

# Exhibit 11

# Exhibit 11

**PROMISSORY NOTE  
(With Revolving Line of Credit)**

Dated: March 26, 2013  
Kansas City, Missouri

\$75,391.20

FOR VALUE RECEIVED, Christopher D. Davis, a, individual ("Borrower"), hereby promises to pay to the order of Alaska USA Trust Company, Trustee, or its successors in trust, under the Beatrice B. Davis Family Heritage Trust, dated July 28, 2000 ("Lender"), at Lender's address at 500 W. 36<sup>th</sup> Avenue, Suite 20, Anchorage, AK 99503, the principal sum of SEVENTY FIVE THOUSAND THREE HUNDRED NINETY ONE DOLLARS AND 20/100 (\$75,391.20) or the aggregate unpaid principal amount of all advances made by Lender to Borrower hereunder, whichever is greater, together with interest thereon from the date of advance at a rate per annum equal to the Base Rate (as hereinafter defined) until said principal sum and all accrued interest shall have been paid and satisfied in full.

During the period from the date hereof until March 26, 2020 (the "Termination Date"), Lender, in its sole and absolute discretion, may make advances hereunder and Borrower may borrow, repay and reborrow; provided, however, that Lender's obligation to make advances and Borrower's right to borrow, repay and reborrow are subject to the terms, conditions and limitations contained in this Note. If any advances are made during the period from the date of this Note until the Termination Date, the outstanding principal balance of all advances hereunder plus accrued but unpaid interest thereon, and all other indebtedness under this Note, if not sooner paid, shall be due and payable on the Termination Date. Lender's books and records shall evidence all advances made by Lender to Borrower, which shall be conclusive absent manifest error.

The term "Base Rate" as used herein shall mean the lesser of (i) the Applicable Federal Rate, for mid-term rates, pursuant to section 1274(d)(1) of the Internal Revenue Code of 1986, as amended, as such rate is published by the Internal Revenue Service from time to time, or (ii) the highest rate permitted by law on the date that this Note is issued.

Interest shall be computed on the basis of a three hundred and sixty-five (365) day year and actual days elapsed. All outstanding amounts owing under this Note, including unpaid interest and principal, shall be paid in full on or before the Termination Date.

Lender shall have the right, in its sole and absolute discretion, to extend the Termination Date by delivering written notice to Borrower. All payments shall be payable at Lender's address or at such other place as Lender may designate by delivering written notice to Borrower, in such coin or currency of the United States of America which, at the time of payment, shall be legal tender for the payment of public and private debts, or in money's worth.

Borrower may prepay this Note at any time, in whole or in part, or from time to time, without premium or penalty, but with accrued interest on the principal amount so prepaid.

All payments hereunder shall be applied first to the payment of interest on the unpaid principal of all advances outstanding under this Note, and then to the balance on account of the principal of all advances due under this Note.



Lender may collect a late charge not to exceed ten percent (10.00%) of any payment of interest or principal, or of any other amount due to Lender which is not paid or reimbursed by Borrower within twenty (20) days after demand therefor is made by Lender to defray the extra cost and expense involved in handling such delinquent payment and the increased risk of non-collection.

If at any time, the rate of interest, together with all amounts which constitute interest and which are reserved, charged or taken by Lender as compensation for fees, services or expenses incidental to the making, negotiating or collection of any advance evidenced hereby, shall be deemed by any competent court of law, governmental agency or tribunal to exceed the maximum of rate of interest permitted to be charged by Lender to Borrower, then, during such time as such rate of interest would be deemed excessive, that portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest so permitted shall be deemed a voluntary prepayment of principal.

Upon the happening of any Event of Default (as hereafter defined), all advances outstanding hereunder, together with accrued interest thereon, shall, at the option of Lender, accelerate and become immediately due and payable and any privilege of Borrower to take or request advances hereunder shall terminate without demand or notice of any kind. Failure to exercise such option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Lender may retain the services of a third party for the collection of this Note upon any Event of Default. Borrower agrees to pay Lender such amounts in connection with such collection. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law. This Note has been delivered to Lender and accepted by Lender in the State of Alaska. If there is a lawsuit, Borrower agrees, upon Lender's request, to submit to the jurisdiction of any court, state or federal, located in the 3<sup>rd</sup> Judicial District of the State of Alaska.

Each of the following shall constitute an Event of Default ("Event of Default") hereunder:

- (a) Failure or refusal by Borrower to make any payment of principal or interest due under this Note when due;
- (b) Failure by Borrower to observe or perform any other obligation, covenant, or condition of Borrower to Lender contained in this Note;
- (c) Failure by Borrower to observe or perform any obligations of Borrower to Lender on with respect to any transactions, debts, undertakings or agreements other than the transaction evidenced by this Note;
- (d) Any warranty, representation or statement made or furnished to Lender by or on or on behalf of Borrower under this Note, any agreement related to this Note, or in any other agreement or loan Borrower has with Lender shall prove to have been false or misleading in any material respect;
- (e) Filing by Borrower of a voluntary petition in bankruptcy or filing by Borrower of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition,

readjustment, liquidation, or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or the seeking, consenting to, or acquiescing by Borrower in the appointment of any trustee, receiver, custodian, conservator or liquidator for Borrower or the making by Borrower of any general assignment for the benefit of creditors, or the inability of or failure by Borrower to pay the debts generally as they become due, or the insolvency on a balance sheet basis or business failure of Borrower, or the making or suffering of a preference within the meaning of federal bankruptcy law or the making of a fraudulent transfer under applicable federal or state law, or concealment by Borrower of any of its property in fraud of creditors, or the giving of notice by Borrower to any governmental body of insolvency or suspension of operations;

(f) A material adverse change occurs in the assets, liabilities or net worth of Borrower or any guarantors of the indebtedness evidenced by this Note from the assets, liabilities or net worth of Borrower or any guarantors of the indebtedness evidenced by this Note previously disclosed to Lender; or

(g) Lender in good faith deems itself insecure.

Borrower agrees to pay all taxes levied or assessed upon the outstanding principal against any holder of this Note and to pay all reasonable costs, including attorneys' fees, costs relating to the appraisal and/or valuation of assets and all other costs and expenses incurred in the collection, protection, defense, preservation, or enforcement of this Note or any endorsement of this Note or in any litigation arising out of the transactions of which this Note or any endorsement of this Note is a part.

LENDER AND BORROWER IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY PROCEEDING HEREAFTER INSTITUTED BY OR AGAINST LENDER OR BORROWER IN RESPECT OF THIS NOTE OR ARISING OUT OF ANY DOCUMENT, INSTRUMENT OR AGREEMENT EVIDENCING, GOVERNING OR SECURING THIS NOTE.

BORROWER, TO THE EXTENT PERMITTED BY ANY STATE OR FEDERAL LAW, WAIVES THE RIGHT BORROWER MAY HAVE TO PRIOR NOTICE OF AND A HEARING ON THE RIGHT OF ANY HOLDER OF THIS NOTE TO ANY REMEDY OR COMBINATION OF REMEDIES THAT ENABLES SAID HOLDER, BY WAY OF ATTACHMENT, FOREIGN ATTACHMENT, GARNISHMENT OR REPLEVIN, TO DEPRIVE BORROWER OF ANY OF ITS PROPERTY, AT ANY TIME, PRIOR TO FINAL JUDGMENT IN ANY LITIGATION INSTITUTED IN CONNECTION WITH THIS NOTE.

Borrower hereby waives diligence, demand, presentment for payment, notice of nonpayment, protest and notice of protest, and notice of any renewals or extensions of this Note, and all rights under any statute of limitations, and agrees that the time for payment of this Note may be changed and extended in Lender's sole discretion, without impairing Borrower's liability hereon. Any delay on the part of Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted for one occasion shall not operate as a waiver in the event of any subsequent default.

The making of an advance at any time shall not be deemed a waiver of, or consent, agreement or commitment by Lender to the making of any future advance to Borrower.

If any provision of this Note shall, to any extent, be held invalid or unenforceable, then only such provision shall be deemed ineffective and the remainder of this Note shall not be affected.

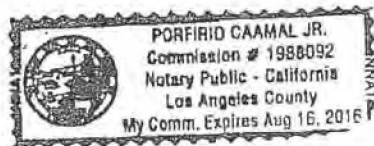
This Note shall bind the successors and assigns of Borrower and shall inure to the benefit of Lender and its successor and assigns.

This Note shall be governed by and construed in accordance with the laws of the State of Alaska.

By: [Signature]  
Christopher D. Davis

STATE OF California )  
COUNTY OF Los Angeles ) ss.

On this 24 day of July, 2013, before me, the undersigned, a Notary Public in and for said State, personally appeared Christopher D. Davis, known to me to be the person described in and who executed the within Promissory Note and acknowledged to me that he executed the same for the purposes therein stated, as his free act and deed.

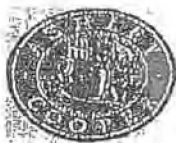


[Signature]  
Notary Public

My Commission Expires: 8/16/16

# Exhibit 12

# Exhibit 12



Beatrice B. Davis Family Heritage Trust  
dated July 28, 2000  
Alaska USA Trust Company Trustee  
4000 Credit Union Dr Ste 710  
Anchorage, Alaska 99503

QUARTERLY STATEMENT  
LIFE POLICY NO. ACLI 1105-0007 PC  
TRANSACTIONS FOR QUARTER ENDING: SEPTEMBER 30, 2011

USD Savings Account

01-Jul-11	Balance B/F	0.00	\$	1,000.89
21-Jul-11	Return of Contributed Surplus - ALSCF G1	30,000.00	\$	31,000.89
21-Jul-11	Dividend Received - ALSCF T1	2,900.00	\$	33,900.89
25-Jul-11	Dividend Received - ALSCF T1	12,111.26	\$	66,012.15
25-Jul-11	Dividend Received - ALSCF C2	4,320.00	\$	70,332.15
25-Jul-11	Dividend Received - ALSCF C3	19,872.00	\$	90,204.15
25-Jul-11	Dividend Received - ALSCF G1	16,800.00	\$	107,004.15
26-Jul-11	Dividend Received - ALSCF G2	11,136.00	\$	118,140.15
30-Aug-11	Dividend Received - ALSCF T1	3,450.00	\$	121,590.15
30-Aug-11	Return of Contributed Surplus - ALSCF G1	7,160.00	\$	128,750.15
30-Aug-11	Dividend Received - ALSCF C1	14,800.00	\$	143,550.15
31-Aug-11	Dividend Received - ALSCF G2	7,000.00	\$	150,550.15
02-Sep-11	Dividend Received - ALSCF C2	1,408.18	\$	151,958.33
02-Sep-11	Dividend Received - ALSCF C1	5,412.99	\$	159,371.32
02-Sep-11	Dividend Received - ALSCF G2	3,508.42	\$	162,879.74
02-Sep-11	Dividend Received - ALSCF C3	6,445.47	\$	169,325.21
06-Sep-11	Dividend Received - ALSCF C1	1,243.53	\$	170,568.74
06-Sep-11	Policy Loan	(170,000.00)	\$	568.74
06-Sep-11	Service Fees and Stamp Duty	(3.66)	\$	565.08
09-Sep-11	WT Charges - Policy Loan	(100.00)	\$	465.08
09-Sep-11	Service Fees and Stamp Duty	(3.66)	\$	461.42
22-Sep-11	Dividend Received - ALSCF C1	3,498.58	\$	3,960.00
22-Sep-11	Dividend Received - ALSCF G2	3,498.58	\$	7,458.58
22-Sep-11	Dividend Received - ALSCF T1	3,498.58	\$	10,957.16
22-Sep-11	Dividend Received - ALSCF C3	3,498.61	\$	14,455.77
22-Sep-11	Dividend Received - ALSCF C2	3,498.58	\$	17,954.35
22-Sep-11	CO0677 Cash Paid Q1 11 Fee Fees	(4.87)	\$	17,949.48
22-Sep-11	CO0677 Cash Paid Q2 11 COI Fees	(17,488.06)	\$	161.42
22-Sep-11	Service Fees and Stamp Duty	(3.66)	\$	457.76
29-Sep-11	Interest to Date	1.56	\$	459.32
29-Sep-11	Service Fees and Stamp Duty	(0.90)	\$	458.42
30-Sep-11	Balance C/P		\$	458.42

CAD Savings Account

1-Jul-11	Balance B/F		\$	968.28
29-Sep-11	Interest to Date	0.01	\$	968.29
30-Sep-11	Balance C/P		\$	968.29

CASH SURRENDER VALUE

\$	458.42	Butterfield USD Savings Account		\$	458.42
\$	926.96	Butterfield CAD Savings Account		\$	926.96
\$	1,940.92	ALIP Liquidity Segregated Portfolio	70,1442	\$	1,869.22
\$	2,364,172.00	Advantage Life Small Cap Fund SPC G1	64999	\$	2,114,243.00
\$	1,720,192.00	Advantage Life Small Cap Fund SPC C1	13240	\$	1,710,354.00
\$	1,601,633.00	Advantage Life Small Cap Fund SPC C2	13240	\$	1,407,654.00
\$	1,555,243.00	Advantage Life Small Cap Fund SPC G2	15040	\$	1,552,135.00
\$	2,513,527.00	Advantage Life Small Cap Fund SPC C3	13240	\$	2,503,378.00
\$	1,499,513.00	Advantage Life Small Cap Fund SPC T1	13240	\$	1,492,759.00
\$	11,057,606.30	TOTALS		\$	10,790,777.60

Face Cover 35,000,000  
DOB 28/09/1959  
Rate 178%

There is a policy loan on this account, please contact home office for further details

## Exhibit 13

## Exhibit 13



## Statement Of Account

January 1, 2011 Through December 31, 2011

**BEATRICE B. DAVIS FAMILY HERITAGE TRUST**

Account Number : 15501938

Caroline D. Davis

2501 Nob Hill Place North  
Seattle, WA 98109

By receipt of this report, any action you may have as a beneficiary against the trustee for breach of trust based on any matter adequately disclosed in this report may be barred unless the action is begun within six months after you receive this report. If you have any questions, you may wish to obtain professional advice regarding this report.

January 01, 2011 To December 31, 2011

Account Name : BEATRICE B. DAVIS FAMILY HERITAGE TRUST

Account No : 15501938

## Portfolio Summary

Portfolio Composition	Market Value	Percentage	Sources & Uses of Funds	Amount	
Cash Equivalents	\$ 6,192.29	0.05%	Total Portfolio Value	\$ 0.00	
Real Estate/Other	532,775.00	4.99%	Cash & Asset Receipts	828,788.01	
Other Assets	12,033,885.54	94.96%	Cash & Asset Distributions	-189,820.00	
Uninvested Cash	0.00	0.00%	Investment Earnings	0.28	
Total Portfolio Value	\$ 12,672,852.83	100.00%	Investment Change	12,033,884.54	
Estimated Annual Income	\$ 6,122.45		Total Portfolio Value	\$ 12,672,852.83	
			12/31/2011		
Investment Earnings	This Period	Year To Date	Gain / Losses On Transactions	This Period	Year To Date
Interest - Tax Free	\$ 0.28	\$ 0.28	Realized Gains	\$ 0.00 *	\$ 0.00
Interest - Taxable	0.00	0.00	Realized Losses	0.00 *	0.00
Dividends - Taxable	0.00	0.00			
Other Income	0.00	0.00	Total Portfolio Value		\$ 12,672,852.83
Net Accrued Interest Bof/Sld	0.00	0.00	Less : Tax Cost Basis		11,534,353.15
Total Investment Earnings	\$ 0.28	\$ 0.28	Unrealized Gains & Losses		\$ 1,138,499.68

\* Gain or Loss amount as shown may not reflect the amount to be used for income tax purposes.





January 01, 2011 To December 31, 2011

Account Name : BEATRICE B. DAVIS FAMILY HERITAGE TRUST

Account No : 15501938

## Transactions

Date	Type	Description	Income	Principal
<i>Starting Balances</i>				
08/26/2011	Cash Deposit	Transfer From Prior Trustee	\$ 0.00	\$ 0.00
		Received via wire transfer from ATC of cash holdings in trust's account		8,012.01
08/28/2011	Market Fee	Annual Fee Of Alaska USA Trust Company		-750.00
		One time acceptance fee		
08/29/2011	Market Fee	Annual Fee Of Alaska USA Trust Company		-1,000.00
		Annual fee 08/2011 - 08/2012		
09/01/2011	Daily Factor - Interest	FEDERATED TAX-FREE OBLIGATIONS FUND -IS	0.02	
		Interest From 08/01/2011 To 08/31/2011		
09/07/2011	Cash Deposit	Loan Proceeds		170,000.00
		Loan from policy ACL1005-8007PC received via wire transfer		
09/08/2011	Cash Disbursement	Miscellaneous Disbursements		-170,000.00
		Paid To : Beatrice Davis Revocable Trust		
		Additional loan proceeds pursuant to promissory note dated 9/1/2011 sent via wire transfer		
09/12/2011	Miscellaneous Fee	Administrative Fee		-15.00
		Wire transfer fee		
10/03/2011	Daily Factor - Interest	FEDERATED TAX-FREE OBLIGATIONS FUND -IS	0.08	
		Interest From 09/01/2011 To 09/30/2011		
10/14/2011	Free Receipt	ACL POLICY 1105-8007PC		
		1 Units @ Receipt Value of \$1.00		
10/19/2011	Scheduled Cash Disbursement	Trust Registration Fee		-40.00
		Paid To : Superior Court of Anchorage		
		Trust registration fee for the Beatrice B. Davis Family Heritage Trust		
11/01/2011	Daily Factor - Interest	FEDERATED TAX-FREE OBLIGATIONS FUND -IS	0.07	
		Interest From 10/01/2011 To 10/31/2011		
12/01/2011	Daily Factor - Interest	FEDERATED TAX-FREE OBLIGATIONS FUND -IS	0.11	
		Interest From 11/01/2011 To 11/30/2011		
12/14/2011	Cash Deposit	Loan Proceeds		18,000.00
		Additional loan from policy ACL1005-8007PC received via wire transfer		
12/15/2011	Cash Disbursement	Miscellaneous Disbursements		-18,000.00
		Paid To : Beatrice B. Davis Revocable Trust		
		Additional loan proceeds pursuant to promissory note dated 9/1/11 sent via wire transfer		

Transactions

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January 01, 2011 To December 31, 2011

Account Name : BEATRICE B. DAVIS FAMILY HERITAGE TRUST

Account No : 15501938

## Transactions

Date	Type	Description	Income	Principal
12/15/2011	Miscellaneous Fee	Administrative Fee		-15.00
12/19/2011	Adjust Book Value	Wire transfer fee ACI POLICY 1105-8007P Book Value Adjustment of 10,895,384.86 New Book Value is 10,895,385.86		
12/20/2011	Free Receipt	NP1 BBDAVISFAMHTR 170,000 3.860% 03/31/18 170000 Units @ Receipt Value of \$-170,000.00		
12/20/2011	Free Receipt	NP2 BBDAVISFAMHRT 18,000 3.860% 03/31/18 18000 Units @ Receipt Value of \$-18,000.00		
12/20/2011	Free Receipt	NR1 BDAVISREVTR 802,775 1.530% 03/31/18 802775 Units @ Receipt Value of \$802,775.00		
12/20/2011	Free Receipt	NR2 BDAVISREVTR 18,000 1.530% 03/31/18 18000 Units @ Receipt Value of \$18,000.00		
		Net Transfers	-0.28	0.28
		Net Cash Management	0.00	-5,192.29
		Ending Balances	\$ 0.00	\$ 0.00

Transactions

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January 01, 2011 To December 31, 2011

Account Name : BEATRICE B. DAVIS FAMILY HERITAGE TRUST

Account No : 15501938

## Portfolio Summary

December 31, 2011

	Portfolio %	Cost Basis	Market Value	Estimated Ann Inc	Current Yield
Cash Equivalents	0.05%	6,192.29	6,192.29	0.52	0.01%
Real Estate/Other	4.99%	532,775.00	532,775.00	5,121.83	0.97%
Other Assets	94.96%	10,895,385.86	12,033,885.54	0.00	0.00%
<b>Total Portfolio</b>	<b>100.00 %</b>	<b>11,534,353.15</b>	<b>12,672,852.83</b>	<b>5,122.45</b>	<b>0.05%</b>
<b>Net Cash</b>			<b>0.00</b>		
<b>Total Market Value</b>			<b>12,672,852.83</b>		

*Portfolio Components May Not Equal 100% Due To Rounding*

Account Holdings

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January 01, 2011 To December 31, 2011

Account Name : BEATRICE B. DAVIS FAMILY HERITAGE TRUST

Account No : 15501938

## Summary Of Investment Holdings

Shares or Par Value	Investment Category	Cost Basis	Unit Value	Market Value	Estimated Ann Inc	Curr Yield	% Port
6,192.29	Short Term Investment Funds						
	FEDERATED GOVMT OBLIGATIONS FD - ISS	6,192.29	100.00	6,192.29	0.62	0.01%	0.05%
	<b>Totals</b>	6,192.29		6,192.29	0.62	0.01%	0.05%
802,775	Notes - Secured						
	NR1 BDAVISREVTR 802,775	802,775.00	1.00	802,775.00	13,085.23	1.53%	6.33%
	Note Receivable 1; Payor Beatrice B Davis Revocable Trust. This note rolls the 3 promissory notes received from ATC into 1, and permits a revolving line of credit wherein the Payor may request additional "advances" periodically. Future "advances" pursuant						
18,000	NR2 BDAVISREVTR 18,000	18,000.00	1.00	18,000.00	293.40	1.63%	0.14%
	Note Receivable 2; Payor Beatrice B Davis Revocable Trust; First "advance" pursuant to Cusip NR1BDRTR's line of credit.						
	<b>Totals</b>	820,775.00		820,775.00	13,378.63	1.53%	6.47%
-170,000	Liabilities						
	NP1 BBDAVISFAMHTR 170,000	-170,000.00	1.00	-170,000.00	-6,562.00	-3.86%	-1.34%
	Note payable 1; Payor B.B.Davis Family Heritage Trust; First policy loan pursuant to revolving line of credit of 09/02/2011 from Policy ACLI 1105-8007PC. Unlike subsequent policy loans, this amount was incorporated into the original note receivable amount						
-18,000	NP2 BBDAVISFAMHRT 18,000	-18,000.00	1.00	-18,000.00	-594.80	-3.86%	-0.14%
	Note Payable 2; Payor B.B.Davis Family Heritage Trust terms pursuant to revolving line of credit with Ashley Cooper of Sept. 2, 2011; Draw request sent 12/9/11; funds received 12/14/2011						
	<b>Totals</b>	-188,000.00		-188,000.00	-7,256.80	-3.86%	-1.48%
	Insurance Policies						
	ACLI POLICY 1105-8007PC	10,895,385.86	12,033,885.54	12,033,885.54	0.00	0.00%	94.86%
	<b>Totals</b>	10,895,385.86		12,033,885.54	0.00	0.00%	94.96%
	Total Investments	11,534,353.15		12,672,952.83	5,122.45	0.05%	100.00%
	Plus Net Cash			0.00			
	Total Market Value			12,672,952.83			

Account Holdings

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**Exhibit 14**

**Exhibit 14**



Benicio D. Dor's Family Heritage Trust  
 Dated July 26, 2000  
 Alinda USA Trust Company Trustee  
 4000 Credit Union Dr Ste 710  
 Anchorage, Alaska 99503

QUARTERLY STATEMENT  
 LIFE POLICY NO. ACLI 1105-8007 PC  
 TRANSACTIONS FOR QUARTER ENDING : DECEMBER 31, 2011

USD Savings Account

01-Oct-11	Balance B/F		\$	458.42
24-Oct-11	Dividend Received - ALSCF C1	22,000.00	\$	22,458.42
24-Oct-11	Dividend Received - ALSCF C2	22,000.00	\$	44,458.42
24-Oct-11	Dividend Received - ALSCF T1	22,000.00	\$	66,458.42
24-Oct-11	Dividend Received - ALSCF G2	22,000.00	\$	88,458.42
24-Oct-11	Dividend Received - ALSCF C1	22,000.00	\$	110,458.42
24-Oct-11	Investment into ALSCF G1	(110,000.00)	\$	458.42
14-Dec-11	Dividend Received - ALSCF T1	7,156.00	\$	7,614.42
14-Dec-11	Dividend Received - ALSCF C1	7,156.00	\$	14,770.42
14-Dec-11	Dividend Received - ALSCF G2	7,156.00	\$	21,926.42
14-Dec-11	Dividend Received - ALSCF C2	7,156.00	\$	29,082.42
14-Dec-11	Dividend Received - ALSCF C1	7,156.00	\$	36,238.42
14-Dec-11	CO6677 Cash Paid Q3 11 Ins Fees	(4.07)	\$	36,234.35
14-Dec-11	CO6677 Cash Paid Q3 11 COI Fees	(17,773.86)	\$	18,458.49
15-Dec-11	Policy Loan	(18,000.00)	\$	458.49
15-Dec-11	Dividend Received - ALSCF T1	22,000.00	\$	22,458.49
15-Dec-11	Dividend Received - ALSCF C1	22,000.00	\$	44,458.49
15-Dec-11	Dividend Received - ALSCF G2	22,000.00	\$	66,458.49
15-Dec-11	Dividend Received - ALSCF C2	22,000.00	\$	88,458.49
15-Dec-11	Dividend Received - ALSCF C1	22,000.00	\$	110,458.49
15-Dec-11	Investment into ALSCF G1	(110,000.00)	\$	458.49
30-Dec-11	Interest to Date	0.01	\$	458.50
30-Dec-11	Debit Interest	(12.27)	\$	446.23
31-Dec-11	Balance C/F		\$	446.23

CAD Savings Account

1-Oct-11	Balance B/F		\$	968.29
30-Dec-11	Interest to Date	0.01	\$	968.30
31-Dec-11	Balance C/F		\$	968.30

CASH SURRENDER VALUE

\$	446.23	Butterfield USD Savings Account	\$	446.23	
\$	949.22	Butterfield CAD Savings Account	\$	949.22	
\$	1,940.92	ALIP Liquidity Segregated Portfolio	70,1442	\$	1,918.15
\$	2,584,172.00	Advantage Life Small Cap Fund SPC G1	64999	\$	2,178,713.00
\$	1,720,192.00	Advantage Life Small Cap Fund SPC C1	13240	\$	1,751,845.00
\$	1,401,633.00	Advantage Life Small Cap Fund SPC C2	13240	\$	1,420,078.00
\$	1,555,243.00	Advantage Life Small Cap Fund SPC G2	15040	\$	1,578,475.00
\$	2,513,527.00	Advantage Life Small Cap Fund SPC C3	13240	\$	2,515,258.00
\$	1,499,513.00	Advantage Life Small Cap Fund SPC T1	13240	\$	1,520,691.00
\$	11,277,616.37	TOTALS		\$	10,960,393.60

Face Cover 35,000,000  
 DOB 20/09/1939  
 Rate 178%

There is a policy loan on this account, please contact home office for further details

## Exhibit 15

## Exhibit 15



Dentrice B. Davis Family Heritage Trust  
 dated July 28, 2000  
 Alaska USA Trust Company Trustee  
 4000 Credit Union Dr Ste 710  
 Anchorage, Alaska 99503

QUARTERLY STATEMENT  
 LIFE POLICY NO. ACLI 1105-8007 PC  
 TRANSACTIONS FOR QUARTER ENDING: MARCH 31, 2012

NOT A CONTRACT. THIS STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY. IT DOES NOT REPRESENT A GUARANTEE OF FUTURE PERFORMANCE.

USD Savings Account

01-Jan-12	Balance B/F		\$	446.23
09-Feb-12	Return of Contributed Surplus - ALSCF G1	15,000.00	\$	15,446.23
09-Feb-12	Dividend Received - ALSCF C2	15,000.00	\$	30,446.23
09-Feb-12	Dividend Received - ALSCF T1	15,000.00	\$	45,446.23
09-Feb-12	Dividend Received - ALSCF G2	15,000.00	\$	60,446.23
09-Feb-12	Dividend Received - ALSCF C1	15,000.00	\$	75,446.23
09-Feb-12	Policy Loan	(75,000.00)	\$	446.23
09-Feb-12	Service Fees and Stamp Duty	(3.66)	\$	442.57
28-Feb-12	Service Fees and Stamp Duty	(0.30)	\$	442.27
01-Mar-12	WT Charges	(50.00)	\$	392.27
01-Mar-12	Service Fees and Stamp Duty	(0.30)	\$	391.97
09-Feb-12	Service Fees and Stamp Duty - reversion	0.30	\$	392.27
27-Mar-12	Dividend Received - ALSCF C1	24,000.00	\$	24,392.27
27-Mar-12	Dividend Received - ALSCF G2	24,000.00	\$	48,392.27
27-Mar-12	Dividend Received - ALSCF C3	24,000.00	\$	72,392.27
27-Mar-12	Dividend Received - ALSCF C2	24,000.00	\$	96,392.27
27-Mar-12	Dividend Received - ALSCF T1	24,000.00	\$	120,392.27
28-Mar-12	CO0677 Cash Paid Q4 11 Ins Fees	(4.14)	\$	120,388.13
28-Mar-12	CO0677 Cash Paid Q4 11 COI Fees	(19,284.07)	\$	101,104.06
28-Mar-12	Policy Loan	(100,000.00)	\$	1,104.06
29-Mar-12	WT Charges	(80.00)	\$	1,024.06
30-Mar-12	Interest to Date	0.03	\$	1,024.09
30-Mar-12	Service Fees and Stamp Duty	(1.20)	\$	1,022.89
30-Mar-12	Service Fees and Stamp Duty	(0.90)	\$	1,021.99
31-Mar-12	Balance C/F		\$	1,021.99

CAD Savings Account

1-Jan-12	Balance B/F		\$	968.30
30-Mar-12	Interest to Date	0.01	\$	968.31
31-Mar-12	Balance C/F		\$	968.31

CASH SURRENDER VALUE

NOT A CONTRACT. THIS STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY. IT DOES NOT REPRESENT A GUARANTEE OF FUTURE PERFORMANCE.

\$	1,021.99	Butterfield USD Savings Account		\$	1,021.99
\$	971.58	Butterfield CAD Savings Account		\$	971.58
\$	1,940.92	ALIF Liquidity Segregated Portfolio	70.1442	\$	1,992.04
\$	2,569,172.00	Advantage Life Small Cap Fund SPC G1	61999	\$	2,253,903.00
\$	1,720,192.00	Advantage Life Small Cap Fund SPC C1	13240	\$	1,824,523.00
\$	1,401,633.00	Advantage Life Small Cap Fund SPC C2	13240	\$	1,492,774.00
\$	1,555,243.00	Advantage Life Small Cap Fund SPC G2	15040	\$	1,651,151.00
\$	2,513,527.00	Advantage Life Small Cap Fund SPC C3	13240	\$	2,602,934.00
\$	1,499,513.00	Advantage Life Small Cap Fund SPC T1	13240	\$	1,593,367.00
\$	11,263,214.49	TOTALS		\$	11,422,640.51

Face Cover 35,000,000  
 DOB 28/09/1959  
 Rate 178%



## Exhibit 16

## Exhibit 16



## Statement Of Account

January 1, 2012 Through December 31, 2012

**BEATRICE B. DAVIS FAMILY HERITAGE TRUST**

Account Number : 15501938

Caroline D. Davis

2501 Nob Hill Place North  
Seattle, WA 98109

By receipt of this report, any action you may have as a beneficiary against the trustee for breach of trust based on any matter adequately disclosed in this report may be barred unless the action is begun within six months after you receive this report. If you have any questions, you may wish to obtain professional advice regarding this report.

## Portfolio Summary

Portfolio Composition		Market Value	Percentage	Sources & Uses of Funds		Amount
Cash Equivalents		\$ 5,162.97	0.04%	Total Portfolio Value	01/01/2012	\$ 12,672,852.83
Real Estate/Other		632,775.00	4.99%	Cash & Asset Receipts		175,000.00
Other Assets		12,033,895.54	94.97%	Cash & Asset Distributions		-175,030.00
Uninvested Cash		0.00	0.00%	Investment Earnings		0.68
Total Portfolio Value		\$ 12,671,823.51	100.00%	Investment Change		0.00
Estimated Annual Income		\$ 4,449.85		Total Portfolio Value	12/31/2012	\$ 12,671,823.51
Investment Earnings		This Period	Year To Date	Gain / Losses On Transactions		Year To Date
Interest - Tax Free		\$ 0.03	\$ 0.03	Realized Gains	This Period	\$ 0.00 *
Interest - Taxable		0.65	0.65	Realized Losses		0.00 *
Dividends - Taxable		0.00	0.00			
Other Income		0.00	0.00	Total Portfolio Value		\$ 12,671,823.51
Net Accrued Interest Bot/Sld		0.00	0.00	Less : Tax Cost Basis		11,533,323.83
Total Investment Earnings		\$ 0.68	\$ 0.68			
				Unrealized Gains & Losses		
				\$ 1,138,499.68		

\* Gain or Loss amount as shown may not reflect the amount to be used for income tax purposes.

# Transactions

Date	Type	Description	Income	Principal
<i>Starting Balances</i>				
01/03/2012	Daily Factor - Interest	FEDERATED TAX-FREE OBLIGATIONS FUND - IS	\$ 0.00	\$ 0.00
		Interest From 12/01/2011 To 12/31/2011	0.03	
01/03/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS	0.03	
		Interest From 12/01/2011 To 12/31/2011		
02/01/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS	0.05	
		Interest From 01/01/2012 To 01/31/2012		
02/10/2012	Cash Deposit	Loan Proceeds		75,000.00
		Loan from policy ACL1005-8007PC received via wire transfer		
02/10/2012	Cash Disbursement	Miscellaneous Disbursements		-75,000.00
		Paid To : Beatrice B. Davis Revocable Trust		
		Additional loan proceeds pursuant to promissory note dated 9/2/11 sent via wire transfer		
02/10/2012	Miscellaneous Fee	Administrative Fee		-15.00
		Wire transfer fee		
02/13/2012	Free Receipt	NP3 BDDAVISFAMHTR 75,000 3.860% 03/31/18		
		75000 Units @ Receipt Value of \$75,000.00		
02/13/2012	Free Receipt	NR3 BDAVISREVTR 75,000 1.630% 03/31/18		
		75000 Units @ Receipt Value of \$75,000.00		
03/01/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS	0.05	
		Interest From 02/01/2012 To 02/29/2012		
03/30/2012	Cash Deposit	Loan Proceeds		100,000.00
		Loan from policy ACL1005-8007PC received via wire transfer		
04/02/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS	0.11	
		Interest From 03/01/2012 To 03/31/2012		
04/02/2012	Miscellaneous Fee	Administrative Fee		-15.00
		Wire transfer fee		
04/02/2012	Cash Disbursement	Miscellaneous Disbursements		-100,000.00
		Paid To : Beatrice B. Davis Revocable Trust		
		Additional loan proceeds pursuant to promissory note dated 9/2/11 sent via wire transfer		
05/01/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS	0.08	
		Interest From 04/01/2012 To 04/30/2012		

# Transactions

Date	Type	Description	Income	Principal
05/01/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 05/01/2012 To 05/31/2012	0.05	
08/01/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 05/01/2012 To 05/30/2012	0.05	
08/01/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 07/01/2012 To 07/31/2012	0.05	
08/03/2012	Market Fee	Annual Fee Of Alaska USA Trust Company		-1,000.00
		Annual fee 08/2012 - 08/2013		
09/04/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 08/01/2012 To 08/31/2012	0.05	
10/01/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 09/01/2012 To 09/30/2012	0.04	
11/01/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 10/01/2012 To 10/31/2012	0.04	
12/03/2012	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 11/01/2012 To 11/30/2012	0.05	
		Net Transfers	-0.68	0.68
		Net Cash Management	1,029.32	1,029.32
		Ending Balances	\$ 0.00	\$ 0.00

## Portfolio Summary

December 31, 2012

	Portfolio %	Cost Basis	Market Value	Estimated Ann Inc	Current Yield
Cash Equivalents	0.04%	5,162.97	5,162.97	0.52	0.01%
Real Estate/Other	4.99%	632,775.00	632,775.00	4,449.33	0.70%
Other Assets	94.97%	10,895,385.85	12,033,885.54	0.00	0.00%
<b>Total Portfolio</b>	<b>100.00 %</b>	<b>11,533,323.83</b>	<b>12,671,823.51</b>	<b>4,449.85</b>	<b>0.04%</b>

Net Cash

0.00

Total Market Value

12,671,823.51

Portfolio Components May Not Equal 100% Due To Rounding

January 01, 2012 To December 31, 2012

Account Name : BEATRICE B. DAVIS FAMILY HERITAGE TRUST

Account No : 15501938

## Summary Of Investment Holdings

Shares or Par Value	Investment Category	Cost Basis	Unit Value	Market Value	Estimated Ann Inc	Curr Yield	% Port
<b>Short Term Investment Funds</b>							
5,162.97	FEDERATED GOVINT OBLIGATIONS FD - ISS	5,162.97	100.00	5,162.97	0.52	0.01%	0.04%
<b>Totals</b>							
		5,162.97		5,162.97	0.52	0.01%	0.04%
<b>Notes - Secured</b>							
802,775	NR1 BDAVISREVTR 802,775	802,775.00	1.00	802,775.00	13,085.23	1.63%	6.34%
Note Receivable 1; Payor Beatrice B Davis Revocable Trust. This note rolls the 3 promissory notes received from ATC into 1, and permits a revolving line of credit wherein the Payor may request additional "advances" periodically. Future "advances" pursuant to							
18,000	NR2 BDAVISREVTR 18,000	18,000.00	1.00	18,000.00	293.40	1.63%	0.14%
Note Receivable 2; Payor Beatrice B Davis Revocable Trust, First "Advance" pursuant to Cusip NR1BDRTR's line of credit.							
75,000	NR3 BDAVISREVTR 75,000	75,000.00	1.00	75,000.00	1,222.50	1.63%	0.59%
NOTE RECEIVABLE 3 : PAYOR BEATRICE B DAVIS REVOCABLE TRUST; THIRS ADVANCE PURSUANT TO CUSIP NR1BDRTR'S LINE OF CREDIT							
<b>Totals</b>							
		895,775.00		895,775.00	14,601.13	1.63%	7.07%
<b>Liabilities</b>							
-170,000	NP1 BBDAVISFAMHTR 170,000	-170,000.00	1.00	-170,000.00	-6,562.00	-3.86%	-1.34%
Note payable 1; Payor B.B.Davis Family Heritage Trust; First policy loan pursuant to revolving line of credit of 09/02/2011 from Policy ACL11105-8007PC. Unlike subsequent policy loans, this amount was incorporated into the original note receivable amount							
-18,000	NP2 BBDAVISFAMHTR 18,000	-18,000.00	1.00	-18,000.00	-594.80	-3.86%	-0.14%
Note Payable 2; Payor B.B.Davis Family Heritage Trust terms pursuant to revolving line of credit with Ashley Cooper of Sept. 2,2011; Draw request sent 12/9/11; funds received 12/14/2011							
-75,000	NP3 BBDAVISFAMHTR 75,000	-75,000.00	1.00	-75,000.00	-2,895.00	-3.86%	-0.59%
NOTE PAYABLE 3; PAYOR B.B DAVIS FAMILY HERITAGE TRUST; TERMS PURSUANT TO REVOLVING LINE OF CREDIT WITH ASHLEY COOPER OF 09/02/11; DRAW REQUEST SENT 02/07/12; FUNDS RECEIVED 02/10/12.							
<b>Totals</b>							
		-263,000.00		-263,000.00	-10,151.80	-3.86%	-2.07%
<b>Account Holdings</b>							

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## Summary Of Investment Holdings

Shares or Par Value	Investment Category	Cost Basis	Unit Value	Market Value	Estimated Ann Inc	Curr Yield	% Port
<u>Insurance Policies</u>							
1	ACLI POLICY 1105-8007PG	10,895,385.86	12,033,885.54	12,033,885.54	0.00	0.00%	94.97%
<b>Totals</b>		10,895,385.86		12,033,885.54	0.00	0.00%	94.97%
<b>Total Investments</b>		11,533,323.83		12,671,823.51	4,449.85	-0.04%	100.00%
<b>Plus Net Cash</b>				0.00			
<b>Total Market Value</b>				12,671,823.51			



Exhibit 17

Exhibit 17



Beatrice D. Davis Family Heritage Trust  
dated July 28, 2000  
Alaska USA Trust Company Trustee  
300 W. 36th Avenue, Suite 200  
Anchorage, Alaska 99503

QUARTERLY STATEMENT  
LIFE POLICY NO. ACLT 105-8007 PC  
TRANSACTIONS FOR QUARTER ENDING: MARCH 31, 2013

ALASKA LIFE INSURANCE COMPANY

USD Savings Account

01-Jan-13	Balance B/F	\$	17,001.64
08-Jan-13	Liquidation Proceeds - ALSCP C1	439.68	\$ 17,441.32
08-Jan-13	Liquidation Proceeds - ALSCP C2	439.53	\$ 17,880.85
08-Jan-13	Liquidation Proceeds - ALSCP T1	390.52	\$ 18,271.37
08-Jan-13	Liquidation Proceeds - ALSCP C2	419.74	\$ 18,691.11
01-Mar-13	Withdrawal of Members Capital - ACSC Series G2	12,548.00	\$ 31,239.11
01-Mar-13	WT Charges per Comertica	(54.00)	\$ 31,185.11
01-Mar-13	Withdrawal of Members Capital - ACSC Series C1	12,548.00	\$ 43,733.11
01-Mar-13	WT Charges per Comertica	(54.00)	\$ 43,679.11
01-Mar-13	Withdrawal of Members Capital - ACSC Series C1	12,548.00	\$ 56,227.11
01-Mar-13	WT Charges per Comertica	(54.00)	\$ 56,173.11
01-Mar-13	Withdrawal of Members Capital - ACSC Series T1	12,548.00	\$ 68,721.11
01-Mar-13	WT Charges per Comertica	(54.00)	\$ 68,667.11
04-Mar-13	Policy Loan	(50,000.00)	\$ 18,667.11
04-Mar-13	WT Charges - Policy Loan	(40.00)	\$ 18,627.11
13-Mar-13	Withdrawal of Members Capital - ACSC Series G2	13,298.00	\$ 31,925.11
13-Mar-13	WT Charges per Comertica	(54.00)	\$ 31,871.11
13-Mar-13	Withdrawal of Members Capital - ACSC Series C2	13,298.00	\$ 45,169.11
13-Mar-13	WT Charges per Comertica	(54.00)	\$ 45,115.11
13-Mar-13	Withdrawal of Members Capital - ACSC Series C1	13,298.00	\$ 58,413.11
13-Mar-13	WT Charges per Comertica	(54.00)	\$ 58,359.11
13-Mar-13	Withdrawal of Members Capital - ACSC Series T1	13,298.00	\$ 71,657.11
13-Mar-13	WT Charges per Comertica	(54.00)	\$ 71,603.11
14-Mar-13	Policy Loan	(53,000.00)	\$ 18,603.11
14-Mar-13	WT Charges - Policy Loan	(40.00)	\$ 18,563.11
22-Mar-13	Withdrawal of Members Capital - ACSC Series G2	23,607.75	\$ 42,170.86
22-Mar-13	WT Charges per Comertica	(54.00)	\$ 42,116.86
22-Mar-13	Withdrawal of Members Capital - ACSC Series C2	23,607.75	\$ 65,724.61
22-Mar-13	WT Charges per Comertica	(54.00)	\$ 65,670.61
22-Mar-13	Withdrawal of Members Capital - ACSC Series C1	23,607.75	\$ 89,278.36
22-Mar-13	WT Charges per Comertica	(54.00)	\$ 89,224.36
22-Mar-13	Withdrawal of Members Capital - ACSC Series T1	23,607.75	\$ 112,832.11
22-Mar-13	WT Charges per Comertica	(54.00)	\$ 112,778.11
24-Mar-13	Policy Loan	(94,239.00)	\$ 18,539.11
25-Mar-13	WT Charges - Policy Loan	(40.00)	\$ 18,499.11
27-Mar-13	CO6577 Cash Paid Q4 12 Ins Fees	(25.07)	\$ 18,474.04
27-Mar-13	CO6577 Cash Paid Q4 12 COI Fees	(16,150.01)	\$ 2,323.03
27-Mar-13	Withdrawal of Members Capital - ACSC Series G2	17,548.00	\$ 19,922.03
27-Mar-13	WT Charges per Comertica	(54.00)	\$ 19,868.03
27-Mar-13	Withdrawal of Members Capital - ACSC Series C2	17,548.00	\$ 37,416.03
27-Mar-13	WT Charges per Comertica	(54.00)	\$ 37,362.03
27-Mar-13	Withdrawal of Members Capital - ACSC Series C1	17,548.00	\$ 54,910.03
27-Mar-13	WT Charges per Comertica	(54.00)	\$ 54,856.03
27-Mar-13	Withdrawal of Members Capital - ACSC Series T1	17,548.00	\$ 72,404.03
27-Mar-13	WT Charges per Comertica	(54.00)	\$ 72,350.03
28-Mar-13	Liquidation Proceeds - ALSCP G1	21,771.33	\$ 94,121.36
28-Mar-13	Policy Loan	(70,000.00)	\$ 24,121.36
28-Mar-13	WT Charges - Policy Loan	(40.00)	\$ 24,081.36
28-Mar-13	Interest to Date	0.61	\$ 24,081.97
28-Mar-13	Service Fees and Stamp Duty	(1.50)	\$ 24,080.47
28-Mar-13	Service Fees and Stamp Duty	(1.50)	\$ 24,078.97
31-Mar-13	Balance C/F	\$	24,078.97

# Exhibit 18

# Exhibit 18



## Statement Of Account

January 1, 2013 Through December 31, 2013

**BEATRICE B. DAVIS FAMILY HERITAGE TRUST**

Account Number : 15501938

Caroline D. Davis  
2501 Nob Hill Place North  
Seattle, WA 98109

By receipt of this report, any action you may have as a beneficiary against the trustee for breach of trust based on any matter adequately disclosed in this report may be barred unless the action is begun within six months after you receive this report. If you have any questions, you may wish to obtain professional advice regarding this report.

## Portfolio Summary

Portfolio Composition		Market Value	Percentage	Sources & Uses of Funds		Amount	
Cash Equivalents		\$ 15,480.68	0.12%	Total Portfolio Value	01/01/2013	\$ 12,671,823.51	
Real Estate/Other		832,775.00	4.99%	Cash & Asset Receipts		1,042,689.00	
Other Assets		12,033,085.54	94.89%	Cash & Asset Distributions		1,032,375.00	
Uninvested Cash		0.00	0.00%	Investment Earnings		3.71	
Total Portfolio Value		\$ 12,682,141.22	100.00%	Investment Change		0.00	
Estimated Annual Income		\$ 4,450.88		Total Portfolio Value	12/31/2013	\$ 12,682,141.22	
Investment Earnings		This Period	Year To Date	Gain / Losses On Transactions		This Period	Year To Date
Interest - Tax Free		\$ 0.00	\$ 0.00	Realized Gains		\$ 0.00	\$ 0.00
Interest - Taxable		3.71	3.71	Realized Losses		0.00	0.00
Dividends - Taxable		0.00	0.00				
Other Income		0.00	0.00	Total Portfolio Value			\$ 12,682,141.22
Net Accrued Interest Bot/Sld		0.00	0.00	Less : Tax Cost Basis			11,543,641.54
Total Investment Earnings		\$ 3.71	\$ 3.71				
				Unrealized Gains & Losses			\$ 1,138,499.68

\* Gain or Loss amount as shown may not reflect the amount to be used for income tax purposes.



