Non-profit Corporation ("University" herein), Donn B. Miller, Esq., executor of the estate of Edward W. Carter, and Hannah Locke Carter ("Hannah Carter" herein), surviving spouse of Edward W. Carter ("Carter" herein).

RECITALS:

- A. By Agreement dated December 18, 1964 ("the Agreement" herein), University and Carter agreed that Carter would give to University, during his life or at his death by will, his residence at 626 Siena Way, Los Angeles, California ("the Residence" herein); subject, depending upon the circumstances of transfer, to retention of a life estate by Carter, and also subject to the right of Hannah Carter to use and occupy the Residence for the entire period of the probate proceedings for Carter's estate, but not to exceed the period of two years after the date of his death ("the Applicable Period" herein). The Agreement also recognized acquisition by the University from its former owner of the adjacent garden, which was originally part of a single parcel consisting

of the Residence portion and the garden portion.

- B. The Agreement further provided that the University would use the Residence, following the expiration of the Applicable Period, for the private residence of a chief administrative officer of the University, or as the residence of distinguished guests visiting the University.
- C. By Grant Deed, dated February 8, 1971, Carter conveyed title to the Residence to the University, subject to reservation of a life estate.
- D. By amendment dated June 17, 1982 ("First Amendment"), which expressly superseded the entire Agreement, University and Carter agreed that, following occupancy by Hannah Carter for the Applicable Period (and, if she so desired, for a reasonable period thereafter), University would sell the Residence for its own benefit, and that the proceeds of sale of the Residence would be invested by the University and employed by the University in the order of priority specified in paragraphs 3.a through 3.h of the First Amendment. The University further agreed to retain the garden portion in perpetuity, and its Board of Regents subsequently acted to name the garden the Hannah Carter Japanese Garden.

- E. The University has now determined that it wishes to have the option, in its sole discretion, to either sell the Residence, or to retain ownership thereof as a residence for the Chancellor at UCLA, or for distinguished visiting guests. In any event, the University intends to provide funding for the endowments identified in paragraphs 3.a through 3.h of the First Amendment ("the Endowments" herein, incorporated in full by this reference), in the manner (and subject to the conditions) described below.
- F. Edward W. Carter passed away on April 25, 1996.

COVENANTS:

1. The foregoing Recitals are incorporated in full by this reference.
2. Hannah Carter shall have the right to use and occupy the Residence for the Applicable Period, which shall expire on April 30, 1998. During the Applicable Period, the University shall have the additional obligations set forth in Exhibit A to this Second Amendment, attached and incorporated herein by this reference. Effective May 1, 1998, Hannah Carter shall have the right to rent the Residence for an initial three year period, in accordance with the terms of the lease attached as Exhibit 2 to this

Second Amendment and incorporated herein by this reference; following expiration of this initial three year period, or any extension thereof, Hannah Carter shall have the option in her sole discretion to renew the lease on the same terms as are set forth in Exhibit 2. The initial lease term or any extension thereof will terminate ninety days following the earlier of Hannah Carter's (i) death, or (i) delivery of written notice informing the University of her decision to vacate the Residence ("Termination Date"). The period of time from May 1, 1998 until the Termination Date shall be referred to below as the "Additional Period."

3. The University may, in its sole discretion, following expiration of the Additional Period, elect to sell the Residence for its own benefit and account, to such purchaser as it shall select. Any such purchaser will be required to use the Residence portion solely for a private residence, in accordance with the restrictions on ownership and use imposed on the entire original parcel of property formed by the Residence and garden portions, set forth in the Restrictions in a Deed from Pacific Southwest Trust and Savings Bank recorded in Book 4567 at pages 126-131 of Official Records of Los Angeles County, California.

In the alternative, the University may, in its sole discretion, following expiration of the Additional Period, elect to retain ownership of the Residence, and utilize same as a residence for the Chancellor at UCLA or for distinguished visiting guests.

4. Depending upon whether the University elects to retain ownership of or sell the Residence, the Endowments will be funded as follows:

A. In the event that the University elects to sell the Residence, the proceeds of the sale shall be invested by the University and used by the University to fund the Endowments. The Endowments shall be funded in the order of priority set forth in paragraphs 3.a through 3.h of the First Amendment. To the extent that proceeds from any such sale of the Residence are not adequate to fund some or all of the Endowments, the University shall have no obligation to provide additional funds.

B. In the event that the University elects to retain ownership of the Residence, the University shall identify funding in an amount equal to the fair market value of the Residence as of the month and year in which the Additional Period expires; said

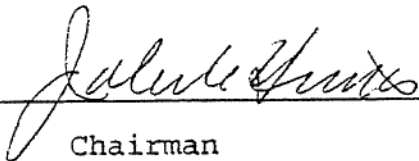
value shall be established by an appraisal prepared by an appraiser jointly selected by the University and Hannah Carter. The amount of funding established by this appraisal shall be provided by the University in the order of priority set forth in paragraphs 3.a through 3.h of the First Amendment. Paragraph 3.b of the First Amendment shall be modified to read: "To establish an endowment of \$250,000, or such higher minimum as The Regents or the Los Angeles campus of the University may have mandated for all chairs at the time the endowment is funded, with the income to support in perpetuity the Edward W. Carter Chair in European Art, with a preference for Netherlandish Art, Los Angeles Campus." The first sentence of Paragraph 3.c shall be modified to read: "To provide an endowment of \$1,000,000 to support in perpetuity the Hannah and Edward Carter Center in 17<sup>th</sup> Century European Art, with a focus on Netherlandish Art, Los Angeles Campus." The University shall have the right to provide said funds in such increments and at such times as the University may deem appropriate, in its sole discretion; provided, however, the full amount of said funding (in the amount established by the appraisal of the Residence) shall be made available

in the form of funded Endowments within a reasonable period of time following the expiration of the Additional Period. To the extent that the funds provided by the University, in an amount equal to the amount established by the appraisal of the Residence, are not adequate to fund some or all of the Endowments, the University shall have no obligation to provide additional funds.

5. This Second Amendment supersedes the First Amendment in its entirety.

Dated: April 30, 19989

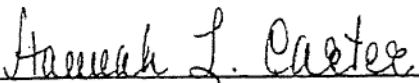
The Regents of the University of California

  
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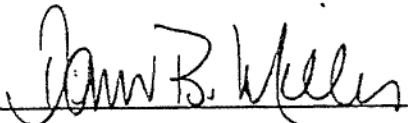
Chairman

  
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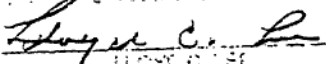
Secretary

  
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Hannah L. Carter

  
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Donn B. Miller

APPROVED AS TO FORM  
  
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UNIVERSITY COUNCIL OF THE REGENTS  
OF THE UNIVERSITY OF CALIFORNIA