

edness in the payment of property or privileges or rights and for property purchased or acquired by the Syndicate, or for any other object in and about its business, not contrary to law, to mortgage, pledge or hypothecate any stocks, bonds, notes, debentures or other forms of indebtedness, or any property, which may be acquired by the Syndicate, secure any bonds, notes, contracts or mortgages or other evidences of indebtedness by said Syndicate issued or incurred; to guarantee any dividends, notes, bonds, mortgages or other obligations; and, in the carrying out of the purposes hereof or carrying on of its business, or for the purpose of attaining or furthering any of its objects, to do any and all other acts and things, and to exercise any and all other powers, which a co-partnership or natural person could or would do and exercise, and which now or hereafter may be authorized by law.

ARTICLE V

The OWNERSHIP OF BENEFICIAL INTERESTS (to be known as "memberships ") of the Syndicate (Trust Estate) shall be evidenced by ONE THOUSAND (1,000) Memberships of Beneficial interest, without par value, of a kind and with the provisions (or preferences temporarily) in the issuance thereof as follows, to wit:

a) EACH MEMBERSHIP OF BENEFICIAL INTEREST shall be one KIND, subject to the following provisions;

1- Until the provision hereinafter in this paragraph shall have been fulfilled, FIVE HUNDRED (500) of said Memberships of Beneficial Interest shall be called "primary"-- for the purpose of converting FIVE HUNDRED (500), in number, convertible Trust Underwriting Notes, accepted by this trust estate automatically date of organization hereof by assuming and taking over the obligations of the Paramount Motors Project, Trust, D. L. Whitford, trustee, if, when and as issued and outstanding, or otherwise subsequently outstanding, of Paramount Motors Project a Trust; and said FIVE HUNDRED (500) so-called "Primary" Memberships of Beneficial Interest shall be assigned, issued and set aside for the purpose of converting five Hundred as herein provided, Convertible Trust Underwriting Notes, of Paramount Motors Project, D. L. Whitford, Trustee, at rate of one Membership of Beneficial Interest for each convertible Underwriting Trust Note surrendered for and converted, it being understood that conversion cannot be made until one year after issuance of each respective Trust Note, or either issue (AA, A, B, or C), and conversion MUST be made on or before two years from date of said issuance; and, conversion must be made at Continental National Bank, Los Angeles, California, where said Memberships for conversion shall be placed on organization hereof; and, contemporaneously with issuance and delivery to any Trust Note holder of a certificate of Membership of Beneficial interest a Certificate of Preference shall be issued and delivered to each person surrendering, as the legal owner thereof, Trust Notes, setting forth that holder shall be entitled from all net profits of the trust estate, prorata as there be membership ("Primary") issued for converted trust notes, an amount equivalent to face of surrendered and converted trust notes together with interest until both said amount and interest shall have been paid, interest eight (8%) per cent per annum until both principal (face) of converted Trust Note, or Notes, and interest as provided herein, shall have been paid; then and thereafter each and every Membership of Beneficial Interest shall share, share and share alike, in the distribution of further net profits of this trust estate.

2. The remaining FIVE HUNDRED (500) Memberships of Beneficial Interest shall until the hereinbefore act out provisions pertaining to the five Hundred (500) so-called "primary" Memberships of Beneficial Interest shall have been fully liquidated and fulfilled, be called " Secondary", in that dividends or profits cannot accrue or be paid thereon until and after the provisions as herein mentioned and appertaining to the so-called "Primary" memberships of beneficial interests shall have been cared for; then all Memberships of Beneficial Interest in