January 01, 2013 To December 31, 2013

Account Name : BEATRICE B. DAVIS FAMILY HERITAGE TRUST

Account No : 15501938

## Transactions

Date	Type	Description	Income	Principal
<i>Starting Balances</i>				
01/02/2013	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS	\$ 0.00	\$ 0.00
		Interest From 12/01/2012 To 12/31/2012	0.04	
02/01/2013	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS	0.04	
		Interest From 01/01/2013 To 01/31/2013		
03/01/2013	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS	0.04	
		Interest From 02/01/2013 To 02/28/2013		
03/05/2013	Cash Deposit	Loan Proceeds		50,000.00
		Loan received via wire transfer from policy ACLI 1005-8007PC		
03/06/2013	Miscellaneous Fee	Administrative Fee		-16.00
		Wire transfer fee		
03/06/2013	Cash Disbursement	Miscellaneous Disbursements		-50,000.00
		Paid To : Beatrice B. Davis Revocable Trust		
		Additional loan pursuant to promissory note dated 9/1/11 sent via wire transfer to		
		Acct ending 331		
03/14/2013	Cash Deposit	Loan Proceeds		53,000.00
		Loan received via wire transfer from policy ACLI 1005-8007PC		
03/14/2013	Cash Disbursement	Miscellaneous Disbursements		-53,000.00
		Paid To : Beatrice B. Davis Revocable Trust		
		Additional loan pursuant to promissory note dated 9/1/11 sent via wire transfer to		
		Acct ending 331		
03/14/2013	Miscellaneous Fee	Administrative Fee		-15.00
		Wire transfer fee		
03/25/2013	Cash Deposit	Loan Proceeds		94,239.00
		Loan received via wire transfer from policy ACLI 1005-8007PC		
03/26/2013	Miscellaneous Fee	Administrative Fee		-15.00
		Wire transfer fee		
03/26/2013	Cash Disbursement	Miscellaneous Disbursements		-75,391.20
		Paid To : Christopher D. Davis		
		Initial loan pursuant to promissory note did 3/26/13 sent via wire transfer to Acct		
		ending 625		
03/26/2013	Cash Disbursement	Miscellaneous Disbursements		-18,847.80
		Paid To : Christopher D. Davis		
		Additional loan pursuant to promissory note did 3/26/13 sent via wire transfer to Acct		
		ending 625		

Transactions

Page 3

# AlaskaUSA<sup>®</sup>

Trust Company

Account Name : BEATRICE B. DAVIS FAMILY HERITAGE TRUST

January 01, 2013 To December 31, 2013

Account No : 15501938

## Transactions

Date	Type	Description	Income	Principal
03/28/2013	Cash Deposit	Loan Proceeds		70,000.00
04/01/2013	Daily Factor - Interest	Loan received via wire transfer from policy ACLI 1005-8007PC FEDERATED GOVMT OBLIGATIONS FD - ISS	0.07	
04/04/2013	Miscellaneous Fee	Interest From 03/01/2013 To 03/31/2013		
04/04/2013	Miscellaneous Fee	Administrative Fee		-15.00
04/04/2013	Miscellaneous Fee	Wire transfer fee		
04/04/2013	Miscellaneous Fee	Administrative Fee		-15.00
04/04/2013	Miscellaneous Fee	Wire transfer fee		
04/04/2013	Cash Disbursement	Miscellaneous Disbursements		-20,000.00
04/04/2013	Cash Disbursement	Paid To : Davis Family Office, LLC		
04/04/2013	Cash Disbursement	Initial loan pursuant to promissory note did 4/4/13 sent via wire transfer to Acct ending 273		
04/04/2013	Cash Disbursement	Miscellaneous Disbursements		-50,000.00
04/04/2013	Cash Disbursement	Paid To : Christopher D. Davis		
04/04/2013	Cash Disbursement	Additional loan pursuant to promissory note did 3/26/13 sent via wire transfer to Acct ending 625		
05/01/2013	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS	0.10	
05/01/2013	Daily Factor - Interest	Interest From 04/01/2013 To 04/30/2013		
05/09/2013	Cash Deposit	Loan Proceeds		150,000.00
05/09/2013	Cash Deposit	Loan received via wire transfer from policy ACLI 1005-8007PC		
05/13/2013	Cash Disbursement	Miscellaneous Disbursements		-25,000.00
05/13/2013	Cash Disbursement	Paid To : Davis Family Office, LLC		
05/13/2013	Cash Disbursement	Additional loan pursuant to promissory note did 4/4/13 sent via wire transfer to Acct ending 273		
05/13/2013	Cash Disbursement	Miscellaneous Disbursements		-125,000.00
05/13/2013	Cash Disbursement	Paid To : Christopher D. Davis		
05/13/2013	Cash Disbursement	Additional loan pursuant to promissory note did 3/26/13 sent via wire transfer to Acct ending 625		
06/03/2013	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS	0.21	
06/03/2013	Daily Factor - Interest	Interest From 05/01/2013 To 05/31/2013		
06/25/2013	Cash Deposit	Loan Proceeds		290,700.00
06/25/2013	Cash Deposit	Loan received via wire transfer from policy ACLI 1005-8007PC		
07/01/2013	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS	0.36	
07/01/2013	Daily Factor - Interest	Interest From 06/01/2013 To 06/30/2013		

## Transactions

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Account Name : BEATRICE B. DAVIS FAMILY HERITAGE TRUST

January 01, 2013 To December 31, 2013

Account No : 15501938

## Transactions

Date	Type	Description	Income	Principal
07/03/2013	Cash Disbursement	Miscellaneous Disbursements Paid To : Davis Family Office, LLC Additional loan pursuant to promissory note dtd 4/4/13 sent via wire transfer to Acct ending 874		-79,900.00
07/03/2013	Cash Disbursement	Miscellaneous Disbursements Paid To : Beatrice B. Davis Revocable Trust Additional loan pursuant to promissory note dtd 9/1/11 sent via wire transfer to Acct ending 331		-69,500.00
07/03/2013	Cash Disbursement	Miscellaneous Disbursements Paid To : Christopher D. Davis Additional loan pursuant to promissory note dtd 3/26/13 sent via wire transfer to Acct ending 625		-126,300.00
07/03/2013	Miscellaneous Fee	Administrative Fee Wire transfer fee		-15.00
07/03/2013	Miscellaneous Fee	Administrative Fee Wire transfer fee		-15.00
07/03/2013	Miscellaneous Fee	Administrative Fee Wire transfer fee		-15.00
07/10/2013	Scheduled Cash Disbursement	Attorney's Fee Paid To : Stephen K. Lehnardt Payment for attorney's fees; Invoice No. 39102	-3,506.00	
08/01/2013	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 07/01/2013 To 07/31/2013	0.30	
08/02/2013	Market Fee	Annual Fee Of Alaska USA Trust Company		-1,000.00
09/03/2013	Daily Factor - Interest	Annual fee 08/2013 - 08/2014 FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 08/01/2013 To 08/31/2013	0.14	
09/17/2013	Cash Deposit	Loan Proceeds Loan received via wire transfer from ACLJ policy 1005-8007PC		134,000.00
09/19/2013	Cash Disbursement	Miscellaneous Disbursements Paid To : Christopher D. Davis Additional loan pursuant to promissory note dtd 3/26/13 sent via wire transfer to Acct ending 625		-134,000.00
09/19/2013	Miscellaneous Fee	Administrative Fee Wire transfer fee		-15.00

Transactions

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January 01, 2013 To December 31, 2013

Account Name : BEATRICE B. DAVIS FAMILY HERITAGE TRUST

Account No : 15501938

## Transactions

Date	Type	Description	Income	Principal
10/01/2013	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 09/01/2013 To 09/30/2013	0.16	
10/08/2013	Cash Deposit	Loan Proceeds		200,750.00
11/01/2013	Daily Factor - Interest	Loan received via wire transfer from ACLI Policy 1005-8007PC		
11/01/2013	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 10/01/2013 To 10/31/2013	1.40	
11/14/2013	Miscellaneous Fee	Administrative Fee		-15.00
11/14/2013	Miscellaneous Fee	Wire transfer fee		-15.00
11/14/2013	Miscellaneous Fee	Administrative Fee		-15.00
11/14/2013	Miscellaneous Fee	Wire transfer fee		-15.00
11/14/2013	Miscellaneous Fee	Miscellaneous Disbursements		-128,000.00
11/14/2013	Miscellaneous Fee	Paid To : Christopher D. Davis Additional loan pursuant to promissory note dtd 3/26/13 sent via wire transfer to Acct ending 625		-50,250.00
11/14/2013	Miscellaneous Fee	Miscellaneous Disbursements		-50,250.00
11/14/2013	Miscellaneous Fee	Paid To : Davis Family Office, LLC Additional loan pursuant to promissory note dtd 4/4/13 sent via wire transfer to Acct ending 874		-22,500.00
11/14/2013	Miscellaneous Fee	Miscellaneous Disbursements		-22,500.00
11/14/2013	Miscellaneous Fee	Paid To : Beatrice B. Davis Revocable Trust Additional loan pursuant to promissory note dtd 9/1/11 sent via wire transfer to Acct ending 331		
12/02/2013	Daily Factor - Interest	FEDERATED GOVMT OBLIGATIONS FD - ISS Interest From 11/01/2013 To 11/30/2013	0.85	
	Net Transfers		3,502.29	-3,502.29
	Net Cash Management		0.00	-10,317.71
	Ending Balances		\$ 0.00	\$ 0.00

Transactions

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January 01, 2013 To December 31, 2013

Account Name : BEATRICE B. DAVIS FAMILY HERITAGE TRUST

Account No : 15501338

## Portfolio Summary

December 31, 2013

	Portfolio %	Cost Basis	Market Value	Estimated Ann Inc	Current Yield
Cash Equivalents	0.12%	15,480.68	15,480.68	1.55	0.01%
Real Estate/Other	4.99%	632,775.00	632,775.00	4,449.33	0.70%
Other Assets	94.89%	10,895,385.86	12,033,885.54	0.00	0.00%
<b>Total Portfolio</b>	<b>100.00 %</b>	<b>11,543,541.54</b>	<b>12,682,141.22</b>	<b>4,450.88</b>	<b>0.04%</b>

*Net Cash*

0.00

*Total Market Value*

12,682,141.22

*Portfolio Components May Not Equal 100% Due To Rounding*

Account Holdings

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## Summary Of Investment Holdings

Shares or Par Value	Investment Category	Cost Basis	Unit Value	Market Value	Estimated Ann Inc	Curr Yield	% Port
<b>Short Term Investment Funds</b>							
15,480.68	FEDERATED GOVMT OBLIGATIONS FD -ISS	15,480.68	100.00	15,480.68	1.55	0.01%	0.12%
<b>Totals</b>							
		15,480.68		15,480.68	1.55	0.01%	0.12%
<b>Notes - Secured</b>							
802,775	NR1 BDAVISREVTR 802,775	802,775.00	1.00	802,775.00	13,085.23	1.63%	6.33%
Note Receivable 1; Payor Beatrice B Davis Revocable Trust. This note rolls the 3 promissory notes received from ATC into 1, and permits a revolving line of credit wherein the Payor may request additional "advances" periodically. Future "advances" pursuant							
18,000	NR2 BDAVISREVTR 18,000	18,000.00	1.00	18,000.00	293.40	1.63%	0.14%
Note Receivable 2; Payor Beatrice B Davis Revocable Trust; First "Advance" pursuant to Cusip NR1BDRTR's line of credit.							
75,000	NR3 BDAVISREVTR 75,000	75,000.00	1.00	75,000.00	1,222.50	1.63%	0.59%
NOTE RECEIVABLE 3; PAYOR BEATRICE B DAVIS REVOCABLE TRUST; THIRS ADVANCE PURSUANT TO CUSIP NR1BDRTR'S LINE OF CREDIT							
<b>Totals</b>							
		895,775.00		895,775.00	14,601.13	1.63%	7.06%
<b>Liabilities</b>							
-170,000	NP1 BBDAVISFAMHTR 170,000	-170,000.00	1.00	-170,000.00	-6,552.00	-3.86%	-1.34%
Note payable 1; Payor B.B.Davis Family Heritage Trust; First policy loan pursuant to revolving line of credit of 09/02/2011 from Policy ACLI 1105-8007FC. Unlike subsequent policy loans, this amount was incorporated into the original note receivable amount							
-18,000	NP2 BBDAVISFAMHTR 18,000	-18,000.00	1.00	-18,000.00	-694.60	-3.86%	-0.14%
Note Payable 2; Payor B.B.Davis Family Heritage Trust; terms pursuant to revolving line of credit with Ashley Cooper of Sept. 2, 2011; Draw request sent 12/9/11; funds received 12/14/2011							
-75,000	NP3 BBDAVISFAMHTR 75,000	-75,000.00	1.00	-75,000.00	-2,895.00	-3.86%	-0.59%
NOTE PAYABLE 3; PAYOR B.B DAVIS FAMILY HERITAGE TRUST; TERMS PURSUANT TO REVOLVING LINE OF CREDIT WITH ASHLEY COOPER OF 09/02/11; DRAW REQUEST SENT 02/07/12; FUNDS RECEIVED 02/10/12.							
<b>Totals</b>							
		-263,000.00		-263,000.00	-10,151.60	-3.86%	-2.07%
<b>Account Holdings</b>							

## Summary Of Investment Holdings

Shares or Par Value	Investment Category	Cost Basis	Unit Value	Market Value	Estimated Ann Inc	Curr Yield	% Port
1	Insurance Policies ACLI POLICY 1105-8007PC	10,895,385.86	12,033,885.54	12,033,885.54	0.00	0.00%	94.89%
	<b>Totals</b>	10,895,385.86		12,033,885.54	0.00	0.00%	94.89%
	<b>Total Investments</b>	11,543,641.54		12,582,141.22	4,450.88	0.04%	100.00%
	<b>Plus Net Cash</b>			0.00			
	<b>Total Market Value</b>			12,582,141.22			

## Exhibit 19

## Exhibit 19



Deirdre B. Davis Family Heritage Trust  
 Dated July 28, 2008  
 Alaska USA Trust Company Trustee  
 500 W. 36th Avenue, Suite 200  
 Anchorage, Alaska 99503

QUARTERLY STATEMENT  
 LIFE POLICY NO. ACLI 1105-8007 PC  
 TRANSACTIONS FOR QUARTER ENDING: JUNE 30, 2013

DATE	DESCRIPTION	AMOUNT	BALANCE
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USD Savings Account

01-Apr-13	Balance B/F	\$	24,078.97
07-May-13	Withdrawal of Members Capital - ACSC Series G2	37,550.00 \$	61,628.97
07-May-13	WT Charges per Comerica	(56.00) \$	61,572.97
07-May-13	Withdrawal of Members Capital - ACSC Series C2	37,550.00 \$	99,122.97
07-May-13	WT Charges per Comerica	(56.00) \$	99,066.97
07-May-13	Withdrawal of Members Capital - ACSC Series C1	37,550.00 \$	136,616.97
07-May-13	WT Charges per Comerica	(56.00) \$	136,560.97
07-May-13	Withdrawal of Members Capital - ACSC Series T1	37,550.00 \$	174,110.97
07-May-13	WT Charges per Comerica	(56.00) \$	174,054.97
09-May-13	Policy Loan	(150,000.00) \$	24,054.97
09-May-13	WT Charges - Policy Loan	(80.00) \$	23,974.97
30-May-13	Service Fees and Stamp Duty	(0.30) \$	23,974.67
31-May-13	Service Fees and Stamp Duty	(0.30) \$	23,974.37
11-Jun-13	CO0677 Cash Paid Q1 13 Ins Fees	(15,923.32) \$	8,051.05
11-Jun-13	CO0677 Cash Paid Q1 13 COI Fees	(33.94) \$	8,017.11
24-Jun-13	Withdrawal of Members Capital - ACSC Series G2	72,675.00 \$	80,692.11
24-Jun-13	WT Charges per Comerica	(6.00) \$	80,686.11
24-Jun-13	Withdrawal of Members Capital - ACSC Series C2	72,675.00 \$	153,361.11
24-Jun-13	WT Charges per Comerica	(6.00) \$	153,355.11
24-Jun-13	Withdrawal of Members Capital - ACSC Series C1	72,675.00 \$	226,030.11
24-Jun-13	WT Charges per Comerica	(6.00) \$	226,024.11
24-Jun-13	Withdrawal of Members Capital - ACSC Series T1	72,675.00 \$	298,699.11
24-Jun-13	WT Charges per Comerica	(6.00) \$	298,693.11
26-Jun-13	Policy Loan	(290,700.00) \$	7,993.11
26-Jun-13	WT Charges - Policy Loan	(80.00) \$	7,913.11
28-Jun-13	Bank Confirmation Fee	(72.00) \$	7,841.11
28-Jun-13	Interest to Date	0.78 \$	7,841.89
28-Jun-13	Service Fees and Stamp Duty	(0.60) \$	7,841.29
28-Jun-13	Service Fees and Stamp Duty	(0.60) \$	7,840.69
30-Jun-13	Balance C/F	\$	7,840.69

CAD Savings Account

1-Apr-13	Balance B/F	CAD	968.35
28-Jun-13	Interest to Date	0.01 CAD	968.36
30-Jun-13	Balance C/F	CAD	968.36

CASH SURRENDER VALUE

ORIGINAL COST	ASSETS HELD	# SHARES	MARKET VALUE
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\$ 7,840.69	Butterfield USD Savings Account		\$ 7,840.69
\$ 920.68	Butterfield CAD Savings Account		\$ 920.68
\$ 1,940.92	ALIF Liquidity Segregated Portfolio	70.1442	\$ 2,137.04
\$ 2,501,803.00	Advantage Life Small Cap Fund SPC C3	13240	\$ 6,997,259.00
\$ 1,829,424.00	Ashley Cooper Small Cap Series C1	100	\$ 1,872,952.00
\$ 2,274,532.00	Ashley Cooper Small Cap Series C2	100	\$ 2,290,041.00
\$ 2,669,527.00	Ashley Cooper Small Cap Series G2	100	\$ 2,689,258.00
\$ 2,805,282.00	Ashley Cooper Small Cap Series T1	100	\$ 2,821,791.00
<u>\$ 12,002,270.29</u>	<b>TOTALS</b>		<u>\$ 16,682,190.41</u>

## Exhibit 20

## Exhibit 20



RECEIVED MAR 04 2014

Beatrice B. Davis Family Heritage Trust  
dated July 28, 2000  
Alaska USA Trust Company Trustee  
500 W. 36th Avenue, Suite 200  
Anchorage, Alaska 99503

QUARTERLY STATEMENT  
LIFE POLICY NO. ACLI 1105-8007 PC  
TRANSACTIONS FOR QUARTER ENDING : DECEMBER 31, 2013

DATE	DESCRIPTION	AMOUNT	BALANCE
<u>USD Savings Account</u>			
01-Oct-13	Balance B/F	\$	18,225.44
07-Oct-13	Withdrawal of Members Capital - ACSC Series G2	50,207.50 \$	68,432.94
07-Oct-13	WT Charges per Comerica	(6.00) \$	68,426.94
07-Oct-13	Withdrawal of Members Capital - ACSC Series C2	50,207.50 \$	118,634.44
07-Oct-13	WT Charges per Comerica	(6.00) \$	118,628.44
07-Oct-13	Withdrawal of Members Capital - ACSC Series C1	50,207.50 \$	168,835.94
07-Oct-13	WT Charges per Comerica	(6.00) \$	168,829.94
07-Oct-13	Withdrawal of Members Capital - ACSC Series T1	50,207.50 \$	219,037.44
07-Oct-13	WT Charges per Comerica	(6.00) \$	219,031.44
08-Oct-13	Policy Loan	(200,750.00) \$	18,281.44
08-Oct-13	WT Charges - Policy Loan	(80.00) \$	18,201.44
30-Oct-13	Service Fees and Stamp Duty	(0.30) \$	18,201.14
31-Oct-13	Service Fees and Stamp Duty	(0.30) \$	18,200.84
31-Dec-13	CO0677 Cash Paid Q3 13 Ins Fees	(26.63) \$	18,174.21
31-Dec-13	CO0677 Cash Paid Q3 13 COI Fees	(16,079.95) \$	2,094.26
30-Dec-13	Service Fees and Stamp Duty	(0.30) \$	2,093.96
30-Dec-13	Interest to Date	0.44 \$	2,094.40
31-Dec-13	Service Fees and Stamp Duty	(0.30) \$	2,094.10
31-Dec-13	Balance C/F	\$	2,094.10
<u>CAD Savings Account</u>			
1-Oct-13	Balance B/F	CAD	965.37
30-Dec-13	Interest to Date	0.01 CAD	965.38
31-Dec-13	Balance C/F	CAD	965.38

CASH SURRENDER VALUE

ORIGINAL COST	ASSETS HELD	# SHARES	MARKET VALUE
\$ 2,094.10	Butterfield USD Savings Account		\$ 2,094.10
\$ 907.51	Butterfield CAD Savings Account		\$ 907.51
\$ 1,940.92	ALIF Liquidity Segregated Portfolio	70.1442	\$ 2,171.29
\$ 2,861,151.93	Advantage Life Small Cap Fund SPC C3	13240	\$ 7,153,406.00
\$ 1,739,097.00	Ashley Cooper Small Cap Series C1	100	\$ 1,860,616.00
\$ 2,184,205.00	Ashley Cooper Small Cap Series C2	100	\$ 2,242,552.00
\$ 2,579,201.00	Ashley Cooper Small Cap Series G2	100	\$ 2,617,436.00
\$ 2,715,956.00	Ashley Cooper Small Cap Series T1	100	\$ 2,749,335.00
<u>\$ 12,084,553.46</u>	<u>TOTALS</u>		<u>\$ 16,628,517.90</u>

Face Cover. 35,000,000  
DOB 28/09/1959  
Rate 157%

There is a policy loan on this account, please contact home office for further details



## **Exhibit 21**

## **Exhibit 21**



Hectoria B. Davis Family Heritage Trust  
dated July 28, 2000  
FHT Holdings LLC  
c/o Dunham Trust Company  
241 Ridge Street, Suite 100  
Reno, Nevada, 89501

QUARTERLY STATEMENT  
LIFE POLICY NO. ACIJ 1105-8007 PC  
TRANSACTIONS FOR QUARTER ENDING: JUNE 30, 2014

DATE	DESCRIPTION	AMOUNT	BALANCE
<u>USD Savings Account</u>			
01-Apr-14	Balance B/F	\$	125.07
20-May-14	Withdrawal of Members Capital - ACSC Series G2	4,485.00 \$	4,610.07
20-May-14	WT Charges per Comerica	(6.00) \$	4,604.07
20-May-14	Withdrawal of Members Capital - ACSC Series C2	4,485.00 \$	9,089.07
20-May-14	WT Charges per Comerica	(6.00) \$	9,083.07
20-May-14	Withdrawal of Members Capital - ACSC Series C1	4,485.00 \$	13,568.07
20-May-14	WT Charges per Comerica	(6.00) \$	13,562.07
20-May-14	Withdrawal of Members Capital - ACSC Series T1	4,485.00 \$	18,047.07
20-May-14	WT Charges per Comerica	(6.00) \$	18,041.07
21-May-14	CD0677 Cash Paid Q2 14 Ins Fees	(3.98) \$	18,037.09
21-May-14	CD0677 Cash Paid Q2 14 CD1 Fees	(17,918.90) \$	118.19
12-Jun-14	Withdrawal of Members Capital - ACSC Series G2	6,250.00 \$	6,368.19
12-Jun-14	WT Charges per Comerica	(6.00) \$	6,362.19
12-Jun-14	Withdrawal of Members Capital - ACSC Series C2	6,250.00 \$	12,612.19
12-Jun-14	WT Charges per Comerica	(6.00) \$	12,606.19
12-Jun-14	Withdrawal of Members Capital - ACSC Series C1	6,250.00 \$	18,856.19
12-Jun-14	WT Charges per Comerica	(6.00) \$	18,850.19
12-Jun-14	Withdrawal of Members Capital - ACSC Series T1	6,250.00 \$	25,100.19
12-Jun-14	WT Charges per Comerica	(6.00) \$	25,094.19
13-Jun-14	Policy Loan	(25,000.00) \$	94.19
13-Jun-14	Wire Transfer Charges - Policy Loan	(40.00) \$	54.19
27-Jun-14	Interest to Date	0.02 \$	54.21
30-Jun-14	Balance C/F	\$	54.21

<u>CAD Savings Account</u>			
1-Apr-14	Balance B/F	CAD	965.30
27-Jun-14	Interest to Date	0.01 CAD	965.40
30-Jun-14	Balance C/F	CAD	965.40

CASH SURRENDER VALUE

ORIGINAL COST	ASSETS HELD	# SHARES	MARKET VALUE
\$ 54.21	Butterfield USD Savings Account		\$ 54.21
\$ 903.15	Butterfield CAD Savings Account		\$ 903.15
\$ 1,940.92	ALIF Liquidity Segregated Portfolio	70.1442	\$ 2,225.75
\$ 2,337,492.93	Advantage Life Small Cap Fund SPC C3	13240	\$ 6,708,680.99
\$ 1,724,573.50	Ashley Cooper Small Cap Series C1	100	\$ 1,890,030.00
\$ 2,169,681.50	Ashley Cooper Small Cap Series C2	100	\$ 2,242,177.00
\$ 2,579,515.26	Ashley Cooper Small Cap Series G2	100	\$ 2,685,680.00
\$ 2,701,433.00	Ashley Cooper Small Cap Series T1	100	\$ 2,813,469.00
<u>\$ 11,715,594.47</u>	<u>TOTALS</u>		<u>\$ 16,343,238.10</u>
Cost			(2,030,689) Policy Loans
		Face Cover	35,000,000
		DOB	28/09/1959
		Rate	157%

There is a policy loan on this account, please contact home office for further details

\$14,312,549.10 Market Value 6/30/14

## Exhibit 22

## Exhibit 22

BEATRICE B. DAVIS REVOCABLE TRUST INDENTURE

THIS INDENTURE, entered into this 4th day of April, 1990, by and between BEATRICE B. DAVIS, Settlor, and BEATRICE B. DAVIS, Trustee.

W I T N E S S E T H:

WHEREAS, Settlor desires to establish a funded, revocable trust with the Trustee for the benefit of the beneficiaries hereinafter named and upon the conditions hereinafter stated; and

WHEREAS, Settlor has simultaneously with the execution of this Indenture deposited with the Trustee certain property and/or policies of life insurance upon the life of Settlor;

NOW, THEREFORE, in consideration of the premises and of the acceptance of this trust by the Trustee and of the promise of the Trustee to hold said property and policies and the proceeds thereof and to perform the duties hereinafter set out, Settlor agrees to cause the Trustee, as such, to be made owner of such property and beneficiary of said insurance policies (but subject always during the lifetime of Settlor to her right to revoke this Indenture and her right to change the beneficiary in such policies, or any of them).

TO HAVE AND TO HOLD such property and insurance policies, and any additional life insurance policies or other property which may hereafter be added to this trust, whether by Will or otherwise (all of which together may hereinafter be referred to as the "trust estate"), IN TRUST, NEVERTHELESS, for the following uses and purposes, and subject to the terms, conditions, powers and agreements hereinafter set forth:

FIRST. It is expressly agreed that the Trustee shall be under no duty or obligation whatever to pay or see to the payment of any premium or assessment upon any life insurance policy at any time held by her hereunder, and the Settlor

expressly reserves the right to pay or not to pay said premiums or assessments or any of them, in addition to any other rights hereinafter reserved.

SECOND. The Trustee shall take, hold, manage, invest and reinvest the trust estate and, during the lifetime of Settlor, shall pay all of the net income to or for the benefit of Settlor and her husband in quarterly or more frequent installments. Further, the Trustee shall pay such sum or sums from the principal of the trust estate to or for the benefit of Settlor and her husband as requested by Settlor, and the Trustee may, in her sole discretion, pay such sum or sums to or for the benefit of Settlor and her husband from the principal of the trust estate as she deems necessary to provide for the health, education, care, maintenance, comfort and support of Settlor and her husband.

THIRD. Upon the death of Settlor, the Trustees shall promptly make due proof of Settlor's death to the insurance companies issuing any policies deposited hereunder, and the Trustees shall collect the proceeds of any and all policies which may then be held by them hereunder; and in case of any controversy over the collection thereof, the Trustees shall, upon being indemnified for their expenses, have full power and authority in their discretion to sue upon any such policy or policies, and before or after any suit to settle or compromise any claim arising out of such policy or policies, as they deem advisable and to the interest of the trust estate hereby created.

FOURTH. Upon the death of Settlor the Trustees may, in their discretion, distribute to Settlor's Personal Representative, or pay directly to the appropriate creditors or taxing authority, from the principal of the trust estate, all debts owed by Settlor, the expenses of her last illness, funeral and burial, including a suitable gravestone, and any estate or inheritance taxes that may be owing on account of her death (whether assessed against Settlor's estate or the

beneficiaries thereof and including taxes assessed because of assets outside of Settlor's probated estate such as insurance, jointly-held property, retained life estates and the corpus of this trust); provided, that the Trustees shall not make any such payments with respect to taxes payable by reason of property over which Settlor has a power of appointment or by reason of property in which Settlor has an income interest for life for which a marital deduction was previously elected and allowed; and provided further that any United States securities held by the Trustees which may be applied in payment of the Federal Estate Tax in accordance with Section 6312 of the Internal Revenue Code and the regulations thereunder shall be so applied before any other asset held by Settlor's Personal Representative or held hereunder, any other provision hereof to the contrary notwithstanding.

FIFTH. Upon the death of Settlor, and after payment or provision for payment has been made as provided in paragraph FOURTH, all of the assets then comprising the trust estate shall be retained by the Trustees and shall be held and disposed of as follows:

1. A. The Trustees shall distribute the following bronze sculptures to the NELSON GALLERY FOUNDATION:

Bronze Sculpture by William Wauer "Head of Herwarth Walden" 1916;

Bronze Sculpture by Elie Nadleman "Draped Standing Female Figure" 1908.

B. The Trustees shall distribute any remaining furniture, household goods, wearing apparel, jewelry, personal effects, club memberships, and any motor vehicles, together with all policies of insurance on or in connection with such property, in accordance with any written statement or list which Settlor may leave directing disposal of such property. If more than one such statement or list is found, the most recent shall govern in the event of any

inconsistency among the lists, but to the extent practicable, the directions in all such lists shall be followed. If no list is found within two months after Settlor's death, or if any list or lists do not provide for all of the property set forth above, the property and insurance policies not provided for by such list or lists shall be distributed to Settlor's husband, ILUS W. DAVIS, if he survives Settlor. If Settlor's husband predeceases her, the properties and policies not provided for by such list or lists shall be distributed in equal shares to Settlor's children who survive her, to be divided as they agree. If within three months of Settlor's death her children fail to agree upon a division, the property and policies shall be distributed between Settlor's children in equal shares by the Trustees.

C. The reasonable cost of protecting, appraising, packing, storing, shipping, cleaning, and insuring all property disposed of in this paragraph shall be paid as an expense of administering the trust estate.

D. The Trustees are authorized to make a binding and conclusive resolution of any reasonable doubt as to whether any particular asset or assets are included in the property disposed of by this paragraph.

2. The Trustees shall distribute the sum of THREE HUNDRED THOUSAND DOLLARS (\$300,000.00), in cash or in BOATMEN'S BANCSHARES, INC. stock to each of Settlor's children who survive her, CHRISTOPHER D. DAVIS and CAROLINE D. DAVIS. If either of Settlor's children do not survive her but have issue who survive her, such issue shall take such child's bequest per stirpes.

3. The remaining trust estate shall be retained by the Trustees upon the trusts and for the uses and purposes hereinafter stated. The Trustees shall hold, manage, invest and reinvest the trust estate, shall collect and receive all interest and income therefrom, and shall distribute such

share and said interest and income (hereinafter the "trust estate") as follows:

A. The Trustees shall pay the income from the trust estate quarterly or more frequently to Settlor's husband during his lifetime.

B. (1) The Trustees may pay to Settlor's husband such sums from the principal of the trust estate as the Trustees deem necessary or advisable from time to time for his health, support, education and maintenance, considering his income from all sources known to the Trustees.

(2) Upon the written request of Settlor's husband, at any time and from time to time, the Trustees shall pay to him, out of the principal of the trust estate, an amount up to but not exceeding for any one calendar year the sum of \$100,000.00; provided, however, that if no request is made for any calendar year, no payment of principal shall be made in any subsequent year because of the amount not so requested.

C. The Trustees may elect to have a specific portion or all of the trust estate, hereinafter referred to as the "qualified portion", treated as qualified terminable interest property for federal estate tax purposes. If an election is made as to less than all of the trust estate, the specific portion shall be expressed as a fraction, and the value of the qualified portion at any time may be determined by multiplying the value of the trust estate at that time by the fraction then in effect. At the time of each payment of principal pursuant to the provisions of paragraph B, the fraction shall be adjusted first by restating it so that the numerator and the denominator are the values of the qualified portion and of the trust estate, respectively, immediately prior to the payment, and then by subtracting the amount of the payment from each of the numerator and the denominator, except that the numerator shall not be reduced below zero.



D. Upon the death of Settlor's husband, the trust for Settlor's husband shall terminate and the trust estate shall be distributed as provided in paragraph E, except that, unless Settlor's husband directs otherwise by his Will, the Trustees shall first pay from the principal of the qualified portion, directly or to the legal representative of Settlor's husband's estate as the Trustees deem advisable, the amount by which the estate and inheritance taxes assessed by reason of the death of Settlor's husband shall be increased as a result of the inclusion of the qualified portion in his estate for such tax purposes. The selection of assets to be sold to pay that amount, and the tax effects thereof, shall not be subject to question by any beneficiary. Notwithstanding any other provision of this Trust, all income of the qualified portion accrued or undistributed at the death of Settlor's husband shall be paid to his estate.

E. Subject to the provisions of paragraph G below, upon termination of the trust estate, all of the assets then comprising the trust estate (after payment as provided in paragraph D above has been made) shall be distributed in equal shares to Settlor's children, CHRISTOPHER D. DAVIS and CAROLINE D. DAVIS. If any child of Settlor shall not then be living, his or her share of the trust estate shall be distributed as he or she appoints, each of Settlor's children hereby being granted full power to appoint, free of the trust, the entire principal and income remaining in his or her share at the time of his or her death, so appointing the same in favor of his or her estate or in favor of one or more persons or partly in favor of one or more persons in any manner, either outright or in trust, and under any conditions, limitations or provisions which he or she may designate, and said general power of appointment shall be exercisable by Settlor's child alone and in all events. If, however, Settlor's child fails to exercise said general power of appointment, or if any exercise by him or

her is invalid or for any reason whatsoever fails to take effect, if such child has issue then living, such issue shall take such child's share per stirpes. If any child of Settlor shall not then be living and have no issue then living, the unappointed portion of the share of such child shall lapse and the share of the other child of Settlor then living (or the share of the issue of the other) shall be increased proportionately. If both of Settlor's children shall not then be living and have no issue then living, all of the unappointed assets then comprising the trust estate shall be distributed to the person or persons in the shares and proportions in which Settlor's Administrator would have been required to distribute the same had she then died intestate, a resident of the State of Missouri and possessed of such property at such time.

F. Settlor's Personal Representative is granted by law the election to treat certain interests in assets held as a part of the trust estate as qualified terminable interest property for marital deduction purposes. Settlor has given the Trustees the power to make this election herein. Settlor's Personal Representative shall have final authority as to the making of the election for federal tax purposes. However, the Trustees shall give Settlor's Personal Representative their advice regarding such election, it being Settlor's intent that Settlor's Personal Representative adhere to the advice of the Trustees when making such election. The Trustees shall consider advising exercise of the election to reduce Settlor's estate taxes, and to defer their payment, to the greatest extent practicable. Settlor recognizes that exercising the election will increase the value of the assets subsequently includable in Settlor's husband's gross estate for federal estate tax purposes. Settlor believes that the investment yield and appreciation on the assets which would otherwise be paid in estate taxes on her estate, and the reduced need for liquid

assets, should at least offset any resulting increase in Settlor's husband's estate taxes. In case of reasonable doubt whether to exercise the election, or the extent to which the election should be exercised, the Trustees should normally advise exercise of the election and should advise exercising it to obtain a larger, rather than a smaller, marital deduction. In determining Settlor's husband's life expectancy, assets, income and other resources, conclusive reliance may be placed upon written representations of those facts made by Settlor's husband. The Trustees shall incur no liability for determining whether to exercise the election, or the extent to which it should be exercised.

G. (1) After division of the trust estate into equal shares for the benefit of Settlor's children, each share shall be held and distributed as provided in this paragraph G. Each share created for a child then living shall be held and distributed as provided in subparagraph (2). Each share created for the then living issue of any child of Settlor who is not then living but has issue then living shall, subject to the provisions of paragraph TENTH 1, be distributed to such issue per stirpes.

(2) The Trustees shall hold each child's share upon the trusts and for the uses and purposes hereinafter stated. Each of the shares so held and entrusted shall constitute and be administered as a separate trust. The Trustees shall hold, manage, invest and reinvest each of said shares, shall collect and receive all income and interest therefrom, and shall distribute such share and said interest and income (hereinafter the "trust estate") as follows:

(a) All of the net income from each child's trust estate shall be paid quarterly or more frequently to or for his or her benefit for the duration of his or her life.

(b) The Trustees are further authorized and empowered to pay to or for the benefit of each child, out of the principal of his or her trust estate, at any time and from time to time, such sum or sums as the Trustees deem advisable or necessary to provide adequately for such child's health, maintenance, education and support.

(c) Upon the written request of Settlor's child, at any time and from time to time, the Trustees shall pay to him or her, out of the principal of his or her trust estate, an amount which is the difference between the "maximum allowable withdrawal" (as defined below) less all amounts previously withdrawn. The maximum allowable withdrawal shall be determined by multiplying the sum of the principal balance of the trust estate valued as of December 31 of the prior year plus the amount of all prior withdrawals by a percentage determined by multiplying Twenty Percent (20%) by the number of calendar year ends which have passed since the date of division of the trust estate into equal shares. In any event, on the fifth anniversary of division of the trust estate into equal shares, the Trustees shall pay, upon the written request of Settlor's child, at any time and from time to time, all or any part of Settlor's child's trust estate to him or her.

(d) Upon the death of Settlor's child, his or her trust shall terminate and all of the assets then comprising his or her trust estate, including all accrued interest and income, shall be distributed in such manner and to such person or persons as Settlor's child by his or her Will specifically appoints, Settlor's child hereby being granted full power to appoint, free of the trust, the entire principal and income remaining in his or her trust estate at the time of his or her death, so appointing the same in favor of his or her estate or in favor of any one or more persons or partly in favor of any one or more persons in any manner, either outright or in trust, and under any conditions,

limitations or provisions which he or she may designate, and said general power of appointment shall be exercisable by Settlor's child alone and in all events. If, however, Settlor's child fails to exercise said general power of appointment, or if any exercise by him or her is invalid or for any reason whatsoever fails to take effect, then upon the death of Settlor's child, subject to the provisions of paragraph TENTH 1, the trust estate shall be distributed to such child's issue then living, per stirpes. If Settlor's child has no issue then living, the trust of his or her share shall terminate and all of the assets at that time comprising his or her trust estate shall be distributed to Settlor's issue then living, per stirpes; provided, that if Settlor's other child is then living, the assets which would otherwise be distributed to him or her outright shall be distributed to his or her trust estate. If Settlor has no issue then living, the Trustees shall distribute all of the assets then comprising the trust estate, including all accrued interest and income, to such person or persons in the shares and proportions in which Settlor's Administrator would have been required to distribute the same had she then died intestate, a resident of the State of Missouri and possessed of such assets at such time.

4. In any event, and regardless of each and any of the above and foregoing provisions, twenty-one (21) years after the death of the last to die of all of the beneficiaries herein named or described who are living at the date of Settlor's death, all trusts hereunder shall terminate, if the same have not already terminated by said time, and all of the assets then comprising the trust estate, including all accrued interest and income, shall be distributed free and clear of all trusts to the person or persons then entitled to receive the same in accordance with the foregoing provisions.

SIXTH. Settlor during her lifetime reserves the right, by her own acts alone and without the consent or approval of

the Trustee (a) to sell, assign, or hypothecate any property and any policy or policies held under this instrument; (b) to exercise any option or privilege granted in said policies or any of them; (c) to borrow any sum or sums in accordance with the provisions of any of said policies and to receive all payments and dividends, surrender value, bonuses, and privileges of any kind which may accrue on account of any of said policies during the lifetime of Settlor; (d) to withdraw from the operation of this agreement any or all of such property and any or all of said policies; (e) to revoke this instrument; (f) to change the beneficiaries hereunder and the payments and plan of distribution to each; and (g) to cause additional policies of insurance to be made payable to the Trustee and to make the Trustee owner of additional property and to bring the same within the operation of this agreement by affixing hereto an exhibit setting forth the description of such additional policies and property; it being understood that this trust as to life insurance proceeds shall be operative only with respect to the proceeds of the policies that may be due and payable to the Trustee upon the death of Settlor after deduction of all charges against said policies by way of advancements or loans to Settlor or any other person.

SEVENTH. In addition to the rights above reserved by Settlor, this agreement may be modified, amended or altered at any time by mutual consent of Settlor and the Trustee, the same to be evidenced by written instrument executed by both parties.

EIGHTH. 1. If for any reason BEATRICE B. DAVIS is incapacitated or otherwise cannot act or shall cease to serve as Trustee hereunder, ILUS W. DAVIS shall serve as successor Trustee. Upon the death of BEATRICE B. DAVIS, ILUS W. DAVIS and BOATMEN'S FIRST NATIONAL BANK OF KANSAS CITY shall serve as Trustees. If for any reason ILUS W. DAVIS cannot act or shall cease to serve as Trustee, CHRISTOPHER J. ANDERSON

shall serve as Trustee in his place. If for any reason CHRISTOPHER J. ANDERSON cannot act or shall cease to serve as Trustee, such partner of the law firm of Armstrong, Teasdale, Schlafly, Davis & Dicus, or the successor law firm thereto, as the members thereof shall designate, shall serve as Trustee in his place.

2. Any Trustee acting hereunder may resign at any time by delivering not less than thirty (30) days' written notice to Settlor, during her lifetime, and, after her death, to all of the legally competent beneficiaries over twenty-one (21) years of age to whom income may then be payable and, thereafter, the successor Trustee or Trustees, as provided herein, shall serve until all trusts hereunder are terminated.

3. During the existence of any trust created hereunder, the individual Trustee or Trustees, acting unanimously if there is more than one, shall have the right to remove the corporate Trustee and appoint a successor corporate Trustee. Such right of removal shall be continuing and shall be exercised by the individual Trustee or Trustees serving the acting corporate Trustee with written notice of its removal, which notice shall specify the successor corporate Trustee and certify a successor corporate Trustee's willingness to serve as Trustee. Within sixty (60) days thereafter, the corporate Trustee so removed shall deliver all assets then held to its successor.

4. The individual Trustee, or the beneficiaries to whom such notice of resignation shall be given by the resigning Trustee may, without liability to any present or future beneficiary, approve the accounts of, and give a full and complete release and discharge to, any such removed or resigned Trustee. Except in cases where a successor is provided in paragraph 1, the individual Trustee or such beneficiaries as the case may be, may appoint any bank or trust company organized under the laws of the United States,



or one of the States thereof, possessing trust powers and having a combined capital and surplus of not less than Two Million Dollars (\$2,000,000.00), as successor Trustee hereunder. No successor Trustee shall be liable or responsible for any act or default of any predecessor Trustee or for any loss or expense resulting from or occasioned by anything done or neglected to be done in the administration of the trust estate prior to its becoming a Trustee, nor shall it be required to inquire into or take any notice of the prior administration of the trust estate.

NINTH. The Trustee shall have the following powers, and any others that may be granted by law, with respect to each trust, to be exercised as the Trustee in her discretion shall determine to be to the best interests of the beneficiaries:

1. To retain any property or undivided interests in property received from any source, including residential property, regardless of any lack of diversification, risk or nonproductivity;
2. To invest and reinvest the trust estate in bonds, notes, stocks of corporations regardless of class, common trust funds, real estate or any interest in real estate, interests in trusts or in any other property or undivided interests in property, wherever located, without being limited by any statute or rule of law concerning investments by trustees;
3. To sell any trust property, for cash or on credit, at public or private sales; to exchange any trust property for other property; to grant options to purchase or acquire any trust property; and to determine the prices and terms of sales, exchanges and options;
4. To operate, maintain, repair, rehabilitate, alter, improve or remove any improvements on real estate; to make leases and subleases for terms of any length, even though the terms may extend beyond the termination of the trust; to subdivide real estate; to grant easements, give consents and make contracts relating to real estate or its use; and to release or dedicate any interest in real estate;
5. To borrow money for any purpose, either from the banking department of a corporate trustee or from others, and to mortgage or pledge any trust property;
6. To employ attorneys, auditors, depositaries and agents, with or without discretionary powers; to exercise in person or by proxy all voting and other rights with respect to stocks or other securities; and to keep any property in bearer form or in the name of the Trustee, a nominee of the Trustee or a nominee of the depositary used by the Trustee with or without disclosure of any fiduciary relationship;
7. To determine in an equitable manner with due regard to the respective interests of any income beneficiary and any remainderman the allocation or apportionment of all receipts and disbursements between income and principal; the Trustee shall not set aside reserves for depreciation unless the Trustee deems it to be necessary for the preservation of



tangible property to create reasonable reserves for rehabilitation, major repairs or replacement of such property;

8. To take any action with respect to conserving or realizing upon the value of any trust property and with respect to foreclosures, reorganizations or other changes affecting the trust property; to collect, pay, contest, compromise or abandon demands of or against the trust estate wherever situated; and to execute contracts, notes, conveyances and other instruments, including instruments containing covenants, representations and warranties binding upon and creating a charge against the trust estate and containing provisions excluding personal liability;

9. To receive additional property from any source and add it to the trust estate;

10. To enter into any transaction authorized by this paragraph with trustees, executors or administrators of any trust or estate in which any beneficiary has an interest even though any such trustee or representative is also a trustee under this instrument; and in any such transaction to purchase property, or make loans on notes secured by property, even though similar or identical property constitutes all or a large proportion of the balance of the trust estate, and to retain any such property or note with the same freedom as if it had been an original part of the trust estate;

11. To make any distribution or division of the trust property in cash or in kind or both, and to continue to exercise any powers and discretion for a reasonable period after the termination of the trust, but only for so long as no rule of law relating to perpetuities would be violated;

12. To allocate different kinds or disproportionate shares of property or undivided interests in property among the beneficiaries or trusts, and to determine the value of any such property; and to make joint investments of funds in the trusts, and to hold the several trusts as a common fund dividing the net income among the beneficiaries of the several trusts proportionately;

13. To transfer the assets of any trust to another situs and to appoint as a special trustee any individual or corporation authorized under the laws of the United States or of any state to administer trusts and to remove any special trustee and reappoint itself;

14. To collect in any manner the net proceeds of any employee benefit plan, individual retirement account, deferred compensation plan or life insurance policy; payment to and the receipt of the Trustee shall be a full discharge of the liability of any payor, which need not take notice of this instrument or see to the application of any payment; the Trustee need not engage in litigation to enforce payment without indemnification satisfactory to her for any resulting expense.

TENTH. 1. If any beneficiary to whom the Trustee is directed in a preceding provision to distribute any share of trust principal is under the age of twenty-one years or a legal disability other than age when the distribution is to be made and if the Trustee is not otherwise directed in this instrument to hold such share in trust, such beneficiary's share shall vest in interest in him indefeasibly, but the Trustee may in her discretion distribute such share to a custodian under any transfer to minors law (including any appropriate Gifts to Minors Act or Transfer to Minors Law) or hold it as a separate trust for such period of time as the

Trustee deems advisable, but not after the time the beneficiary reaches that age or is no longer under a disability other than age. If the Trustee holds such share as a separate trust, the Trustee may use for the benefit of the beneficiary so much of the income and principal as the Trustee shall determine to be required for the beneficiary's support and education, adding any excess income to principal. If such person dies before attaining the age of twenty-one (21) years or legal capacity to act, all such principal and income shall be paid to the estate of such person. The authority herein conferred upon the Trustee by this paragraph shall be construed as a power only and shall not operate to suspend or prevent the absolute vesting of any property in such person. With respect to the administration of any such property, the Trustee shall have all the powers vested in her under the provisions of this instrument, and shall be entitled to reasonable compensation for her services.

2. With the exception of income earned in a Qualified Terminable Interest Property Trust, or unless otherwise provided, upon the death of any beneficiary any accrued or undistributed income shall be held and accounted for, or distributed, in the same manner as if it had been received and accrued after the beneficiary's death.

3. If at any time any beneficiary to whom the Trustee is directed in this instrument to pay any income is under legal disability or is in the opinion of the Trustee incapable of properly managing his affairs, the Trustee may use such income for his benefit.

4. The Trustee either may expend directly any income or principal which she is authorized in this instrument to use for the benefit of any person, or may pay it over to him or for his use to his parent, guardian, custodian under any Transfer to Minors Act or to any person with whom he is residing, without responsibility for its expenditure.

5. In determining whether and to what extent to make discretionary payments of income or principal to, or for the benefit of, any beneficiary, the Trustee may, but shall not be required to, take into account any other property or sources of income or support of the beneficiary known to the Trustee. Discretionary payments of income or principal shall not be considered as advancements.

6. During the entire duration of any trust established pursuant to this instrument, each and every beneficiary of said trust shall be without power, voluntarily or involuntarily, to sell, mortgage, pledge, hypothecate, assign, alienate, anticipate, transfer or convey any interest in the trust estate or the property constituting the trust estate or the income therefrom until the same is actually paid into his or her hands, and no part thereof or the property contained therein shall be subject to the claims of creditors of any beneficiary, or to judgment, levy, execution, sequestration, attachment, bankruptcy proceedings, or other equitable or legal process.

7. In determining whether and to what extent a power of appointment has been exercised by will, the Trustee may rely upon any instrument admitted to probate in any jurisdiction as the will of the holder of the power. The Trustee may act as if the holder of the power died intestate if the Trustee has no notice of a will within three months after the holder's death. This paragraph shall not affect the rights of an appointee or beneficiary against any distributee.

8. No trustee shall be required to give any bond as trustee; to qualify before, be appointed by or in the absence of breach of trust to account to any court; or to obtain the

order or approval of any court in the exercise of any power or discretion.

9. The Trustee may rely upon any notice, certificate, affidavit, letter, telegram or other paper or document believed by her to be genuine, or upon any evidence deemed by her to be sufficient, in making any payment or distribution. The Trustee shall incur no liability for any payment or distribution made in good faith and without actual notice or knowledge of a changed condition or status affecting any person's interest in the trust.

10. Except for any period during which the Settlor is serving as Trustee, during the entire duration of any trust established hereunder, the Trustee shall keep accurate books of account of all transactions pertaining to each trust estate, showing the receipt of both principal and income and all investments and change in investments and showing the disbursements and charges for her services as Trustee hereunder. These books shall be open at all reasonable times for inspection by the beneficiaries hereunder who are actually entitled to participate in the net income and/or principal of the trust estate. The Trustee shall at least annually render to the beneficiaries entitled to participate in the net income and/or principal of each trust estate, statements reflecting the then actual condition of the trust estate, showing all receipts, disbursements of income and principal, changes of investments and investments then held as a part of the trust estate.

11. Except as to any trust established for Settlor's spouse, the Trustee is specifically authorized to merge any trust hereunder with any other trust hereunder or any other trust, by whomsoever created, which trust or trusts have the same beneficiaries, for any period of time when the governing provisions shall be substantially the same, and the Trustee shall likewise have the power, should she deem it advisable to do so, to maintain any two or more of the separate shares hereunder for separate beneficiaries as a single account for purposes of more convenient or economical investment or accounting, preserving the separate identity of the beneficiaries' interest.

12. No person dealing with the Trustee or any trust established hereunder shall be bound to inquire into or be liable for the application of any money or other consideration loaned or otherwise paid to the Trustee or to inquire into the power or authority of the Trustee, or into the validity, expediency or propriety of any transaction affecting the trust estate or any part thereof. All persons interested in any part of this trust estate shall be forever bound by any action taken by the Trustee in good faith in the exercise of any of her powers, privileges or discretions.

13. The Trustee shall be empowered, in her sole and absolute discretion, to terminate any trust in whole or with respect to any share of a trust if such trust or share thereof shall be or become of a size that is no longer economical to administer. In the event of any such termination, the assets of the trust or share thus terminated shall thereupon be paid and distributed, free and clear of all trusts, to the persons then beneficially entitled to receive payments of income from such trust. If there shall be more than one person entitled to receive income from a given trust or share which is terminated pursuant to this paragraph, the assets thereof shall be divided in proportion to their interests hereunder among all persons so entitled to share in such income.

14. In addition to her reasonable expenses incurred in the performance of her duties under any trust established

pursuant to this instrument, the Trustee shall be entitled to receive reasonable compensation for her services hereunder in accordance with the corporate Trustee's published schedule of fees in effect from time to time, if a corporate Trustee is serving hereunder.

15. The Trustee is expressly relieved from any and all statutory accounting or reporting duties which would otherwise be placed upon her by law.

16. No Trustee shall participate in the exercise of any discretion with respect to distribution of income or principal of any portion of the trust property in which the Trustee, or any person the Trustee is obligated to support, has any beneficial interest, and the discretion shall be exercised only by the remaining trustee or trustees.

17. The Trustees may entrust sole custody of any securities, cash, or other property held by them to either of them. Either Trustee may, by instrument in writing, from time to time, delegate to the other the exercise of any or all of the powers conferred upon the Trustees by this instrument, and may at pleasure revoke any such delegation, which revocation shall be effective upon receipt.

18. The successor Trustees are expressly authorized to retain as an investment of any trust hereunder securities of BOATMEN'S BANCSHARES, INC. (including stocks, bonds, debentures and any other form of securities representing either or both a proprietary interest in or obligation of said corporation), and of any other corporate successor or subsidiary to or affiliated with the corporate successor Trustee which is now or hereafter assigned, devised, bequeathed, transferred or delivered to them (all of which, if more than one, are hereinafter referred to as "the Company"). Pending sale or final distribution of said securities or liquidation of the Company, the successor Trustees shall have the following authority and discretions in addition to the general grant of authority and discretion elsewhere herein given to them:

(a) To participate in the management of the Company;

(b) To supervise the conduct of the Company's business;

(c) To extend credit to the Company from the banking department of the corporate successor Trustee without in any way increasing, limiting or otherwise affecting its duties, responsibilities and liabilities as corporate successor Trustee;

(d) To increase the investment of a trust in the Company either or both by way of secured or unsecured loans to the Company, by the purchase of stock from other stockholders of the Company, expressly including stock owned by a beneficiary, or by subscription to additional stock, either or both common and preferred, or by pledging assets for the debts of the Company, provided, however, that the Trustees shall vote any and all stock in BOATMEN'S BANCSHARES, INC. as directed by a majority of the adult then current income beneficiaries of each trust established hereunder in the following manner:

(1) Only current income beneficiaries over the age of twenty-one (21) years shall be entitled to participate in the direction to the Trustees. If any current income beneficiary is under the age of twenty-one (21) years, his or her most immediate ancestor (jointly if more than one)

shall be entitled to participate on his or her behalf (all of whom are hereafter referred to as "eligible voters").

(2) Each eligible voter may give the Trustees his or her instruction regarding voting of stock of the Company on any matter put to a vote of the shareholders. The weight to be given to each such instruction by the Trustees shall be a percentage which is the same as the percentage which that eligible voter's current income interest in each trust bears to the total current income interests in each trust estate. A beneficiary's current income interest shall be determined on the basis of actual income paid to the beneficiary during the preceding twelve-month period.

(3) Five full business days prior to the deadline set by the Company for receipt of votes by shareholders (or at such later date as may be set by the Trustees in their discretion), the Trustees shall count the instructions given to them by the eligible voters. At that time, the Trustees shall vote all shares of the Company held by them as directed by a majority in interest of the eligible voters (based upon the instructions received by the Trustees, weighted as provided in subparagraph (2)).

(4) The Trustees shall be under no obligation to notify eligible voters of any matter to be voted upon by stockholders of the Company. The Trustees shall have no obligation to take account of any direction received by them subsequent to the date for counting instructions set in subparagraph (3).

(5) For purposes of this paragraph 18 (d) only, the Trustees shall aggregate any and all stock in BOATMEN'S BANCSHARES, INC. owned by them as Trustees under this instrument, irrespective of whether such stock is held in separate shares or separate trust estates for different beneficiaries. In the event the instructions received by the Trustees do not produce a majority in interest on a matter to be voted upon, the Trustees shall vote the stock of the Company in each trust in proportion to the instructions received by it, weighted as provided in subparagraph (2).

The successor Trustees shall exercise ordinary business judgment in determining how long such securities shall be retained as an investment and in deciding upon such action as it may take in its supervision of the management of the Company during the period of such retention and the readjustment of the total investment therein, it being Settlor's intention to give to the successor Trustees every power and discretion it may need or require to provide proper management and supervision of the Company, and the successor Trustees shall not be liable for any loss that may result from the honest exercise of these powers and discretions. The Settlor realizes that he is exposing the trust to the risks inherent in all business operations, but he believes that the possibility of preserving the capital and income values which he believes these securities to contain justifies such risk. To the extent that the successor Trustees may render service to the Company, they are expressly authorized to take such steps as may be practicable to charge their fee for such service to the Company rather than to the trust.

ELEVENTH. Any person entitled under this Trust to receive any interest, power and/or right, may renounce or disclaim all or any part or parts of such interest, power and/or right. Such renunciation or disclaimer shall be by written instrument, which shall describe the property, part thereof, interest therein or power renounced and which shall be signed by the person renouncing such property, part thereof, interest therein or power renounced.



If any person should renounce or disclaim any or all of his or her interests under this instrument then the succeeding or alternate interests hereunder shall be accelerated or substituted. Accordingly, all of the provisions of this instrument shall be construed as though such person had predeceased Settlor, except any provisions that may be necessary to preserve any interest or interests of such person which he or she has not renounced or disclaimed and except any provisions whereunder such person is entitled to act as a fiduciary hereunder.

TWELFTH. 1. Whenever issue living at any particular time of any person are referred to in this Trust, the term "issue" shall be deemed to mean all of such person's lineal descendants of every degree living at such time who have no ancestor then living who is a lineal descendant of such person. The term "lineal descendant" shall be deemed to include legally adopted persons and their lineal descendants, and the term "ancestor" shall be deemed to mean a lineal ascendant of any degree by blood or adoption. The terms "child" or "children" as used herein shall include a lineal descendant or lineal descendants of the first degree only, and shall be deemed to include any child or children born or legally adopted after the execution of this Trust.

2. Whenever in this instrument a bequest is made to a person or persons "living" at a particular time, an afterborn child of a parent deceased at that time shall be deemed to be "living" at that time.

3. "Incapacity" as used herein shall be defined as the determination made by a person's personal physician that the person is physically and/or mentally incapable of handling his or her personal financial affairs and (where applicable) his or her responsibilities as Trustee hereunder.

4. Whenever the context requires or permits, the masculine gender shall be deemed to include the feminine, the singular the plural, and vice versa.

5. The Provisions of this Trust Indenture, and the disposition of all property hereunder, shall be governed in all respects (including validity, regulation and interpretation) by the laws of the State of Missouri.

6. The name of "BOATMEN'S FIRST NATIONAL BANK OF KANSAS CITY" wherever mentioned in this Will, shall include not only said Bank, but also its successor and successors, any surviving corporation into which it may be merged, any new corporation resulting from its consolidation with any other corporation or corporations, the successor and successors of any such surviving or new corporation, and any corporation to which the fiduciary business of said bank may at any time be transferred.

THIRTEENTH. If Settlor's husband shall die simultaneously with Settlor or under such circumstances as to render it difficult or impossible to determine who predeceased the other, Settlor's husband shall be deemed to have predeceased Settlor, and the provisions of this instrument shall be construed upon that assumption, notwithstanding the provisions of any law establishing a different presumption of order of death or providing for

survivorship for a fixed period as a condition of inheritance of property.

IN WITNESS WHEREOF, this instrument has been executed, as of the day and year first above written, in multipart, each one of which shall be deemed an original, by the Settlor and the Trustee.

Beatrice B. Davis  
BEATRICE B. DAVIS, SETTLOR

Beatrice B. Davis  
BEATRICE B. DAVIS, TRUSTEE

STATE OF MISSOURI     )  
                              ) SS.  
COUNTY OF JACKSON    )

On this 4th day of April, 1990, before me, the undersigned, a Notary Public, personally appeared BEATRICE B. DAVIS, to me known to be the same person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free and voluntary act and deed as Settlor and Trustee of this Trust.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the day and year last above written.

Christopher J. Anderson  
Notary Public in and for said  
County and State

My commission expires:

CHRISTOPHER J. ANDERSON  
Notary Public - State of Missouri  
Commissioned in Jackson County  
My Commission Expires Nov. 12, 1993

FIRST AMENDMENT TO  
BEATRICE B. DAVIS REVOCABLE TRUST INDENTURE

THIS FIRST AMENDMENT TO BEATRICE B. DAVIS REVOCABLE TRUST INDENTURE, entered into this 30 day of FEBRUARY, 1997, by BEATRICE B. DAVIS, Settlor, and BEATRICE B. DAVIS, Trustee.

W I T N E S S E T H:

WHEREAS, Settlor established a funded, revocable trust with the Trustee dated April 4, 1990; and

WHEREAS, Settlor and the Trustee have authority under paragraph SEVENTH of the Trust Indenture to amend the Indenture;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein, Settlor and the Trustee agree to amend the Indenture to delete paragraphs FIFTH 2 and 3 and EIGHTH 1 of the Indenture, substitute in their place the following paragraphs FIFTH 2 and EIGHTH 1 and to renumber paragraph FIFTH 4 as paragraph FIFTH 3:

FIFTH.

2. The remaining trust estate shall be distributed in equal shares to Settlor's children, CHRISTOPHER D. DAVIS and CAROLINE D. DAVIS. If either child of Settlor does not survive her but has issue then living, such issue shall take such child's share per stirpes. If either child of Settlor is not then living and has no issue then living, his or her share shall lapse and the share of the other child of Settlor then living (or the share of the issue of the other) shall be increased proportionately. If both of Settlor's children do not survive her and have no issue then living, all of the remaining assets then comprising the trust



estate shall be distributed to the person or persons in the shares and proportions in which Settlor's Administrator would have been required to distribute the same had she died intestate, a resident of the State of Missouri and possessed of such property at such time.

EIGHTH.

1. If for any reason BEATRICE B. DAVIS is incapacitated or otherwise cannot act or shall cease to serve as Trustee hereunder, CHRISTOPHER D. DAVIS and CAROLINE D. DAVIS shall serve as Successor Trustees. If either CHRISTOPHER D. DAVIS or CAROLINE D. DAVIS cannot act or shall cease to serve as Trustee, CHRISTOPHER J. ANDERSON shall serve as Trustee in his or her place. If for any reason any two of the above three persons cannot act or shall cease to serve as Trustee, the remaining Trustee shall serve as sole Trustee.

IN WITNESS WHEREOF, this instrument has been executed, as of the day and year first above written, in multipart, each one of which shall be deemed an original, by the Settlor and the Trustee.

Beatrice B. Davis  
BEATRICE B. DAVIS, SETTLOR

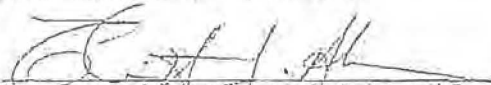
Beatrice B. Davis  
BEATRICE B. DAVIS, TRUSTEE

STATE OF MISSOURI )  
 ) SS.  
COUNTY OF JACKSON )

On this 30 day of FEBRUARY, 1997, before me, the undersigned, a Notary Public, personally appeared BEATRICE B. DAVIS, to me known to be the same person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free and voluntary act and deed as Settlor and Trustee of this Trust.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notary seal on the day and year last above written.



  
Notary Public in and for said  
County and State

My commission expires:

CHRISTOPHER J. ANDERSON  
Notary Public - State of Missouri  
Commissioned in Jackson County  
My Commission Expires Nov. 12, 1997

SECOND AMENDMENT TO  
BEATRICE B. DAVIS REVOCABLE TRUST INDENTURE

THIS SECOND AMENDMENT TO BEATRICE B. DAVIS REVOCABLE TRUST INDENTURE, entered into this 11 day of May, 1998, by BEATRICE B. DAVIS, Settlor, and BEATRICE B. DAVIS, Trustee.

W I T N E S S E T H:

WHEREAS, Settlor established a funded, revocable trust with the Trustee dated April 4, 1990, as amended February 3, 1997; and

WHEREAS, Settlor and the Trustee have authority under paragraph SEVENTH of the Trust Indenture to amend the Indenture;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein, Settlor and the Trustee agree to amend the Indenture to delete paragraphs FIFTH 1, 2 and 3, EIGHTH, NINTH and TENTH of the Indenture and substitute in their place the following paragraphs FIFTH 1, 2, 3 and 4, EIGHTH and NINTH:

FIFTH:

1. A. The Trustees shall distribute any interest of the trust in the following bronze sculpture to the NELSON GALLERY FOUNDATION:

Gaston LaChaise Bronze, cast #4/12, 13-1/2 inches high done in 1923, head of a woman (long neck version) casting of head of "MADAME LACHAISE".

B. The Trustees shall distribute any remaining furniture, household goods, wearing apparel, jewelry, personal effects, club memberships, and any motor vehicles, together with all policies of insurance on or in connection with such property, in accordance with any written statement or list which Settlor may

leave directing disposal of such property. If more than one such statement or list is found, the most recent shall govern in the event of any inconsistency among the lists, but to the extent practicable, the directions in all such lists shall be followed. If no list is found within two months after Settlor's death, or if any list or lists do not provide for all of the property set forth above, the property and insurance policies not provided for by such list or lists shall be distributed in equal shares to Settlor's children who survive her, to be divided as they agree. If within three months of Settlor's death her children fail to agree upon a division, the property and policies shall be distributed between Settlor's children in equal shares by the Trustees.

C. The reasonable cost of protecting, appraising, packing, storing, shipping, cleaning, and insuring all property disposed of in this paragraph shall be paid as an expense of administering the trust estate.

D. The Trustees are authorized to make a binding and conclusive resolution of any reasonable doubt as to whether any particular asset or assets are included in the property disposed of by this paragraph.

2. Upon the death of Settlor, and after providing for the distributions contemplated above and allowing for appropriate tax allocations for those distributions, the Trustees shall divide the balance of the trust estate into two shares, the first share consisting of that portion of the trust estate which is entirely exempt from generation-skipping tax by reason of any generation-

skipping tax exemption allocated at Settlor's death or for any other reason, and the second share consisting of that portion of the trust estate which is not entirely exempt from generation-skipping tax. There shall be placed in the share which is entirely exempt from generation-skipping tax the largest pecuniary amount which can be distributed to that share without increasing that share's inclusion ratio above zero. The balance of the trust estate shall be distributed to the share which is not entirely exempt from generation-skipping tax. The Trustees shall select and divide the cash, securities and other property, including real estate and interests therein, between the exempt and non-exempt shares, employing for that purpose values current at the time or times of distribution; and each such distribution shall bear interest from the date specified under applicable local law (and, if none, from the date of Settlor's death) to the date of payment, such interest to be at the statutory rate applicable under state law governing administration of this trust (and, absent such statutory rate, at 80% of the rate applicable under Section 7520 of the Internal Revenue Code or successor provision in effect at the time of Settlor's death). The foregoing interest requirement shall be interpreted and adapted to meet the "appropriate interests" requirement imposed by applicable proposed or final generation-skipping tax regulations. Each of the shares so created shall be disposed of as follows:

A. The share of the trust estate which is entirely exempt from generation-skipping tax shall be held and disposed of as follows:

(1) During the lifetime of WINFIELD BUECKING DAVIS, the Trustee may pay CAROLINE D. DAVIS, CHRISTOPHER D. DAVIS and WINFIELD BUECKING DAVIS, and any of their descendants, or any one or more of them, such part of all of the income and principal of the trust (even to the extent of exhausting the trust) at such time or times and in such equal or unequal proportions among them as the Trustee believes necessary for the health, education, maintenance and support of CAROLINE D. DAVIS, CHRISTOPHER D. DAVIS, WINFIELD BUECKING DAVIS, and their descendants. Such payments shall be made from the income of the trust estate to the extent such income is available, and any deficiency shall be paid out of principal. Any undistributed income shall be accumulated and from time to time added to principal.

(2) Upon the death of WINFIELD BUECKING DAVIS, the principal of the trust and all accrued or undistributed income thereof not effectively disposed of by the above provisions shall be distributed to or for the benefit of such one or more persons or organizations in such proportions and subject to such trusts, powers and conditions as WINFIELD BUECKING DAVIS may provide and appoint by Will specifically referring to this special power to appoint; provided, however, that WINFIELD BUECKING DAVIS shall not have the power to appoint to or for the benefit of himself, his estate, or the creditors of either. The Trustees may rely on a

Will admitted to probate in any jurisdiction as the Last Will of WINFIELD BUECKING DAVIS or may assume he had no Will in the absence of actual knowledge of a Will within three months after his death.

(3) Upon the death of WINFIELD BUECKING DAVIS, or on Settlor's death if such child predeceases her, any unappointed principal or interest of the trust not effectively disposed of by any other provisions of this paragraph A shall be distributed per stirpes to the then living descendants of WINFIELD BUECKING DAVIS, if any, otherwise per stirpes to Settlor's then living descendants, except that, if any such descendant has not attained the age of thirty-five (35) years, the Trustee shall retain any property otherwise distributable to such descendant as a separate trust named for such descendant, to be administered and distributed as provided in paragraph 3 below.

B. The share of the trust estate which is not entirely exempt from generation-skipping tax by reason of any generation-skipping tax exemption allocated at Settlor's death or for any other reason shall be distributed in equal shares to Settlor's children, CAROLINE D. DAVIS and CHRISTOPHER D. DAVIS. If either child of Settlor shall not then be living but have issue then living, subject to the provisions of paragraph 3 below, such issue shall take per stirpes the share which such child would have taken had he then been living. If any child of Settlor shall not then be living and have no issue then living, the share of such child shall lapse and the share of the other child of Settlor then living (or the share of the issue of the other) shall be increased



proportionately. If both of Settlor's children shall not then be living and have no issue then living, such property shall be distributed to such person or persons in the shares and proportions in which Settlor's Administrator would have been required to distribute the same had Settlor died intestate, a resident of the State of Missouri and possessed of such property at such time.

3. If distribution is to be made to any descendant of Settlor who has not attained the age of thirty-five (35) years at such time, his or her share shall be retained as a separate trust, upon the trusts and for the uses and purposes hereinafter stated. The Trustees shall hold, manage, invest and reinvest such property, shall collect and receive all interest and income therefrom, and shall distribute such property and said interest and income (hereinafter called the "trust estate") as follows:

A. Until each descendant for whom a trust is created shall attain the age of thirty-five (35) years, and notwithstanding the provisions below for the payment to him or her of certain portions of his or her share of the trust estate upon his or her attaining a certain age, the Trustees shall pay to or for each descendant's benefit such sum or sums as the Trustees shall conclude are necessary for such descendant's health, maintenance, support and education. Such payments shall be made from the income of each descendant's trust estate to the extent that such income is available, and any deficiency shall be paid out of principal. Any excess net income shall be accumulated and added to principal.



B. When each descendant for whom a trust is created shall attain the age of twenty-five (25) years, or upon establishment of these separate trusts for any descendant who has attained the age of twenty-five (25) years but not attained the age of thirty (30) years at that time, one-third ( $1/3$ ) of the assets at that time comprising his or her trust estate shall be distributed to him or her free and clear of all trusts. When each descendant for whom a trust is created shall attain the age of thirty (30) years, or upon establishment of these separate trusts for any descendant who has attained the age of thirty (30) years but who has not attained the age of thirty-five (35) years at that time, one-half ( $1/2$ ) of the assets at that time comprising his or her trust estate shall be distributed to him or her free and clear of all trusts. When each descendant for whom a trust is created shall attain the age of thirty-five (35) years, or upon establishment of these separate trusts for any descendant who has attained the age of thirty-five (35) years at that time, all of the assets at that time comprising his or her trust estate, including all accrued interest and income, shall be distributed to him or her free and clear of all trusts.

C. If any descendant of Settlor for whom a trust is created shall die during the administration of his or her trust without attaining the age of thirty-five (35) years, his or her trust shall terminate and all of the unappointed assets at that time comprising his or her trust estate shall be distributed as he or she appoints by Will specifically referring to this power of

appointment, each such descendant of Settlor hereby being granted full power to appoint, free of the trust, the entire principal and income remaining in his or her trust at the time of his or her death, so appointing the same in favor of his or her estate or in favor of any one or more persons or partly in favor of any one or more persons in any manner, either outright or in trust, and under any conditions, limitations or provisions which he or she may designate, and said general power of appointment shall be exercisable by Settlor's descendant alone and in all events. If, however, Settlor's descendant fails to exercise said general power of appointment; or if any exercise by him or her is invalid or for any reason whatsoever fails to take effect, his or her trust shall terminate and all of the unappointed assets at that time comprising his or her trust estate shall be distributed to such descendant's issue then living, per stirpes. If such descendant has no issue then living, all of the unappointed assets at that time comprising his or her trust estate shall be distributed to his or her parent's issue then living, per stirpes, and if none, then to Settlor's issue then living, per stirpes; provided, that if any then living descendant of Settlor is under the age of thirty-five (35) years, the assets which otherwise would be distributed to him or her outright if he were not under such age shall be distributed to his or her trust estate. If Settlor has no issue then living, any trust then in existence shall terminate and the Trustees shall distribute all of the unappointed assets then comprising the trust estate, including all accrued interest and income, to such person

or persons in the shares and proportions in which Settlor's Administrator would have been required to distribute the same had Settlor died intestate, a resident of the State of Missouri and possessed of such property at such time.

4. In any event, and regardless of each and any of the above and foregoing provisions, twenty-one (21) years after the death of the last to die of all of the beneficiaries herein named or described who are living at the date of Settlor's death, all trusts hereunder shall terminate, if the same have not already terminated by said time, and all of the assets then comprising the trust estate, including all accrued interest and income, shall be distributed free and clear of all trusts to the person or persons then entitled to receive the same in accordance with the foregoing provisions.

#### EIGHTH.

1. If for any reason BEATRICE B. DAVIS is incapacitated or otherwise cannot act or shall cease to serve as Trustee hereunder, CHRISTOPHER D. DAVIS and CAROLINE D. DAVIS shall serve as Successor Trustees. If either CHRISTOPHER D. DAVIS or CAROLINE D. DAVIS cannot act or shall cease to serve as Trustee, CHRISTOPHER J. ANDERSON shall serve as Trustee in his or her place. If for any reason any two of the above three persons cannot act or shall cease to serve as Trustee, the remaining Trustee shall serve as sole Trustee.

2. The individual Trustees, acting unanimously if there is more than one, may appoint, as Co-Trustee or as Successor Trustee, any bank or trust company possessing trust powers and having an aggregate capital, surplus and undivided profits of at least Five Million Dollars (\$5,000,000.00). In the event a Successor Trustee is designated, such designation shall include the consent of the Successor Trustee to serve as such. Any such designated corporate Co-Trustee or Successor Trustee may be removed at any time by the individual Trustee or Trustees (acting unanimously if there is more than one).

3. Any Trustee acting hereunder may resign at any time by delivering not less than thirty (30) days' written notice to Settlor, during her lifetime, and, after her death, to all of the legally competent beneficiaries over twenty-one (21) years of age to whom income may then be payable and, thereafter, the successor Trustee or Trustees, as provided herein, shall serve until all trusts hereunder are terminated. Settlor may remove any Trustee at any time acting hereunder by an instrument in writing delivered to her not less than thirty (30) days prior to the effective date of such removal.

4. Settlor, or the beneficiaries, to whom such notice of resignation shall be given by the Trustee or who shall exercise such power of removal, may, without liability to any present or future beneficiary, approve the accounts of, and give a full and complete release and discharge to, any such resigned or removed Trustee and if there are no Trustees named in paragraph 1 or

designated in paragraph 2 willing and able to serve, may appoint as Successor Trustee any bank or trust company organized under the laws of the United States, or one of the States thereof, possessing trust powers and having an aggregate capital, surplus and undivided profits of at least Five Million Dollars (\$5,000,000.00).

NINTH. The Trustee shall have the following powers, and any others that may be granted by law, with respect to each trust, to be exercised as the Trustee in her discretion shall determine to be to the best interests of the beneficiaries:

1. To retain any property or undivided interests in property received from any source, including residential property, regardless of any lack of diversification, risk or nonproductivity;

2. To invest and reinvest the trust estate in bonds, notes, stocks of corporations regardless of class, common trust funds, real estate or any interest in real estate, interests in trusts or in any other property or undivided interests in property, wherever located, without being limited by any statute or rule of law concerning investments by trustees;

3. To sell any trust property, for cash or on credit, at public or private sales; to exchange any trust property for other property; to grant options to purchase or acquire any trust property; and to determine the prices and terms of sales, exchanges and options;

4. To operate, maintain, repair, rehabilitate, alter, improve or remove any improvements on real estate; to make leases and subleases for terms of any length, even though the terms may extend beyond the termination of the trust; to subdivide real estate; to grant easements, give consents and make contracts relating to real estate or its use; and to release or dedicate any interest in real estate;

5. To borrow money for any purpose, either from the banking department of a corporate trustee or from others, and to mortgage or pledge any trust property;

6. To employ attorneys, auditors, depositaries and agents, with or without discretionary powers; to exercise in person or by proxy all voting and other rights with respect to stocks or other securities; and to keep any property in bearer form or in the name of the Trustee, a nominee of the Trustee or a nominee of the depositary used by the Trustee with or without disclosure of any fiduciary relationship;

7. To determine in an equitable manner with due regard to the respective interests of any income beneficiary and any remainderman the allocation or apportionment of all receipts and disbursements between income and principal; the Trustee shall not set aside reserves for depreciation unless the Trustee deems it to be necessary for the preservation of tangible property to create reasonable reserves for rehabilitation, major repairs or replacement of such property;

8. To take any action with respect to conserving or realizing upon the value of any trust property and with respect to foreclosures, reorganizations or other changes affecting the trust property; to collect, pay, contest, compromise or abandon demands of or against the trust estate wherever situated; and to execute contracts, notes, conveyances and other instruments, including instruments containing covenants, representations and warranties binding upon and creating a charge against the trust estate and containing provisions excluding personal liability;

9. To receive additional property from any source and add it to the trust estate;

10. To enter into any transaction authorized by this paragraph with trustees, executors or administrators of any trust or estate in which any beneficiary has an interest even though any such trustee or representative is also a trustee under this instrument; and in any such transaction to purchase property, or make loans on notes secured by property, even though similar or identical property constitutes all or a large proportion of the balance of the trust estate, and to retain any such property or note with the same freedom as if it had been an original part of the trust estate;

11. To make any distribution or division of the trust property in cash or in kind or both, and to continue to exercise any powers and discretion for a reasonable period after the termination of the trust, but only for so long as no rule of law relating to perpetuities would be violated;

12. To allocate different kinds or disproportionate shares of property or undivided interests in property among the beneficiaries or trusts, and to determine the value of any such property; and to make joint investments of funds in the trusts, and to hold the several trusts as a common fund dividing the net income among the beneficiaries of the several trusts proportionately;

13. To transfer the assets of any trust to another situs and to appoint as a special trustee any individual or corporation authorized under the laws of the United States or of any state to administer trusts and to remove any special trustee and reappoint itself;



14. To collect in any manner the net proceeds of any employee benefit plan, individual retirement account, deferred compensation plan or life insurance policy; payment to and the receipt of the Trustee shall be a full discharge of the liability of any payor, which need not take notice of this instrument or see to the application of any payment; the Trustee need not engage in litigation to enforce payment without indemnification satisfactory to her for any resulting expense.

15. The Trustee shall allow Settlor the right personally to occupy rent-free any residential property, which property or any interest therein (including any interest as owner, lessee, shareholder, trust beneficiary, or otherwise) from time to time forms a part of the trust principal. At any time or times while Settlor shall have that right the Trustee may, with Settlor's written approval (that approval being required only if Settlor is not incapacitated):

(a) Sell the interest in residential property forming a part of the trust principal and invest such amounts as the Trustee believes desirable in any other interest in residential property selected by the Trustee; or

(b) Terminate the right given to Settlor under this paragraph and lease, sell, or otherwise dispose of or administer any such interest in residential property in the same manner as any other trust asset.

Additionally, for so long as any such residential property is encumbered with a mortgage or deed of trust incorporating a "due on sale" acceleration clause, the Trustee shall have no authority to sell or transfer any interest in the property to any one except Settlor without the lender's written consent (or payment of the balance due secured by the mortgage or deed of trust); and no amendment to this Indenture which changes the beneficiary during Settlor's lifetime shall be effective unless the lender gives its prior written consent to such amendment.

16. If any beneficiary to whom the Trustee is directed in a preceding provision to distribute any share of trust principal is under the age of twenty-one years or a legal disability other than age when the distribution is to be made and if the Trustee is not otherwise directed in this instrument to hold such share in trust, such beneficiary's share shall vest in interest in him indefeasibly, but the Trustee may in her discretion distribute such share to a custodian under any transfer to minors law (including any appropriate Gifts to Minors Act or Transfer to Minors Law) or hold it as a separate trust for such period of time as the Trustee deems advisable, but not after the time the beneficiary reaches that age or is no longer under a disability other than age. If the Trustee holds such share as a separate trust, the Trustee may use for the benefit of the beneficiary so much of the income and

established from one or more sources, nonexempt property or trusts shall not be added to or combined with exempt property or trusts, even if this requires the establishment of additional separate trusts with the same terms and provisions. If, for example, the terms of what would otherwise be one trust direct that, on termination (or on failure to exercise a power of appointment), trust property is to be added to another trust, the exempt property of a separate trust that had been derived from the terminating trust shall be added only to an exempt trust derived from the recipient trust; nonexempt property shall be added only to a nonexempt recipient trust; and if no appropriate recipient trust exists for either exempt or nonexempt property, then a new trust of that character shall be established with the same terms and provisions as those of the trust that would otherwise receive that property under the original trust terms.

(d) For purposes of this paragraph, the term "exempt" refers to a trust or property that has a generation-skipping tax inclusion ratio of zero, and the term "nonexempt" refers to a trust or property that has a generation-skipping inclusion ratio of one.

34. The Trustees may entrust sole custody of any securities, cash, or other property held by them to either of them. Either Trustee may, by instrument in writing, from time to time, delegate to the other the exercise of any or all of the powers conferred upon the Trustees by this instrument, and may at pleasure revoke any such delegation, which revocation shall be effective upon receipt. Any person dealing with the Trustees shall be absolutely protected in relying upon the certification of any Trustee as to (a) who are the Trustees at any time and from time to time; and (b) the extent of the authority of the Trustee or Trustees by reason of any delegation or otherwise.

IN WITNESS WHEREOF, this instrument has been executed, as of the day and year first above written, in multipart, each one of which shall be deemed an original, by the Settlor and the Trustee.

Beatrice B. Davis  
BEATRICE B. DAVIS, SETTLOR

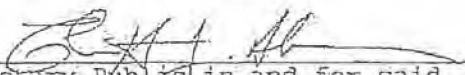
Beatrice B. Davis  
BEATRICE B. DAVIS, TRUSTEE



STATE OF MISSOURI    }  
                              }  SS.  
COUNTY OF JACKSON    }

On this 11 day of May, 1998, before me, the undersigned, a Notary Public, personally appeared BEATRICE B. DAVIS, to me known to be the same person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free and voluntary act and deed as Settlor and Trustee of this Trust.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the day and year last above written.

  
Notary Public in and for said  
County and State

My commission expires:

CHRISTOPHER J. ANDERSON Notary Public - Notary Seal STATE OF MISSOURI Jackson County My Commission Expires: Nov. 12, 2001
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## Exhibit 23

## Exhibit 23

## Affidavit of Trust

### The Beatrice B. Davis Revocable Trust Indenture

1. The following trust is the subject of this Affidavit:  
  
Christopher D. Davis and Caroline D. Davis, Trustees, or their successors in trust, under the BEATRICE B. DAVIS REVOCABLE TRUST INDENTURE, dated April 4, 1990, as amended. (the "Trust")
2. The name and address of the currently acting Trustees of the trust is as follows:

Name:	Address:
Christopher D. Davis	514 West 26 <sup>th</sup> Street, Suite 3E Kansas City, Missouri 64108
Caroline D. Davis	2501 Nob Hill Place North Seattle, Washington 98109
3. Beatrice B. Davis, initial trustee of the Trust, who had been observed by home healthcare workers, and hospital nurses as periodically exhibiting impaired judgment and behavior, was diagnosed by her attending physician, Dr. Peter Holt as suffering from mild dementia on or about March 13, 2007.
4. Article Eighth, Paragraph 1 of the Trust states: "If for any reason Beatrice B. Davis is incapacitated or otherwise cannot act or shall cease to serve as Trustee hereunder, Christopher D. Davis and Caroline D. Davis shall serve as Successor Trustees."
5. On March 22, 2007, Christopher D. Davis and Caroline D. Davis, after discussion, determined that it would be in the best interest of Beatrice B. Davis for them to assume their roles as Successor Trustees pursuant to Article Eight of the Trust.
6. The Trust was amended on February 3, 1997, was subsequently amended on May 11, 1998, and has not been amended since May 11, 1998. The Trust is presently in full force and effect.
7. The signatories of this Affidavit are the currently acting Trustees of the Trust and hereby declare that the foregoing statements and the attached trust provisions are true and correct, under penalty of perjury.
8. This Affidavit is dated March 22, 2007.

[ SIGNATURES AND ACKNOWLEDGMENTS ON NEXT PAGE ]

IN WITNESS WHEREOF, as affiants, we have executed this Affidavit as of this 22<sup>nd</sup> day of March, 2007 in multiple counterpart originals, and have directed photographic copies of this Affidavit be made which shall have the same force and effect as an original.

\_\_\_\_\_  
Christopher D. Davis

\_\_\_\_\_  
Caroline D. Davis

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

SS:

On this \_\_\_\_ day of March, 2007, before me the undersigned, a Notary Public, in and for the County and State aforesaid, personally appeared Christopher D. Davis, to me known to be the person who signed the foregoing affidavit and acknowledged that he signed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in day and year last above written.

\_\_\_\_\_  
Notary Public

My Commission Expires:

(Seal)

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

SS:

On this \_\_\_\_ day of March, 2007, before me the undersigned, a Notary Public, in and for the County and State aforesaid, personally appeared Caroline D. Davis, to me known to be the person who signed the foregoing affidavit and acknowledged that she signed the same as her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in day and year last above written.

\_\_\_\_\_  
Notary Public

My Commission Expires:

(Seal)

## Exhibit 24

## Exhibit 24

## DELEGATION OF AUTHORITY

I, Caroline D. Davis Successor Trustee under the Beatrice B. Davis Revocable Trust Indenture, dated April 4, 1990, as amended (the "Trust"), hereby delegate to Christopher D. Davis, Successor Trustee of the Trust:

Authority to act singly on behalf of the Trust, and without prior consultation or agreement in exercising the all of the powers granted in Article NINTH of the Trust, and to perform all acts on behalf of the Trust as may be appropriate, necessary, or proper for the Trust in contemplation of such Article NINTH.

I hereby agree to ratify and confirm all and whatsoever acts Christopher D. Davis may lawfully do or cause to be done by virtue of this Delegation of Authority.

This Delegation of Authority is made pursuant to Article NINTH, Paragraph 34 of the Trust and shall remain effective until revoked, in writing, by the undersigned.

IN WITNESS WHEREOF, I have signed this Delegation of Authority as of the 22<sup>nd</sup> day of March, 2007.

\_\_\_\_\_  
Caroline D. Davis, Trustee

## Exhibit 25

## Exhibit 25

### REVOCATION OF DELEGATION OF AUTHORITY

This Revocation of Delegation of Authority is made and entered into this \_\_\_\_ day of September, 2014 by CAROLINE D. DAVIS, as Successor Co-Trustee of the Beatrice B. Davis Revocable Trust, dated April 4, 1990, as amended (the "Trust").

WHEREAS, pursuant to Article Ninth, Section 34, CAROLINE D. DAVIS executed a "Delegation of Authority" on March 22, 2007, authorizing CHRISTOPHER D. DAVIS, as Successor Co-Trustee, to act singly on behalf of the Trust, and without prior consultation or agreement in exercising all of the powers granted in Article Ninth of the Trust, and to perform all acts on behalf of the Trust as may be appropriate, necessary, or proper for the Trust in contemplation of such Article Ninth.

WHEREAS, pursuant to Article Ninth, Section 34, CAROLINE D. DAVIS possesses the authority to terminate such Delegation of Authority.

NOW, THEREFORE, pursuant to Article Ninth, Section 34, CAROLINE D. DAVIS does hereby revoke the Delegation of Authority, executed on March, 22, 2007. Such Revocation of Delegation of Authority shall become effectively immediately upon receipt by CHRISTOPHER D. DAVIS.

Dated this 23 day of September, 2014.

  
CAROLINE D. DAVIS, Successor Co-Trustee



## Exhibit 26

## Exhibit 26



DAVIS

Ms. Shanna Coressel  
Dunham Trust Company  
241 Ridge Street, Suite 100  
Reno, Nevada  
89501

Dear Shanna,

Re: Ashley Cooper Life Policy # 1105-8007

Further to your recent request to transfer the ownership of policy AGLI 1105-8007PC, please be advised that this life insurance policy has outstanding loans totaling \$2,164,744.68.

We require confirmation that the new owner is aware of the responsibility to repay these loans and that the policy has been pledged as collateral for these loans. Would you kindly arrange for an authorised signatory of the FHT Holdings LLC to sign below as acknowledgement of the loans?

Yours sincerely

Paul Fordham  
Client Services Manager

Confirming acknowledgement of the outstanding policy loans:

Signature:

Authorised Signatory, FHT Holdings LLC

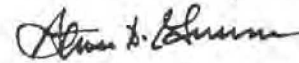
Date:

4-11-14

Ashley Cooper Life International Insurer, SPC

Administration Office: 5<sup>th</sup> Floor Windward 3, Regatta Office Park, West Bay Road, P.O. Box 2182  
George Town, Cayman Islands KY1-1105, Cayman Islands  
Tel: (345) 949 1599; Fax: (345) 949 0520; Email: [life@coressel.com.ky](mailto:life@coressel.com.ky)

Registered Office: Fidler Gonzalez & Rodriguez P.S.C.  
BUVA Tower, 254 Mindez Rivera Avenue, 6<sup>th</sup> Floor, Plaza Bay, P.O. Box 00918



CLERK OF THE COURT

HARRIET H. ROLAND, ESQ.  
NV Bar No. 5471  
**ROLAND LAW FIRM**  
2470 E. St. Rose Pkwy, Ste. 105  
Henderson, NV 89074  
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hroland@rolandlawfirm.com

ANTHONY L. BARNEY, ESQ.  
Nevada Bar No. 8366  
TIFFANY S. BARNEY, ESQ.  
Nevada Bar No. 9754  
**ANTHONY L. BARNEY, LTD.**  
3317 W. Charleston Blvd., Suite B  
Las Vegas, NV 89102  
Telephone: (702) 438-7878  
Facsimile: (702) 259-1116  
*Attorneys for Christopher D. Davis*

**EIGHTH JUDICIAL DISTRICT COURT**

**CLARK COUNTY, NEVADA**

In the matter of:

The BEATRICE B. DAVIS FAMILY HERITAGE  
TRUST, dated July 28, 2000, as amended on  
February 24, 2014.

Case No.: P-15-083867-T

Dept. No.: 26

**Hearing Date: April 22, 2015**

**Hearing Time: 9:00 a.m.**

**ORDER**

This matter came before the Court for hearing on the 22<sup>nd</sup> day of April, 2015 at 9:00 a.m., upon the Christopher D. Davis's Motion to Dismiss Pursuant to NRCP 12(b) and NRCP 19 and Caroline Davis's Petition to Assume Jurisdiction over the Beatrice B. Davis Family Heritage Trust, Dated July 28, 2000, as Amended on February 24, 2014, to Assume Jurisdiction over Christopher D. Davis as Investment Trust Advisor and Stephen K. Lehnardt as Distribution

1 Trust Advisor, to Confirm Dunham Trust Company as Directed Trustee, and for Immediate  
2 Disclosure of Documents and Information from Christopher D. Davis. Christopher D. Davis  
3 was represented by Harriet Roland, Esq. of the Roland Law Firm and Anthony L. Barney, Esq.,  
4 of the law office of Anthony L. Barney, Ltd., Caroline Davis was represented by Mark  
5 Solomon, Esq., of the law firm of Solomon Dwiggins and Freer, Ltd.; Stephen K. Lehnardt was  
6 represented by Jonathan W. Barlow, Esq. of the law office of Clear Counsel Law Group; and  
7 Dunham Trust Company was represented by Charlene N. Renwick, Esq., of the law office of  
8 Lee Hernandez Landrum & Garofalo. After reviewing the pleadings on file and in the court  
9 record, hearing oral arguments by both parties in this matter, being fully advised in the  
10 premises, and for good cause appearing, the Court hereby finds and orders the following:

13 IT IS FOUND that since the first amendment, Christopher has been directing the trust in  
14 Nevada, and that everyone involved relied on this amendment as being proper.

15 IT IS FURTHER FOUND that the Court has no affidavit that another beneficiary existed  
16 at the time the first amendment was signed.

18 IT IS FURTHER FOUND that the Court has jurisdiction as a constructive trust because  
19 action on behalf of the trust has been taken in Nevada.

20 IT IS SO FOUND.

21 WHEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the  
22 Petition to Assume Jurisdiction over Christopher D. Davis as Investment Trust Advisor is  
23 granted without prejudice.

25 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Petition to  
26 Assume Jurisdiction over Stephen K. Lehnardt as Distribution Trust Advisor is denied until a  
27 more definite statement is filed.  
28

1 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Petition to  
2 Confirm Dunham Trust Company as Directed Trustee is granted.

3 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Petition for  
4 Immediate Disclosure of Documents and Information from Christopher D. Davis is granted as to

5 all information in his possession <sup>custody or control</sup> in his role as Investment Trust Advisor, and in his  
6 role as manager of FHY Holdings

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Christopher D.  
8 Davis's Motion to Dismiss is denied.

9 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that upon agreement of  
10 all parties, this Court will retain jurisdiction and all matters will be heard by the probate judge.


11 IT IS SO ORDERED, ADJUDGED AND DECREED.

12 DATED this 19<sup>th</sup> day of May, 2015.

13  
14  
15  
16   
17 DISTRICT COURT JUDGE

18 Respectfully Submitted by the Following:

Approved as to Form and Content:

19  
20   
21 HARRIET H. ROLAND, ESQ.  
22 NV Bar No. 5471  
23 ROLAND LAW FIRM  
24 2470 E. St. Rose Pkwy, Ste. 105  
25 Henderson, NV 89074  
26 Telephone: (702) 452-1500  
27 Facsimile: (702) 920-8903  
28 Attorney for Christopher D. Davis

  
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Henderson, Nevada 89012  
Telephone: (702) 476-5900  
Facsimile: (702) 924-0709  
Attorney for Stephen K. Lehnardt

Approved as to Form and Content:

ANTHONY L. BARNEY, ESQ.

Nevada Bar No. 8366

TIFFANY S. BARNEY, ESQ.

Nevada Bar No. 9754

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*Attorneys for Christopher D. Davis*

CHARLENE RENWICK, ESQ.

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*Attorneys for Dunham Trust Company*

Approved as to Form and Content:

MARK A. SOLOMON, ESQ.

NV Bar No. 0418

JOSHUA M. HOOD, ESQ.

NV Bar No. 12777

SOLOMON DWIGGINS & FREER, LTD.

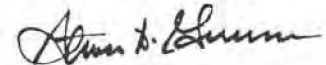
9060 West Cheyenne Avenue

Las Vegas, Nevada 89129

Telephone: (702) 853-5483

Facsimile: (702) 853-5485

*Attorneys for Caroline D. Davis*



CLERK OF THE COURT

NOTICE

HARRIET H. ROLAND, Esq.  
Nevada Bar No. 5471  
ROLAND LAW FIRM  
2470 E. Saint Rose Pkwy., Suite #105  
Henderson, Nevada 89074  
Telephone: (702) 452-1500  
Facsimile: (702) 920-8903  
Email: hroland@rolandlawfirm.com  
Attorney for Christopher D. Davis

DISTRICT COURT  
CLARK COUNTY, NEVADA

In the Matter of  
The BEATRICE B. DAVIS FAMILY  
HERITAGE TRUST, dated July 28, 2000, as  
amended on February 24, 2014.


Case No.: P-15-083867  
Dept. No.: Probate (26)

NOTICE OF ENTRY OF ORDER

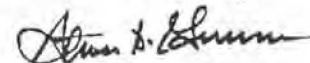
YOU AND EACH OF YOU WILL PLEASE TAKE NOTICE that the *Order* was entered  
by the Court on June 24, 2015 in the above-entitled matter, a copy of which is attached hereto.

DATED this 1<sup>st</sup> day of July, 2015.

ROLAND LAW FIRM

  
HARRIET H. ROLAND, ESQ.  
Nevada Bar No. 5471  
Attorney for Christopher D. Davis

ROLAND LAW FIRM  
2470 E. Saint Rose Pkwy., Ste. 105  
Henderson, NV 89074  
(702) 452-1500



CLERK OF THE COURT

HARRIET H. ROLAND, ESQ.  
NV Bar No. 5471

**ROLAND LAW FIRM**  
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Telephone: (702) 438-7878  
Facsimile: (702) 259-1116  
*Attorneys for Christopher D. Davis*

**EIGHTH JUDICIAL DISTRICT COURT**

**CLARK COUNTY, NEVADA**

In the matter of:

The BEATRICE B. DAVIS FAMILY HERITAGE  
TRUST, dated July 28, 2000, as amended on  
February 24, 2014.

Case No.: P-15-083867-T

Dept. No.: 26

**Hearing Date: April 22, 2015**

**Hearing Time: 9:00 a.m.**

**ORDER**

This matter came before the Court for hearing on the 22<sup>nd</sup> day of April, 2015 at 9:00 a.m., upon the Christopher D. Davis's Motion to Dismiss Pursuant to NRCP 12(b) and NRCP 19 and Caroline Davis's Petition to Assume Jurisdiction over the Beatrice B. Davis Family Heritage Trust, Dated July 28, 2000, as Amended on February 24, 2014, to Assume Jurisdiction over Christopher D. Davis as Investment Trust Advisor and Stephen K. Lehnardt as Distribution



1 Trust Advisor, to Confirm Dunham Trust Company as Directed Trustee, and for Immediate  
2 Disclosure of Documents and Information from Christopher D. Davis. Christopher D. Davis  
3 was represented by Harriet Roland, Esq. of the Roland Law Firm and Anthony L. Barney, Esq.,  
4 of the law office of Anthony L. Barney, Ltd., Caroline Davis was represented by Mark  
5 Solomon, Esq., of the law firm of Solomon Dwiggin and Freer, Ltd.; Stephen K. Lehnardt was  
6 represented by Jonathan W. Barlow, Esq. of the law office of Clear Counsel Law Group; and  
7 Dunham Trust Company was represented by Charlene N. Renwick, Esq., of the law office of  
8 Lee Hernandez Landrum & Garofalo. After reviewing the pleadings on file and in the court  
9 record, hearing oral arguments by both parties in this matter, being fully advised in the  
10 premises, and for good cause appearing, the Court hereby finds and orders the following:

11  
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14 Nevada, and that everyone involved relied on this amendment as being proper.

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16 IT IS FURTHER FOUND that the Court has no affidavit that another beneficiary existed  
17 at the time the first amendment was signed.

18  
19 IT IS FURTHER FOUND that the Court has jurisdiction as a constructive trust because  
20 action on behalf of the trust has been taken in Nevada.

21  
22 IT IS SO FOUND.

23  
24 WHEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the  
25 Petition to Assume Jurisdiction over Christopher D. Davis as Investment Trust Advisor is  
26 granted without prejudice.

27  
28 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Petition to  
Assume Jurisdiction over Stephen K. Lehnardt as Distribution Trust Advisor is denied until a  
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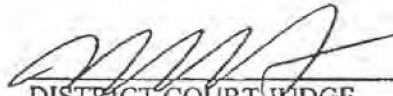
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4 Immediate Disclosure of Documents and Information from Christopher D. Davis is granted as to  
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6 <sup>role as manager of FHR Holdings</sup>

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Christopher D.  
8 Davis's Motion to Dismiss is denied.

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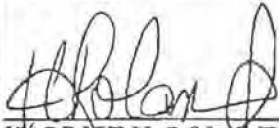
11 IT IS SO ORDERED, ADJUDGED AND DECREED.

12 DATED this 15<sup>th</sup> day of May, 2015.

13  
14  
15  
16   
17 DISTRICT COURT JUDGE

18 Respectfully Submitted by the Following:

Approved as to Form and Content:

19   
20  
21 HARRIET H. ROLAND, ESQ.  
22 NV Bar No. 5471  
23 ROLAND LAW FIRM  
24 2470 E. St. Rose Pkwy, Ste. 105  
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26 Telephone: (702) 452-1500  
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28 Attorney for Christopher D. Davis

  
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Attorney for Stephen K. Lehnardt

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*Attorneys for Dunham Trust Company*

Approved as to Form and Content:

MARK A. SOLOMON, ESQ.

NV Bar No. 0418

JOSHUA M. HOOD, ESQ.

NV Bar No. 12777

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9060 West Cheyenne Avenue

Las Vegas, Nevada 89129

Telephone: (702) 853-5483

Facsimile: (702) 853-5485

*Attorneys for Caroline D. Davis*

So long as any trust holds a substantial amount of marketable securities, I encourage my Trustee to retain one or more professional investment advisers to manage the investment in such marketable securities, and I authorize such Trustee to delegate to any registered investment adviser or corporate fiduciary the discretion to manage such investments, in which event my Trustee shall be relieved of any liability or responsibility for the manner in which such investments are managed by the registered investment adviser or corporate fiduciary.

**l. Loan, Borrowing, and Encumbrance Power**

My Trustee may loan money to any beneficiary other than myself, with or without interest, on any term or on demand, with or without collateral, as my Trustee deems to be in the best interests of the trust beneficiaries.

My Trustee may loan money to any person or entity, including me, on terms or on demand. Any such loan shall be fully secured with good collateral and shall bear a market rate of interest appropriate for the nature of the transaction.

It may borrow money upon such terms and conditions as it shall deem advisable, including, in the case of a corporate fiduciary, the power to borrow from its own banking or commercial department.

My Trustee shall have the power to obligate the trust property for the repayment of any sums borrowed where the best interests of the beneficiaries have been taken into consideration.

My Trustee shall have the power to encumber the trust property, in whole or in part, by a mortgage or mortgages, deeds of trust, or by pledge, hypothecation or otherwise, even though such encumbrance may continue to be effective after the term of any trust or trusts created in this agreement.

**m. Margin, Brokerage, Securities, and Bank Account Powers**

My Trustee is authorized to buy, sell, and trade in securities of any nature, including short sales and on margin. My Trustee may maintain and operate margin accounts with brokers, and may pledge any securities held or purchased by my Trustee with such brokers as securities for loans and advances made to my Trustee.

My Trustee may retain, exercise, or sell rights of conversion or subscription with respect to any securities held as part of the trust property.

My Trustee may vote or refrain from voting at corporate meetings either in person or by proxy, whether general or limited, and with or without substitutions.

My Trustee is authorized to establish and maintain bank accounts of all types in one or more banking institutions that my Trustee may choose. My Trustee may open such accounts in the name of the Trustee (with or without disclosing fiduciary capacity) or in the name of my trust. Where an account is in the name of the trust, checks on that account, and authorized signatures need not disclose the fiduciary nature of the account or refer to any trust or Trustee.

**n. Mortgage Powers**

My Trustee shall have the power to enter into any mortgage whether as a mortgagee or mortgagor; to purchase mortgages on the open market, and to otherwise buy, sell, or trade in first or subordinate mortgages.

My Trustee may reduce the interest rate on any mortgage and consent to the modification or release of any guaranty of any mortgage.

My Trustee may continue mortgages upon and after maturity with or without renewal or extension, and may foreclose any mortgage. My Trustee may purchase the mortgaged property or acquire it by deed from the mortgagor without foreclosure.

**o. Nominee Powers**

My Trustee may hold any trust property in the names of my Trustee, or in the name of a nominee, and may enter into agreements to facilitate holding such property. My Trustee may accomplish such with or without disclosing its fiduciary capacity.

p.        **Nonproductive Property**

My Trustee may hold property which is non-income producing or is otherwise nonproductive if the holding of such property is, in the sole and absolute discretion of my Trustee, in the best interests of the beneficiaries.

q.        **Oil, Gas, Coal, and Other Mineral Powers**

My Trustee may do all things necessary to maintain in full force and effect any oil, gas, coal, or other mineral interests comprising part or all of the trust property.

My Trustee may purchase additional oil, gas, coal, and other mineral interests when necessary or desirable to effect a reasonable plan of operation or development with regard to the trust property.

My Trustee may buy or sell undivided interest in oil, gas, coal, and other mineral interests, and may exchange any of such interests for interests in other properties or for services.

My Trustee may execute oil, gas, coal, and other mineral leases on such terms as my Trustee may deem proper, and may enter into pooling, unitization, repressurization, and other types of agreements relating to the development, operation, and conservation of mineral properties.

Any lease or other agreement may have a duration that my Trustee deems reasonable, even though extending beyond the duration of any trust created in this agreement.

My Trustee may execute division orders, transfer orders, releases, assignments, farm outs, and any other instruments which it deems proper.

My Trustee may drill, test, explore, mine, develop, and otherwise exploit any and all oil, gas, coal, and other mineral interests, and may select, employ, utilize, or participate in any business form, including partnerships, joint ventures, co-owners' groups, syndicates, and corporations, for the purpose of acquiring, holding, exploiting, developing, operating, or disposing of oil, gas, coal, and other mineral interests.

My Trustee may employ the services of consultants or outside specialists in connection with the evaluation, management, acquisition, disposition, or development of any mineral interest, and may pay the cost of such services from the principal or income of the trust property.

My Trustee may use the general assets of the trusts created under this agreement for the purposes of acquiring, holding, managing, developing, pooling, unitizing, repressuring, or disposing of any mineral interest.

r. **Powers of Attorney**

My Trustee may execute, deliver, and grant to any individual or corporation a revocable or irrevocable power of attorney to transact any and all business on behalf of the various trusts created in this agreement.

The power of attorney may grant to the attorney-in-fact all of the rights, powers, and discretion that my Trustee could have exercised.

s. **Powers to Merge Similar Trusts**

My Trustee may merge and consolidate any trust created in this agreement with any other trust created by me, or any other person at any other time, if the other trust contains substantially the same terms for the same beneficiaries, and has at least one Trustee in common with the trust or trusts created in this agreement.

My Trustee may administer such merged and consolidated trusts as a single trust or unit. If, however, such a merger or consolidation does not appear feasible, as determined in the sole and absolute discretion of my Trustee, my Trustee may consolidate the assets of such trusts for purposes of investment and trust administration while retaining separate records and accounts for the respective trusts.

t. **Powers of an Interested Trustee**

An Interested Trustee is any Trustee who has an interest as a beneficiary in this trust agreement or any trust created by it. In all instances where an Interested Trustee distributes, or participates in

the distribution, of trust income or principal to or for the benefit of such Trustee (including distributions to or for a beneficiary for which the Trustee has an obligation of support), then the distribution shall be limited by the ascertainable standard to amounts reasonably necessary for the education, health, maintenance, and support of the beneficiary. Notwithstanding anything in this agreement to the contrary, in making such distributions, the Interested Trustee shall not use discretion in applying those ascertainable standards.

No individual Trustee shall exercise or participate in the exercise of such discretionary power with respect to distributions to any person or persons such Trustee is legally obligated to support, as to that support obligation. An Interested Trustee may, from time to time, retain (and remove or replace) an Independent Special Trustee who has no interest as a beneficiary under this agreement and any trust created hereunder to make any discretionary determination with regard to the amount of any distribution that would be required by the ascertainable standards of health, education, maintenance and support, and such Interested Trustee shall be bound to comply with such determination.

An Independent Special Trustee must be one or more persons other than the Trustmaker or a beneficiary (or the Trustmaker's or beneficiary's spouse), none of whom are "Related or Subordinate Parties" to the Trustmaker or a beneficiary (or the Trustmaker's or beneficiary's spouse), as defined in Section 672(c) of the Code, and none of whom are subservient to the wishes of the Trustmaker within the meaning of Section 674(c) of the Code.

#### **u. Powers of an Insured Trustee**

Any individual Trustee under this agreement, other than me, is prohibited from exercising any power conferred on the owner of any policy which insures the life of such individual Trustee and which is held as part of the trust property.

If my Trustee holds any such policy or policies as a part of the trust property, the powers conferred on the owner of such a policy shall be exercised only by the other then acting Trustee.

If the insured Trustee is the only then acting Trustee, then such powers shall be exercised by a substitute Trustee designated



pursuant to the provisions of the agreement dealing with the trusteeship.

If any rule of law or court decision construes the ability of the insured Trustee to name a substitute Trustee as an incident of ownership, the substitution process shall be implemented by a majority of the then current mandatory and discretionary income beneficiaries, excluding the insured Trustee if the insured Trustee is a beneficiary.

**v. Real Estate Powers**

My Trustee may make leases and grant options to lease for any term, even though the term may extend beyond the termination of any trust created under this agreement.

My Trustee may grant or release easements and other interests with respect to real estate; enter into party wall agreements, execute estoppel certificates, and develop and subdivide any real estate.

My Trustee may dedicate parks, streets, and alleys or vacate any street or alley; construct, repair, alter, remodel, demolish, or abandon improvements.

My Trustee may elect to insure, as it deems advisable, all actions contemplated by this subsection.

My Trustee may take any other action reasonably necessary for the preservation of real estate and fixtures comprising a part of the trust property or the income therefrom.

**w. Sale, Lease, and Other Dispositive Powers**

My Trustee may sell, lease, transfer, exchange, grant options with respect to, or otherwise dispose of the trust property.

My Trustee may deal with the trust property at such time or times, for such purposes, for such considerations and upon such terms, credits, and conditions, and for such periods of time, whether ending before or after the term of any trust created under this agreement, as it deems advisable.

My Trustee may make such contracts, deeds, leases, and any other instruments it deems proper under the immediate circumstances, and may deal with the trust property in all other ways in which a natural person could deal with his or her property.

x.           Settlement Powers

My Trustee may compromise, adjust, arbitrate, alter the terms of, or abandon any claim in favor of or against any trust created under this agreement, and may take deeds in lieu of foreclosure.

y.           Trust Addition and Retention Powers

My Trustee is authorized to receive additional trust property, whether by gift, will, or otherwise, either from me or any other person, corporation, or entity.

Upon receipt of any additional property, my Trustee shall administer and distribute the same as part of the trust property.

My Trustee may retain, without liability for depreciation or loss resulting from such retention, all property constituting the trust estate at the time of its creation or thereafter received from other sources.

The foregoing shall be acceptable even though such property may not be of the character prescribed by law for the investment of trust funds, or may result in inadequate diversification of the trust property.

My Trustee is authorized to purchase property and casualty insurance to protect against theft, damage, or loss regarding any asset retained in trust.

z.           Trustees' or Fiduciaries' Powers Act

In addition to all of the powers specifically granted my Trustee in this Article, my Trustee may exercise those powers set forth under the Trustees' or Fiduciaries' Powers Acts, or their equivalent, of the State of Alaska together with any amendment to such laws.

My Trustee may perform every act reasonably necessary to administer each and every share or trust created under this agreement.

All of the powers granted to my Trustee in this Article shall be in addition to those powers conferred upon Trustees under all applicable state and federal statutes.

Each power conferred upon my Trustee under this Article, or upon Trustees in general, by applicable state or federal statutes, shall be subject to any express limitations or contrary directions contained in this agreement.

#### **Section 4. Qualified Family Owned Farm and Business Powers**

My Trustee shall have the power to amend the terms of any trust holding "qualified family-owned business interests," as defined in section 2057 of the Internal Revenue Code, in order to permit trust property to qualify for the "family owned business deduction," including an amendment that changes beneficial interests and that directs the segregation of trust property into more than one trust.

#### **Section. 5 Provisions Governing S Corporation Stock**

After my death or at such earlier time as any trust created hereunder is not a grantor trust under Section 671 of the Code, if any stock of a corporation which is an S corporation within the meaning of Section 1361(a) of the Code is allocated to a trust created under this agreement including, but not limited to any stock of a corporation which elects, under Section 1362(a) of the Code to be treated as an S corporation, then the provisions of this Section shall apply to the administration of this trust and to any trust created under this agreement.

##### **a. Segregation into Separate Trust Shares**

Notwithstanding any provision in this agreement to the contrary, the stock of each S corporation (herein referred to as "S Corporation Stock") may be segregated by the Trustee, in its sole and absolute discretion, and held in a separate trust or as a separate

share created as a separate trust and the Trustee may elect any of the following options:

**i. Electing Small Business Trust (ESBT)**

The Trustee may elect in accordance with Section 1361 (e)(3) of the Code to qualify any trust or any portion thereof as an Electing Small Business Trust within the meaning of Section 1361(e)(1);

**ii. Qualified Small Business Trust (QSST)**

The Trustee may request that the Current Income Beneficiary (hereinafter defined) of each separate trust, with the assistance of the Trustee, make an election in accordance with Section 1361 (d)(2) of the Code to qualify that trust as a Qualified Subchapter S Trust within the meaning of Section 1361 (d)(3) of the Code (herein referred to as a "Qualified Sub-chapter S Trust").

**iii. Any Other Form of Eligible Stockholder**

The Trustee may elect to qualify any trust as any other form of eligible stockholder of an S corporation under similar future legislation.

The decision to elect treatment as an Electing Small Business Trust or as a Qualified Subchapter S Trust or any other form of eligible Subchapter S stockholder shall be in the sole discretion of the Trustee, and the Trustee is hereby authorized to take any actions necessary to effect such elections.

**b. Provisions Governing Qualified Subchapter S Trust (QSST)**

Each separate Qualified Subchapter S Trust (or separate share) shall have the same name as the trust to which the stock was originally allocated, plus the name of the Current Income Beneficiary thereof, followed by the name of the S Corporation whose stock is held in trust, and the words "Trust S" (herein referred to as a "Trust S"). Each Trust S shall be administered in

accordance with the same provisions contained in the trust to which the stock was originally allocated; provided however, that the provisions of this Section shall control the administration of each Trust S created to the extent inconsistent with the provisions of the original trust.

i. Current Income Beneficiary

A Trust S shall have only one Current Income Beneficiary. The current Income Beneficiary of a Trust S is the person who has a present right to receive income distributions from the trust to which the S Corporation Stock was originally allocated.

If more than one person has a present right to receive income distributions from the trust to which the S Corporation Stock was originally allocated, the Current Income Beneficiary shall be determined by the Trustee.

If the Trustee, in the Trustee's sole and absolute discretion, determines there is more than one person who has a present right to receive income distributions from the trust the Trustee may cause the S Corporation Stock to be segregated into more than one Trust S, each with a different Current Income Beneficiary.

ii. Distributions

The Trustee shall distribute all of the income (as that term is defined in Section 643(b) of the Code) to the Current Income Beneficiary of that trust as least annually. If a Trust S ceases to hold S Corporation Stock, then in the discretion of the Trustee, distributions of income shall be governed by the terms of the trust from which the S Corporation Stock was originally severed, except that income may only be distributed to the Current Income Beneficiary of each Trust S.

Distributions of principal shall be governed by the terms of the trust to which the S Corporation Stock was originally allocated except that principal may only be distributed to the Current Income Beneficiary of each Trust S by the Trustee.

### iii. Termination of a Trust S

If any Trust S is terminated during the lifetime of the Current Income Beneficiary, all of the principal and undistributed income of that Trust S shall be distributed to the Current Income Beneficiary.

If not earlier terminated by distribution of the entire trust estate under the foregoing paragraph, each Trust S shall terminate on the death of the current Income Beneficiary, at which time the Trustee shall administer or distribute any property in that Trust S in accordance with the provisions that would have been applicable to the administration of those as if that Trust S had never been created. If, upon application of those provisions, S Corporation Stock would remain in a trust created hereunder, the Trustee, in the Trustee's sole and absolute discretion, may segregate the stock in a separate trust or separate share for purposes of Section 1361(d)(3) of the Code.

The Trustmaker requests that the current Income Beneficiary of that trust make an election, with the assistance of the Trustee, to qualify the trust as a Qualified Subchapter S Trust in accordance with Section 1361 (d)(2) of the Code. The stock of each S Corporation shall be held in a separate trust to be administered in accordance with this Section. If the Trustee, in the Trustee's sole and absolute discretion determines that there is more than one income beneficiary, the Trustee may cause the S Corporation Stock to be segregated into more than one Trust S, each with a different Current Income Beneficiary.

### c. Governance of the Trusts

The separate trusts or trust shares created under this Section shall be governed by the following additional provisions:

#### i. No Disqualification of "S" Status

No trust created or administered under this Section shall be administered in such a manner as to cause the termination of the S Corporation status of any corporation

whose stock is held as a part of such trust. Accordingly, to the extent the terms of this agreement are inconsistent with any trust created or administered hereunder qualifying as an Electing Small Business Trust, a Qualified Subchapter S Trust, or any other form of eligible Subchapter S stockholder, it is my intent that the terms of the trust be construed and administered in a manner that is consistent with qualifying the trust as an Electing Small Business Trust, a Qualified Subchapter S Trust or any other form of eligible Subchapter S stockholder, during any period that the trust holds S Corporation Stock, and any provision incapable of being so construed or applied shall be disregarded.

**ii. Method of Distribution**

No method of distribution permitted herein may be utilized in a manner that would jeopardize the qualification of a trust as an Electing Small Business Trust, a Qualified Subchapter S trust or any other form of eligible subchapter S stockholder.

**iii. Elections**

Any reference in this agreement to any person, acting in an individual or fiduciary capacity, making an election for himself or for or on behalf of any person, shall include, but not be limited to, an election made in accordance with Section 1361(e)(3), Section 1361(d)(2) or any other applicable subsection of Section 1361 of the Code.

**iv. Apportionment of Receipts and Expenses**

The Trustee hereunder shall characterize receipts and expenses of any Trust S in a manner consistent with qualifying that trust as a Qualified Subchapter S Trust.

v. Trust Consolidation

The Trustee may not consolidate any Trust S with another if doing so would jeopardize the qualification of one or both of the trusts as Qualified Subchapter S Trusts.

vi. Disposition of S Corporation Stock

If the continuation of any trust or Trust S created under this Section would, in the opinion of the Trustee's legal counsel, result in the termination of the S Corporation status of any corporation whose stock is held as a part of the trust estate, the Trustee, in the Trustee's sole discretion, shall have, in addition to the power to sell or otherwise dispose of such stock, the power to distribute the stock of such S Corporation to the person then entitled to receive the income therefrom.

vii. Reformation to Conform with S Corporation Requirements

It is my intent that any S Corporation Stock comprising a portion of the trust estate be eligible to be held pursuant to the terms of this trust, either as an Electing Small Business Trust, a Qualified Subchapter S Trust, or in any other manner permitted by the Code or the regulations or rulings thereunder. Accordingly, the Trustee is granted the power to amend or modify this trust by written instrument without the ruling of any court when, in the sole opinion of the Trustee, amendment is required to this trust or any trust established hereunder to permit S Corporation Stock to be held pursuant to the terms of this trust.

Notwithstanding the foregoing, no reformation of this trust, in order to permit the Trustee to hold S Corporation Stock, shall have the effect of benefiting me, directly or indirectly, including granting to me any interest, right, or power, administrative or otherwise in the trust estate, the trust funds, or the income thereof. The sole purpose of this power to amend the trust is to enable the Trustee to make technical amendments to the Trust Agreement as necessary to permit the trust to hold S Corporation Stock



during the continuance of this trust in accordance with the  
Code and regulations promulgated thereunder.

## Article Fourteen

### Definitions and General Provisions

#### Section 1. Definitions

For purposes of this agreement, the following words and phrases shall be defined as follows:

##### a. Adopted and Afterborn Persons

Persons who are legally adopted while they are under 18 years of age (and not those persons adopted after attaining 18 years of age) shall be treated for all purposes under this agreement as though they were the naturally born children of their adopting parents.

An afterborn person is a descendant of mine who is born after the date that I sign this agreement. A child in gestation who is later born alive shall be considered a child in being throughout the period of gestation.

I intend for my trust to benefit only those of my descendants who result from legitimate marital unions and adoptions. Therefore, notwithstanding the foregoing, no adopted or afterborn person shall be accepted as a descendant of mine unless that person is the product of a valid marital union in existence prior to the birth or adoption of such person and continuously for at least ten years thereafter. A valid marital union exists if the husband and wife are legally married and actually reside with each other in the same principal residence. The burden shall be on the person to establish that a particular marital union satisfies the requirements of this paragraph. Any legal separation during the ten-year period shall break the continuity of the marital union. Any informal separation during the ten-year period that suggests the possibility of marital disunity shall be evaluated by my Trustee to determine whether the separation is sufficient to signify the dissolution of the marital union. Any involuntary separation during the ten-year period due to circumstances beyond the control of the spouses, including death of one of the spouses, shall not indicate dissolution of the marital union.

During the ten year qualification period, my Trustee shall hold such beneficiary's trust share, if any, and shall not make any distributions for the benefit of such beneficiary. The beneficiary shall not enjoy any rights or privileges associated with such trust share until and unless such beneficiary qualifies. Nothing in this paragraph shall operate to deny any current beneficiary from receiving benefits from his or her trust share, nor in limiting the discretion of my Trustee in determining those benefits.

**b. Descendants**

A person's descendants shall include all of his or her lineal descendants through all generations.

A descendant in gestation who is later born alive shall be considered a descendant in being throughout the period of gestation.

An adopted person, and all persons who are the descendants by blood or by legal adoption while under the age of 18 years of such adopted person, shall be considered descendants of the adopting parents as well as the adopting parents' ancestors.

**c. Per Stirpes Distributions**

Whenever a distribution is to be made to a person's descendants, per stirpes:

The distributable assets are to be divided into as many shares as there are then living children of such person and deceased children of such person who left then living descendants.

Each then living child shall receive one share and the share of each deceased child shall be divided among such child's then living descendants in the same manner.

**d. Education**

As used in this trust, "education" shall include:

Any course of study or instruction at an accredited college or university granting undergraduate or graduate degrees.

Any course of study or instruction at any institution for specialized, vocational, or professional training.

Any curriculum offered by any institution that is recognized for purposes of receiving financial assistance from any state or federal agency or program.

Any course of study or instruction which may be useful in preparing a beneficiary for any vocation consistent with the beneficiary's abilities and interests.

Distributions for education may include tuition, fees, books, supplies, living expenses, travel, and spending money to the extent that they are reasonable.

e. Personal Representative

For the purposes of this agreement, the term "personal representative" shall include an executor, administrator, guardian, custodian, conservator, Trustee, or any other form of personal representative.

f. Disability

Except as otherwise provided in this agreement, any individual may be treated as disabled, incompetent, or legally incapacitated if:

The individual has been declared or adjudicated as such by a court of competent jurisdiction, or

A guardian, conservator, or other personal representative of such individual's person or estate has been appointed by a court of competent jurisdiction, or

The individual has been certified as such in writing by at least two licensed physicians, or

The individual has disappeared or is absent for unexplained reasons, or the individual is being detained

under duress where the individual is unable to effectively manage his or her property or financial affairs, or

The individual suffers from a drug, alcohol, chemical, gambling or other dependency addiction, as certified in writing by our Trustee and at least one licensed physician. If the disability of a Trustee is in question, that individual Trustee shall not participate in the decision.

**g. Independent Trustee**

As used in this agreement, an "independent" Trustee must be one or more persons other than me, no more than half of whom are "Related or Subordinate Parties", as defined in Section 672(c) of the Code, who are subservient to my wishes within the meaning of Section 674(c) of the Code.

**h. Duress or Legal Compulsion**

A person shall be deemed to be acting under "duress or legal compulsion" if that person has been compelled by legal process to take an action, or if such person has been threatened with legal sanctions or liability if such person fails to take an action.

**i. Immediate Family**

*Immediate Family* means Beatrice B. Davis, Christopher D. Davis and Caroline D. Davis, their spouses, other than a spouse who is legally separated from the person under a decree of divorce or separate maintenance, and their descendants.

**j. Spouses**

An individual is a "spouse" if such individual is the then current spouse of a child of mine on the signing date of this trust. If an individual enters into a valid marital union, as defined in paragraph a. of this section, with a child of mine or a beneficiary of mine following the signing date of this trust, then such individual may qualify as a "spouse" if that if the marital union exists continuously for a period of ten years, and that individual is not legally separated from the person under a decree of divorce or separate maintenance.

## **Section 2. The Rule Against Perpetuities**

It is my intent and desire that the trust shares created in this agreement shall last in perpetuity for the benefit of my descendants.

The trust shares created in my trust shall exist in perpetuity to the fullest extent permitted by Alaska law. If the situs of this trust is changed to another jurisdiction, the trust share created in my trust shall exist in perpetuity to the fullest extent permitted by the law of the trust situs. My trust or any trust share created in my trust that is deemed to be subject to a Rule Against Perpetuities or similar rule in any jurisdiction which limits the period during which property can be held in trust shall terminate upon the expiration of the longest period that property may be held under the law of such jurisdiction. This restriction shall not apply to a trust created by any exercise of a power of appointment conferred in my trust that effectively commences a new rule against perpetuities period consistent with the law of that jurisdiction.

This period shall include any applicable period in gross, (such as 21 years, 90 years or 110 years). However, if the jurisdiction has a Rule Against Perpetuities or similar rule which applies only to certain types of property, such as real property, the provisions of this Section shall apply only to such property.

If under the law of such jurisdiction the longest period under which property may be held in trust is determined or is alternatively determined with reference to the death of the last survivor of a group of individuals living on the date my trust was created, each trust created in this agreement shall terminate twenty-one years after the death of the last survivor of the group composed of me, the descendants of my grandparents and the descendants of his late majesty King George VI living on the date this trust is created. At that time, the property held in trust shall be discharged of any further trust, and shall immediately vest in and be distributed to those persons entitled to receive or have the benefit of the income from the respective trust.

For purposes of distributions under this Section only, it shall be presumed that any person then entitled to receive any discretionary payments of the income of a separate trust is entitled to receive all of the income, and it shall be presumed that any class of persons entitled to receive discretionary payments of income is entitled to receive all of such income.

### Section 3. Protective Clause

The Trustmaker intends that the trusts created under this Agreement are described in Alaska Statutes (AS) 34.40.110, 13.36.035(a) and (c) and shall at all times meet the requirements of such trusts, except on transfer to another permitted situs.

The Trustee, within the meaning of AS 34.40.110(a) shall not either voluntarily or involuntarily transfer a beneficiary's interest, including the Grantor, of any trust hereunder before the payment or delivery of the interest to the beneficiary. No beneficial interest in any trust created hereunder, whether in income or in principal, shall be subject to anticipation, assignment, pledge, sale or transfer in any manner. No beneficiary of any such trust or other person interested therein shall have the power to anticipate, encumber or charge his or her interest therein, and no trust estate created hereunder shall be liable for or subject to the debts, contracts, obligations, liabilities, or torts of any beneficiary of any such trust or other person interested therein. Nothing contained herein shall be construed as preventing any beneficiary from making a qualified disclaimer within the meaning of Section 2518 of the Internal Revenue Code of 1986, as amended, with respect to interests herein.

To the fullest extent permitted by Alaska law, the interests of all the beneficiaries in the various trusts and trust property subject to this agreement shall not be alienated, pledged, anticipated, assigned, or encumbered unless specifically authorized by the terms of this agreement.

Such interests shall not be subject to legal process or to the claims of any creditors while such interests remain trust property.

Notwithstanding any other provisions of this Trust Agreement, if the Trustee, in the Trustee's sole discretion, determines any part, or all of the Trust property, may be subject to loss in contravention of this section, the Trustee may appoint a Trustee in another jurisdiction, either in or outside the United States, and resign as Trustee, so long as doing so will not terminate the Trust.

### Section 4. Maintaining Property in Trust

If, on the termination of any separate trust created under this agreement, a final distribution is to be made to a beneficiary for whom my Trustee holds a

trust created under this agreement, such distributions shall be added to such trust rather than being distributed.

The property that is added to the trust shall be treated for purposes of administration as though it had been an original part of the trust.

#### **Section 5. Contest Clause**

If any person, including a beneficiary, shall in any manner, directly or indirectly, attempt to contest or oppose the validity of this agreement, or commences or prosecutes any legal proceedings to set this agreement aside, then in such event such person shall forfeit his or her share, cease to have any right or interest in the trust property, and shall be deemed to have predeceased me.

Should any person disclaim his or her interest, in whole or in part, in any trust created for his or her benefit in this trust agreement the result of which would be for that person to receive trust property free of trust earlier than provided by the terms of the trust, then the disclaiming person shall forfeit his or her interest in the trust, shall cease to have any right or interest in the trust property, and shall be deemed to have predeceased me.

#### **Section 6. Changing the Trust Situs**

Except as expressly provided herein, the situs of this agreement or any subtrust established hereunder may be changed by the unanimous consent of all of the beneficiaries then eligible to receive mandatory or discretionary distributions of net income under this agreement or such subtrust, with the consent of any then-acting Protector and the Trustee thereof, which shall be given only after Trustee has obtained advice from counsel as to the tax and other consequences of a change in situs.

Upon a change of situs, the Trust Protector may amend this instrument by its written action to change the references to Alaska or Alaska law to references to such new situs or the law of such new situs, and take such action as may be required to conform the terms of this agreement to the terms of law of such situs in order to achieve the purposes for which this trust was created. During the life of the Trustmaker, the situs may not be changed unless my Trustee has obtained an opinion of legal counsel to the effect that the change in situs will not impact adversely on the spendthrift provisions of this Trust or



cause inclusion of the assets held in this trust in the taxable estate of the Trustmaker or any beneficiary hereof.

In making the determination to change the situs of this trust or of any subtrust created hereunder, I encourage my beneficiaries to consider whether or not any proposed trust situs has a rule against perpetuities which would require the distribution of the corpus of this trust sooner than would otherwise be required in the then current situs.

The situs may be changed to a jurisdiction within or without the United States. If the situs is so changed, this Trust shall then, at the election of the Trustee, be administered exclusively under the laws of such jurisdiction, no acts of administration or investment need be conducted in Alaska, and any requirement for a Trustee to be a qualified person under Alaska law shall, instead, be deemed to be a requirement that the Trustee be a person who is qualified to serve as a Trustee of a trust governed by the laws of such jurisdiction, or as may be required for the trust to be so governed.

If such consent is obtained, the beneficiaries shall notify my Trustee in writing of such change of trust situs, and shall if necessary designate a successor corporate fiduciary in the new situs. This notice shall constitute removal of the current Trustee if appropriate, and any successor corporate Trustee shall assume its duties as provided under this agreement. A change in situs under this Section shall be final and binding, and shall not be subject to judicial review.

## Section 7. General Matters

The following general matters of construction shall apply to the provisions of this agreement:

### a. Construction

Unless the context requires otherwise, words denoting the singular may be construed as denoting the plural, and words of the plural may be construed as denoting the singular. Words of one gender may be construed as denoting another gender as is appropriate within such context.

b.       Headings of Articles, Sections, and Paragraphs

The headings of Articles, Sections, and Paragraphs used within this agreement are included solely for the convenience and reference of the reader. They shall have no significance in the interpretation or construction of this agreement.

c.       Notices

All notices required to be given in this agreement shall be made in writing by either:

Personally delivering notice to the party requiring it, and securing a written receipt, or.

Mailing notice by certified United States mail, return receipt requested, to the last known address of the party requiring notice.

The effective date of the notice shall be the date of the written receipt or the date of the return receipt, if received, or if not, the date it would have normally been received via certified mail, provided there is evidence of mailing.

d.       Delivery

For purposes of this agreement "delivery" shall mean:

Personal delivery to any party, or

Delivery by certified United States mail, return receipt requested to the party making delivery.

The effective date of delivery shall be the date of personal delivery or the date of the return receipt, if received, or if not, the date it would have normally been received via certified mail, provided there is evidence of mailing.

e.       Applicable State Law

The validity of this trust shall be determined by reference to the laws of the State of Alaska.

Questions with regard to the construction and administration of the various trusts contained in this agreement shall be determined by reference to the laws of the state in which the trust is then currently being administered.

**f. Duplicate Originals**

This agreement may be executed in several counterparts; each counterpart shall be considered a duplicate original agreement.

**g. Severability**

If any provision of this agreement is declared by a court of competent jurisdiction to be invalid for any reason, such invalidity shall not affect the remaining provisions of this agreement. The remaining provisions shall be fully severable, and this agreement shall be construed and enforced as if the invalid provision had never been included in this agreement.

**h. Disclaimers**

Any beneficiary hereunder may disclaim all or any portion of any interest in property or power with respect to property passing to or for the benefit of such beneficiary under this trust within the time and under the conditions permitted by law with regard to disclaimers.

Such disclaimers may be exercised by delivering an irrevocable and unqualified refusal to accept all or any portion of such interest or power to my Trustee.

**Section 8. Actions for a Minor or Incapacitated Beneficiary**

In the case of any action taken pursuant to this Agreement on behalf of a minor or incapacitated beneficiary, the parent(s), guardian(s), conservator(s) or committee of each minor or incompetent child or descendant of the Trustmaker collectively shall have only one vote. In addition: (i) both parents together shall act on behalf of a minor beneficiary, unless the parents are divorced or legally separated in which case the parent which is a descendant of the Trustmaker, or if none, the custodial parent within the

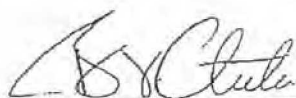
meaning of Section 1(g) of the Code shall act; unless a legal guardian (whether of the person or of the property) has been appointed for a minor beneficiary in which case the following subsection (ii) shall apply; (ii) if a legal guardian (whether of the person or of the property) has been appointed for a minor beneficiary or for an incompetent beneficiary, such legal guardian shall act on behalf of the minor or incompetent beneficiary, but if no legal guardian has been appointed, the following subsection (iii) shall apply; (iii) if a conservator has been appointed for an incompetent beneficiary, such conservator shall act on behalf of the incompetent beneficiary, but if no conservator has been appointed, the following subsection (iv) shall apply; (iv) if a committee has been appointed for an incompetent beneficiary, such committee shall act on behalf of the incompetent beneficiary, but if no committee has been appointed, the following subsection (v) shall apply; and (v) under this subsection (v), the oldest then living adult and competent descendant of the lineal ancestor of the minor or incompetent beneficiary of the closest degree of consanguinity to the minor or incompetent beneficiary which ancestor is a descendant of the Trustmaker or which ancestor is the Trustmaker shall act on behalf of the minor or incompetent beneficiary.

I have executed this agreement the day and year first written above.

I certify that I have read my foregoing irrevocable trust agreement, and that it correctly states the terms and conditions under which the trust property is to be held, managed, and disposed of by my Trustees. I approve this irrevocable trust in all particulars, and request my Trustees to execute it.

  
BEATRICE DAVIS, Trustmaker

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ALASKA TRUST COMPANY, Trustee

BRANDON J. CINTULA

*Vice President & Trust Officer*



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STATE OF MISSOURI  
COUNTY OF JACKSON

)  
) ss.  
)

The foregoing irrevocable trust agreement was acknowledged before me on  
July 28, 2000, by BEATRICE DAVIS, as Trustmaker.

Witness my hand and official seal.

My commission expires:

12/19/2003

  
NOTARY PUBLIC

KARL G KRAUSS  
Notary Public - State of Missouri  
County of Clay  
My Commission Expires Dec 19, 2003

STATE OF ALASKA

THIRD JUDICIAL DISTRICT

)  
) ss.  
)

The foregoing irrevocable trust agreement was acknowledged before me on the 30<sup>th</sup> day of August, 2000, by ALASKA TRUST COMPANY, as Trustee.

Witness my hand and official seal.

My commission expires:

5/8/2004

  
NOTARY PUBLIC

Catherine Johnson, Notary Public  
State of Alaska  
My Commission Expires 5/8/2004





## Schedule A

### Initial Funding

Ten dollars, the receipt of which is acknowledged.

## Schedule B

### Investment Policy

#### General Investment Rules

My Trustee shall, in determining the proper asset allocation for investing Trust corpus, take into account the following instructions:

##### 1. Definition of Asset Classes

For purposes of this subparagraph a., the following asset classes shall apply:

**Class I—Tradable Liquid Securities.** Class I assets shall consist of stocks, bonds, derivatives, and other types of securities, regularly traded for investment purposes on any stock exchange.

**Class II—Illiquid Passive Investments.** Class II assets shall include: real estate; limited partnerships holding real estate, oil and gas, mining interests, or agricultural interests; venture capital investments; leveraged buyouts; and all other non-operating business interests.

**Class III—Actively Managed Businesses.** Class III assets shall include all active business interests which are owned by the Trust and actively managed by the Trustee or my beneficiaries.

##### 2. Investment Allocation When Trust has Outstanding Obligations

During any period when my Trust shall have any outstanding financial obligations, my Trustee shall maintain the following investment allocation with respect to the amount of trust principal required to generate income sufficient to meet the obligation (the "base principal amount"): 90 percent in Class I, and no more than 10 percent, in the aggregate, of both Classes II and III. My trustee may follow the asset allocation in paragraph 3 below for any amounts of trust principal which exceeds the base principal amount.

### 3. Investment Allocation When My Trust Does Not Have Outstanding Obligations

During any period when my Trust does not have any outstanding financial obligations, my Trustee shall maintain the following investment allocation: 75 percent in Class I, and no more than 25 percent, in the aggregate, of both Classes II and III, with no more than 10 percent in Class III.

### 4. Requirement to Replenish Principal

With respect to Class III investments, I instruct that my Trustee shall have the discretion to counsel with my beneficiaries who show a desire to engage in an actively managed business, and to assist in the funding of such businesses with an investment of trust principal. In the event that such investment(s) do not demonstrate the potential to generate a positive return on the investment for a period of 12 months and/or require continual capital expenditures in excess of the investment's return aggregating to 150% the value of the initial investment, my Trustee shall not invest any additional trust principal in Class III until such time as the principal lost in the business venture is replenished to the level that existed prior to the investment in the failed business.

### 5. Asset Allocation within Class I

Specifically with respect to investments in Class I assets, my Trustee shall follow reasonably prudent asset allocation guidelines with respect to country classes (developed v. emerging), industry classes, and currency classes. In addition, my Trustee shall specifically limit all investments in futures, options and all other derivatives to no more than five (5%) percent of the total value of trust principal invested in Class I assets.

### 6. Base Principal Amount

The base principal amount shall be adjusted every five years. For purposes of adjusting the base principal amount the value shall be the value of the trust on the 31<sup>st</sup> day of December of the year in which the adjustment is required.

## 7. Investment Loans

My Trustee is authorized to make loans to beneficiaries for investment or business purposes, as defined in the Code, in the foregoing asset classes. Loans will be allocated to the asset class for which the loan proceeds are used by the beneficiaries, and treated as a direct investment by the Trust in the asset class.

In the event my Trustee provides loans for a business investment in Class III, my Trustee shall require that the beneficiary obligated on the loan shall provide my Trustee with audited financial statements as soon as practicable following the close of each fiscal year of the business investment.

My Trustee, in connection with any loan made under this investment policy shall have the right to audit the use of loan proceeds by beneficiaries. If a beneficiary refuses to respond to my Trustee's audit requests, then my Trustee shall have full discretion to not distribute any trust assets to such beneficiary until such time as the audit is complete. In the event a beneficiary breaches the terms of a loan, my Trustee may, in its discretion, require the beneficiary to restore amounts lost due to the beneficiary's breach of the loan or may charge the loss against the beneficiary's trust share.

## NOTIFICATION OF DEMAND RIGHT

This notice is to inform you that on \_\_\_\_\_ a gift was made to the BEATRICE DAVIS FAMILY HERITAGE TRUST, dated July \_\_\_\_, 2000, under which you are a beneficiary. As a beneficiary, you have the right to withdraw your share of this gift or any other subsequent gifts made to the trust within a 30 day period following receipt of this notice. However, in no event can the total amount withdrawable by you in any calendar year exceed the annual limit on withdrawals as provided in the trust. You may contact the Trustee to find out your share of this or of any other gifts made as to which you have a right of withdrawal. No notice will be given to you of any other gifts made to the trust this year, so you must contact the Trustee to find out the status of your right to withdraw.

Generally, if you wish to exercise your withdrawal rights, you must file a demand to withdraw in writing with the Trustee prior to 30 days following the date you receive this notice. To the extent that the withdrawal right is not exercised in a timely fashion, it lapses in whole or in part, and the lapsed share of the gift is added permanently to the trust fund. Although generally withdrawal rights as to a gift lapse at the end of the 30 day period following the date the gift has been made, they may continue to be exercisable in whole or in part based on the formula contained in Article Three of the trust.

The amount that may have been withdrawn under a lapsed withdrawal power cannot be withdrawn later, but the lapse of a right to withdraw a contribution to the trust does not affect your right to withdraw future gifts to the trust.

If you need any additional information to assist you in making a decision regarding the exercise of your withdrawal rights, or if you wish to exercise your withdrawal rights, you must contact the Trustee in writing.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Trustee

### WAIVER OF WITHDRAWAL

I acknowledge receipt of this Notification of Demand Right. I waive and release my right to demand my share of this gift from the trust. I do not waive or release my right to subsequent gifts made to the trust.

Dated: \_\_\_\_\_

\_\_\_\_\_  
CAROLINE D. DAVIS

## NOTIFICATION OF DEMAND RIGHT

This notice is to inform you that on \_\_\_\_\_ a gift was made to the BEATRICE DAVIS FAMILY HERITAGE TRUST, dated July \_\_\_\_, 2000, under which you are a beneficiary. As a beneficiary, you have the right to withdraw your share of this gift or any other subsequent gifts made to the trust within a 30 day period following receipt of this notice. However, in no event can the total amount withdrawable by you in any calendar year exceed the annual limit on withdrawals as provided in the trust. You may contact the Trustee to find out your share of this or of any other gifts made as to which you have a right of withdrawal. No notice will be given to you of any other gifts made to the trust this year, so you must contact the Trustee to find out the status of your right to withdraw.

Generally, if you wish to exercise your withdrawal rights, you must file a demand to withdraw in writing with the Trustee prior to 30 days following the date you receive this notice. To the extent that the withdrawal right is not exercised in a timely fashion, it lapses in whole or in part, and the lapsed share of the gift is added permanently to the trust fund. Although generally withdrawal rights as to a gift lapse at the end of the 30 day period following the date the gift has been made, they may continue to be exercisable in whole or in part based on the formula contained in Article Three of the trust.

The amount that may have been withdrawn under a lapsed withdrawal power cannot be withdrawn later, but the lapse of a right to withdraw a contribution to the trust does not affect your right to withdraw future gifts to the trust.

If you need any additional information to assist you in making a decision regarding the exercise of your withdrawal rights, or if you wish to exercise your withdrawal rights, you must contact the Trustee in writing.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Trustee

### WAIVER OF WITHDRAWAL

I acknowledge receipt of this Notification of Demand Right. I waive and release my right to demand my share of this gift from the trust. I do not waive or release my right to subsequent gifts made to the trust.

Dated: \_\_\_\_\_

\_\_\_\_\_  
CHRISTOPHER D. DAVIS

## NOTIFICATION OF DEMAND RIGHT

This notice is to inform you that on \_\_\_\_\_ a gift was made to the BEATRICE DAVIS FAMILY HERITAGE TRUST, dated July \_\_\_\_, 2000, under which you are a beneficiary. As a beneficiary, you have the right to withdraw your share of this gift or any other subsequent gifts made to the trust within a 30 day period following receipt of this notice. However, in no event can the total amount withdrawable by you in any calendar year exceed the annual limit on withdrawals as provided in the trust. You may contact the Trustee to find out your share of this or of any other gifts made as to which you have a right of withdrawal. No notice will be given to you of any other gifts made to the trust this year, so you must contact the Trustee to find out the status of your right to withdraw.

Generally, if you wish to exercise your withdrawal rights, you must file a demand to withdraw in writing with the Trustee prior to 30 days following the date you receive this notice. To the extent that the withdrawal right is not exercised in a timely fashion, it lapses in whole or in part, and the lapsed share of the gift is added permanently to the trust fund. Although generally withdrawal rights as to a gift lapse at the end of the 30 day period following the date the gift has been made, they may continue to be exercisable in whole or in part based on the formula contained in Article Three of the trust.

The amount that may have been withdrawn under a lapsed withdrawal power cannot be withdrawn later, but the lapse of a right to withdraw a contribution to the trust does not affect your right to withdraw future gifts to the trust.

If you need any additional information to assist you in making a decision regarding the exercise of your withdrawal rights, or if you wish to exercise your withdrawal rights, you must contact the Trustee in writing.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Trustee

## WAIVER OF WITHDRAWAL

I acknowledge receipt of this Notification of Demand Right. I waive and release my right to demand my share of this gift from the trust. I do not waive or release my right to subsequent gifts made to the trust.

Dated: \_\_\_\_\_

\_\_\_\_\_  
CHERYLL DAVIS

## NOTIFICATION OF DEMAND RIGHT

This notice is to inform you that on \_\_\_\_\_ a gift was made to the BEATRICE DAVIS FAMILY HERITAGE TRUST, dated July \_\_\_\_, 2000, under which you are a beneficiary. As a beneficiary, you have the right to withdraw your share of this gift or any other subsequent gifts made to the trust within a 30 day period following receipt of this notice. However, in no event can the total amount withdrawable by you in any calendar year exceed the annual limit on withdrawals as provided in the trust. You may contact the Trustee to find out your share of this or of any other gifts made as to which you have a right of withdrawal. No notice will be given to you of any other gifts made to the trust this year, so you must contact the Trustee to find out the status of your right to withdraw.

Generally, if you wish to exercise your withdrawal rights, you must file a demand to withdraw in writing with the Trustee prior to 30 days following the date you receive this notice. To the extent that the withdrawal right is not exercised in a timely fashion, it lapses in whole or in part, and the lapsed share of the gift is added permanently to the trust fund. Although generally withdrawal rights as to a gift lapse at the end of the 30 day period following the date the gift has been made, they may continue to be exercisable in whole or in part based on the formula contained in Article Three of the trust.

The amount that may have been withdrawn under a lapsed withdrawal power cannot be withdrawn later, but the lapse of a right to withdraw a contribution to the trust does not affect your right to withdraw future gifts to the trust.

If you need any additional information to assist you in making a decision regarding the exercise of your withdrawal rights, or if you wish to exercise your withdrawal rights, you must contact the Trustee in writing.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Trustee

## WAIVER OF WITHDRAWAL

I acknowledge receipt of this Notification of Demand Right. I waive and release my right to demand my share of this gift from the trust. I do not waive or release my right to subsequent gifts made to the trust.

Dated: \_\_\_\_\_

\_\_\_\_\_  
WINFIELD B. DAVIS



## Exhibit 2

## Exhibit 2

IN THE CIRCUIT COURT OF JACKSON COUNTY, MISSOURI - PROBATE DIVISION  
AT 415 East 12<sup>th</sup> Street, Kansas City, MO 64106

IN THE ESTATE OF

ESTATE NUMBER

Beatrice B. Davis,  
Deceased

12PS-PR00143

STATEMENT AS TO DEATH AND PRESENTMENT OF  
INSTRUMENT IN WRITING FOR PROBATE

The undersigned states that the above named decedent, who resided at 1001 West 59<sup>th</sup> Terrace,  
Kansas City, MO 64113 and died on January 5<sup>th</sup>, 2012 at 8101 Mission Road Apt. 25, Prairie Village,  
KS 66208

That the surviving spouse of decedent is none  
whose address is n/a

That said decedent left two (2) instruments in writing, dated 11 May 1998 and 18 May 2004

- \* That said instrument dated 11 May 1998 self-proved, per Sec. 474.337, RSMO
- \* That said instrument dated 18 May 2004 self-proved, per Sec. 474.337, RSMO
- \* That the subscribing witnesses to instrument dated 11 May 1998 are Christopher J. Anderson and John A. Vering III.
- \* That the subscribing witnesses to instrument dated 18 May 2004 are Christopher D. Davis and Terry M. Watts.

WHEREFORE, your petitioner prays that after said instrument has been duly proved, that an order be entered admitting the same to probate and recorded as the Last Will and Testament of said decedent.

FILED - PROBATE DIV.  
JACKSON CO. MO. - KC  
12 MAY 18 PM 12:48  
[Signature]

The undersigned swears that the matters set forth are true and correct to the best knowledge and belief of the undersigned, subject to the penalties of making a false affidavit or declaration.

Date: \_\_\_\_\_

PETITIONER: CHRISTOPHER D. DAVIS

ADDRESS: 514 W. 26<sup>th</sup> Street, Suite 3E, Kansas City, MO zip: 64108

TELEPHONE NUMBER: ( 816 ) 822-8536

ATTORNEY FOR ESTATE;

Lehnardt & Lehnardt, LLC

Stephen K. Lehnardt



MO Bar No. 44968

TELEPHONE NUMBER: ( 816 ) 407-1400

E-MAIL ADDRESS: STEPHEN@LEHNARDT.COM

# Exhibit 3

# Exhibit 3

# AlaskaUSA<sup>®</sup> Trust Company

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## ACCEPTANCE AS TRUSTEE

WHEREAS Alaska Trust Company, the currently serving Trustee of the Beatrice B. Davis Family Heritage Trust, dated July 28, 2000, has been removed as Trustee by Stephen K. Lehnardt, the Trust Protector, and

WHEREAS Alaska USA Trust Company has been appointed as successor Trustee by the above-referenced Trust Protector,

NOW THEREFORE, Alaska USA Trust Company hereby accepts its appointment as Trustee of the BEATRICE B. DAVIS FAMILY HERITAGE TRUST dated July 28, 2000.

Dated this 21<sup>st</sup> day of August, 2011.

Alaska USA Trust Company

By:

Its:

*Janet F. Campbell*  
*Senior Trust Officer*

P.O. Box 196757 • Anchorage, Alaska 99519-6757

Phone (907) 562-6544 • (888) 628-4567 toll free outside Anchorage • Fax (907) 929-6867 • [www.alaskausatrust.com](http://www.alaskausatrust.com)

Alaska USA Trust Company, member of the Alaska USA family of financial service companies

## Exhibit 4

## Exhibit 4

# AlaskaUSA<sup>®</sup> Trust Company

## RESIGNATION OF TRUSTEE

Alaska USA Trust Company is the currently serving trustee of THE BEATRICE B. DAVIS FAMILY HERITAGE TRUST dated July 28, 2000 (the "Trust"). Pursuant to Article Eleven, Section 1 of the trust document, Alaska USA Trust Company does hereby tender its resignation as trustee of the Trust effective as of December 5, 2013 or upon the acceptance of trusteeship by a successor trustee, whichever occurs earlier.

Dated this 30<sup>th</sup> day of October, 2013.

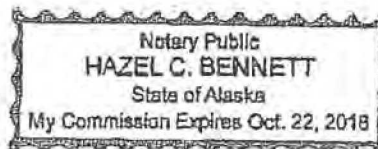
Alaska USA Trust Company

By: Janet K. Tempel  
Its: Senior Trust Officer

STATE OF ALASKA       )  
                                      )  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of October, 2013, by Janet K. Tempel, Senior Trust Officer of Alaska USA Trust Company, an Alaska corporation, on behalf of said corporation.

Hazel C. Bennett  
Notary Public in and for Alaska  
My commission expires: 10/22/16



## Exhibit 5

## Exhibit 5



# **First Amendment to the Beatrice B. Davis Family Heritage Trust**

On July 28, 2000 Beatrice B. Davis, signed the Beatrice B. Davis Family Heritage Trust ("my trust"), more formally known prior to amendment as:

Alaska USA Trust Company, Trustee of the Beatrice B. Davis Family  
Heritage Trust dated July 28, 2000.

Article Fourteen of the trust permits the Trust Protector to amend the trust in writing as set forth in the "Memorandum of Action by Trust Protector" integrated and incorporated herein by this reference as if set out here in full. This Amendment represents the First Amendment to the trust and is made in order to effectuate a change in situs, applicable state law, trustee, capital and surplus requirements, and trust administration necessary to accomplish the foregoing.

## **Section 1.01    Amendment**

The Trust Protector hereby amends the trust as follows:

**FIRST: SITUS AND APPLICABLE STATE LAW.** Article One, Section 2 is hereby amended in its entirety to read as follows:

### **Article One, Section 2. Application of Nevada Trust Law**

I intend that this trust and the trusts created under this Agreement are trusts described in Nev. Rev. Stat. §§ 166.010-166.170 and any other relevant Nevada Statutes as amended from time to time. Accordingly, unless the Trustee moves the situs of this trust or any trust created hereunder to another jurisdiction, I direct that

At all times at least one trustee of each trust shall be a "qualified person" under Nevada law; and

The duties of that trustee shall include the duty and responsibility to maintain books and records of the trust in Nevada and to prepare or to arrange for the preparation of the tax returns of the trust; and

At least some assets of the trust shall be deposited in or subject to the laws of Nevada as and if required by Nevada law; and

At least part of the administration of the trust shall occur in Nevada as required by law and in accordance with Nevada law.

**SECOND: TRUSTEE**

Alaska USA Trust Company is removed and replaced as trustee by Dunham Trust Company. The trust is now formally known as:

Dunham Trust Company, Trustee of the Beatrice B. Davis Family  
Heritage Trust dated July 28, 2000.

**THIRD: CAPITAL AND SURPLUS REQUIREMENTS.** The capital and surplus requirements in Article Eleven, Section 6.a. shall be amended in its entirety to read as follows:

**ARTICLE ELEVEN, SECTION 6.a. CORPORATE FIDUCIARIES**

a. have a combined capital and surplus of at least 1 million dollars; or...

**FOURTH, TRUST ADMINISTRATION.** New Section 2.d. shall be added to Article Thirteen to read as follows:

**Article Thirteen, Section 2.d. Directed Trust**

Notwithstanding anything in my trust to the contrary, my trust shall be administered as a "directed trust" unless changed in accordance with law and this agreement. The following shall control so long as my trust is administered as a directed trust under applicable state law. Any provision to the contrary in my trust shall be interpreted to carry out my intent as expressed in this Section, or, in the exercise of its discretion and to carry out my intent, shall be superseded by the following if in irreconcilable conflict.

**FIRST: Appointment of Directed Trustee.**

The Trust Protector nominates and appoints Dunham Trust Company ("Trust Company"), as trustee of any trusts created hereunder (hereinafter referred to in its capacity as trustee as the "Directed Trustee"). Trust Protector intends that the trusts created hereunder shall be Nevada Directed Trusts created pursuant to Nevada Revised Statutes ("NRS") 163.553 et. seq., as amended from time to time.

**SECOND: Appointment of Investment Trust Adviser; Duties of Investment Trust Adviser.**

The Trust Protector nominates and appoints Christopher D. Davis, either individually or in his legal capacity as manager of an LLC wholly-owned by the trust to invest and holding certain trust assets, as investment trust adviser (the "Investment Trust Adviser"). Christopher D. Davis, either individually or in his managerial capacity, shall be treated as an

"Investment Trust Adviser" under NRS 163.5543 and as a "Fiduciary" under NRS 163.554.

The Investment Trust Adviser shall have the full power to manage the investments and reinvestments of the trust, including power to purchase, sell, encumber and retain all of the trust assets, power to select one or more investment advisers or managers, including the Directed Trustee, and delegate to such parties any of the powers of the Investment Trust Adviser, and power to exercise voting, subscription, conversion, option and similar rights with respect to such property and to participate in corporate actions including, reorganization, merger dissolution or other action affecting any such property ("Investment Trust Adviser Authority"). Trust Company, as the Directed Trustee, shall act solely on the direction of the Investment Trust Adviser with respect to all matters relating to the management and investment of trust assets and shall have no obligation to investigate or confirm the authenticity of investment directions it receives or the authority of the person or persons conveying them.

The Directed Trustee shall have no authority and shall not interfere with any actions of the Investment Trust Adviser which is within the scope of the Investment Trust Adviser's Authority. With regard to any assets over which the Investment Trust Adviser has investment responsibility and in addition to the Investment Trust Adviser's duties herein, the Investment Trust Adviser shall have the duty (a) to confirm to the Directed Trustee, in writing, the value of such assets at least annually and upon request by the Directed Trustee, (b) to manage or participate in the management of any entity owned by the trust, to the extent such entity's governing instruments or applicable law require the owners to manage the same, (c) to direct the Directed Trustee with respect to making any representation, warranty or covenant required to be made in order to maintain any investment and (d) to direct and instruct the Directed Trustee on the future actions, if any, to be taken with respect to such representations, warranties and covenants. The powers exercised by the Investment Trust Adviser shall be at the sole discretion of the Investment Trust Adviser, and the Investment Trust Adviser decisions shall be binding on all persons.

**THIRD: Appointment of Distribution Trust Adviser; Duties of Distribution Trust Adviser.**

The other provisions of my agreement shall control appointment of a Distribution Trust Adviser (the "Distribution Trust Adviser"). My Trust Protector, absent some other appointment, shall be treated as the "Distribution Trust Adviser" under NRS 163.5537 and as a "Fiduciary" under NRS 163.554.

The Distribution Trust Adviser shall exercise all discretion related to all income and principal distributions to or for the benefit of any beneficiaries

of such trust or trusts established hereunder. If the Distribution Trust Adviser determines that such a discretionary distribution of income and/or principal is warranted, the Distribution Trust Adviser shall notify the Directed Trustee in writing and the Directed Trustee shall comply with all such written directions. The Directed Trustee shall have no duty to see to the application of any distributions so directed. The powers exercised by the Distribution Trust Adviser shall be at the sole discretion of the Distribution Trust Adviser, and the Distribution Trust Adviser decisions shall be binding on all persons.

**FOURTH: Limitation of Liability of Trust Company, as Directed Trustee; Indemnification of Directed Trustee.**

Dunham Trust Company, as the Directed Trustee, shall be treated as an "Excluded Fiduciary" as defined in NRS Section 163.5539. Trust Company, as the Directed Trustee, shall not be liable to any beneficiary of the trust, the Investment Trust Adviser, Distribution Trust Adviser or to any other person including such parties' successors, heirs or assigns, for any act or failure to act by the Investment Trust Adviser and/or the Distribution Trust Adviser, or for acting on a direction of such Trust Advisers or their employees or agents with respect to implementing any such direction or investment, and it shall not be liable for any loss resulting from any action or omission taken by such Trust Advisers, or taken by it in accordance with a direction of the Trust Advisers or their employees or agents. Moreover, the Directed Trustee shall be fully indemnified, including without limitation reasonable attorney's fees and costs, by the trust estate against any claim or demand by any trust beneficiary or trust creditor, the Investment Trust Adviser or Distribution Trust Adviser or such parties' heirs, successors or assigns except for any claim or demand based on the Directed Trustee's own willful misconduct or gross negligence.

**FIFTH: Authority to Hire Agents.**

The Directed Trustee and the Investment Trust Adviser and Distribution Trust Adviser are authorized to employ such accountants, advisors and other counsel, including but not limited to entities affiliated with the Directed Trustee or such Trust Adviser, and to pay out of income or principal or both the reasonable charges and fees of such agents, advisors and counsel, as it shall in its sole discretion determine.

**SIXTH: Power to Employ Custodian; Custodian to Follow Directions Regarding Purchases and Sales.**

The Directed Trustee or the Investment Trust Adviser, as the case may be, may employ a custodian to hold the assets of the trust for safekeeping. The Directed Trustee or the Investment Trust Adviser employing such custodian may designate from time to time any person or firm to direct the

custodian as to purchases and sales of trust assets held by the custodian and the custodian shall not be liable for following any such directions. The custodian shall receive reasonable compensation for custodial services performed.

**SEVENTH: Successor Directed Trustee.**

The above provisions shall apply to any and all successors, assigns, employees, agents, subsidiaries and affiliates of Trust Company. The above provisions also shall apply during such time as any affiliate or subsidiary of The Trust Company is acting as successor Directed Trustee in the same manner as if such successor Directed Trustee were specifically named herein.

**EIGHTH: Resignation, Removal, and Replacement.**

The other provisions of my agreement with respect to resignation, removal and replacement of trustees shall control the resignation, removal and replacement of a Directed Trustee, Investment Trust Adviser or the Distribution Trust Adviser.

**Section 1.02 Contest Provision**

This Section of this Amendment applies to the above-named trust and to this Amendment. If any provision of this Section conflicts with any provision of the trust, the provision of this Section will prevail.

If any person attempts to contest or oppose the validity of this trust or any amendment to this trust, or commences, continues, or prosecutes any legal proceedings to set this trust aside, then that person will forfeit his or her share, cease to have any right or interest in the trust property, and will be considered to have predeceased me for purposes of this instrument.

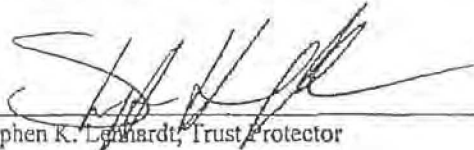
**Section 1.03 Effective Date**

The provisions of this Amendment are effective immediately after execution with written consent of all beneficiaries then-entitled to receive mandatory or discretionary distributions of net income under the trust.

**Section 1.04 Ratification and Confirmation**

The Trust Protector confirms all provisions of the trust that are not modified by this Amendment. The Trust Protector certifies that he has read this Amendment to trust, and that it correctly states the changes the Trust Protector desires to make to the trust, and that all required notices and consents have been made and received in writing. The Trust Protector approves this Amendment to the Beatrice B. Davis Family Heritage Trust in all particulars, and requests the Trustee to execute it.

The Trust Protector executed this Amendment on February 24, 2014.

  
Stephen K. Lehnardt, Trust Protector

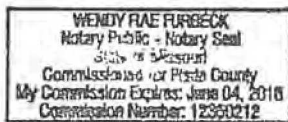
STATE OF MISSOURI

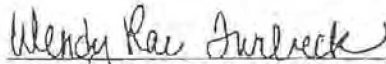
)  
) ss.  
)

COUNTY OF CLAY

On February 24, 2014, before me personally appeared Stephen K. Lehnardt, as Trust Protector, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County and State on the date first written above.



  
Notary Public In and For the State of Missouri  
My commission expires: June 04, 2016

Dunham Trust Company, Trustee

by: Shanna Coressel  
Shanna Coressel, Trust Officer/Trustee

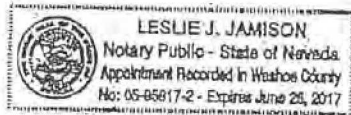
STATE OF NEVADA

)  
) ss.  
)

COUNTY OF WASHOE

On ~~February 5, 2014~~ March 19, 2014, before me personally appeared Shanna Coressel, as Trust Officer/Trustee for Dunham Trust Company, Trustee, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that she executed the same as her voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County and State on the date first written above.



Leslie Jamison  
Notary Public in and For the State of Nevada  
My commission expires: 6/26/17

ACKNOWLEDGEMENT AND CONSENT OF BENEFICIARY

I, Christopher D. Davis, as a beneficiary entitled to net income of the trust, hereby acknowledge this Amendment and consent to its terms.

IN WITNESS WHEREOF, I have hereunto set my hand effective on the date written below.

Dated this 27 day of February, 2014

by: 

Christopher D. Davis, Income Beneficiary



ACKNOWLEDGEMENT AND CONSENT OF BENEFICIARY

I, Caroline D. Davis, as a beneficiary entitled to net income of the trust, hereby acknowledge this Amendment and consent to its terms.

IN WITNESS WHEREOF, I have hereunto set my hand effective on the date written below.

Dated this 28 day of February, 2014

by:

  
Caroline D. Davis, Income Beneficiary

**ACKNOWLEDGEMENT AND CONSENT OF BENEFICIARY**

I, Winfield B. Davis, as a beneficiary entitled to net income of the trust, hereby acknowledge this Amendment and consent to its terms.

IN WITNESS WHEREOF, I have hereunto set my hand effective on the date written below.

Dated this \_\_\_\_\_ day of February, 2014

by: \_\_\_\_\_  
Winfield B. Davis, Income Beneficiary

## Exhibit 6

## Exhibit 6

ASHLEY COOPER LIFE INTERNATIONAL INSURER, SPC

INSURED	: Cheryl Davis
POLICY #	: ACLI 1105-8007 PC
POLICY TYPE	: Life - Non Participating
OPTION	: A

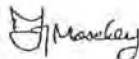
INSURED	: Cheryl Davis
POLICY NUMBER	: ACLI 1105-8007 PC
POLICY TYPE	: Life - Non Participating
OPTION	: A

*Flexible Premium Variable Life Insurance Policy.  
Protected Cell Value, if any, payable at maturity.  
Death benefit proceeds payable at death of the Insured prior to maturity date.  
Flexible Premiums payable during lifetime of the Insured until maturity date (age 95).  
Some benefits reflect investment results. Non-participating.*

THIS POLICY'S VALUE IS BASED ON THE INVESTMENT EXPERIENCE OF THE PROTECTED CELL SPECIFICALLY ATTRIBUTABLE TO IT AND MAY INCREASE OR DECREASE DAILY. IT IS NOT GUARANTEED AS TO DOLLAR AMOUNT.

THE AMOUNT OF THE DEATH BENEFIT MAY VARY UNDER THE CONDITIONS DESCRIBED HEREIN.

Ashley Cooper Life International Insurer, SPC Life Policy No. ACLI 1105-8007 Protected Cell, and, to the extent that any sum payable hereunder cannot be met out of amounts standing to the credit of the Protected Cell, Ashley Cooper Life International Insurer, SPC, agrees to pay the Death Benefit Proceeds of this Policy to the Beneficiary, on receipt of Satisfactory Proof of Death of the Insured whilst the Policy is in force.



Director

#### "NOTICE OF TEN-DAY RIGHT TO EXAMINE POLICY"

You are urged to read this Policy carefully. If, after examination, You are dissatisfied with it for any reason You may return it within 10 days of its issue and receive a full refund of the premium You paid.

Please read and carefully check the copy of the application attached to this Policy. This application is a part of Your Policy, and this Policy was issued on the basis that the answers to all questions and the information shown on this application are true and complete. If any information shown on it is not true and complete, to the best of Your knowledge, or if any past medical history has been omitted, please notify within ten days from the date of delivery of the Policy to You.

**FLEXIBLE PREMIUM VARIABLE BENEFIT POLICY  
DECLARATION PAGE**

<b>POLICY NUMBER</b>	ACLI 1105-8007 PC
<b>OWNER</b>  <b>ADDRESS</b>  <b>TELEPHONE NO.</b> <b>FAX NO.</b>	Beatrice B. Davis Family Heritage Trust dated July 28, 2000 – Alaska Trust Company, Trustee 1029 W. Third Ave., Ste. 400 Anchorage, Alaska 99501-1981 888-544-6775
<b>INSURED: (NAME/DATE OF BIRTH)</b> <b>ADDRESS</b>  <b>TELEPHONE NO.</b> <b>FAX NO.</b>	Cheryl L. Davis / September 28 <sup>th</sup> 1959 4600 West 126 <sup>th</sup> Street Leawood, KS, 66209 913-338-5845 816-471-5759
<b>BENEFICIARY</b>  <b>ADDRESS</b>  <b>TELEPHONE NO.</b> <b>FAX NO.</b>	Beatrice B. Davis Family Heritage Trust Dated July 28, 2000 – Alaska Trust Company, Trustee 1029 W. Third Ave., Ste. 400 Anchorage, Alaska 99501-1981 888-544-6775
<b>CUSTODIAN</b> <b>ADDRESS</b>     <b>TELEPHONE NO.</b> <b>FAX NO.</b>	International Custodian Ltd. 5 <sup>th</sup> Floor, Windward 3, Regatta Office Park, West Bay Road, P.O. Box 2185 Grand Cayman KY1-1105 CAYMAN ISLANDS  (345) 949-1599 (345) 949-0520
<b>POLICY ISSUE DATE</b>	9 <sup>th</sup> May 2011
<b>MATURITY DATE</b>	September 28 <sup>th</sup> 2054
<b>INITIAL SPECIFIED AMOUNT OF INSURANCE</b>	\$35,000,000
<b>INITIAL PREMIUM</b>	1035 Exchange
<b>ISSUE AGE / SEX</b>	51 / Female
<b>UNDERWRITING CLASS</b>	Standard
<b>INITIAL FEE</b>	<b>ANNUAL FEE</b>
	Waived 0.5%

*Just fees*  
CRUSADER INTERNATIONAL MANAGEMENT (CAYMAN) LTD.  
AS MANAGER

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## SECTION I DEFINITIONS

**"Administrative Expense Charge"** means the annual fee charged to the Protected Cell to meet the cost of administering the Policy. *See Section 6.2*

**"Administrative Office"** means Our administrative office at: 5<sup>th</sup> Floor, Windward 3, Regatta Office Park, West Bay Road, Grand Cayman KY1-1105, Cayman Islands.

**"Beneficiary"** means the person to whom the Death Benefit Proceeds are payable upon the death of the Insured. The Owner in the application names the Beneficiary. If changed, the Beneficiary is as shown in the latest change filed and recorded with Us. If no Beneficiary survives the Insured, the Owner or the Owner's estate will be the Beneficiary. The interest of any Beneficiary is subject to that of any assignee.

**"Cost of Insurance"** means the annual mortality charge, set out in the schedule pages, and deducted quarterly from the Protected Cell. We have the option of charging less than the rates shown in the schedule pages. If exercised We will report the Cost of Insurance rates in the Quarterly Report.

**"Custodian"** means the company named in the Declaration Page to hold all the assets of the Protected Cell.

**"Custodian Agreement"** means the agreement, set out in the schedule pages and forming an integral part of this Policy, between Us and the Custodian pursuant to which the Custodian holds the Protected Cell assets.

**"Death Benefit"** means the amount payable on the death of the Insured.

**"Death Benefit Proceeds"** means the proceeds payable to the Beneficiary, upon receipt by Us of Satisfactory Proof of Death of the Insured, while the Policy is in force. The proceeds will be equal to: (1) the Death Benefit; plus (2) any additional life insurance proceeds provided by any endorsements; minus (3) any Outstanding Policy Debt; minus (4) any Quarterly Deduction that may apply to that period, including the deduction for the quarter in which death occurred.

**"Home Office"** means Our office at: Fiddler González & Rodríguez P.S.C., BBVA Tower, 254 Muñoz Rivera Avenue, 6<sup>th</sup> Floor, Hato Rey, Puerto Rico 00918.

**"Initial Premium"** is the initial premium for the Policy and is shown on the Declaration Page.

**"Insured"** means the person upon whose life the Policy is issued.

**"Issue Age"** means the age at the Insured's last birthday on the Policy Issue Date.

**"Maturity Date"** means the date We pay any Protected Cell Value, if the Insured is still living. This date is shown on the Declaration Page.

**"Net Amount at Risk"** means the difference in value between the Specified or Face Amount and the Protected Cell Value on the Quarterly Valuation Date or the day immediately preceding death.

**"Net Premium"** means the premium paid less the Percent of Premium charges.

**"Outstanding Policy Debt"** means the sum of all unpaid Policy loans and accrued interest on Policy loans.

**"Owner"** means the owner of the Policy, as designated in the application or as subsequently changed. *See Sections 2.7 through 2.10* for the rights, privileges and limitations of the Owner.

**"Percent of Premium Charge"** is an amount deducted from each premium received to cover certain expenses. This charge is a percentage of the premium. The applicable percentage can be found in *Section 3.6 of this Policy*.

**"Policy Issue Date"** means the date that all financial and contractual arrangements have been completed and processed and is the effective date of coverage. It is used to determine Policy anniversary dates and Policy Years. Policy anniversaries are measured from the Policy Issue Date. The Policy Issue Date will be shown in the schedule pages.

**"Policy Year"** means the period from one policy anniversary date until the next policy anniversary date.

**"Quarterly Deductions"** means the amount that, on each Quarterly Valuation Date, is deducted from the Protected Cell and is equal to the current Cost of Insurance, the Administrative Expense Charge, any flat extra rating and endorsement charges. The first Quarterly Deductions after the issuance of the Policy will be pro-rated.

**"Quarterly Valuation Date"** is the last day of March, June, September and December in each year.

**"Satisfactory Proof of Death"** means all of the following must be submitted:

- (1) A certified copy of the Death Certificate;
- (2) A Notice of Death Claim;
- (3) The Policy; and
- (4) Any other information that We may reasonably require to establish the validity of the claim.

**"Protected Cell"** means the Protected Cell set up by Us pursuant the laws of Puerto Rico in order to segregate Our assets and liabilities held in relation to the Policy from Our assets and liabilities held in relation to any other policy and from any of Our other assets and liabilities. The investments of the policy will be held within the Protected Cell.

**"Specified Amount"** means the minimum Death Benefit under the Policy while the Policy remains in force. The initial Specified Amount is shown on the Declaration Page. Adjustments and changes to the Specified Amount can occur as provided in *Section 9*.

**"Protected Cell Value"** means the total value of the investments held in the Protected Cell at any time plus the value of any assets held by Us to secure any policy loans.

**"Surrender"** means this Policy may be terminated before the Maturity Date during the Insured's life for its Surrender Value. *See Section 7 of the Policy.*

**"Surrender Value"** means the Protected Cell Value on any Quarterly Valuation Date less any Outstanding Policy debt and any Surrender Charge. If You surrender the Policy, the Protected Cell Value is determined on the Quarterly Valuation Date on or preceding the date We receive Your written request. *See Section 7.2 of the Policy.*

**"Surrender & Withdrawal Charges"** means the charge that will be subtracted from the Protected Cell Value on the surrender of the Policy. *See Section 7 of the Policy.*

**"You"** and **"Your"** refer to the Owner of this Policy. The Insured may or may not be the Owner.

**"We", "Us" and "Our"** refer to Ashley Cooper Life International Insurer, SPC Policy No. ACLI 1105-8007 Protected Cell and/or Ashley Cooper Life International Insurer, SPC, as the context may require.

## SECTION 2 GENERAL PROVISIONS

### 2.1 Meaning of 'In Force'

The Policy will remain in force as long as on each Quarterly Valuation Date the Surrender Value is greater than \$5,000.

However, during the first Policy Year, even if the Surrender Value is less than \$5,000, it is Our guarantee that this Policy will remain in force as long as a quarterly pro-rata portion of the Cost of Insurance has been paid on or before the first day of each Policy quarter.

### 2.2 When This Policy Terminates

This Policy will terminate on the earliest of:

- a. The first Quarterly Valuation Date in the first Policy Year on which the pro-rata portion of the Cost of Insurance has not been paid. *See Grace Period Section 4.1;*
- b. Any Quarterly Valuation Date after the first Policy Year on which the Surrender Value is less than \$5,000 and the grace period ends without sufficient premium being paid;
- c. The Insured dies, and We pay the Death Benefit;
- d. You request the coverage be terminated and You return this Policy; or
- e. This Policy matures.

### 2.3 The Policy and its Parts

This Policy is a legal contract between You and Us. It is issued in return for the application and payment in advance of the initial premium as described in *Section 3.1*

The Policy, together with the application, schedules, any supplemental applications, endorsements, and amendments constitute the entire contract. No change in this Policy will be valid unless it is in writing, attached to this Policy, and signed by one of Our officers. No agent may change this Policy or waive any of its provisions.

### 2.4 Representations and Contestability

We rely on statements made in the application. In the absence of fraud, they are considered representations and not warranties. We can contest this Policy for any material misrepresentation of fact. The misrepresentation must have been made in the application attached to the Policy when issued or in a supplemental application made a part of the Policy when a change in coverage went into effect.

### 2.5 Misstatement of Age or Sex

If the age or sex of the Insured or any person Insured by endorsement has been misstated on the application, the Death Benefit and any additional benefits provided will be those which would be purchased by the most recent deduction for the Cost of Insurance and the cost of any additional benefits at the Insured person's correct age or sex.

### 2.6 Suicide

If the Insured commits suicide while sane or insane, within two years from the Policy Issue Date, We will limit the proceeds. The limited amount will equal the Protected Cell Value, less Outstanding Policy Debt, partial withdrawals, cost of endorsements and transfer costs and expenses in the conversion of the assets, if any.

## 2.7 The Owner

Subject to the provisions in *Section 2.10*, during the life of the Insured You are entitled to exercise all rights and privileges under this Policy. These include naming a successor-owner, changing the Beneficiary, assigning this Policy, enjoying all Policy benefits, and exercising all Policy options. To exercise a right, You do not need the consent of anyone who has only a conditional or future interest in this Policy.

If You are not the Insured, You should name a successor-owner that will become the owner if You die before the Insured. If You die before the Insured and no successor-owner has been appointed, ownership will pass to Your estate.

## 2.8 The Beneficiary

Subject to the provisions in *Section 2.10*, You can name primary and contingent beneficiaries. Your original beneficiary choice is shown in the attached application.

Unless an alternate payment plan, acceptable to Us, is chosen, the proceeds payable at the Insured's death will be paid in a lump sum to the primary Beneficiary. If the primary Beneficiary dies before the Insured, the proceeds will be paid to the contingent Beneficiary. If no Beneficiary survives the Insured, the proceeds will be paid to Your estate.

## 2.9 Changing the Beneficiary

Subject to the provisions in *Section 2.10*, You may change the Beneficiary during the Insured's lifetime. We do not limit the number of changes that may be made. To make the change, We must receive a completed Change of Beneficiary form and any other forms required by the Administrative Office. The change will take effect as of the date We record it at the Administrative Office, even if the Insured dies before the change is made. Each change will be subject to any payment We made or any other action We took before the change is recorded.

## 2.10 Assigning the Policy

*You only have a limited right to assign the Policy.*

The Policy may not be assigned without the prior consent of Us. Your rights and those of any other person referred to in this Policy will be subject to the assignment only if it is voluntarily and not under legal or equitable compulsion or process, but this provision does not give the Owner the right to assign any rights, title or interest to the assets which are held for Us. We assume no responsibility for the validity of the assignment. An absolute assignment will be considered a change of ownership to the assignee.

## 2.11 Non-Participating

This Policy is non-participating. In other words, it does not share in Our profits or surplus earnings and no dividends will be paid under this Policy.

## 2.12 Ownership of Assets

We are the exclusive and absolute owner of the assets of the Protected Cell. Under laws of Puerto Rico the assets and liabilities held in the Protected Cell are legally segregated from Our assets and liabilities held in relation to other policies and from any of Our other assets and liabilities.

## 2.13 Notices

Any notice or election made by You must be in writing and received by Us at Our Administrative Office. Unless otherwise provided, all notices, requests and elections will become effective when received by Us at Our Administrative Office and will be confirmed in writing to the last known address of the Owner.

#### **2.14 Governing Law**

The Laws of the Puerto Rico will govern this Policy and the Policy will be enforceable in the Courts of Puerto Rico. You are deemed to have submitted to the non-exclusive jurisdiction of the Courts of Puerto Rico.

#### **2.15 Currency**

Any amounts payable under this Policy will be paid in the currency of the United States.

#### **2.16 Surrenders & Transfers**

We undertake to carry out all requests in a timely fashion. However, the sale of many of the investments of the Protected Cell may take up to 180 days to be completed. In view of this We reserve the right to delay payment until We have received the proceeds of sale of the investments.

#### **2.17 Payment in Kind**

In making payments at any time under this Policy, We reserve the right to pay You or Your Beneficiary in kind by transferring to You or Your Beneficiary assets held in the Protected Cell equal to the amount of the payment then due.

### **SECTION 3 PREMIUM PAYMENTS**

#### **3.1 Initial Premium**

The Initial Premium as set out in the Declaration Page of this Policy must be paid on or before delivery of the Policy. No insurance will take effect before the initial premium is received.

#### **3.2 Unscheduled Premiums**

Any premium We receive under this Policy, in addition to the initial premium, will be considered by Us to be an unscheduled premium payment. Such unscheduled premium payments can be made at any time while the Policy is in force. Any unscheduled premium must be at least \$25,000.

#### **3.3 Premium Limits**

We reserve the right to limit the amount and frequency of premium payments. We will not accept a premium payment that affects the tax qualifications of this Policy as a life insurance contract as described in Section 7702 of the United States Internal Revenue Code, as amended. This excess amount will be returned to You.

#### **3.4 Where to Pay Premiums**

Each premium after the first is payable at Our Administrative Office. Upon request, a receipt signed by an officer of Our Company will be given for any premium payment.

#### **3.5 Net Premium**

Before the premiums paid are transferred to the Protected Cell, a Percent of Premium Charge is deducted. The amount of premium then transferred is called the Net Premium.

#### **3.6 Premium Charges**

The Percent of Premium Charge is deducted from each premium payment received. The Percent of Premium Charge is a maximum of 6%. We have the option of charging the current Percent of Premium Charge that can be less than the maximum. The Percent of Premium Charge will be shown in the quarterly report. Percentage of Premium Charges deducted under the Policy become part of Our general assets that support Our annuity and insurance

obligations.

### **3.7 Policy May Be A Modified Endowment Contract**

The United States Internal Revenue Code Section 7702A defines a "Modified Endowment Contract" for federal tax purposes as a contract entered into on or after June 21<sup>st</sup> 1988 that fails to meet the 7-pay test. Any distributions may be taxed as ordinary income to the extent of any gain. This Policy will become a "Modified Endowment Contract" if the premiums paid into the Policy fail to meet a 7-pay premium test as outlined in Section 7702A of the Code.

Should the Policy become a "Modified Endowment Contract", partial withdrawal or surrenders, assignments, pledges, and loans under the Policy will be taxable to U.S. resident owners to the extent of any gain under the Policy. A 10% penalty tax also applies to the taxable portion of any distribution made prior to the Insured reaching age 59½. The 10% penalty tax does not apply if the Insured is disabled as defined under the Code or if the distribution is paid out in the form of a life annuity on the life of the Insured's and Beneficiary.

### **3.8 Company's right to withdraw premiums, Cost of Insurance and Quarterly Deductions from Your Protected Cell.**

If You fail to make payment of premiums, Cost of Insurance or Quarterly Deductions that are due to Us under the Policy We will withdraw a sufficient amount from Your Protected Cell to maintain the Policy in force.

## **SECTION 4 GRACE PERIOD AND REINSTATEMENT**

### **4.1 Grace Period and Policy Termination**

The Policy may be terminated at Our option if any premium, Cost of Insurance, or Quarterly Deduction is not paid within 28 days of the due date. Notice of termination for non-payment will be sent to Your last known address and to any assignee of record. This grace period will begin on the day We mail a notice of the non-payment.

If a claim by death during the 28 days becomes payable under this Policy, any overdue Quarterly Deductions and the unpaid pro-rata portion of the Cost of Insurance will be deducted from the proceeds.

### **4.2 Continuation of Insurance**

Insurance coverage under this Policy and any benefits provided by any endorsement(s) will be continued through the grace period.

### **4.3 Reinstating the Policy**

If the Insured is living and an application is made within one year from the beginning of any grace period, this Policy can be considered for reinstatement if it is terminated because a grace period ended without sufficient premium being paid.

To apply for reinstatement, You must send evidence satisfactory to us that the Insured is insurable. The effective date of the reinstatement will be the first Quarterly Valuation Date on or next following the date the application for reinstatement is approved.

If the Policy is reinstated You will have to pay the total Cost of Insurance and Quarterly Deductions that would have been due if the Policy had not lapsed.



## SECTION 5 PROTECTED CELL

### 5.1 The Protected Cell

The Protected Cell has been established by Us for the Policy in compliance with the laws of Puerto Rico. We own the assets of the Protected Cell but are obliged to keep them separate from the assets held for Our general account or for the account of any other Protected Cell that We have established.

### 5.2 Investments

The assets of the Protected Cell are invested through the Custodian in a number of dedicated Insurance funds set up by Us and managed by independent investment advisors approved and appointed by Us. These funds are only available to be sold to life insurance policies issued by Us or policies issued by other life insurance companies approved by Us. The underlying investments made within the insurance dedicated funds will be consistent with the general investment philosophy You agreed with Us at the Policy Issue Date.

In the absence of fraud, We shall have no responsibility or liability to You with regard to any investments made within these dedicated funds or the performance thereof and We shall not under any circumstances be taken to be acting as an investment manager or providing investment advice in relation to the Protected Cell.

Income, realised and unrealised gains or losses from investments are credited to or charged to the Protected Cell without regard to income, gains or losses of investments in any of the other Protected Cells which We have established or Our general account.

### 5.3 Valuation of the Protected Cell

We will determine the value of the Protected Cell on each Quarterly Valuation Date or on the date of death or as close thereto as possible.

## SECTION 6 PROTECTED CELL OPERATION

### 6.1 How the Value of the Policy is Determined

All Net Premiums credited to the Protected Cell are invested in investments pursuant to the insurance philosophy. The value of the Protected Cell will increase or decrease depending on the experience of the investments.

The Protected Cell Value of the Policy on the Policy Issue Date is:

- a. The Net Premiums received by Us on or before the Policy Issue Date; minus
- b. Any Quarterly Deduction due on or before the Policy Issue Date.

The Protected Cell Value of this Policy on a Quarterly Valuation Date is equal to the total value of the investments, less Cost of Insurance and Quarterly Deductions plus any assets in the general account securing Policy Debt, plus any Net Premium received on that Quarterly Valuation Date but not yet allocated.

### 6.2 Administrative Expense Charge

On each Quarterly Valuation Date, one-quarter of an annual charge called the Administrative Expense Charge will be deducted from the Protected Cell. The maximum amount We can charge is 1.5% per policy for each Policy Year. This charge is guaranteed. We have the option of charging current Administrative Expense Charges, which can be less than the guaranteed maximum, and will be stated in the quarterly report.

### 6.3 Quarterly Deduction

The Quarterly Deduction is a charge made each policy quarter against the Protected Cell. The Quarterly Deduction is equal to:

- a. The Administrative Expense Charge; plus
- b. The Cost of Insurance for the current policy quarter, including the cost for any endorsements; plus
- c. One-quarter of any flat extra rating charge; plus
- d. The fees charged by the Custodian.

### 6.4 Cost of Insurance

The Cost of Insurance will be calculated and charged each quarter. It is the cost for this Policy (including any increases in the Specified Amount) plus the cost for any endorsements.

#### *Option A: Basic coverage.*

The cost for this Policy is calculated as:

- a. The Specified Amount on the Quarterly Valuation Date; less
- b. The Protected Cell Value on the Quarterly Valuation Date, after all Quarterly Deductions have been taken.
- c. The above result multiplied by the quarterly cost per \$1,000 of insurance (as described below in the Cost of Insurance Rates Section);
- d. Divided by 1,000.

#### *Option B: Basic coverage plus Protected Cell.*

The cost for this Policy is equal to:

- a. The Specified Amount on the Quarterly Valuation Date multiplied by the quarterly cost per \$1,000 of insurance (as described below in the Cost of Insurance Rates Section);
- b. Divided by 1,000.

The charge made during the period will be shown on the Quarterly Report.

### 6.5 Cost of Insurance Rates

Each year, the current annual Cost of Insurance Rates will be declared for the next Policy Year. These rates will be based on the Issue Age, Specified Amount, Policy Year, and sex of the Insured. The rate will vary if the Insured is a smoker or non-smoker or is rated with a tabular extra premium.

If the Policy is rated at issue with a tabular extra premium, the premium will be a multiple of the rates for a standard issue. This multiple factor is shown on the schedule pages.

The Cost of Insurance Rate for the first Policy Year is shown on the schedule pages. Any change in the current Cost of Insurance Rates will apply to all policies having the same Issue Age, Specified Amount, Policy Year, sex, plan, issue month, and Cost of Insurance Rates as this Policy.



## 6.6 Quarterly Report

Within forty-five days of a Quarterly Valuation Date the Owner will be mailed a report that shows the progress of the Policy.

This report will show for the last quarter:

- a. Premiums Paid;
- b. Expense Charges;
- c. Interest credits; and
- d. Cost of Insurance

As of the date of the report, the following values will be shown:

- a. Protected Cell Value;
- b. Specified Amount of Insurance; and
- c. Death Benefit

## 6.7 Other Reports

The owner may request a report illustrating future values of the Policy. A reasonable fee not to exceed \$250 may be charged for this report.

# SECTION 7 POLICY SURRENDER AND PARTIAL WITHDRAWALS

## 7.1 Surrender of the Policy

The Policy may be surrendered before the Maturity Date at any time during Insured's life for its Surrender Value.

## 7.2 Surrender Value

The amount payable upon surrender is the Protected Cell Value on the Quarterly Valuation Date on or preceding the date We receive Your written request, less any Outstanding Policy Debt, less any Surrender or Withdrawal Charges.

The Surrender Value is payable in one lump sum or under one of the payment options. *See Sections 2.16 & 11.*

## 7.3 Surrender & Withdrawal Charges

A Surrender Charge is payable on full or partial surrenders. If the surrender is made within the first five years of the Policy Issue Date, the Surrender Charge is equal to 2% of the amount withdrawn. Thereafter, the charge will be 1% of the amount withdrawn. For a partial surrender, the Surrender Charge will be deducted either from the Protected Cell or the amount withdrawn. Surrenders reduce the value of the Protected Cell. A Withdrawal Charge equal to the expense incurred in liquidating the Protected Cell assets plus a pro-rata charge for the Cost of Insurance for the quarter in which the liquidation occurred will be debited to the Protected Cell.

## 7.4 Partial Withdrawal

A partial withdrawal of this Policy may be made after the first Policy Year for any amount of at least \$25,000 subject to the following rules:

- a. The Surrender Value remaining after a partial withdrawal must be at least \$50,000.
- b. A partial withdrawal is irrevocable.
- c. Request must be made to Us in writing in a form approved by Us.
- d. A partial withdrawal will not be allowed if the resulting Specified Amount after the withdrawal is less than \$50,000.

- e. A Withdrawal Charge will be deducted from the amount withdrawn. *See Section 7.3.*
- f. Only one withdrawal is permitted per Policy Year.

Partial withdrawals will affect the Policy value. The Protected Cell Value will be reduced by the amount of the partial withdrawal. These reductions will also reduce the Death Benefits. *See Section 8.*

#### **7.5 Postponement of Payments**

We will usually pay any amounts payable from the Protected Cell as a result of surrender, partial withdrawals, or Policy loans in a timely fashion after We receive written request at Our Administrative Office in a form satisfactory to Us. We can postpone such payments and We may defer the payment of a full surrender, partial withdrawals or Policy loans from the Protected Cell for up to 180 days from the date We receive Your written request. *See Section 2.16*

### **SECTION 8 DEATH BENEFIT**

#### **8.1 Death Benefit Proceeds**

The Death Benefit Proceeds payable to the Beneficiary upon Our receipt of Satisfactory Proof of Death of the Insured while this Policy is in force will equal:

- a. The Death Benefit; plus
- b. Any additional life insurance proceeds provided by any endorsement; minus
- c. Any Outstanding Policy Debt; minus
- d. Any Quarterly Deduction that may apply to that period, including the deduction for the month of death.

#### **8.2 Death Benefit**

Subject to the provisions of this Policy, the Death Benefit will be determined under Option A or Option B whichever You have chosen and is in effect at the time of death.

##### ***Option A: Basic Coverage***

The Death Benefit will be the greater of:

- a. The current Face or Specified Amount, or
- b. The value of the Protected Cell, provided that the amount payable is equal to, or exceeds the amount that would have been payable by applying the specified percentages, laid down in the United States Internal Revenue Code of 1986 as amended to the Protected Cell value of the policy on the Quarterly Valuation Date immediately prior to the death of the Insured.

**Option B: Basic coverage plus the Protected Cell Value.**

The Death Benefit will be the greater of:

- a. The current specified Amount plus the value of the Protected Cell, or
- b. The amount that would be payable by applying the specified percentages, laid down in the United States Internal Revenue Code of 1986 as amended, to the Protected Cell value of the policy on the Quarterly Valuation Date immediately prior to the death of the Insured.
- c. The specified percentage is set out in the following table:

<u>Insured's* Age</u>	<u>Applicable Percentage</u>	<u>Insured's* Age</u>	<u>Applicable Percentage</u>
40 or less	250	60	130
41	243	61	128
42	236	62	126
43	229	63	124
44	222	64	122
45	215	65	120
46	209	66	119
47	203	67	118
48	197	68	117
49	191	69	116
50	185	70	115
51	178	71	113
52	171	72	111
53	164	73	109
54	157	74	107
55	150	75-90	105
56	146	91	104
57	142	92	103
58	138	93	102
59	134	94	101
		95	100

\* Insured's Age means the attained age at the beginning of the Policy Year.

**8.3 Payment of Death Benefits**

Upon Satisfactory Proof of Death We will usually pay the Death Benefit Proceeds (See Section 2.16) within seven (7) days after We receive the liquidation proceeds of the Protected Cell from the Custodian.

To the extent that the Death Benefit can be met out of amounts standing to the credit of the relevant Protected Cell, it will be an obligation of the Protected Cell. To the extent that the Death Benefit exceeds the amount standing to the credit of the relevant Protected Cell, it will constitute a general obligation of Ashley Cooper Life International Insurer, SPC.

**SECTION 9  
POLICY CHANGES AND EXCHANGE OF POLICY**

**9.1 Change in the Specified Amount**

After the Policy has been in effect for one year, You can increase or decrease the Specified Amount.

To make a change, send a written request to Our Administrative Office. Any change will be effective on the Quarterly Valuation Date on or next following the date We approve the request, unless You specify a later date. You may only change the Specified Amount once a year.

## 9.2 Decreasing the Specified Amount

A decrease in the Specified Amount is subject to the following conditions:

- a. A decrease may not be made during the first Policy Year.
- b. The Specified Amount in effect after any decrease may not be less than \$50,000.
- c. The resulting Specified Amount after a decrease may not affect the tax qualifications of this Policy as described in Section 7702 of the United States Internal Revenue Code, as amended.

## 9.3 Increasing the Specified Amount

Any increase in the Specified Amount is subject to the following conditions:

- a. An increase may not be made in the first Policy Year.
- b. A supplemental application for the increase and satisfactory evidence of insurability of the Insured must be received.
- c. The minimum amount of any increase is \$50,000.
- d. An increase cannot be made if the Insured is over 80 years of age.
- e. At the time of the increase, the Protected Cell Value, less any Outstanding Policy Debt, must be at least equal to four times the current month's Quarterly Deduction reflecting the increase in the Specified Amount. If the Protected Cell Value is not sufficient to support these Quarterly Deductions for at least one year beyond the effective date of the increase, additional premiums may be required. You will be notified of any additional premium due.

## 9.4 Time Period for Exchange

You may exchange this Policy while it is in force for a new Policy on the life of the Insured, without new evidence of insurability, at any time within 24 months of the Policy Issue Date shown in the Declaration Page. The new Policy will be issued on the following basis:

- a. The Policy Issue Date, Issue Age, Specified Amount, and risk class of the Insured will be the same as for this Policy.
- b. It will be a Flexible Premium Adjustable Life Insurance Policy available for exchange issued by Ashley Cooper Life International Insurer, SPC on the exchange date.
- c. The Policy provisions and applicable charges for the new Policy and its endorsements will be the same as those which would have applied had the Policy been issued originally.
- d. Any Outstanding Policy Debt must be repaid.
- e. It will be subject to:
  - any assignments;
  - any partial withdrawals;
  - any Protected Cell Value adjustment required; and
  - any cost or credit of exchange.

To make the change, You must send this Policy, an exchange application form, and any required payment to Our Administrative Office. The change will be effective on the first Quarterly Valuation Date when all financial and contractual arrangements for the new Policy have been completed.

## SECTION 10 LOAN BENEFITS

### 10.1 Outstanding Policy Debt

This Policy has loan benefits that are described below. The outstanding loans plus accrued interest are called Outstanding Policy Debt. Any Outstanding Policy Debt will be deducted from proceeds payable at the Insured's death, on maturity, or on surrender. A schedule of all outstanding Policy Debt will be kept at our Administrative Office and available upon written request from You.

### 10.2 Making a Policy Loan

At any time or times after the first Policy anniversary, You may obtain one or more Policy loans from Us. This Policy is the only security required. The maximum loan amount is equal to 90% of the Surrender Value held in the Protected Cell at the time of the loan. The available loan amount at any time is the maximum loan amount less any Outstanding Policy Debt.

### 10.3 Interest

The maximum interest rate on any loan is 15% per year. We have the option of charging less. It accrues daily and becomes a part of the Outstanding Policy Debt. Interest payments are due on each anniversary date. If interest is not paid when due, it will be added to the Outstanding Policy Debt and will bear interest at the rate charged on the loan.

### 10.4 Other Borrowing Rules

When a Policy loan is made, or when interest is not paid when due, an amount sufficient to secure the Outstanding Policy Debt is transferred out of the Protected Cell and into Our general account. You may tell Us how to allocate that amount among the investments provided that the amount remaining in any investment as a result of the allocation is \$50,000. If You do not, then We will allocate the amount among the investments as We see fit.

If the Outstanding Policy Debt exceeds the Protected Cell value less any surrender charge and accrued expenses, You must pay the excess. We will send You a notice of the amount You must pay. If You do not pay this amount within 61 days after We send notice, the Policy will terminate without value. We will send the notice to You and to any assignee of record at Our Administrative Office.

*Any loan transaction will permanently affect the values of this Policy.*

### 10.5 Repaying Outstanding Policy Debt

You can repay a Policy debt in part or in full any time during the Insured's life prior to the Maturity Date while this Policy is in force. You must specifically identify repayment as such. When a loan repayment is made the repayment will be transferred into the Protected Cell.

## SECTION 11 PAYMENT OPTIONS

Life insurance proceeds, the Surrender Value, or benefits at maturity will be paid in one lump sum if no option is chosen.

The Insured or Beneficiary may elect to have the proceeds applied toward the purchase of an annuity policy then being offered by Us.

## SCHEDULE ONE CHARGES

The following charges are payable to Us. Sufficient assets will be liquidated from the Protected Cell to cover these charges as and when they fall due or, whenever possible will be deducted from premium before it is credited to the Protected Cell.

### ADMINISTRATIVE EXPENSE CHARGE:

The maximum annual Administrative Expense Charge is 1.5%.

### INITIAL PREMIUM CHARGES:

The maximum Percent of Premium Charge for sales load and premium taxes is 6% of premiums received.

### TRANSFER CHARGE:

The first 6 transfers are free after which a transfer fee of \$ 100.00 per transfer will apply.

### SURRENDER & WITHDRAWAL CHARGES:

Each time We receive a request for a partial surrender within the first five years of the Policy Issue Date We will charge a fee of 2% of the amount surrendered. If the policy is surrendered in total during the first five years of its Policy Issue Date We will charge a surrender fee of 2%. After five years the fee will be 1%.

In addition, a withdrawal fee equal to the expenses incurred in liquidating the assets to make a partial surrender plus the pro-rata share of the Cost of Insurance for the quarter in which the surrender takes place will also be charged against the Protected Cell on all surrenders.

**SCHEDULE TWO**  
**GUARANTEED ANNUAL COST OF INSURANCE RATES\***

Age	Male Rate	Female Rate	Age	Male Rate	Female Rate
20	1.68	2.32	58	10.94	20.51
21	1.66	2.32	59	12.05	22.26
22	1.63	2.28	60	13.29	24.21
23	1.59	2.24	61	14.67	26.41
24	1.55	2.18	62	16.26	28.89
25	1.50	2.11	63	18.06	31.66
26	1.47	2.07	64	20.06	34.69
27	1.45	2.05	65	22.25	37.90
28	1.44	2.05	66	24.62	41.26
29	1.44	2.08	67	27.16	44.74
30	1.45	2.13	68	29.92	48.39
31	1.48	2.20	69	32.98	52.35
32	1.52	2.29	70	36.44	56.72
33	1.58	2.41	71	40.39	61.63
34	1.65	2.55	72	44.95	67.18
35	1.73	2.72	73	50.11	73.33
36	1.82	2.92	74	55.78	80.07
37	1.94	3.17	75	61.84	87.27
38	2.07	3.45	76	68.24	94.63
39	2.21	3.77	77	74.93	102.02
40	2.38	4.14	78	81.95	109.49
41	2.56	4.54	79	89.52	117.30
42	2.75	4.98	80	97.88	125.71
43	2.96	5.46	81	107.25	134.96
44	3.19	5.99	82	117.82	145.21
45	3.45	6.55	83	129.54	156.29
46	3.73	7.13	84	142.18	167.83
47	4.03	7.76	85	155.45	179.44
48	4.36	8.44	86	169.18	190.84
49	4.72	9.18	87	183.16	202.54
50	5.13	10.00	88	197.33	214.73
51	5.60	10.93	89	211.89	226.85
52	6.14	11.98	90	227.05	239.08
53	6.76	13.17	91	243.16	251.80
54	7.45	14.47	92	260.82	266.55
55	8.22	15.86	93	281.75	285.47
56	9.06	17.33	94	309.83	311.27
57	9.95	18.88	95	351.86	351.86

\*The rates shown are annual rates per \$1,000 of insurance. These rates apply to the basic policy and do not include cost for endorsements. If this Policy is issued with tabular and/or other rating adjustments they are shown on the Declaration Page.

SCHEDULE TWO (CONTINUED)  
GUARANTEED ANNUAL COST OF INSURANCE RATES\*

Age	Female Rate (\$1,000)	Male Rate (\$1,000)	Age	Female Rate (\$1,000)	Male Rate (\$1,000)
20	1.01	1.17	58	7.72	11.55
21	1.03	1.19	59	8.23	12.18
22	1.04	1.22	60	8.83	12.93
23	1.06	1.25	61	9.57	13.87
24	1.08	1.28	62	10.49	15.08
25	1.10	1.31	63	11.62	16.55
26	1.13	1.36	64	12.89	18.19
27	1.15	1.40	65	14.26	19.92
28	1.18	1.45	66	15.68	21.68
29	1.22	1.51	67	17.13	23.38
30	1.25	1.58	68	18.63	25.10
31	1.29	1.64	69	20.30	26.97
32	1.33	1.71	70	22.26	29.18
33	1.38	1.80	71	24.65	31.98
34	1.44	1.90	72	27.58	35.41
35	1.51	2.01	73	31.09	39.49
36	1.61	2.18	74	35.13	44.14
37	1.73	2.38	75	39.64	49.22
38	1.86	2.61	76	44.52	54.62
39	2.00	2.86	77	49.75	60.26
40	2.17	3.16	78	55.41	66.22
41	2.35	3.48	79	61.68	72.71
42	2.53	3.80	80	68.81	79.98
43	2.71	4.12	81	77.01	88.23
44	2.89	4.44	82	86.46	97.61
45	3.09	4.78	83	97.12	108.44
46	3.30	5.13	84	108.87	120.18
47	3.53	5.49	85	121.58	132.65
48	3.77	5.88	86	135.16	145.75
49	4.04	6.31	87	149.59	159.35
50	4.34	6.77	88	164.88	173.52
51	4.67	7.26	89	181.15	188.25
52	5.05	7.82	90	198.53	204.58
53	5.47	8.44	91	217.42	222.16
54	5.90	9.07	92	238.53	241.66
55	6.36	9.72	93	263.35	264.56
56	6.82	10.36	94	295.23	295.23
57	7.27	10.96	95	341.02	341.02

\*The rates shown are annual rates per \$1,000 of insurance. These rates apply to the basic policy and do not include cost for endorsements. If this Policy is issued with tabular and/or other rating adjustments they are shown on the Declaration Page.



**SCHEDULE THREE  
CUSTODIAN AGREEMENT**

Agreement effective this 9th day of May, 2011 between Ashley Cooper Life International Insurer, SPC, (hereinafter referred to as the "Company") and International Custodians Ltd. (hereinafter referred to as the "Custodian")

The Company hereby appoints the Custodian as Custodian of Ashley Cooper Life International Insurer, SPC Life Policy No. ACLI 1105-8007 Protected Cell (hereinafter referred to as the "Protected Cell") and the Custodian hereby accepts such appointment and agrees to:

- a. Open an account (the "Account") in respect of the Protected Cell in accordance with the terms of the Flexible Premium Variable Life Insurance Policy issued by the Company, to which this agreement is attached. (See Section 2).
- b. Receive from the Company for the credit of the Protected Cell, as provided herein, the Net Premiums payable to the Company.
- c. Act in the capacity of Custodian, as hereinafter provided, in connection with the Protected Cell.

**1. POLICY**

The Flexible Premium Variable Life Insurance Policy provides benefits based upon the Protected Cell and is made part of this agreement.

Policy Number: ACLI 1105-8007 PC

Insured: Cheryl Davis

Policy Owner: Beatrice B. Davis Family Heritage Trust, dated July 28, 2000 – Alaska Trust Company, Trustee

No Policy, other than that specified above (hereinafter referred to as "the Policy"), may derive benefits from the Protected Cell.

**2. PREMIUMS AND DISBURSEMENTS**

- a. All Premium Contributions received by the Custodian hereunder shall be irrevocable and shall be applied only in accordance with the provisions of this Agreement.
- b. The assets from time to time held in the Protected Cell and the dividends, income and distributions on such assets shall be applied only to the payment from time to time to the Company under the Policy; the charges of the Custodian and for such other purposes as may be specifically hereafter stated in this Agreement.
- c. Upon submission to the Custodian of proof of the amounts payable to the Company under the terms of the Policy (including all of the assets in the Protected Cell applicable to the Policy in the event of a total surrender of the Policy or the death of the last surviving Insured), the Custodian shall remit promptly to the Company the amounts so claimed from the Account. Amounts, if any, applicable to taxes or assessments payable to the Company shall likewise be remitted promptly to the Company from the Account. The Custodian may conclusively rely upon written statements of the Company together, where possible, with documentary evidence, as to computation of the amounts due.
- d. Upon submission to the Company and to the Custodian of Satisfactory Proof of Death of the Insured, the Custodian, after deducting from the Account any charges or costs then payable and disbursing such sums, shall (unless instructed in writing by the Owner of the Policy to make an in specie payment) promptly cause any securities or instruments in the Protected Cell to be liquidated and shall then pay the entire balance to the Policy Owner by delivery to the address shown on the Policy (or at the last address notified to Custodian in writing), of a bank cheque drawn upon an internationally recognised bank.

- e. Whenever the Custodian requires cash funds for any purpose provided under this Agreement and such funds are not currently available in the Account, the Custodian will request specific instructions from the Company as to which investments in the Protected Cell should be sold to provide the necessary funds to satisfy outstanding payments.

### 3. INVESTING

The Custodian will invest the Net Premium in a number of Company dedicated mutual funds. The Company from time to time will give the Custodian instructions to buy, sell or exchange any of these insurance dedicated funds for the benefit of the Protected Cell.

### 4. VOTING SHARES

The Company shall have the right to give specific instructions to the Custodian regarding voting shares or the execution of proxies at any time. The Custodian shall carry out such instructions at the earliest practicable date.

### 5. REGISTRATION OF SECURITIES

Unless specifically instructed by the Company to the contrary, the Custodian shall register in its own name or in the name of its nominee all securities held in the Protected Cell and the Company agrees to indemnify the Custodian (and where appropriate, any nominee of the Custodian) against and hold them harmless from all expenses, liability, claims and demands arising out of the holding of the securities or anything lawfully done in accordance with the provisions hereof or upon the instructions of the Company or Investment Advisor except due to the negligence or wilful misfeasance of the Custodian.

### 6. FEES AND EXPENSES

- a. The Company agrees to pay the Custodian' standard fees and charges prevailing from time to time, for the safekeeping of and dealing with the securities and of expenses paid or incurred by the Custodian with respect thereto and the Custodian is authorised to debit the amount thereof to the Protected Cell within 14 days following last day of each calendar quarter. The securities shall be subject to a lien or pledge in favour of the Custodian to secure such payment.
- b. The Company shall be charged against the Protected Cell and remitted to the Investment Advisor within 14 days following last day of each calendar quarter.
- c. The Company's charges stipulated in the Policy shall be charged against the Protected Cell and remitted to the Company within 14 days following last day of each calendar quarter.

### 7. COLLECTIONS OF PRINCIPAL AND INCOME

All principal collections, dividend, interest and other income collected shall be retained to the credit of the Protected Cell, subject to the provisions of this Agreement. The Custodian is authorised to execute all declarations, affidavits, certificates of ownership, and other necessary documents required in collecting income and principal payments.

### 8. CUSTODIAN PROTECTED CELL STATEMENTS

After the end of each calendar quarter, the Custodian shall furnish the Company with a statement of transactions within the Protected Cell since the last such statement, and a statement setting forth detail of all the assets in the Protected Cell, the fair market value of all the assets in the Protected Cell, all as of the end of such calendar quarter. The Custodian may rely upon evaluations made by qualified individuals, such as Brokers, Real Estate Agents, Appraisers, Assayers or other professionals in preparing such statements.

9. MISCELLANEOUS PROVISIONS WITH RESPECT TO CUSTODIAN

- a. The Custodian shall exercise due care in the handling of any and all assets delivered into its custody and exercise due diligence in carrying out the instructions given from time to time by the Company, without liability for any act or omission of any broker making a purchase, sale or exchange of any security held hereunder, but in safekeeping and custody of the securities the Custodian must exercise the same degree of care as if the same were the property of the Custodian duly held by it or on its behalf in manner aforesaid.
- b. The Custodian shall only release or deal with the securities upon the written instructions of the Company in form satisfactory to it and the Custodian may require such receipt or acknowledgement of dealings from the Company as it shall deem necessary.
- c. The Custodian may, if properly instructed to do so by the Company in accordance with 10(B) hereof, act on instructions given or purported to be given by or on behalf of the Company by letter, e-mail, facsimile or similar means of communication and shall not incur any liability by reason of acting or not acting on any error in such instructions.
- d. The Custodian shall not be liable for any loss that may be suffered on any assets held in the Protected Cell by reason of depreciation in market value.
- e. The Custodian at the expense of the Protected Cell may seek and rely upon the advice of legal counsel and shall not be liable to anyone for any action taken or suffered in good faith based upon such advice. The Custodian shall not be liable for any action taken in good faith and reasonably believed by it to be within the powers conferred in this Agreement.
- f. The Custodian shall provide the Company and the Policy Owner access to the records of the Protected Cell during reasonable business hours, for the purposes of verifying all matters relating to the Protected Cell.

10. ADDITIONAL DUTIES OF THE CUSTODIAN

The Custodian will:

- a. Request payment of and receive all interest, dividends and other payments or distributions in respect of the securities.
- b. Surrender the securities and any of them against receipt of the monies payable at maturity or on redemption if called prior to maturity, provided that where securities are called for redemption prior to maturity the Custodian shall have no duty or responsibility to present the securities for redemption unless, after the call is made, the Company or Investment Advisor request the Custodian to so do.
- c. Where monies are payable in respect of securities in more than one currency, the Custodian will collect them in such currency as the Custodian in its discretion may determine.
- d. Complete and deliver on behalf of the Company as owner any ownership certificates in connection with the securities, which may be required by law.
- e. In its discretion, comply with the provisions of any law, regulation or order now or hereafter in force which purport to impose on a holder of any of the securities a duty to take or refrain from taking any action in connection with any of the securities or payments or distributions or moneys payable in respect of any of the securities.
- f. Exchange securities in interim or temporary form for securities in definitive form.
- g. Unless specifically instructed by the Company to the contrary, any notice received by the Custodian regarding any call, subscription, conversion or other rights in respect of the securities or regarding any merger, acquisition reorganisation, receivership, winding-up proceedings, compromise or arrangement relating to the securities shall be sent by facsimile or e-mail to the Company at its address as shown from time to time in the records of the Custodian.

- h. Compute the charges due to the Company as contemplated by the Policy, subject to approval by the Company.
- i. Carry out all other duties and services consistent with the purposes and intentions of this Agreement.

11. APPLICABLE LAW

This Agreement shall be construed and governed in accordance with the laws of Puerto Rico and the parties hereby submit to the non-exclusive jurisdiction of the courts of Puerto Rico.

12. CHANGE OF CUSTODIAN

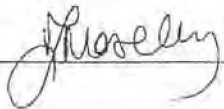
- a. The Custodian may resign as Custodian hereunder by giving at least ninety (90) days written notice by mail in advance to the Company. In such event, it is agreed that:
  - (i) Pending the appointment of an actual transfer of the Protected Cell to a successor Custodian, the Custodian shall continue to hold and administer the Protected Cell as provided herein.
  - (ii) Where the Custodian resigns the Company shall promptly designate a successor Custodian willing to act in such capacity under this Agreement, or one similar hereto.
- b. The Company may, by giving at least ninety (90) days written notice by mail to the Custodian, remove the Custodian for stated cause and appoint a successor Custodian. Until such time as the successor Custodian takes up its appointment the Custodian shall continue to hold and administer the Protected Cell as provided herein.
- c. The Custodian will, upon receipt of (1) evidence of the appointment of a successor Custodian and (2) on written approval of the Company, transfer to such successor Custodian custody of the assets of the Protected Cell subject to the payment of any additional charges of the Custodian properly payable hereunder, pursuant to Section 7 herein, whereupon all future responsibility or liability of the Custodian with respect to the assets of the Protected Cell so transferred shall terminate.

13. TERMS OF THE AGREEMENT:

This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns and to the benefit of the Custodian and its successors in title.

IN WITNESS WHEREOF, the Company and the Custodian have caused their duly authorised representatives to execute this Agreement the day and year first above written.

SIGNED ON BEHALF OF ASHLEY COOPER LIFE INTERNATIONAL INSURER, SPC FOR AND ON BEHALF OF ASHLEY COOPER LIFE INTERNATIONAL INSURER, SPC LIFE POLICY NO. ACLI 1105-8007 PROTECTED CELL, AND, TO THE LIMITED EXTENT SPECIFIED ON PAGE 1 HEREOF, ITSELF.



SIGNED ON BEHALF OF THE CUSTODIAN



AD Services Ltd.  
Corporate Director

1. The first part of the document is a list of the names of the persons who were present at the meeting.

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12/1/84

Ashley Cooper Life International Insurer, SPC  
C/O FGR Corporate Services, 254 Muñoz Rivera Avenue - BBVA Tower  
P-1 Floor (Mail Room), 6th. Floor (Reception), Hato Rey, Puerto Rico 00918  
Tel: +1.787.759.3143, Fax: +1.787.754.7539

## Life Application Form - Part 1

Kindly complete all sections in BLOCK CAPITALS

For office use only  
Policy No.

### DETAILS OF FIRST LIFE ASSURED

Surname Davis  
Forename(s) Cheryl L.  
Mailing Address  
Street 4600 West 126<sup>th</sup> Street  
City Leawood  
State KS Zip 66209  
Business Telephone No. 818-822-8563  
Home Telephone No. 913-338-5845  
Fax No. 816-471-5759  
Date of Birth September 28<sup>th</sup> 1959  
Place of Birth Akron, OH  
Nationality American  
Marital Status Married

### DETAILS OF SECOND LIFE ASSURED (if any)

Surname \_\_\_\_\_  
Forename(s) \_\_\_\_\_  
Mailing Address  
Street \_\_\_\_\_  
City \_\_\_\_\_  
State \_\_\_\_\_ Zip \_\_\_\_\_  
Business Telephone No. \_\_\_\_\_  
Home Telephone No. \_\_\_\_\_  
Fax No. \_\_\_\_\_  
Date of Birth \_\_\_\_\_  
Place of Birth \_\_\_\_\_  
Nationality \_\_\_\_\_  
Marital Status \_\_\_\_\_

### DETAILS OF POLICYHOLDER

Beatrice B. Davis Family Heritage Trust  
dated July 28, 2000, Alaska Trust  
Company, Trustee

Mailing Address  
Street 1029 W. Third Avenue, Ste 400  
City Anchorage  
State Alaska Zip 99501-1981  
Business Telephone No. 888-544-6775  
Home Telephone No. \_\_\_\_\_  
Relationship to Life Assured \_\_\_\_\_  
Nationality \_\_\_\_\_

The Policyholder is advised to satisfy him/herself that he/she is permitted to effect this policy under any insurance, exchange control or other legislation or regulations to which he/she is subject.

### Beneficiary (if different from Policyholder)

Name \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### INITIAL AMOUNT OF INSURANCE

\$35,000,000

### DEATH BENEFIT OPTION SELECTED A or B A

### DEPOSIT PREMIUM PAID \$

### Initial allocation of premium Percentage

(1) Life Policy Fund	%
(2) Annuity Policy Fund	%
(3) First Income Fund	%
(4) Small Cap Fund	%
(5) Variable Ins. Products Fund	%
(6) International Finance Fund	%
(7) Managed Company Fund	%
(8) International Investments	%
Total	100%

Ashley Cooper Life International Insurer, SPC  
C/O FGR Corporate Services, 254 Muñoz Rivera Avenue - BBVA Tower  
P-1 Floor (Mail Room), 6th. Floor (Reception), Hato Rey, Puerto Rico 00918  
Tel: +1.787.759.3143, Fax: +1.787.754.7539

1. The first part of the document is a list of names and dates.

2. The second part is a list of names and dates.

3. The third part is a list of names and dates.

4. The fourth part is a list of names and dates.

5. The fifth part is a list of names and dates.

6. The sixth part is a list of names and dates.

7. The seventh part is a list of names and dates.

8. The eighth part is a list of names and dates.

9. The ninth part is a list of names and dates.

10. The tenth part is a list of names and dates.

11. The eleventh part is a list of names and dates.

12. The twelfth part is a list of names and dates.

13. The thirteenth part is a list of names and dates.

## Application Form - Part 2

Kindly complete all sections in BLOCK CAPITALS

### MEDICAL DETAILS OF FIRST LIFE ASSURED

Height:	Feet	Inches	
Weight:		lbs.	

### MEDICAL DETAILS OF SECOND LIFE ASSURED

Height:	Feet	Inches	
Weight:		lbs.	

Please complete the following questions answering either YES or NO

	FIRST LIFE	SECOND LIFE
1. Have you smoked during the last 12 months?	_____	_____
2. Have you changed Doctor during the last two years? If Yes, please provide contact details of previous Doctor(s).	_____	_____
3. Are you currently seeking medical treatment or attention.	_____	_____
4. Have you ever suffered from any illness disability or accident in the past (excluding minor ailments) which has required medical or surgical attention.	_____	_____
5. Have you received, or have you any reason for expecting to receive any counseling, medical advice, treatment or tests including blood tests, in connection with AIDS, or AIDS related condition.	_____	_____
6. Are there any special circumstances, which might increase the risk on your life such as hazardous sports or occupations, or flying except as a passenger on commercial airlines.	_____	_____
7. Has any proposal for insurance on your life ever been declined, deferred, withdrawn or accepted on special terms and conditions.	_____	_____
8. Please state your average weekly consumption of the following alcoholic beverages; Beer, Wines and Spirits.	_____	_____
9. Do you travel outside your home country? Please give details.	_____	_____
10. Have you had any moving vehicle violation in the past 3 years?	_____	_____

If the answer to any of the above questions is YES, please give full details, including dates. (you may use a separate sheet of paper if necessary)

Name and address of your Doctor (1st Life)

Name and address of your Doctor (2nd Life)

Exact description of job and details of tasks performed

Exact description of job and details of tasks performed

I/We declare that to the best of our my/our knowledge and belief, all the above statements are true and I/we agree that they shall form the basis of the contract of assurance. I/we also agree that the Company may seek information from any doctor who has attended me/us or from any life assurance company to which I/we have made a proposal for life assurance and I/we authorise the giving of such information. I/we hereby confirm that I/we understand the United States tax consequences of my/our investment in this Variable Benefit Policy. I/we further understand that Ashley Cooper Life International Insurer, SPC, cannot accept responsibility or liability in respect of any personal taxation regarding this Policy. I/We declare that the request for cover was made without solicitation from the Company or its representatives. I/we understand that the death benefit when based upon the value of the investment experience of a separate segregated account is variable and is not guaranteed (other than as to the face value) but is dependent upon the market value of the segregated account determined by the investment performance thereof.

Signature of Life Assured (Trust Company Trustee 2nd Life Assured)

Date

Location

Signature of Policyholder (Life Assured)

Date

Location

Senior Vice President  
& Senior Trust Officer

4/28/11 ANCHORAGE, AK



# Exhibit 7

# Exhibit 7

## ABSOLUTE ASSIGNMENT TO EFFECT A SECTION 1035 EXCHANGE

The Owner hereby absolutely assigns and transfers all rights, title and interest in and to the policy or contract described below (the "Old Policy") including, without limitation, the rights to surrender it for its cash value and to receive the surrender proceeds, to Ashley Cooper Life International Insurer SPC (the "Company") for the sole purpose of effecting an exchange of life insurance policies or annuity contracts under Section 1035 of the Internal Revenue Code of 1986, as amended (the "Code"). Further, the Owner and the Company agree to the assignment of all rights, obligations and liabilities to the Company relating to any Policy Loan Request and related Collateral Assignment made by the Owner in connection with the Old Policy.

Insurer: Advantage Life & Annuity Company SPC

Policy No: ALIP 0008-1031

Insured: Cheryl Davis

Owner: Beatrice B. Davis Family Heritage Trust dated July 28, 2000 – Alaska Trust  
Company, Trustee

In consideration of receipt of the surrender proceeds from the Old Policy, the Company agrees to issue, subject to its rules, a life insurance policy or annuity contract (the "New Policy") described in the application for the New Policy that has been submitted to the Company. The Owner understands that the New Policy will not take effect until such time as the Company receives the entire surrender proceeds of the Old Policy from the original carrier described above (the "Insurer").

The Owner understands that this assignment shall be effective as of the date the Company, as assignee, accepts this assignment. The Owner also understands that the Company will not accept this assignment unless the Company has approved the application for the New Policy.

The Owner understands that, by executing this assignment, he/she irrevocably waives all rights, claims and demands under the Old Policy. The Owner further understands that upon acceptance of the assignment, the Company will surrender the Old Policy whereupon the Old Policy will no longer be in force or effect as of the date the surrender request is deemed effective by the Insurer.

The Owner understands and agrees that he/she may have to continue to pay premiums to the Insurer for the Old Policy until the date the Old Policy is deemed surrendered by the Insurer. The Owner further understands and agrees that the Company is not obligated to pay and will not pay any premiums on the Old Policy and will not be liable to any person if the Old Policy lapses for nonpayment of premiums or otherwise. The Owner understands that if the Old Policy does lapse it can be reinstated only if its terms permit and only under the conditions therein. The Owner also understands that if the Old Policy lapses, this transaction may not qualify as a Section 1035 exchange.

If the New Policy is an interest sensitive policy or variable contract with a fixed rate option, the Owner understands that the crediting rate for the New Policy may differ from the rate in effect at the time the application for the New Policy is submitted to the Company.

The Company's liability under the New Policy is expressly conditioned upon the receipt of the surrender proceeds of the Old Policy. If the Company does not receive the entire surrender proceeds of the Old Policy within four (4) months of the date the Company accepts the assignment, the Company may elect to absolutely assign its rights under this assignment back to the Owner and the Owner will accept such assignment. If this occurs:

- (a) coverage under the Old Policy may no longer be in force, in which case the Owner shall have the right to the surrender proceeds of the Old Policy, and any other policy values and rights;
- (b) coverage under the New Policy will be provided only if the Company receives the first contract premium; and
- (c) this transaction may not qualify as a tax-free exchange under Section 1035 of the Code.

The Owner warrants that the Old Policy is currently in force and is not subject to any prior assignment, irrevocable beneficiary designation, proceedings in bankruptcy, federal tax levy or collection proceedings resulting from an unpaid assessment or any other legal action.

Except in the limited circumstances set forth above, the Owner has absolutely no right under this assignment to receive the surrender proceeds of the Old Policy and no option to receive cash or other property instead of receiving the New Policy. If, for some reason, the Insurer erroneously remits the surrender proceeds to the Owner, the Owner agrees to immediately endorse the proceeds over to the Company.

The Owner has specifically requested the Company to participate in this transaction and understands and agrees that:

- (a) the Company and its representatives make no representations, and have no responsibility nor liability, regarding the Owner's tax treatment under Section 1035 or any other provision of the Code;
- (b) the Company does not guarantee the validity or sufficiency of the assignment; and
- (c) it is the intent of the Company to surrender the Old Policy to the Insurer, and that any delay by the Insurer in paying the surrender proceeds so that they can be applied to the New Policy is beyond the control of the Company.

The Owner agrees to execute any additional documents necessary to effect the purpose of this assignment.

Signed this 2<sup>nd</sup> day of May, 2011 Alaska Trust Company, Trustee

Owner: \_\_\_\_\_

(For Corporate, Trust or Partnership Owned Policies show name and title of officer signing)

Brandon J. Cloutier  
Senior Vice President  
& Senior Trust Officer

Beneficiary (if required) \_\_\_\_\_

(For Corporate, Trust or Partnership Owned Policies)

Accepted by : Ashley Cooper Life International Insurer, SPC

the \_\_\_\_\_ day of \_\_\_\_\_,

By: \_\_\_\_\_

Title: Assistant Secretary

## Exhibit 8

## Exhibit 8



### POLICY LOAN REQUEST AND AGREEMENT

<b>Name of Insured</b>  Cheryl L. Davis  <b>Policy Owner</b>  Alaska USA Trust Company, as Trustees of the Beatrice B Davis Family Heritage Trust dated July 28, 2000	<b>Policy Number</b>  ACLI 1105-8007 PC
---	---

Ashley Cooper Life International Insurer, SPC is requested by the undersigned to enter into a Policy Loan Revolving Line of Credit, on the security of the loan value of this Policy at the request of the policy owner, made at any time, in an amount not exceeding Four Million U.S. Dollars (US\$ 4,000,000). Amounts shall be requested on the Draw request form attached to this agreement.

*It is understood and agreed that:*

- (A) This Policy Loan Revolving Line of Credit is made under and is subject to the terms of this Policy.
- (B) This Policy is hereby assigned to the Company as sole security for such Policy Loan Revolving Line of Credit (see the Collateral Assignment Agreement set out on the reverse of the policy).
- (C) The total loan shall include and cover any existing loan, including interest due or accrued.
- (D) Advances may be made by cash payments, the transfer of cash equivalents, such as marketable securities, or the transfer of other assets, the fair market value of which is readily ascertainable. If at any time and for any reason Borrower's Obligations exceed the above dollar limitation, Borrower shall immediately pay to Lender, in cash or by the return of such of the other assets initially advanced by Lender to Borrower, the amount of such excess.
- (E) The obligations of Borrower to Lender shall bear interest on the average daily balance owing, at a rate of 3.86% per annum computed on the basis of actual days elapsed.
- (F) Whenever the total indebtedness including accrued but unpaid interest shall exceed the loan value of the Policy, the Policy shall become void.

Each of the undersigned certified for himself, that no bankruptcy or insolvency proceedings have been filed or commenced by or against him.

Dated at Anchorage, Alaska

this 2<sup>nd</sup> day of September 2011

[Signature]  
Witness

[Signature]  
Signature of Owner  
for Alaska USA Trust Company

## COLLATERAL ASSIGNMENT

FOR VALUE RECEIVED the undersigned Assignor, being the owner of Policy No. ACLI 1105-8007 PC issued by ASHLEY COOPER LIFE INTERNATIONAL INSURER, SPC of 5<sup>th</sup> Floor, Windward 3, Regatta Office Park, P.O. Box 2185 Grand Cayman KY1-1105, CAYMAN ISLANDS (herein called "the Company") on the life of Cheryl L. Davis, does hereby assign, transfer and set over unto ASHLEY COOPER LIFE INTERNATIONAL INSURER SPC (herein called "the Assignee") as Collateral Security all claims, options, privileges, thereto, but subject to the terms and conditions of the said Policy and of this instrument and to any superior liens which the Company may have against the said Policy.

The undersigned by this instrument jointly and severally agree, and the Assignee by acceptance of this assignment agrees, to the terms, conditions, provisions and reservations hereinafter set forth:

1. **Death or Maturity Claim.** If the said Policy becomes the subject of claim by death or otherwise, the Company is hereby authorized to pay to the Assignee to the extent of the monies payable under the Policy an amount equal to the indebtedness secured by this assignment.
2. **Surrender and loans.** In the event of default in payment of the indebtedness secured by this Assignment, the Assignee, acting alone, may exercise any right permitted to the Policy to surrender the Policy of the purpose of effecting a loan thereunder or securing payment of the cash surrender value or to have the Policy endorsed for its reduced paid-up insurance, provided that the Assignee shall not be entitled to receive by way of loan or cash surrender value an amount in excess of the indebtedness secured by this Assignment.
3. **Proof of Debt and Default.** The company may accept the sworn statement of the Assignee as conclusive evidence of the amount of the indebtedness secured by this Assignment at any time or the fact that payment of the said indebtedness is in default.
4. **Dividends.** The right to withdraw any dividends now credited or which may hereafter by credited to the said Policy is reserved to the Assignor and excluded from this Assignment.
5. **Change of Beneficiary and Optional Modes of Settlement.** There are reserved to the Assignor and excluded from this Assignment the rights to designate and change a beneficiary and to elect any optional mode of settlement permitted by the Policy or allowed by the Company, provided that the reservations of these rights shall in no way impair the right of the Assignee to surrender the Policy with all its incidents or impair any other right of the Assignee hereunder, and any designation or change of beneficiary or election of a mode of settlement shall be made subject to this Assignment and to the rights of the Assignee hereunder.

The undersigned declares that no proceedings in bankruptcy are pending against him and that his property is not subject to any assignment for The benefit of creditors.

Signed and sealed this 2nd day of September, 2011.

In the presence of:

Angela Jackson  
Witness

Alaska USA Trust Company, Trustee of the  
Bertrice B. Davis Family Heritage Trust,  
by Janet Tengel, Senior Trust Officer  
Policy Owner

## Exhibit 9

## Exhibit 9

## PROMISSORY NOTE

\$802,775.00

September 1, 2011

**PROMISE TO PAY.** BEATRICE B. DAVIS REVOCABLE TRUST INDENTURE, DATED APRIL 4, 1990 ("Borrower"), whose address is 1001 West 59th Terrace, Kansas City, Missouri 64113, promises to pay to ALASKA USA TRUST COMPANY, Trustee, or its successors in trust, under the BEATRICE B. DAVIS FAMILY HERITAGE TRUST, dated July 28, 2000, ("Lender"), whose address is 500 W. 36th Avenue, Suite 200, Anchorage, AK 99503, or order, the principal amount of EIGHT HUNDRED TWO THOUSAND SEVEN HUNDRED SEVENTY FIVE AND 00/100 (\$827,775.00), or the aggregate unpaid principal amount of all advances made by Lender to Borrower hereunder, whichever is greater, together with interest at the rate equal to the 1.630% per annum, compounded annually, until said principal and all accrued interest shall have been paid and satisfied in full. The rate charged hereunder is intended to be the Applicable Federal Rate for mid-term quarterly rates published by the Internal Revenue Service, pursuant to Section 1274(d)(1) of the Internal Revenue Code of 1986, as amended, as of the date of this Note.

**ADVANCES.** During the period from the date hereof until the payment date set forth below, Lender, in its sole and absolute discretion, may make advances hereunder and Borrower may borrow, repay and reborrow, provided, however, that Lender's obligation to make advances and Borrower's right to borrow, repay and reborrow are subject to the terms, conditions and limitations contained in this Note. If any advances are made during the period from the date of this Note until the payment date, the outstanding principal balance of all advances hereunder plus accrued but unpaid interest thereon, and all other indebtedness under this Note, if not sooner paid, shall be due and payable on the payment date. Lender's books and records shall evidence all advances made by Lender to Borrower, which shall be conclusive absent manifest error.

**PAYMENT.** Payment in respect of the principal and accrued interest shall be made by the Borrower without demand or notice to the Lender on March 31, 2013. All payments due and payable hereunder shall be paid in lawful money of the United States of America; provided, however, that payment may be made in foreign currency or in-kind with the prior written consent of Lender. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges. The annual interest rate for this Note is computed on a 363/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**PREPAYMENT.** Partial or full payment of this Note will be accepted at anytime with the pro-rated interest due to the date of any such payment without penalty or premium for such prepayment.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, Lender, at its option, may, if permitted under applicable law, increase the Interest Rate on this Note (three (3.000) percentage points. The Interest Rate will not exceed the maximum rate permitted by applicable law.

**COLLATERAL.** Borrower acknowledges this Note is secured by an existing Security Agreement (the "Security Agreement") executed on April 1, 2004 in favor of Lender for certain personal property owned by Borrower, all the terms and conditions of which are hereby incorporated and made a part of this Note.

**RELATED DOCUMENTS.** The term "Related Documents", as used herein, means and includes without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements, and documents, whether now or hereafter existing, and all renewals, extensions, modifications, refinancings, consolidations, and substitutions thereof, executed in connection with this Note and the Security Agreement.



**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or any Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The Borrower's death, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid Principal Balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES, EXPENSES.** Lender may hire or pay someone else to help collect this Note. If Borrower does not pay, Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**GENERAL PROVISIONS.** If any provision of this Note shall, for any reason, be held to be invalid or unenforceable, such shall not affect any other provision hereof, but this Note shall be construed as if such invalid or unenforceable provision had never been contained herein. Any interest paid or agreed to be paid by Borrower to Lender shall not exceed the maximum amount permitted under applicable law and, in any contingency whatsoever, if Lender shall receive anything of value deemed interest under applicable law which would exceed the maximum amount of interest under applicable law, the excessive amount of interest shall be applied to reduce the unpaid principal amount of this Note or refunded to Borrower. The paragraph headings in this Note are for convenience only and they will not limit any of the provisions of this Note. Any notice mailed postage prepaid to Borrower's address shown at the beginning of this Note at least five (5) calendar days before the time of the event to which such notice relates shall be deemed reasonable. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party, partner, or guarantor or collateral, or impair, and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several. Lender may assign or transfer to another person or entity this Note (or any part of it including the Outstanding Balance) at any time. The person or entity to whom Lender transfers or assigns the Note will have all of Lender's

rights under this Agreement, Borrower cannot assign or transfer any of its rights or responsibilities under this Note. Use of the neuter gender shall be deemed to include the masculine and feminine, and reference to the singular shall include the plural and vice versa, as the parties and context require.

**GOVERNING LAW.** This Note will be governed by, construed and enforced in accordance with federal law and the laws of the State of Alaska. This Note has been accepted by Lender in the State of Alaska.

**JURY WAIVER.** Lender and Borrower hereby waives the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU (BORROWER(S)) AND US (LENDER) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.**

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

BEATRICE B. DAVIS REVOCABLE TRUST,  
dated April 4, 1990

By:

Christopher D. Davis, co-trustee

## Exhibit 10

## Exhibit 10

**PROMISSORY NOTE**  
**(With Revolving Line of Credit)**

Dated: April 4, 2013  
Kansas City, Missouri

\$20,000.00

FOR VALUE RECEIVED, Davis Family Office, LLC, a Missouri limited liability company ("Borrower"), hereby promises to pay to the order of Alaska USA Trust Company, Trustee, or its successors in trust, under the Beatrice B. Davis Family Heritage Trust, dated July 28, 2000 ("Lender"), at Lender's address at 500 W. 36<sup>th</sup> Avenue, Suite 20, Anchorage, AK 99503, the principal sum of TWENTY THOUSAND AND 00/100 (\$20,000.00) or the aggregate unpaid principal amount of all advances made by Lender to Borrower hereunder, whichever is greater, together with interest thereon from the date of advance at a rate per annum equal to the Base Rate (as hereinafter defined) until said principal sum and all accrued interest shall have been paid and satisfied in full.

During the period from the date hereof until April 4, 2020 (the "Termination Date"), Lender, in its sole and absolute discretion, may make advances hereunder and Borrower may borrow, repay and reborrow; provided, however, that Lender's obligation to make advances and Borrower's right to borrow, repay and reborrow are subject to the terms, conditions and limitations contained in this Note. If any advances are made during the period from the date of this Note until the Termination Date, the outstanding principal balance of all advances hereunder plus accrued but unpaid interest thereon, and all other indebtedness under this Note, if not sooner paid, shall be due and payable on the Termination Date. Lender's books and records shall evidence all advances made by Lender to Borrower, which shall be conclusive absent manifest error.

The term "Base Rate" as used herein shall mean the lesser of (i) the Applicable Federal Rate, for mid-term rates, pursuant to section 1274(d)(1) of the Internal Revenue Code of 1986, as amended, as such rate is published by the Internal Revenue Service from time to time, or (ii) the highest rate permitted by law on the date that this Note is issued.

Interest shall be computed on the basis of a three hundred and sixty-five (365) day year and actual days elapsed. All outstanding amounts owing under this Note, including unpaid interest and principal, shall be paid in full on or before the Termination Date.

Lender shall have the right, in its sole and absolute discretion, to extend the Termination Date by delivering written notice to Borrower. All payments shall be payable at Lender's address or at such other place as Lender may designate by delivering written notice to Borrower, in such coin or currency of the United States of America which, at the time of payment, shall be legal tender for the payment of public and private debts, or in money's worth.

Borrower may prepay this Note at any time, in whole or in part, or from time to time, without premium or penalty, but with accrued interest on the principal amount so prepaid.

All payments hereunder shall be applied first to the payment of interest on the unpaid principal of all advances outstanding under this Note, and then to the balance on account of the principal of all advances due under this Note.

Lender may collect a late charge not to exceed ten percent (10.00%) of any payment of interest or principal, or of any other amount due to Lender which is not paid or reimbursed by Borrower within twenty (20) days after demand therefor is made by Lender to defray the extra cost and expense involved in handling such delinquent payment and the increased risk of non-collection.

If at any time, the rate of interest, together with all amounts which constitute interest and which are reserved, charged or taken by Lender as compensation for fees, services or expenses incidental to the making, negotiating or collection of any advance evidenced hereby, shall be deemed by any competent court of law, governmental agency or tribunal to exceed the maximum of rate of interest permitted to be charged by Lender to Borrower, then, during such time as such rate of interest would be deemed excessive, that portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest so permitted shall be deemed a voluntary prepayment of principal.

Upon the happening of any Event of Default (as hereafter defined), all advances outstanding hereunder, together with accrued interest thereon, shall, at the option of Lender, accelerate and become immediately due and payable and any privilege of Borrower to take or request advances hereunder shall terminate without demand or notice of any kind. Failure to exercise such option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Lender may retain the services of a third party for the collection of this Note upon any Event of Default. Borrower agrees to pay Lender such amounts in connection with such collection. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law. This Note has been delivered to Lender and accepted by Lender in the State of Alaska. If there is a lawsuit, Borrower agrees, upon Lender's request, to submit to the jurisdiction of any court, state or federal, located in the 3<sup>rd</sup> Judicial District of the State of Missouri.

Each of the following shall constitute an Event of Default ("Event of Default") hereunder:

- (a) Failure or refusal by Borrower to make any payment of principal or interest due under this Note when due;
- (b) Failure by Borrower to observe or perform any other obligation, covenant, or condition of Borrower to Lender contained in this Note;
- (c) Failure by Borrower to observe or perform any obligations of Borrower to Lender on with respect to any transactions, debts, undertakings or agreements other than the transaction evidenced by this Note;
- (d) Any warranty, representation or statement made or furnished to Lender by or on or on behalf of Borrower under this Note, any agreement related to this Note, or in any other agreement or loan Borrower has with Lender shall prove to have been false or misleading in any material respect;
- (e) Filing by Borrower of a voluntary petition in bankruptcy or filing by Borrower of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition,

readjustment, liquidation, or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or the seeking, consenting to, or acquiescing by Borrower in the appointment of any trustee, receiver, custodian, conservator or liquidator for Borrower or the making by Borrower of any general assignment for the benefit of creditors, or the inability of or failure by Borrower to pay the debts generally as they become due, or the insolvency on a balance sheet basis or business failure of Borrower, or the making or suffering of a preference within the meaning of federal bankruptcy law or the making of a fraudulent transfer under applicable federal or state law, or concealment by Borrower of any of its property in fraud of creditors, or the giving of notice by Borrower to any governmental body of insolvency or suspension of operations;

(f) A material adverse change occurs in the assets, liabilities or net worth of Borrower or any guarantors of the indebtedness evidenced by this Note from the assets, liabilities or net worth of Borrower or any guarantors of the indebtedness evidenced by this Note previously disclosed to Lender; or

(g) Lender in good faith deems itself insecure.

Borrower agrees to pay all taxes levied or assessed upon the outstanding principal against any holder of this Note and to pay all reasonable costs, including attorneys' fees, costs relating to the appraisal and/or valuation of assets and all other costs and expenses incurred in the collection, protection, defense, preservation, or enforcement of this Note or any endorsement of this Note or in any litigation arising out of the transactions of which this Note or any endorsement of this Note is a part.

LENDER AND BORROWER IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY PROCEEDING HEREAFTER INSTITUTED BY OR AGAINST LENDER OR BORROWER IN RESPECT OF THIS NOTE OR ARISING OUT OF ANY DOCUMENT, INSTRUMENT OR AGREEMENT EVIDENCING, GOVERNING OR SECURING THIS NOTE.

BORROWER, TO THE EXTENT PERMITTED BY ANY STATE OR FEDERAL LAW, WAIVES THE RIGHT BORROWER MAY HAVE TO PRIOR NOTICE OF AND A HEARING ON THE RIGHT OF ANY HOLDER OF THIS NOTE TO ANY REMEDY OR COMBINATION OF REMEDIES THAT ENABLES SAID HOLDER, BY WAY OF ATTACHMENT, FOREIGN ATTACHMENT, GARNISHMENT OR REPLEVIN, TO DEPRIVE BORROWER OF ANY OF ITS PROPERTY, AT ANY TIME, PRIOR TO FINAL JUDGMENT IN ANY LITIGATION INSTITUTED IN CONNECTION WITH THIS NOTE.

Borrower hereby waives diligence, demand, presentment for payment, notice of nonpayment, protest and notice of protest, and notice of any renewals or extensions of this Note, and all rights under any statute of limitations, and agrees that the time for payment of this Note may be changed and extended in Lender's sole discretion, without impairing Borrower's liability hereon. Any delay on the part of Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted for one occasion shall not operate as a waiver in the event of any subsequent default.

The making of an advance at any time shall not be deemed a waiver of, or consent, agreement or commitment by Lender to the making of any future advance to Borrower.

If any provision of this Note shall, to any extent, be held invalid or unenforceable, then only such provision shall be deemed ineffective and the remainder of this Note shall not be affected.

This Note shall bind the successors and assigns of Borrower and shall inure to the benefit of Lender and its successor and assigns.

This Note shall be governed by and construed in accordance with the laws of the State of Alaska.

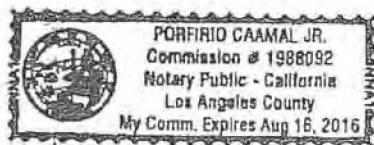
Davis Family Office, LLC

By: 

Christopher D. Davis,  
Sole Member

STATE OF California )  
COUNTY OF Los Angeles ) ss.

On this 24 day of July, 2013, before me, the undersigned, a Notary Public in and for said State, personally appeared Christopher D. Davis, Sole Member of the Davis Family Office, LLC, known to me to be the person described in and who executed the within Promissory Note and acknowledged to me that he executed the same for the purposes therein stated, as his free act and deed.



  
Notary Public

My Commission Expires: 8/16/16



IN THE SUPREME COURT OF THE STATE OF NEVADA

Christopher D. Davis,  
Appellant,  
  
v.  
  
Caroline Davis,  
Respondent.

No. 68542

DOCKETING STATEMENT  
CIVIL APPEALS

Electronically Filed  
Oct 21 2015 01:43 p.m.  
Tracie K. Lindeman  
Clerk of Supreme Court

GENERAL INFORMATION

All appellants not in proper person must complete this docketing statement. NRAP 14(a). The purpose of the docketing statement is to assist the Supreme Court in screening jurisdiction, classifying cases for en banc, panel, or expedited treatment, compiling statistical information and identifying parties and their counsel.

WARNING

This statement must be completed fully, accurately and on time. NRAP 14(c). The Supreme Court may impose sanctions on counsel or appellant if it appears that the information provided is incomplete or inaccurate. *Id.* Failure to fill out the statement completely or to file it in a timely manner constitutes grounds for the imposition of sanctions, including a fine and/or dismissal of the appeal.

A complete list of the documents that must be attached appears as Question 26 on this docketing statement. Failure to attach all required documents will result in the delay of your appeal and may result in the imposition of sanctions.

This court has noted that when attorneys do not take seriously their obligations under NRAP 14 to complete the docketing statement properly and conscientiously, they waste the valuable judicial resources of this court, making the imposition of sanctions appropriate. See KDI Sylvan Pools v. Workman, 107 Nev. 340, 344, 810 P.2d 1217, 1220 (1991). Please use tab dividers to separate any attached documents.



1. Judicial District Eighth Department 26

County Clark Judge Gloria Sturman

District Ct. Case No. P-15-083867-T

**2. Attorney filing this docketing statement:**

Attorney Anthony L. Barney; Harriet Roland Telephone 702-438-7878; 702-452-1500

Firm Anthony L. Barney, Ltd.; Roland Law Firm

Address 3317 W. Charleston Blvd., Suite B., Las Vegas, NV 89102;  
2470 E. Saint Rose Pkwy, Ste. 105, Henderson, NV 89074

Client(s) Christopher D. Davis

If this is a joint statement by multiple appellants, add the names and addresses of other counsel and the names of their clients on an additional sheet accompanied by a certification that they concur in the filing of this statement.

**3. Attorney(s) representing respondents(s):**

Attorney Joshua M. Hood; Mark A. Solomon Telephone 702-853-5483

Firm Solomon Dwiggin & Freer, Ltd.

Address 9060 W. Cheyenne Ave., Las Vegas, NV 89129

Client(s) Caroline Davis

Attorney \_\_\_\_\_ Telephone \_\_\_\_\_

Firm \_\_\_\_\_

Address \_\_\_\_\_

Client(s) \_\_\_\_\_

(List additional counsel on separate sheet if necessary)

**4. Nature of disposition below (check all that apply):**

- |   |   |
|---|---|
| <input type="checkbox"/> Judgment after bench trial         | <input type="checkbox"/> Dismissal:   |
| <input type="checkbox"/> Judgment after jury verdict        | <input type="checkbox"/> Lack of jurisdiction   |
| <input type="checkbox"/> Summary judgment                   | <input type="checkbox"/> Failure to state a claim   |
| <input type="checkbox"/> Default judgment                   | <input type="checkbox"/> Failure to prosecute   |
| <input type="checkbox"/> Grant/Denial of NRCP 60(b) relief  | <input type="checkbox"/> Other (specify): _____   |
| <input type="checkbox"/> Grant/Denial of injunction         | <input type="checkbox"/> Divorce Decree:  |
| <input type="checkbox"/> Grant/Denial of declaratory relief | <input type="checkbox"/> Original <input type="checkbox"/> Modification                   |
| <input type="checkbox"/> Review of agency determination     | <input checked="" type="checkbox"/> Other disposition (specify): <u>NRS 155.190(1)(h)</u> |

**5. Does this appeal raise issues concerning any of the following?**

- ☐ Child Custody
- ☐ Venue
- ☐ Termination of parental rights

**6. Pending and prior proceedings in this court.** List the case name and docket number of all appeals or original proceedings presently or previously pending before this court which are related to this appeal:

Davis v. Eighth Judicial District Court, Case #68948

**7. Pending and prior proceedings in other courts.** List the case name, number and court of all pending and prior proceedings in other courts which are related to this appeal (e.g., bankruptcy, consolidated or bifurcated proceedings) and their dates of disposition:

None in Nevada - only the underlying proceeding, Case # P-15-083867-T.

**8. Nature of the action.** Briefly describe the nature of the action and the result below:

This is a trust action. An initial petition was filed requesting the Eighth Judicial District Court ("Court") to take jurisdiction over a trust and its alleged trustee and force parties associated with the Trust to provide documents. It did not state any claims for relief and was mailed to various parties. It was not personally served. Thereafter, Appellant, a beneficiary, and an alleged investment trust advisor filed a motion to dismiss pursuant to NRCP 12(b) and 19 alleging lack of service of process, failure to serve, failure to join indispensable parties, and for the lack of compliance with the trust documents in the alleged change in trust situs to Nevada (i.e. failure to obtain all beneficiaries consent and the failure of the resigned trustee in Alaska to obtain the advice of counsel). The Court exercised jurisdiction over the trust and its alleged trustee as a constructive trust and ordered that various parties provide documents over which the Court had no jurisdiction (and later admitted it did not have jurisdiction). Appellant filed this appeal pursuant to NRS 155.190 (1)(h) based upon the appointment of trustee. If an investment trust advisor is not treated like that of a trustee, a Writ of Prohibition and Mandamus was filed on October 8, 2015.

**9. Issues on appeal.** State specifically all issues in this appeal (attach separate sheets as necessary):

The issues on appeal are the following: 1) whether the court can take jurisdiction over a trust as a constructive trust when personal service has not been effectuated on any party to award this specific remedy; 2) what type of jurisdiction does the court have over an investment trust advisor pursuant to NRS 139.5555, especially when personal service has not been made and claims have not been raised against the investment trust advisor; 3) can a court obtain in personam jurisdiction over a trust investment advisor when personal service has not been effectuated, claims have not been raised, allegations have not been raised of acts occurring within the jurisdiction and court findings have not been made as to any acts of the investment trust advisor; 4) whether the alleged change in situs was effectuated pursuant to the terms of the trust such that all required beneficiaries were given notice and the already resigned trustees in Alaska obtained advice from counsel regarding whether a change in situs was in the best interests of the beneficiaries; and (SEE ADDITIONAL SHEET)

**10. Pending proceedings in this court raising the same or similar issues.** If you are aware of any proceedings presently pending before this court which raises the same or similar issues raised in this appeal, list the case name and docket numbers and identify the same or similar issue raised:

N/A

**11. Constitutional issues.** If this appeal challenges the constitutionality of a statute, and the state, any state agency, or any officer or employee thereof is not a party to this appeal, have you notified the clerk of this court and the attorney general in accordance with NRAP 44 and NRS 30.130?

☒ N/A

☐ Yes

☐ No

If not, explain:

**12. Other issues.** Does this appeal involve any of the following issues?

☐ Reversal of well-settled Nevada precedent (identify the case(s))

☒ An issue arising under the United States and/or Nevada Constitutions

☐ A substantial issue of first impression

☒ An issue of public policy

☐ An issue where en banc consideration is necessary to maintain uniformity of this court's decisions

☐ A ballot question

If so, explain: The appeal concerns issues of due process and exercise of jurisdiction without findings pursuant to Nevada's long arm statute and a minimum contacts analysis. If investment trust advisors are exposed to in personam jurisdiction for simply being named in a trust then it will discourage the creation of trusts in Nevada.

**13. Trial.** If this action proceeded to trial, how many days did the trial last? \_\_\_\_\_

Was it a bench or jury trial? \_\_\_\_\_

**14. Judicial Disqualification.** Do you intend to file a motion to disqualify or have a justice recuse him/herself from participation in this appeal? If so, which Justice?  
N/A

## TIMELINESS OF NOTICE OF APPEAL

**15. Date of entry of written judgment or order appealed from** July 1, 2015

If no written judgment or order was filed in the district court, explain the basis for seeking appellate review:

**16. Date written notice of entry of judgment or order was served** July 1, 2015

Was service by:

☐ Delivery

☒ Mail/electronic/fax

**17. If the time for filing the notice of appeal was tolled by a post-judgment motion (NRCP 50(b), 52(b), or 59)**

(a) Specify the type of motion, the date and method of service of the motion, and the date of filing.

☐ NRCP 50(b)      Date of filing \_\_\_\_\_

☐ NRCP 52(b)      Date of filing \_\_\_\_\_

☐ NRCP 59      Date of filing \_\_\_\_\_

**NOTE: Motions made pursuant to NRCP 60 or motions for rehearing or reconsideration may toll the time for filing a notice of appeal. See AA Primo Builders v. Washington, 126 Nev. \_\_\_\_, 245 P.3d 1190 (2010).**

(b) Date of entry of written order resolving tolling motion \_\_\_\_\_

(c) Date written notice of entry of order resolving tolling motion was served \_\_\_\_\_

Was service by:

☐ Delivery

☐ Mail

**18. Date notice of appeal filed** July 30, 2015

---

If more than one party has appealed from the judgment or order, list the date each notice of appeal was filed and identify by name the party filing the notice of appeal:

**19. Specify statute or rule governing the time limit for filing the notice of appeal, e.g., NRAP 4(a) or other**

NRAP 4(a)

---

**SUBSTANTIVE APPEALABILITY**

**20. Specify the statute or other authority granting this court jurisdiction to review the judgment or order appealed from:**

(a)

- |  |                                       |
|--|---------------------------------------|
| <input type="checkbox"/> NRAP 3A(b)(1)                                       | <input type="checkbox"/> NRS 38.205   |
| <input type="checkbox"/> NRAP 3A(b)(2)                                       | <input type="checkbox"/> NRS 233B.150 |
| <input type="checkbox"/> NRAP 3A(b)(3)                                       | <input type="checkbox"/> NRS 703.376  |
| <input checked="" type="checkbox"/> Other (specify) <u>NRS 155.190(1)(h)</u> |                                       |
- 

(b) Explain how each authority provides a basis for appeal from the judgment or order:  
The Court took alleged jurisdiction over a trust as a constructive trust and appointed a trustee, which is appealable order under NRS 155.190(1)(h).

**21. List all parties involved in the action or consolidated actions in the district court:**

(a) Parties:

Caroline Davis, Petitioner; Dunham Trust Company, alleged Nevada Trustee, Stephen Lenhardt, alleged Trust Protector; Christopher D. Davis, alleged Trust Investment Advisor; Tarja Davis, beneficiary; Cheryl Davis; Winfield B. Davis; Ace Davis; FHT Holdings, LLC

(b) If all parties in the district court are not parties to this appeal, explain in detail why those parties are not involved in this appeal, *e.g.*, formally dismissed, not served, or other:

Stephen Lenhardt was dismissed as a party without prejudice; Dunham Trust Company is neutral with respect to the appeal; all other parties are beneficiaries or prior beneficiaries who are being provided notice of these matters but are not otherwise involved in the underlying matter or this appeal.

**22. Give a brief description (3 to 5 words) of each party's separate claims, counterclaims, cross-claims, or third-party claims and the date of formal disposition of each claim.**

There are no claims, counter-claims, cross claims or third party claims that have been raised in this matter. Caroline Davis simply wanted information from different parties and Christopher D. Davis has disputed Nevada jurisdiction as the forum in which she is attempting to do so.

**23. Did the judgment or order appealed from adjudicate ALL the claims alleged below and the rights and liabilities of ALL the parties to the action or consolidated actions below?**

☒ Yes

☐ No

**24. If you answered "No" to question 23, complete the following:**

(a) Specify the claims remaining pending below:

(b) Specify the parties remaining below:

(c) Did the district court certify the judgment or order appealed from as a final judgment pursuant to NRCP 54(b)?

☐ Yes

☐ No

(d) Did the district court make an express determination, pursuant to NRCP 54(b), that there is no just reason for delay and an express direction for the entry of judgment?

☐ Yes

☐ No

**25. If you answered "No" to any part of question 24, explain the basis for seeking appellate review (e.g., order is independently appealable under NRAP 3A(b)):**

**26. Attach file-stamped copies of the following documents:**

- The latest-filed complaint, counterclaims, cross-claims, and third-party claims
- Any tolling motion(s) and order(s) resolving tolling motion(s)
- Orders of NRCP 41(a) dismissals formally resolving each claim, counterclaims, cross-claims and/or third-party claims asserted in the action or consolidated action below, even if not at issue on appeal
- Any other order challenged on appeal
- Notices of entry for each attached order

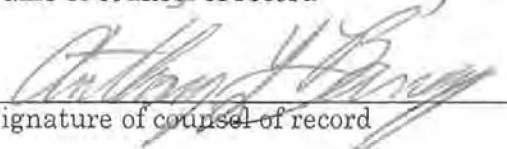


## VERIFICATION

I declare under penalty of perjury that I have read this docketing statement, that the information provided in this docketing statement is true and complete to the best of my knowledge, information and belief, and that I have attached all required documents to this docketing statement.

CHRISTOPHER D DAVIS  Anthony L. Barney  
Name of appellant Name of counsel of record

10/21/2015  
Date

  
Signature of counsel of record

CA Los Angeles  
State and county where signed

Las Vegas, Nevada (Clark)

## CERTIFICATE OF SERVICE

I certify that on the 21<sup>st</sup> day of October, 2015, I served a copy of this completed docketing statement upon all counsel of record:

- ☐ By personally serving it upon him/her; or
- ☒ By mailing it by first class mail with sufficient postage prepaid to the following address(es): (NOTE: If all names and addresses cannot fit below, please list names below and attach a separate sheet with the addresses.)

Joshua M. Hood, Esq.  
Mark A. Solomon, Esq.  
Solomon Dwiggin Freer, Ltd.  
9060 West Cheyenne Avenue  
Las Vegas, Nevada 89129

(See Additional Sheet for Additional Parties Served with Docketing Statement)

Dated this 21<sup>st</sup> day of October, 2015

  
Signature

## Supplemental Pages to Docketing Statement

### Issues on Appeal (continued):

... and 5) whether the Alaska trustees are indispensable parties since as the prior trustee they have all the requested documents and Dunham Trust Company has no duty to account for their records.

### Certificate of Service - Additional Parties:

Cheryl Davis  
5403 West 134 Terrace, Unit 1525  
Overland Park, KS 66209

Tarja Davis  
3005 North Beverly Glen Circle  
Las Angeles, California 90077

And  
514 West 26<sup>th</sup> Street, #3E  
Kansas City, Missouri 64108

Winfield B. Davis  
Skyline Terrace Apts.  
930 Figueroa Terr. Apt. 529  
Los Angeles, California 90012-3072

Ace Davis  
c/o Winfield B. Davis  
Skyline Terrace Apts.  
930 Figueroa Terr. Apt. 529  
Los Angeles, California 90012-3072

Christopher D. Davis  
3005 North Beverly Glen Circle  
Los Angeles, California 90077

And  
514 West 26<sup>th</sup> Street, #3E  
Kansas City, Missouri 64108

Registered Agent Solutions, Inc.  
Resgistered Agent for TRUST Holdings, LLC, a Nevada Limited Liability Company  
4625 West Nevso Drive, Suite 2  
Las Vegas, Nevada 89103

JONATHAN W. BARLOW, ESQ.

CLEAR COUNSEL LAW GROUP

50 Stephanie Street, Suite 101

Henderson, Nevada 89012

[Jonathan@clearcounsel.com](mailto:Jonathan@clearcounsel.com)

*Attorneys for Stephen K. Lehnardt*

Mark Solomon, Esq.

Joshua Hood, Esq.

**SOLOMON DWIGGINS & FREER, LTD.**

9060 W. Cheyenne Ave.

Las Vegas, NV 89129

*Attorney for Petitioner Caroline Davis*

DUNHAM TRUST

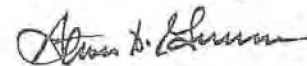
SHANNA CORESSAL, CTFA

c/o Charlene Renwick, Esq.

Lee, Hernandez, Landrum & Garofalo

7575 Vegas Drive, #150

Las Vegas, Nevada 89128



CLERK OF THE COURT

**PET**

Mark A. Solomon, Esq., Bar No. 418  
msolomon@sdfnlaw.com  
Joshua M. Hood, Esq. Bar No. 12777  
jhood@sdfnlaw.com  
SOLOMON DWIGGINS & FREER, LTD.  
9060 West Cheyenne Avenue  
Las Vegas, Nevada 89129  
Telephone: 702.853.5483  
Facsimile: 702.853.5485

*Attorneys for Caroline Davis, Petitioner*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

In the Matter of:

Case No.: P-15-083867-T  
Dept.: Probate

The BEATRICE B. DAVIS FAMILY  
HERITAGE TRUST, dated July 28, 2000, as  
amended on February 24, 2014

Hearing Date:  
Hearing Time:

**PETITION TO ASSUME JURISDICTION OVER THE BEATRICE B. DAVIS FAMILY  
HERITAGE TRUST, DATED JULY 28, 2000, AS AMENDED ON FEBRUARY 24, 2014;  
TO ASSUME JURISDICTION OVER CHRISTOPHER D. DAVIS AS INVESTMENT  
TRUST ADVISOR AND STEPHEN K. LEHNARDT AS DISTRIBUTION TRUST  
ADVISOR; TO CONFIRM DUNHAM TRUST COMPANY AS DIRECTED TRUSTEE;  
AND FOR IMMEDIATE DISCLOSURE OF DOCUMENTS AND INFORMATION  
FROM CHRISTOPHER D. DAVIS**

Caroline D. Davis, as beneficiary of the Beatrice B. Davis Family Heritage Trust, dated July 28, 2000, as amended on February 24, 2014, by and through her counsel, the law firm of Solomon Dwiggins & Freer, Ltd., hereby submits this Petition To Assume Jurisdiction Over The Beatrice B. Davis Family Heritage Trust, dated July 28, 2000, as amended on February 24, 2014; To Assume Jurisdiction Over Christopher D. Davis as Investment Trust Advisor and Stephen K. Lehnardt as Distribution Trust Advisor; To Confirm Dunham Trust Company As Directed Trustee; and For Immediate Disclosure of Documents and Information From Christopher D. Davis. Pursuant to NRS §153.031(e), (f), (h) and (q); NRS §163.115; NRS §164.005; NRS §164.010; and NRS §164.015, Petitioner alleges as follows:

1. Beatrice B. Davis ("Beatrice") executed the Beatrice B. Davis Family Heritage Trust on July 28, 2000 (the "Trust"), in Jackson County, Missouri. A true and correct copy of the Trust is attached hereto as Exhibit 1.

2. Beatrice died on January 5, 2012, in Prairie Village, Kansas. See, Statement as to Death, a true and correct copy is attached hereto as Exhibit 2.

3. Beatrice was survived by her daughter, Caroline D. Davis ("Caroline") and her son Christopher D. Davis ("Christopher"). Beatrice had no predeceased children.

4. The names, ages, relationship and residences of the persons interested in the Trust so far as known to Caroline, are as follows:

Name	Age	Relationship	Residence
Caroline D. Davis	Adult	Beneficiary	2501 Nob Hill Place North Seattle, Washington 98109
Christopher D. Davis	Adult	Beneficiary	3005 North Beverly Glen Cir. Los Angeles, California 90077

5. Pursuant to Article Eight, Section 1 of the Trust, after the death of Beatrice, "[a]ll trust property not previously distributed under the terms of [the] trust agreement shall be divided into equal separate shares so as to create one share for each of my then living children, and one equal share for each of my deceased children that has descendants then living." See, Ex. 1, at Art. 8, §1. Further, pursuant to Article Eight, Section 4 of the Trust, the Trustee of Caroline's Share and Christopher's Share is permitted to distribute so much of the income and principal as the Trustee shall determine in the Trustee's sole and absolute discretion for Caroline and Christopher's lifetime. Id., at Art. 8, §4. As such, Caroline and Christopher are the current lifetime beneficiaries of the Trust.

6. Pursuant to the terms of the Trust, Alaska Trust Company ("Alaska") was appointed as the initial Trustee, and Stephen K. Lehnardt ("Mr. Lehnardt") was appointed as the initial Trust Protector. See, Ex. 1, at Art. 1, §1.

7. On August 2, 2011, Mr. Lehnardt, as Trust Protector, removed Alaska as Trustee and appointed Alaska USA Trust Company ("Alaska USA") as Trustee of the Trust. See, Acceptance As Trustee, a true and correct copy is attached hereto as Exhibit 3.

1           8.     On December 5, 2013 Alaska USA resigned as Trustee. See, Resignation of  
2 Trustee, a true and correct copy is attached hereto as Exhibit 4. Dunham Trust Company, located  
3 in Reno, Nevada ("Dunham") was nominated by Mr. Lehnardt, in his capacity as Trust Protector,  
4 to serve as Successor Trustee. Dunham subsequently accepted appointment and is currently  
5 serving as Successor Trustee of the Trust.

6           9.     On February 24, 2014, pursuant to Article Fourteen, Section 6 of the Trust, Mr.  
7 Lehnardt, in his capacity as Trust Protector, executed the First Amendment to the Beatrice B.  
8 Davis Family Heritage Trust (the "First Amendment"). A true and correct copy of the First  
9 Amendment is attached hereto as Exhibit 5. The purpose of the First Amendment was "to change  
10 references to Alaska or Alaska law to references to such new situs or the law of such new situs..."  
11 See, Ex. 1, at Art. 14, §6.

12           10.    Pursuant to Article One, Section 2 of the First Amendment, the Trust situs is now  
13 Nevada, and the Trust and all trusts created thereunder are governed by Nevada law. See, Ex. 6, at  
14 p. 1, Art. 1, §2.

15           11.    Article Thirteen, Section 2.d. of the First Amendment, appointed Dunham as the  
16 "Directed Trustee" pursuant to NRS §163.553 et. seq. Id., at p. 2, Art. 13, §2.d., First.

17           12.    Article Thirteen, Section 2.d. of the First Amendment, further appointed  
18 Christopher as the "Investment Trust Advisor" pursuant to NRS §163.5543, and designated him  
19 as a "Fiduciary" under NRS §16.554. Id., at p.2-3, Art. 13, §2.d., Second. Pursuant to the First  
20 Amendment, Christopher is provided the "full power to manage the investments and  
21 reinvestments of the trust", and Dunham, as Directed Trustee, has no authority act or interfere  
22 with the actions of Christopher, as the Investment Trust Advisor, unless otherwise directed. Id., at  
23 p. 3.

24           13.    Article Thirteen, Section 2.d. of the First Amendment, appointed Mr. Lehnardt, in  
25 his capacity as the Trust Protector of the Trust, as the "Distribution Trust Advisor" pursuant to  
26 NRS §163.5537, and designated him as "Fiduciary" pursuant to NRS §163.554. Id., at p. 3, Art.  
27 13, §2.d., Third.

28

14. Therefore, pursuant to the terms of the First Amendment, whereby: (1) the Trust and all trusts created thereunder are governed by the laws of the State of Nevada; (2) Christopher is currently serving as Investment Trust Advisor and has submitted to the laws of the State of Nevada, including Clark County; (3) Mr. Lehnardt is currently serving as Distribution Trust Advisor and has submitted to the laws of the State of Nevada, including Clark County; and (4) Dunham, a Nevada Trust Company conducting business throughout the State of Nevada, including Clark County, is currently serving as Directed Trustee, this Court should assume jurisdiction over the Trust as a proceeding *in rem*, assume jurisdiction over Christopher as Investment Trust Advisor of the Trust pursuant to NRS § 163.5555, assume jurisdiction over Mr. Lehnardt as Distribution Trust Advisor of the Trust pursuant to NRS § 163.5555, and confirm Dunham as Directed Trustee of the Trust.

**PETITION FOR THE IMMEDIATE DISCLOSURE OF DOCUMENTS AND  
INFORMATION FROM CHRISTOPHER D. DAVIS**

15. On May 9, 2011, the Trust became the owner and Beneficiary of an Ashley Cooper Life Insurance Policy, Policy Number ACLI 1105-8007 PC (the "Policy"). A true and correct copy of the Policy is attached hereto as **Exhibit 6**.<sup>1</sup> The Policy is the primary asset held within the Trust.

16. The initial specified amount of insurance, or face cover value, is \$35,000,000.00. *See*, Ex. 6, at Declaration Page.

17. The Insured is Cheryl Davis, Christopher's ex-wife, and the maturity date is September 28, 2054. *Id.*

18. Pursuant to Section 10 of the Policy, the Owner (i.e., the Trust) is permitted to obtain one or more Policy loans from Ashley Cooper Life International Insurer ("Ashley Cooper"). *Id.*

19. While Alaska was serving as Trustee of the Trust, Alaska entered into a Policy Loan Revolving Line of Credit on September 2, 2011, for \$4,000,000 (the "Line of Credit"). A

<sup>1</sup> According to the Absolute Assignment To Effect A Section 1035 Exchange, a true and correct copy of which is attached hereto as **Exhibit 7**, Advantage Life & Annuity Company SPC Policy No. ALIP 008-1031 was assigned to Ashley Cooper Life International Insurer ("Ashely Cooper") on May 2, 2011.



true and correct copy of the Policy Loan Request and Agreement and Collateral Assignment is attached hereto as **Exhibit 8**.

20. Throughout Alaska and Alaska USA's tenure as Trustee(s) of the Trust, several Policy loans were drawn upon the Policy's Line of Credit, the proceeds of such loans were deposited in to Alaska USA Trust Account Number \*\*\*\*1938, and subsequently distributed to one or more of the following entities: (1) The Beatrice B. Davis Revocable Trust, dated April 4, 1990, as amended; (2) The Davis Family Office, LLC; and (3) Christopher, individually.

21. Below is a list of all known Policy loans and distribution of the proceeds made from on or around September 6, 2011 through June 13, 2014:

Date	Loans Withdrawn by the Trust From the Ashley Cooper Insurance Policy	The Recipient of the Loan Proceeds Pursuant to Promissory Note(s)		
		The Revocable Living Trust <sup>2</sup>	Davis Family Office, LLC <sup>3</sup>	Christopher, individually <sup>4</sup>
09/06/11	\$170,000.00 <sup>5</sup>	\$170,000.00 <sup>6</sup>		
12/15/11	\$18,000.00 <sup>7</sup>	\$18,000.00 <sup>8</sup>		
02/09/12	\$75,000.00 <sup>9</sup>	\$75,000.00 <sup>10</sup>		
03/28/12	\$100,000.00 <sup>11</sup>	\$100,000.00 <sup>12</sup>		
03/04/13	\$50,000.00 <sup>13</sup>	\$50,000.00 <sup>14</sup>		

<sup>2</sup> See, Promissory Note dated 09/01/2011 (an asset of the Trust), a true and correct copy of which is attached hereto as Exhibit 9. See also Ex. 8, the Policy Loan Request & Agreement and the Collateral Assignment.

<sup>3</sup> See, Promissory Note dated 04/04/2013 (an asset of the Trust), a true and correct copy of which is attached hereto as Exhibit 10.

<sup>4</sup> See, Promissory Note dated 03/26/2013 (an asset of the Trust), a true and correct copy of which is attached hereto as Exhibit 11.

<sup>5</sup> See, Ashley Cooper Quarterly Statement Ending on September 30, 2011, for Life Policy No. ACLI 1105-8007 PC, a true and correct copy of which is attached hereto as Exhibit 12.

<sup>6</sup> See, Alaska USA Trust Company Statement: January 1, 2011 to December 31, 2011 (Account Number \*\*\*\*1938), a true and correct copy is attached hereto as Exhibit 13, at p. 3.

<sup>7</sup> See, Ashley Cooper Quarterly Statement Ending on December 31, 2011, for Life Policy No. ACLI 1105-8007 PC, a true and correct copy of which is attached hereto as Exhibit 14.

<sup>8</sup> See, Ex. 13, at p. 3.

<sup>9</sup> See, Ashley Cooper Quarterly Statement Ending on March 31, 2012, for Life Policy No. ACLI 1105-8007 PC, a true and correct copy of which is attached hereto as Exhibit 15.

<sup>10</sup> See, Alaska USA Trust Company Statement: January 1, 2012 to December 31, 2012 (Account Number \*\*\*\*1938), a true and correct copy is attached hereto as Exhibit 16, at p. 3.

<sup>11</sup> See, Ex. 15.

<sup>12</sup> See, Ex. 16, at p. 3.

<sup>13</sup> See, Ashley Cooper Quarterly Statement Ending on March 31, 2013, for Life Policy No. ACLI 1105-8007 PC, a true and correct copy of which is attached hereto as Exhibit 17.



03/14/13	\$53,000.00 <sup>15</sup>	\$53,000.00 <sup>16</sup>		
03/25/13	\$94,239.00 <sup>17</sup>			\$75,391.20 and \$18,847.80 <sup>18</sup>
03/28/13	\$70,000.00 <sup>19</sup>		\$20,000.00 <sup>20</sup>	\$50,000.00 <sup>21</sup>
05/09/13	\$150,000.00 <sup>22</sup>		\$25,000.00 <sup>23</sup>	\$125,000.00 <sup>24</sup>
06/26/13	\$290,700.00 <sup>25</sup>	\$69,500.00 <sup>26</sup>	\$79,900.00 <sup>27</sup>	\$126,300.00 <sup>28</sup>
09/17/13	\$134,000.00 <sup>29</sup>			\$134,000.00 <sup>30</sup>
10/08/13	\$200,750.00 <sup>31</sup>	\$22,500.00 <sup>32</sup>	\$50,250.00 <sup>33</sup>	\$128,000.00 <sup>34</sup>
06/13/14	\$25,000.00 <sup>35</sup>			
Totals	\$1,430,689.00	\$558,000	\$175,150.00	\$657,539.00

22. It is important to note that, pursuant terms of the Beatrice B. Davis Revocable Living Trust, dated April 4, 1990, as amended (the "Revocable Living Trust"),<sup>36</sup> upon Beatrice's

<sup>14</sup> See, Alaska USA Trust Company Statement: January 1, 2013 to December 31, 2013 (Account Number\*\*\*\*1938), a true and correct copy is attached hereto as Exhibit 18, at p. 3.

<sup>15</sup> See, Ex. 17.

<sup>16</sup> See, Ex. 18, at p.3.

<sup>17</sup> See, Ex. 17.

<sup>18</sup> See, Ex. 18, at p. 3

<sup>19</sup> See, Ex. 17.

<sup>20</sup> See, Ex. 18, at p. 4

<sup>21</sup> Id.

<sup>22</sup> See, Ashley Cooper Quarterly Statement Ending on June 30, 2013, for Life Policy No. ACLI 1105-8007 PC, a true and correct copy of which is attached hereto as Exhibit 19.

<sup>23</sup> See, Ex. 18, at p. 4

<sup>24</sup> Id.

<sup>25</sup> See, Ex. 19.

<sup>26</sup> See, Ex. 18, at p. 5.

<sup>27</sup> Id.

<sup>28</sup> Id.

<sup>29</sup> See, Ex. 18, at p. 5. Note that we do not currently have a copy of the Ashley Cooper Quarterly Statement for Life Policy No. ACLI 1105-8007 PC, which corresponds to the transaction date for this loan.

<sup>30</sup> Id.

<sup>31</sup> See, Ashley Cooper Quarterly Statement Ending on December 31, 2013, for Life Policy No. ACLI 1105-8007 PC, a true and correct copy of which is attached hereto as Exhibit 20.

<sup>32</sup> See, Ex. 18, at p. 6

<sup>33</sup> Id.

<sup>34</sup> Id.

<sup>35</sup> See, Ashley Cooper Quarterly Statement Ending on June 30, 2014, for Life Policy No. ACLI 1105-8007 PC, a true and correct copy of which is attached hereto as Exhibit 21. Note that we do not have possession of statements from Alaska USA Trust Company indicating the disposition of the loan proceeds.

1 incapacity or inability to serve as Trustee, Christopher and Caroline were appointed as Successor  
2 Trustees. See, Ex. 9, at First Amendment, Eighth(1). Due to Beatrice's diminished capacity, on  
3 or about March of 2007, pursuant to an Affidavit of Trust, Caroline and Christopher assumed  
4 their role as successor Trustees. See, Affidavit of Trust, a true and correct copy is attached hereto  
5 as **Exhibit 23**.<sup>37</sup> On or about March 22, 2007, Caroline executed a Delegation of Authority to  
6 allow Christopher to act as sole Trustee of the Revocable Living Trust. See, Delegation of  
7 Authority, a true and correct copy is attached hereto as **Exhibit 24**.<sup>38</sup> After Caroline inquired  
8 Christopher about the Policy loans and his administration of the Revocable Living Trust and his  
9 refusal to provide adequate documentation or information, Caroline revoked the Delegation of  
10 Authority on September 23, 2014. See, Revocation of Delegation of Authority, a true and correct  
11 copy is attached hereto as **Exhibit 25**.

12  
13  
14 23. Consequently, any Policy loans taken and/or received by the Revocable Living  
15 Trust were initiated by Christopher, while acting in his capacity as Trustee of the Revocable  
16 Living Trust. Additionally, any Policy loans taken and/or received by the Davis Family Office,  
17 LLC, a Missouri limited liability company ("DFO"), were also initiated by Christopher, while  
18 acting in his capacity as Manager of DFO.

19  
20 24. As illustrated in the aforementioned list of all known Policy loans, the Trust has  
21 distributed at least \$1,300,689.00 between the Revocable Living Trust, the DFO, and Christopher,  
22 individually, all of which were made at Christopher's insistence or direction in either his  
23 individual capacity, his capacity as the sole acting Trustee of the Revocable Living Trust, and his

24  
25 <sup>36</sup> True and correct copies of the Revocable Trust; the First Amendment, dated February 3, 1997; and, the Second  
Amendment, dated May 11, 1998, are collectively attached hereto as **Exhibit 22**.

26 <sup>37</sup> Note that the Affidavit of Trust attached as Exhibit 10 is an unsigned copy of the Affidavit of Trust. However, Caroline  
27 is aware that such document was signed.

28 <sup>38</sup> Although the Delegation of Authority attached as Exhibit 11 is not executed, Caroline is aware that such document was  
executed, effectively providing Christopher with the authority to act singly.

1 capacity as the sole Manager of the DFO. Pursuant to correspondence dated April 11, 2014, from  
2 Paul Fordham, the Ashley Cooper Client Services Manager, the "life insurance policy has  
3 outstanding loans totaling \$2,164,744.68." See, Correspondence, a true and correct copy is  
4 attached hereto as Exhibit 26. Please note that this figure does not include any of the accrued  
5 interest for said Policy loans, nor does it include any additional loan amounts withdrawn by the  
6 Trust, Christopher Davis, or the DFO after such date.

7  
8 25. As Caroline is a current beneficiary the Trust<sup>39</sup> and the loans are current assets  
9 held within the Trust, Caroline is entitled to complete documentation and information related to  
10 the Policy loans, including, but not limited to, the identity of any entity, trust or individual who  
11 has received and/or benefited from such loans, the purpose of such loans, the circumstances  
12 surrounding the distribution and use of such loans, the repayment of such loans (if any), the  
13 collateral for such loans, executed promissory notes, etc.<sup>40</sup>

14  
15 26. Further, the Trust is the one hundred percent (100%) owner of FHT Holdings,  
16 LLC, a Nevada limited liability company ("FHT"), of which Christopher serves as the sole  
17 Manager. As FHT is an asset of the Trust, Caroline is entitled to information related to the assets  
18 held by FHT, including, but not limited to, the principal, income, and liabilities of the LLC.

19  
20 27. Therefore, Caroline respectfully requests that this Court require Christopher to  
21 provide her with any and all documents and information relating to the Policy loans and FHT.

22 **WHEREFORE**, Caroline respectfully requests that this Petition be set for hearing, and  
23 that after hearing the matters of this Petition, this Court find that notice of the time and place of  
24 such hearing has been given in the manner required by law, and that this Court make and enter its

25  
26  
27 <sup>39</sup> NRS § 165.128 defines "current beneficiary" to mean "a distribution beneficiary to whom or for whose benefit a trustee  
is authorized or required to make distributions of income or principal at any time during an accounting period."

28 <sup>40</sup> See NRS § 165.135.

1 Orders and Decrees pursuant to NRS §153.031(e), (f), (h) and (q); NRS §163.115; NRS  
2 §164.005; NRS §164.010; and NRS §164.015, as follows:

3 1. That this Court assume Jurisdiction over the Beatrice B. Davis Family Heritage  
4 Trust, dated July 28, 2000, as amended on February 24, 2014, as a proceeding *in rem*;

5 2. That this Court assume Jurisdiction over Christopher D. Davis as the Investment  
6 Trust Advisor for the Beatrice B. Davis Family Heritage Trust, dated July 28, 2000, as amended;

7 3. That this Court assume Jurisdiction over Stephen K. Lehnardt as the Distribution  
8 Trust Advisor for the Beatrice B. Davis Family Heritage Trust, dated July 28, 2000, as amended;

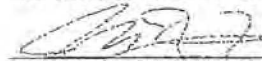
9 4. That this Court confirm Dunham Trust Company as the Directed Trustee of the  
10 Beatrice B. Davis Family Heritage Trust, dated July 28, 2000, as amended;

11 5. That this Court require Christopher D. Davis, as the Investment Trust Advisor of  
12 the Beatrice B. Davis Family Heritage Trust, dated July 28, 2000, as amended, and as the sole  
13 Member of FHT Holdings, LLC, to disclose any and all documentation and information related  
14 to: (a) the Policy loans, including, but not limited to, the identity of any entity, trust or individual  
15 who has received and/or benefited from such loans, the purpose of such loans, the circumstances  
16 surrounding the distribution and use of such loans, the repayment of such loans (if any), the  
17 collateral for such loans, executed promissory notes, etc.; and, (b) FHT Holdings, LLC; and  
18

19 6. For such other and further relief as this Court deems proper.  
20

21 DATED this 11<sup>th</sup> day of February, 2015.  
22

23 SOLOMON DWIGGINS & FREER, LTD.



24 MARK A. SOLOMON, ESQ. (Bar No. 418)  
25 JOSHUA M. HOOD, ESQ. (Bar No. 12777)  
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SOLOMON  
DWIGGS & FREER  
TRUST AND ESTATE ATTORNEYS

VERIFICATION

I, Caroline Davis, declare under penalty of perjury of the State of Nevada:

That I am the Petitioner in the foregoing PETITION TO ASSUME JURISDICTION  
OVER THE BEATRICE B. DAVIS FAMILY HERITAGE TRUST, DATED JULY 28,  
2000, AS AMENDED ON FEBRUARY 24, 2014; TO ASSUME JURISDICTION OVER  
CHRISTOPHER D. DAVIS AS INVESTMENT TRUST ADVISOR AND STEPHEN K.  
LEHNARDT AS DISTRIBUTION TRUST ADVISOR; TO CONFIRM DUNHAM TRUST  
COMPANY AS DIRECTED TRUSTEE; AND FOR IMMEDIATE DISCLOSURE OF  
DOCUMENTS AND INFORMATION FROM CHRISTOPHER D. DAVIS, and know the  
contents thereof; that the same is true to my knowledge, except those matters therein contained  
stated upon information and belief, and as to such matters, I believe them to be true.

DATED this 9<sup>th</sup> day of February, 2015.

  
CAROLINE DAVIS, Petitioner

# Exhibit 1

# Exhibit 1

This  
FAMILY HERITAGE TRUST

prepared for

BEATRICE B. DAVIS

by

Stephen K. Lehnardt  
Lehnardt & Lehnardt, LLC  
*Primary Counsel*  
20 Westwoods Drive  
Liberty, Missouri 64068-3519  
Telephone: (816) 407-1400

&

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&

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*Special Counsel*  
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**The BEATRICE B. DAVIS  
Family Heritage Trust**

**Article One**

**Creation of My Trust**

**Section 1. My Trust**

This is my irrevocable trust, dated July 28, 2000. I, BEATRICE B. DAVIS, am the Trustmaker.

The following is my initial Trustee:

ALASKA TRUST COMPANY

The following is my initial Protector :

STEPHEN K. LEHNARDT

All references to "my trust" or "trust" in this document, unless otherwise stated, shall refer to this irrevocable trust and the trusts created in it. All references to "Trustee" shall refer to my initial Trustees or their successor or successors in trust.

When the term "Trustmaker" is used in my trust, it shall have the same legal meaning as "Grantor," "Settlor," "Trustor," or any other term referring to the maker of a trust.

I desire to give my Trustee broad discretion with respect to the management, distribution and investment of my trust, so as to benefit trust beneficiaries. Specific goals of my trust include, but are not limited to, the following:

Minimizing the extent to which the trust estate is subject to the claims of creditors; and

Minimizing the income and wealth transfer taxes which beneficiaries may face on their trust shares; and

In order to maximize the protection of the trust estate or estates from creditor's claims of the Trustmaker and to minimize all wealth transfer taxes, I have provided that the various trusts created hereunder may last in perpetuity as permitted under Alaska law.

## **Section 2. Application of Alaska Trust Law**

I intend that this trust and the trusts created under this Agreement are trusts described in Alaska Statutes (AS) 34.40.110, 13.36.035(a) and (c). Accordingly, unless the Trustee moves the situs of this trust or any trust created hereunder to another jurisdiction, I direct that

At all times at least one trustee of each trust shall be a "qualified person" under AS 13.36.390(1); and

The duties of that trustee shall include the duty and responsibility to maintain books and records of the trust in Alaska and to prepare or to arrange for the preparation of the tax returns of the trust; and

At least some assets of the trust shall be deposited in Alaska within the meaning of AS 13.36.035(c)(1); and

At least part of the administration of the trust shall occur in Alaska within the meaning of AS 13.36.035(c)(4).

## **Section 3. The Name of My Trust**

For convenience, my irrevocable trust shall be known as the:

BEATRICE B. DAVIS FHT,  
dated July 28, 2000

For purposes of beneficiary designations, transfers directly to my trust, and formal correspondence, my trust shall be referred to as:

ALASKA TRUST COMPANY, Trustee, or its successors in trust,  
under the BEATRICE B. DAVIS FAMILY HERITAGE TRUST,  
dated July 28, 2000,

In addition to the above descriptions, any description for referring to my trust shall be effective to transfer title to my trust or to designate my trust as a beneficiary as long as that description includes the date of my trust, the name of at least one initial or successor Trustee, and any reference that indicates that assets are to be held in a fiduciary capacity.

#### **Section 4. An Irrevocable Trust**

This trust is irrevocable, and I shall have no power to control and direct payments, remove trust property, or alter, amend, revoke, or terminate this trust, either in whole or in part. In all events, this Agreement shall be interpreted in a manner consistent with the provisions of this paragraph, notwithstanding any contrary provision of this Agreement.

#### **Section 5. I Have No Rights in This Trust**

After the execution of this trust agreement, I shall have no right in the income or principal of this trust. Neither I nor my estate shall have any reversionary or similar interest in this trust or the property contained in it.

#### **Section 6. Guidance in Interpreting My Intent**

This Agreement shall be interpreted in a manner consistent with the provisions of this Article, notwithstanding any contrary provision of this Agreement.

## Article Two

### Funding My Trust

#### Section 1. Initial Funding

My trust will be initially funded with \$10 and such other property as I transfer to it by gift.

#### Section 2. Additional Funding

My trust may be additionally funded by me or any other person in any manner with property interests of all kinds. All property interests transferred, assigned, conveyed, or delivered to my Trustee in trust shall be absolute and irrevocable and must be acceptable to my Trustee.

All property interests transferred, assigned, conveyed, or delivered to my Trustee shall be subject to all of the terms and conditions set forth in this agreement.

## Article Three

### Administration of My Trust During My Life

#### Section 1. My Lifetime Beneficiaries

I am the widow of Ilus W. Davis.

The names of my children are:

CHRISTOPHER D. DAVIS

CAROLINE D. DAVIS

All references to my children in this agreement are to these children.

During my lifetime, except as otherwise provided in this instrument, the beneficiaries of this trust shall be my children, my children's spouses, my children's descendants, and any other natural person added as a beneficiary pursuant to other provisions of this agreement which permits such persons to be added as beneficiaries.

#### Section 2. A Beneficiary's Withdrawal Right

While I am living, in each calendar year in which any property is given or deemed to be given to the trust by a direct or an indirect transfer of property to the trust, each living beneficiary under this Article, other than myself, shall have only the withdrawal rights set out in this Section.

##### a. Beneficiaries Shall Have Withdrawal Rights

If no contrary intention is expressed by the donor, and subject to the other limitations imposed under this Article, each living beneficiary (other than myself, if I should be added as a beneficiary by the Protector) under Section 1 shall have the right to withdraw that beneficiary's portion of the property contributed to this trust. The person or persons contributing funds to this trust may, however, specify in writing to the Trustee at the time the funds are

contributed that any one or more of the beneficiaries shall not have the withdrawal rights which are set forth in this Article, or may specify in writing to the Trustee that no contributions made to the Trustee subsequent to the writing shall be subject to withdrawal rights, except to the extent subsequently specified in writing to the Trustee.

**b. Each Beneficiary's Share**

Unless a donor provides otherwise, each lifetime beneficiary of this trust shall be entitled to an equal, pro-rata share of the contributed property.

**c. Value of Contributed Property**

The contribution value of a gift shall be used for purposes of determining the value of the withdrawal rights.

The withdrawal right shall be subject to the limitations and qualifications as provided in subsequent provisions of this Article.

**Section 3. The Annual Limit on Withdrawals**

In no event shall the amount withdrawable by a beneficiary by reason of a direct or indirect gift to this trust by a donor in any one calendar year exceed the gift tax annual exclusion, or twice that amount if all of the following apply: (i) the donor is married at the time the contribution is made, (ii) the gift is eligible to be "split" for federal gift tax purposes between the spouses, and (iii) no separate contribution is made by the donor's spouse during the calendar year. This annual limit on withdrawals shall apply separately to annual gifts from each donor, and the annual exclusion shall not limit the cumulative amount of annual withdrawals for all donors.

The gift tax annual exclusion shall be as provided under Section 2503(b) of the Internal Revenue code of 1986, as amended, or any other corresponding provisions of any subsequent federal tax law in effect at the time of the addition to this trust.

#### **Section 4. Exercise of Withdrawal Rights by My Beneficiaries**

A beneficiary's withdrawal right shall be vested as of the date of the transfer to the trust that results in the withdrawal right. Subject to Subsection d. below, withdrawals may be made at any time from the date of the transfer to the trust through a date which is 30 days after the date on which the beneficiary (or person who has the authority to act for the beneficiary) has notice of the contribution.

##### **a. Withdrawal Rights Are Cumulative, But Subject to Lapse**

The amount withdrawable by a beneficiary as a result of successive additions shall be cumulative, but, to the extent that the withdrawal rights have not been exercised, the cumulative amount withdrawable shall lapse at the end of each calendar year by an amount equal to the greater of the amounts specified in Section 2514(e)(1) and (2) of the Internal Revenue Code (currently \$5,000 or 5% of the aggregate value of the property out of which the exercise of such power could be satisfied at the time of such lapse, with such amounts to be adjusted to reflect any subsequent amendments to such Sections) reduced by the amount of any such lapses which occurred previously in the same calendar year under this or other instruments. Any unexpired portion of such withdrawal right shall be carried forward into succeeding years and lapse on January 1st of each succeeding year, but only to the extent provided above.

##### **b. Method for Exercising Withdrawal Rights**

A withdrawal right beneficiary shall exercise a withdrawal right by delivering a written request to my Trustee prior to the date that the right lapses.

##### **c. The Death of a Beneficiary**

A beneficiary's vested withdrawal right shall not terminate by reason of his or her death. The personal representative of the beneficiary's estate shall then have the right to exercise the vested withdrawal right on behalf of the beneficiary's estate.

If the personal representative of a deceased beneficiary does not exercise the beneficiary's withdrawal right and also does not make a



timely filing to properly allocate a portion of the deceased beneficiary's available generation skipping transfer exemption against the beneficiary's unexpired vested withdrawal amount, my Trustee shall promptly distribute to the personal representative of the beneficiary cash in an amount equal to the deceased beneficiary's unexpired vested withdrawal amount.

**d. Withdrawal rights which have not lapsed**

Withdrawal rights which are not exercised during the 30-day period provided in Subsection a. of this Section 4 may only be exercised during the first 30 days of each succeeding calendar year, and then only to the extent such rights have not otherwise lapsed under the terms of this instrument.

**Section 5. Notice by My Trustee of the Right to Withdraw**

For each calendar year of the trust in which a direct or indirect transfer is made to the trust, my Trustee, within 15 days following the initial transfer of property to the trust for that calendar year, shall provide written notice to each beneficiary then entitled to a withdrawal right that property has been transferred to the trust. The notice shall be delivered by hand or by mail to the last known address of the beneficiary and shall inform the beneficiary of the right of the beneficiary to withdraw.

**a. Notice for Indirect Transfers**

If an indirect transfer is made to the trust which is the initial transfer made to the trust for the calendar year, my Trustee, within fifteen days of my Trustee's actual notice of such indirect transfer, shall provide written notice to each beneficiary then entitled to a right to withdraw that property has been transferred to the trust. The notice shall be delivered by hand or by mail to the last known address of the beneficiary and shall inform the beneficiary of the right of the beneficiary to withdraw.

**b. Notice to Additional Beneficiaries**

If additional individuals subsequently become qualified to be beneficiaries of the trust as a result of being born or adopted after

this trust is signed, my Trustee shall give written notice to or on behalf of that beneficiary within a reasonable time after being informed of the additional beneficiary. This shall in no manner be deemed to permit me to add beneficiaries or expand the class of individuals to be beneficiaries.

#### **Section 6. Minor or Disabled Beneficiaries**

If a beneficiary entitled to make a withdrawal is a minor or under any other form of legal disability during all or part of any withdrawal period, the beneficiary's legal or natural guardian, conservator, or other personal representative shall be informed of, and may exercise, the withdrawal right on behalf of the beneficiary.

#### **Section 7. Trustee Duties as to a Withdrawal Right**

My Trustee shall retain sufficient liquid trust property or other trust property which is transferable in order to satisfy the withdrawal rights which are then outstanding, except to the extent that my Trustee believes it can borrow against other assets in order to satisfy a withdrawal right.

My Trustee may distribute trust property in cash or in kind, including insurance policies held in the trust or interests in those policies, to a beneficiary making a withdrawal. My Trustee is authorized to borrow, upon such terms as are reasonable and necessary, in order to provide for payment of amounts required by any exercise of withdrawal rights by a beneficiary.

#### **Section 8. Indirect Transfers**

The amount of any payment made directly to an insurance company by any party other than my Trustee of all or any part of a premium on a life insurance policy owned by the trust on my life shall be considered a transfer to the trust.

The date of the transfer shall be the date of the premium payment to the extent that the payment is deemed to be a gift from me to the beneficiaries for federal gift tax purposes.

Any such indirect transfer shall create withdrawal rights in an amount equal to the value of the deemed gift.

## **Section 9. Amounts Not Withdrawn**

During my lifetime, all property held by my Trustee under this trust agreement, except any principal amount which is subject to a pending withdrawal right, shall be retained in trust and shall be held, administered and distributed as follows:

### **a. Discretionary Distribution of Income and Principal to My Children and Their Descendants**

During my lifetime, my Trustee may distribute to or for the benefit of my children and their descendants, and any other person who has been made a beneficiary hereof pursuant to the terms of this instrument, so much of the income and principal of this trust as my Trustee, in its sole and absolute discretion, shall determine. However, my Trustee shall not distribute to a beneficiary who has been appointed as a beneficiary by the Protector, an aggregate amount in excess of the aggregate amounts so appointed. Except as otherwise provided herein, my Trustee, in its sole and absolute discretion, shall determine the amount and timing of any and all distributions of income or principal to the beneficiaries hereof.

A distribution to or for the benefit of a beneficiary shall be charged to the trust as a whole rather than against the beneficiary's ultimate share.

Any net income not distributed by my Trustee shall be accumulated and added to the principal of the trust.

### **b. Distributions to or for My Benefit**

If I am at any time a beneficiary of this trust during my lifetime, my Trustee may also distribute to or for my benefit so much of the income and principal of this trust as my Trustee, in its sole and absolute discretion, shall determine. I do not intend to limit the sole and absolute discretion of my Trustee in any way, nor to impose any fiduciary duty other than as expressly stated in my trust.

My Trustee shall have no obligation to make any distribution whatsoever to me under any circumstances. I do not anticipate that my other resources will ever be insufficient to maintain my lifestyle as it exists at the time of creation of this trust. However, if my circumstances should change, and if the Protector shall appoint me as an additional beneficiary of this trust, my Trustee, in its sole and absolute discretion, may make distributions to or for my benefit during my lifetime to allow me to maintain my lifestyle as it exists at the time of creation of my trust. My Trustee may (but need not) rely on a certificate signed by the Protector, without further investigation, in making its determination regarding the sufficiency, or lack thereof, of my other resources, and my Trustee shall have no liability for actions taken in reliance on such a certificate.

**c. Additional Restrictions, Guidelines and Requirements for Discretionary Distributions**

In making distributions pursuant to this Section, my Trustee shall take into consideration, to the extent that my Trustee deems advisable, in its sole and absolute discretion, any income or other resources which are available to my beneficiaries outside of the trust and are known to my Trustee.

In making distributions under this provision, my Trustee shall also take into account the general guidelines I have established in Section 3. of Article Eight.

Without limiting the discretion of my Trustee, I request that:

My Trustee shall emphasize conservation of principal and growth of the trust estate in determining the appropriate amounts of any distributions, other than distributions to myself (to the extent, if any, that I may be a beneficiary hereof); and

My Trustee shall be especially mindful of any outstanding obligations that my Trustee has, and distributions shall not be made which impair my Trustee's ability to satisfy those obligations.

Distributions to beneficiaries other than myself (to the extent that I may be a beneficiary hereof) shall generally be made on an equitable basis, so that the family of one of

my descendants does not receive substantially more than the family of another descendant at the same level of consanguinity.

My Trustee shall have no liability whatsoever for distributions which are authorized by this instrument to any beneficiary or beneficiaries if such distributions are consistent with written advice from the Protector, so long as my Trustee does not believe in good faith that such advice was given under duress or legal compulsion. In the event of any doubt regarding an instruction or advice from the Protector, I encourage and authorize my Trustee to require the Protector to certify, under penalty of perjury, that my Protector has not given such advice or instruction under duress or legal compulsion. In any event, at least ten days before making any distributions permitted by this Section to any person my Trustee shall advise the Protector in writing of my Trustee's intention to make the proposed distribution and the amount proposed to be distributed, unless the Protector has waived notice of such distribution.

My Trustee, in evaluating the extent to which distributions may be appropriate to a beneficiary, may take into account all obligations, including tax obligations, of the beneficiary. However, my Trustee shall not be obligated to make any distributions in amounts which compensate any beneficiary for any income or other tax imposed on a beneficiary as a result of the income of this Trust, or which satisfy any such obligation. I prefer that any distributions made to assist a beneficiary to meet its tax or other obligations be made only if the failure to provide such reimbursement would cause an economic hardship to the beneficiary and the beneficiary could not comfortably pay such tax or other obligation from other resources.

**d. Prohibitions Against Certain Distributions**

Notwithstanding any other provision of this trust agreement, no distribution shall be made by my Trustee to satisfy any legal support obligation which I have, nor shall any such distribution be made to my estate or to any creditor of my estate.

Likewise, in no event shall the aggregate distributions to all beneficiaries during my lifetime, other than to me if I have been added as a beneficiary, pursuant to the provisions of this Section 9 exceed one and one half (1.5%) percent of the value of the trust in any calendar year. For purposes of valuing the trust for determining

the amount that can be distributed under this provision, the value shall be the value of the trust on the 31<sup>st</sup> day of December of the year prior to the year in which the subject distribution is made.

#### **Section 10. Limited Power of Appointment**

During my lifetime, my Trustee shall have the limited power to appoint the principal of the trust to any persons, or corporations or other entities, in whole or in part, or in equal or unequal proportions, subject to the following provisions:

**a. Successor Trustees**

If my Trustee resigns, is terminated, or cannot serve for any other reason, then my Trustee's successors in trust shall have the right to exercise this limited power of appointment.

**b. Qualifications on the Limited Power of Appointment**

The power shall only be exercisable by the holder of the power, and shall not be exercised in favor of the holder, the holder's estate, the holder's creditors, or the creditors of the holder's estate. It may only be exercised in favor of persons who are beneficiaries of this trust or in favor of trusts for the benefit of persons who are beneficiaries hereof.

The power shall not be exercised by the holder in any manner that would result in an economic benefit to the holder or that would in any manner discharge or reduce any legal obligation of the holder.

My Trustee shall have no right to exercise this power of appointment with respect to any portion of the trust property which is subject to a continuing withdrawal right of a beneficiary.

No exercise of this power of appointment may be made, or shall be valid, until 30 calendar days after notice of the intended exercise of the power of appointment, including the exact text of the instrument to be used to exercise the power, has been delivered to me, the Protector and the attorney(s) whose names are shown on the cover page hereof (except to the extent any of them are deceased or the Trustee cannot locate them in the exercise of reasonable diligence).

No exercise of this power shall be valid if my Trustee is acting under duress or legal compulsion. The instrument exercising such power shall not be valid unless my Trustee represents, warrants and declares in writing, under penalty of perjury, therein that my Trustee is not acting under any duress or legal compulsion with regard to such exercise and that my Trustee has given the notice required hereunder prior to such exercise.

#### **Section 11. Termination of the Lifetime Trust**

This lifetime trust shall terminate upon the death of the Trustmaker, and the principal and any accrued and undistributed net income shall be distributed under the Articles that follow.

**Article Four**  
**Life Insurance**  
**and**  
**Administrative Powers Provisions**

**Section 1. Purchase of Life Insurance Generally**

My Trustee may purchase and hold as trust property a policy or policies of insurance on my life, the life of any trust beneficiary, or on the life of any person in whom any trust beneficiary has an insurable interest. My Trustee shall have no obligation to purchase life insurance in this trust. My Trustee may, however acquire such insurance to meet traditional insurance needs or as a vehicle for holding investment assets in a manner that allows from growth in values free of income taxes, in its discretion.

My Trustee may also receive any such policies made as a gift to the trust, and thereafter may hold and deal with the policies as the owner.

My Trustee shall have the following powers, which may be exercised by it in its sole and absolute discretion, in addition to all other powers granted a policy owner:

**a. Automatic Premium Loans**

My Trustee shall have the power to execute or cancel any automatic premium loan agreement with respect to any policy, and shall have the power to elect or cancel any automatic premium loan provision in a life insurance policy.

**b. Borrow for Premium Payments**

My Trustee may borrow money with which to pay premiums due on any policy either from the company issuing the policy or from any other source. My Trustee may assign any such policy as security for the loan.



c.       **Exercise Option on a Policy**

My Trustee shall have the power to exercise any option contained in a policy with regard to any dividend or share of surplus apportioned to the policy.

d.       **Reduce or Convert a Policy**

My Trustee may reduce the amount of a policy or convert or exchange the policy.

e.       **Surrender a Policy**

My Trustee may surrender a policy at any time for its cash value.

f.       **Elect Paid-Up Insurance**

My Trustee may elect any paid-up insurance or any extended-term insurance nonforfeiture option contained in a policy.

g.       **Sell Policies**

My Trustee shall have the power to sell policies at their fair market value to the insured or to anyone having an insurable interest in the policy.

h.       **Exercise All Other Rights, Options, or Benefits**

My Trustee shall have the right to exercise any other right, option, or benefit contained in a policy or permitted by the insurance company issuing that policy.

i.       **Rights upon Termination of the Trust**

Upon termination of the trust, my Trustee shall have the power to transfer and assign the policies held by the trust as a distribution of trust property.

My Trustee shall make every effort to transfer any policy insuring a beneficiary's life to that beneficiary as part of that beneficiary's distributive share.

## **Section 2. Rights and Duties of Trustees with respect to Life Insurance Policies**

The provisions of this Section shall supersede the principles of trust law generally with respect to my Trustee's duties and obligations relating to any life insurance policies owned or acquired by my trust.

### **a. Right of Trustees to Accept and Retain Life Insurance Policies Without Liability**

My Trustees may, without liability, accept and retain policies of insurance on my life or on the life of any other person in whose life my Trustees have an insurable interest. My Trustees shall have no duty at any time during the term of any trust created hereunder to diversify with respect to such policies or to inquire into the suitability of any insurance policy or the financial condition of any insurer.

### **b. Right of Trustees to Purchase Life Insurance Without Any Duty to Diversify; Limited Liability**

My Trustees may purchase insurance on my life or on the life of any other person in whose life I or my Trustee has an insurable interest. Such purchase and payment of subsequent premiums may utilize all or any part of trust assets without any duty to diversify the investments of the trust in assets other than life insurance. My Trustee may purchase all insurance held hereunder from one or more insurers without any duty to diversify the types of policies or to purchase policies from more than one insurer.

My Trustee may, without incurring any liability to any person, purchase such policies upon the recommendation of an experienced insurance advisor or my Protector. My Trustee shall be under no liability at any time during the term of any trust hereunder to any person for any loss suffered as a result of the financial condition, including insolvency, of any insurer.

The Trustmaker considers life insurance policies, including policies issued by companies approved by the Protector or any entity or entities succeeding to the business of said company, as proper investments of the trust capital and income.

So long as the assets that represent the cash values of such policy, are held in a segregated asset account that is not subject to claims by the creditors of such insurer, my Trustee need not be concerned with the financial strength of the insurer. My Trustee is authorized to invest or retain indefinitely, any insurance policy that holds or acquires an interest in any entity or asset held by me or members of my family, or Trusts created by any of us. My Trustee shall have no duty, responsibility or liability to monitor the investments or the investment performance of any partnership owned by this Trust or by an insurance policy owned by this Trust.

The trustee shall have no duty, responsibility or liability to monitor the investments or the investment performance of any investment inside any separate account within any life insurance policy owned by this trust if the investments in that separate account are comprised primarily of closely held business interests managed by members of my family.

The sole duty of the trustee with respect to such insurance policy or policies shall be to hold the policy and pay premiums.

c. **My Trustee May Rely on My Protector's Directives**

Upon the written direction of the Protector, my Trustee shall appoint an "Ancillary Insurance Trustee" specified by the Protector. Such Ancillary Insurance Trustee shall have the authority to act for this Trust with regard to the purchase of one or more policies of life insurance; provided, however, that such Ancillary Insurance Trustee shall have such authority only for the time period specified in the written direction of the Protector, and only with regard to the purchase of policies approved by the Protector. The authority of the Ancillary Insurance Trustee shall cease upon the date specified by the Protector in its written direction to the Trustees, and the appointment shall specify the date on which such authority ceases. In the alternative, my Trustee may establish a subtrust under the laws of any jurisdiction with the Ancillary Insurance Trustee as the

Trustee thereof, and this Trust as the beneficiary thereof, or a company (in which the Ancillary Insurance Trustee exercises discretion with regard to the purchase of insurance) in an appropriate jurisdiction, in order to facilitate the purchase of such insurance.

My Trustee shall have no duty or responsibility to inquire into the suitability of any insurance policy or the financial condition of any insurer issuing any policy purchased by, or at the direction of, the Ancillary Insurance Trustee. My Trustee shall, without discretion, pay such premiums as may be required under the terms of any insurance policy purchased at the direction of the Ancillary Insurance Trustee, except to the extent otherwise directed in writing by the Protector, or transfer sufficient funds to pay such premiums to the subtrust or other entity established to facilitate the purchase of such insurance.

**d. Payment of Life Insurance Premiums**

My Trustee may pay premiums on life insurance policies and may utilize all or any part of trust assets to do so without any duty to diversify the investments of the trust in assets other than life insurance and without incurring any liability to any person who is a beneficiary of this trust.

**Section 3. The Death of an Insured**

Upon the death of an insured, my Trustee shall make all appropriate after-death elections with respect to insurance policies on the life of the insured then held by the trust.

**a. Collection of Insurance Proceeds**

Upon the death of an insured, my Trustee shall make every effort to collect all sums made payable to the trust or my Trustee.

My Trustee may, in its sole and absolute discretion, exercise any of the settlement options that may be available under the terms of a policy held by the trust. My Trustee shall not be liable to any beneficiary for the settlement option ultimately selected.

b. **Collection Proceedings**

My Trustee may institute proceedings, whether in law or equity, administrative or otherwise, to enforce payment of such proceeds.

My Trustee need not, except at its option, enter into or maintain any litigation or take action to enforce any payment until it has been indemnified to its satisfaction for all expenses and liabilities to which it, in its sole judgment, may be subjected.

My Trustee is expressly authorized, in its sole and absolute discretion, to adjust, settle, and compromise any and all claims that may arise from the collection of any death proceeds. The decisions of my Trustee shall be binding and conclusive on all beneficiaries.

c. **Liability of Payor**

No person or entity that pays insurance proceeds to my Trustee, as beneficiary shall be required to inquire into any of the provisions of this trust or to see to the application of any such proceeds by my Trustee.

The receipt of the proceeds by my Trustee shall relieve the payor of any further liability as a result of making such payment.

**Section 4. Intent to Create a Grantor Trust**

I intend that this trust be a grantor trust for federal income tax purposes. I understand that the powers granted and reserved in this trust will cause the income of the trust to be taxed to me under the provisions of Sections 671-677 of the Internal Revenue Code of 1986.

## **Article Five**

### **Administration of My Trust on My Death**

#### **Section 1. Purchase of Assets and Loans**

My Trustee is authorized to purchase and retain in the form received, as an addition to the trust, any property that is a part of my probate or trust estate. In addition, my Trustee may make loans, with or without security, to my probate or trust estate. My Trustee shall not be liable for any loss suffered by the trust as a result of the exercise of the powers granted in this Section.

Notwithstanding anything in this agreement to the contrary, my Trustee shall not have the power to use any trust property for the benefit of my estate as defined in Section 20.2042-1(b) of Title 26 of the Code of Federal Regulations, unless such property otherwise is included in my gross estate for federal estate tax purposes.

#### **Section 2. Distributions of Amounts Included in My Estate**

My Trustee shall distribute an amount equal to the value of any asset of this trust that is includible in my gross estate for federal estate tax purposes to my revocable living trust.

The amount so distributed shall be added to the property of my living trust and disposed of in accordance with its terms.

If I die and my living trust is not in existence, my Trustee shall distribute the amount called for under this Section to my descendants, per stirpes.

#### **Section 3. Administration of the Balance of the Trust Property**

The balance of the trust property not disposed of under the prior provisions of this trust agreement shall be administered as provided in the Articles that follow.

## Article Six

### The Family Trust

It is not my desire to create a Family Trust for the benefit of my beneficiaries. All of the trust property that has not been distributed under prior provisions of this agreement shall be divided, administered, and distributed under the provisions of the Articles that follow.

## Article Seven

### The Common Trust

It is not my desire to create a Common Trust for the benefit of my beneficiaries. All of the trust property that has not been distributed under prior provisions of this agreement shall be divided, administered, and distributed under the provisions of the Articles that follow.



## **Article Eight**

### **Distribution of My Trust Property**

#### **Section 1. Division into Separate Shares**

All trust property not previously distributed under the terms of my trust agreement shall be divided into equal separate shares so as to create one equal share for each of my then living children, and one equal share for each of my deceased children that has descendants then living.

These separate trust shares shall also be held, administered, and distributed in accordance with the provisions of this Article and the Articles that follow.

#### **Section 2. Creation of Exempt and Nonexempt Shares for Beneficiaries**

If any portion of any trust share created for any beneficiary in Section 1 would not be exempt from the Generation Skipping Transfer Tax, then my Trustee shall divide the trust property constituting the trust share for that beneficiary into two separate shares. One share shall be designated the "Exempt Share." The second share shall be designated the "Nonexempt Share." My Trustee shall allocate trust property to fund such shares as follows:

My Trustee shall allocate to each beneficiary's Exempt Share such beneficiary's proportionate share (as determined in Section 1 of this Article) of trust property that is fully exempt from the generation-skipping tax.

My Trustee shall allocate to each beneficiary's Nonexempt Share such beneficiary's proportionate share (as determined in Section 1 of this Article) of the remaining trust property.

My Trustee shall have complete authority to make allocations of trust property between the Exempt Shares and the Non-Exempt Shares established in this Section. Property conveyed or assigned in kind to the Exempt Shares shall be valued at its value as finally determined for federal

estate tax purposes. However, if specific property is allocated to these shares, the division of assets shall be made in a manner that fairly reflects net appreciation or depreciation in the value of the assets measured from the valuation date for federal estate tax purposes to the date of funding.

The Exempt Shares and Non-Exempt Shares shall be held and administered as separate and distinct trusts. The terms and provisions of each beneficiary's Exempt Share and Non-Exempt Share shall be the trust provisions established for that beneficiary in Section 4 of this Article. However, the Non-Exempt Share shall be subject to the general power of appointment provisions of Section 13 of Article Twelve.

### **Section 3. Guidelines Applicable to Separate Trust Shares**

Except to the extent, if any, otherwise provided by more restrictive provisions contained in subsequent sections of this Article with respect to a particular trust share, each trust share created for a beneficiary pursuant to Section 1 of this Article shall be held, administered, and distributed in accordance with the following directives. During the lifetime of the named beneficiary of any share, such named beneficiary shall be the Primary Beneficiary of such share; thereafter, if the share is subdivided into separate shares for my descendants or otherwise, the person for whom the separate share is established shall be the Primary Beneficiary thereof.

#### **a. Preservation of Exempt Property for Future Generations**

Except as otherwise permitted herein, my Trustee shall hold the trust property of each Exempt Share for the benefit of my beneficiaries as provided in this agreement. Although my Trustee, in its discretion, may distribute the property of a trust share which is exempt from the Generation Skipping Transfer Tax pursuant to the terms of this agreement for the benefit of my beneficiaries, I request that my Trustee, before making distributions to a beneficiary from the Exempt Share, inform the beneficiary about the long-term advantages of retaining assets in trust to avoid estate tax liability and generation-skipping tax liability for generations.

I request that any discretionary distributions be made first from any Non-Exempt Share held for a beneficiary and only thereafter from the beneficiary's Exempt Share.

b. **Provide for My Beneficiaries' Lifestyle Needs**

I desire that my Trustee provide the respective beneficiary of each such share with funds (paid to, or for the benefit of, such Primary Beneficiary) sufficient to provide for the beneficiary's health, education, maintenance, support and welfare, and to provide the beneficiary with sufficient funds to maintain a modest, conservative lifestyle. I also desire that my Trustee give assistance to the respective beneficiary of each such share for:

The purchase of a residence which is modest and commensurate with the Primary Beneficiary's lifestyle.

The purchase or establishment of a business or professional practice.

Any other extraordinary opportunity or expense deemed by my Trustee to be in the best interests of the beneficiary.

I have previously made significant gifts to my children, and those gifts are fully available to them to use in any way they choose. My purpose in creating this trust is to provide a financial resource base that will support and protect my family for generations to come. While my children or their descendants may choose to make charitable contributions from their independent resources [including those resources which they received as gifts from me] I do not regard this trust as an appropriate source for charitable giving. Accordingly, my Trustee shall not make distributions to any beneficiary from this trust if my Trustee believes or suspects that the distributed funds will be used to make any kind of charitable contribution. I envision that these resources will be maintained to provide for the specific needs of my children and their descendants. Accordingly, in making discretionary distributions to a beneficiary, my Trustee shall be mindful of, and take into consideration to the extent it deems necessary, any additional sources of income and principal available to the beneficiary which arise outside of this agreement and are known to my Trustee. It is also my express desire that my Trustee take into consideration the future probable needs of a beneficiary prior to making any discretionary distributions hereunder.

However, during any period when the Primary Beneficiary of a trust share serves as the sole trustee of his or her trust share, distributions to or for the benefit of such Primary Beneficiary (or to satisfy any support obligation of such Primary Beneficiary) shall be limited to distributions which satisfy the ascertainable standards of health care, education, maintenance, and support for the Primary Beneficiary except to the extent otherwise authorized by the provisions below concerning the Powers of an Interested Trustee.

c.        **Provisions Relating to the Payment of Debts of a Beneficiary**

I do not desire that my Trustee use its discretion to pay debts incurred by a beneficiary (except debts incurred in the ordinary course of living for matters related to, and consistent with, the ascertainable standard referred to above and the principles of this section). Further, I do not desire that such discretion be used in a manner which enables the respective beneficiary to provide for persons other than the beneficiary's descendants or then living spouse, or which would cause the beneficiary's share to be included in the taxable estate of the beneficiary.

d.        **Distributions to a Primary Beneficiary's Spouse and Descendants**

My Trustee may make distributions from the trust share of a Primary Beneficiary to or for the health, education, maintenance and support of the spouse of the Primary Beneficiary if the spouse is living with the Primary Beneficiary. My Trustee shall have the discretion to determine whether a spouse is living with the Primary Beneficiary at the time a distribution is made.

My Trustee may also make distributions from the trust share of a Primary Beneficiary to or for the benefit of a descendant of the Primary Beneficiary for the health, education, maintenance and support of such descendant.

Distributions shall only be made by my Trustee to a spouse or a descendant of the Primary Beneficiary after considering the needs of the Primary Beneficiary of the trust share. Distributions made pursuant to this provision may be made to the complete exclusion of the other beneficiaries of the trust share. These distributions may be

made to the Primary Beneficiary, the spouse of the Primary Beneficiary or the descendants of the Primary Beneficiary in equal or unequal amounts according to their respective needs. A distribution to or for the benefit of a beneficiary's needs shall be charged to the trust rather than against the beneficiary's ultimate share or the shares of those persons taking through such beneficiary upon the termination of the trust. However, a distribution for the purchase of a residence, the purchase or establishment of a business or professional practice, or for any other extraordinary opportunity or expense shall be charged to the beneficiary's ultimate share or the share of those persons taking through such beneficiary upon the termination of the trust.

e. **Distributions Should Encourage Beneficiaries to Live Meaningful Lives**

Until the Primary Beneficiary of a trust share attains the age of 35, I desire that distributions of property from the Primary Beneficiary's share be limited in such a manner as to encourage the Primary Beneficiary to fill a meaningful role in society and to conserve a reasonable amount of principal in order to provide security for the Primary Beneficiary's retirement. I do not desire that my Trustee use discretion so liberally as to remove any incentive for the Primary Beneficiary to fill a meaningful role in society.

To clarify my intent in this provision, when I use the phrase "a meaningful role in society", I would include any of the following activities conducted on a substantially full-time basis (full-time either individually, or in the combination in which they are pursued by the Primary Beneficiary): (i) paid employment; (ii) efforts to start, manage or operate a business; (iii) creation of literary works, works of art or craft work if the Primary Beneficiary shows a talent for such creation and such works appear to have sufficient commercial value or potential to earn funds to support at least a subsistence lifestyle for the Primary Beneficiary; (iv) education; (v) organized research; (vi) volunteer work for a bona fide charitable organization; (vii) public office; (viii) parenting; (ix) competitive athletics or sport; (x) artistic performance (such as dance, music, theater, *et cetera*); and (xi) any other activity that my Trustee concludes, in its sole discretion, furthers the Primary Beneficiary's self-esteem and sense of accomplishment.

My Trustee may, in its discretion, increase or decrease the amount of Trust assets paid to, or for, a Primary Beneficiary in order to encourage such Primary Beneficiary to take actions likely to fulfill his or her potential. In that regard, my Trustee may provide for bonus distributions, or increases in regular distributions, to the extent that the Primary Beneficiary meets performance targets set by my Trustee and communicated to the Primary Beneficiary.

My Trustee may use funds from the Primary Beneficiary's share to retain a suitable professional to meet with and counsel the Primary Beneficiary with regard to achieving self-esteem, or finding a suitable career, may set standards and targets based on the advice of such professional, and may rely upon reports from such professional. However, my Trustee need not retain such a professional unless my Trustee believes it would provide meaningful assistance to meet the goals set forth herein. For example, if the Primary Beneficiary is already pursuing an active professional career or business, my Trustee should not need the advice of a professional counselor.

During any period in which my Trustee concludes that the Primary Beneficiary is unable to otherwise fill a meaningful role in society due to any disability or illness, the Primary Beneficiary shall be deemed to fill a meaningful role in society, regardless of his or her activities

**f. Payment of Educational Expenses**

If the Primary Beneficiary is a full time student at an accredited college, university, vocational school or similar institution and maintains a grade point average equivalent to "C" or better, my Trustee shall, in its sole and absolute discretion, pay for the Primary Beneficiary's reasonable educational costs. As used in this Paragraph, the term "educational costs" includes tuition, books, fees, supplies, transportation (including the cost of an automobile, maintenance and repairs; and air fare in connection with travel to and from school or with respect to school functions) and reasonable living expenses. The Trustee shall have the absolute discretion to determine the reasonableness and duration of all educational costs.

g.           Payment to Guardians

If any Primary Beneficiary is a minor or incapacitated and placed in the home of a relative or guardian, my Trustee shall furnish from the share for such Primary Beneficiary those trust funds which my Trustee deems, in its sole and absolute discretion, to be necessary or advisable to assist the guardian or relative in providing adequate care and housing for the Primary Beneficiary.

My Trustee may make funds available to any such guardian or relative who is caring for a Primary Beneficiary in order to:

Improve the guardian's or the relative's home;

Purchase a more suitable home for the guardian or the relative

Purchase personal property, appliances, or any other appurtenances needed to provide adequate care and housing for the beneficiaries.

Notwithstanding anything in this agreement to the contrary, if a guardian is also serving as a Trustee under this agreement and a corporate fiduciary is not acting as a Co-Trustee, then no payments to or for the benefit of that guardian shall be made pursuant to this Section unless approved by a Co-Trustee who meets the requirements to be a Independent Special Trustee in relation to the guardian, and the guardian may, if no such person is serving as a Co-Trustee, appoint a person to serve as the Independent Special Trustee with regard thereto. In lieu of providing funds to the guardian for the purposes specified above, my Trustee may make property acquired by this Trust available for use by the guardian to meet the purposes of these provisions.

h.           Provisions Governing When One Beneficiary Causes the Death of Another Beneficiary

Any beneficiary who intentionally causes the death of another beneficiary shall forfeit all rights and benefits whatsoever to any interest in this Trust if:



- i. the beneficiary is convicted of a felony in connection with the death of the deceased beneficiary; or
- ii. the beneficiary is found liable in a civil wrongful death action in connection with the death of the other beneficiary

The forfeiture of benefits and rights shall include the forfeiture of the right to exercise any power of appointment or any right to serve in any fiduciary or representative capacity, including trustee, executor, personal representative, or agent. In addition, the beneficiary that causes the death of the other beneficiary as well as all of the beneficiary's descendants shall be deemed to have predeceased the deceased beneficiary. The trust interest of the deceased beneficiary shall be distributed to those persons or trusts that would have succeeded to the interest had the beneficiary that caused the death of the other beneficiary predeceased the deceased beneficiary.

My Trustee shall have the broadest possible discretion and authority to investigate the death of any beneficiary if my Trustee has reason to suspect that another beneficiary wrongfully caused the death of the deceased beneficiary. My Trustee shall investigate the death to determine whether the other beneficiary caused the death of the deceased beneficiary. I expressly authorize my Trustee to expend trust funds for legal, forensic, and investigative experts to assist my Trustee in pursuing such an investigation. My Trustee shall provide the information gained from any investigation to those persons that would have standing to bring a criminal action or a civil wrongful death action against the beneficiary that my Trustee believes wrongfully caused the death of the other beneficiary.

If, following a diligent inquiry, my Trustee determines that there is a substantial likelihood that a beneficiary has wrongfully caused the death of a deceased beneficiary of this trust, then my Trustee may, in its sole and absolute discretion, withhold trust distributions to that beneficiary until any civil or criminal action relating to the death of the beneficiary has been finally adjudicated. If a court of competent jurisdiction determines that the beneficiary is civilly or criminally liable, my Trustee may also bring any action to recover from the beneficiary any distributions made to the beneficiary following the date of death of the deceased beneficiary.



If no civil or criminal action is brought after a five year period following the date of the death of the deceased beneficiary, or if such action is brought and the defendant beneficiary is acquitted of both civil and criminal liability, my Trustee shall reinstate the defendant beneficiary as a beneficiary of this trust and pay over to the defendant beneficiary any specific benefits that were expressly withheld during the pendency of the civil or criminal proceeding or during the five year period if no civil or criminal action is brought.

I understand that the nature of the discretion and authority given to my Trustee by this paragraph may subject my Trustee to litigation by a beneficiary whose rights are affected under this paragraph. If any legal or equitable action is brought against my Trustee in connection with my Trustee's action taken under this paragraph, I authorize my Trustee to expend such funds from the separate trust share of the deceased beneficiary as my Trustee determines are necessary to provide for my Trustee's defense, including costs and attorneys fees. My Trustee shall be indemnified and held harmless by such separate trust share from any loss, claim or damage in connection with any claim arising out of this provision which my Trustee shall incur as a result of any action taken in good faith by my Trustee, regardless of the ultimate outcome of the matter.

i. Use of Assets

Rather than making distributions to a beneficiary which the beneficiary may use to purchase assets in his or her own name, I encourage, but do not require, my Trustee to acquire trust assets for the use of a beneficiary, or to otherwise make trust assets available for use by the beneficiary, in situations in which the ownership by the trust would be beneficial to the beneficiary's overall tax objectives and would not, in the opinion of the Trustee, expose the trust to unreasonable and unnecessary risks.

j. Prohibitions Against Certain Distributions

Notwithstanding any other provision of this trust agreement, in no event shall the aggregate distributions to all beneficiaries made pursuant to the provisions of this Article Eight exceed eight (8%) percent of the value of the trust in any calendar year. For purposes of valuing the trust for determining the amount that can be

distributed under this provision, the value shall be the value of the trust on the 31<sup>st</sup> day of December of the year prior to the year in which the subject distribution is made.

#### **Section 4. Distribution of Trust Shares for My Beneficiaries**

The share of each Primary Beneficiary who survives me shall be distributed as follows:

a. **Distribution of Trust Share for CAROLINE D. DAVIS**

The trust share for CAROLINE D. DAVIS shall be held in trust and administered and distributed as follows:

1. **Distributions of Net Income**

My Trustee, in its sole and absolute discretion, shall apply to, or for the benefit of, CAROLINE D. DAVIS and such other beneficiaries to whom distributions are authorized in Section 3 of this Article as much of the net income from her trust share as my Trustee in its sole and absolute discretion shall determine.

2. **Distributions of Principal**

My Trustee, in its sole and absolute discretion, shall apply to, or for the benefit of, CAROLINE D. DAVIS and such other beneficiaries to whom distributions are authorized in Section 3 of this Article as much of the principal from her trust as my Trustee in its sole and absolute discretion shall determine.

3. **Guidelines for Discretionary Distributions**

To the extent that I have given my Trustee any discretionary authority over the distribution of income or principal to CAROLINE D. DAVIS, it is my desire that my Trustee be liberal in exercising such discretion and that

distributions be made in accordance with the general guidelines I have outlined in Section 3 of this Article.

#### **4. Distribution on the Death of CAROLINE D. DAVIS**

Upon the death of CAROLINE D. DAVIS, any property remaining in her trust share shall be divided and allocated to the then living descendants of CAROLINE D. DAVIS, per stirpes, to be held and administered in separate trust shares for each of such descendants upon the same terms and provisions set forth that govern the trust share for CAROLINE D. DAVIS during her lifetime.

If CAROLINE D. DAVIS has no then living descendants, any property in her trust share shall be distributed to my descendants, per stirpes. Each such share shall be added to any existing trust share held by my Trustee for that beneficiary. If no separate trust share then exists for that beneficiary, the trust share shall be held and administered in separate trust share for that beneficiary upon the same terms and provisions that govern the separate trust share for CAROLINE D. DAVIS during her lifetime.

If I have no descendants then living, my Trustee shall distribute the trust property as provided in Article Nine of this agreement.

#### **5. Continuation of Trust Shares for Descendants**

Upon the death of any beneficiary for whom a trust share shall have been established pursuant to subparagraph 4, any property in such beneficiary's trust share shall be divided and allocated to the beneficiary's then living descendants, per stirpes, to be held and administered in separate trust shares for each of the descendants of such beneficiary upon the same terms and provisions that govern the trust share for the deceased beneficiary during his or her lifetime.

Upon the death of the descendants of a beneficiary for whom a trust share shall have been established, and likewise upon the death of their descendants for whom a

trust share shall have been established, a separate trust share shall be established for the descendants of a deceased beneficiary, per stirpes, and held and administered pursuant to the provisions of this subparagraph 5 from generation to generation until the expiration of the Rule Against Perpetuities period described in Article Fourteen of this agreement. Upon the expiration of the Rule Against Perpetuities period, such shares shall be distributed as therein provided.

If any beneficiary of a trust share has no descendants living at his or her death, any property in the trust share of such beneficiary shall be divided and allocated to the then living descendants, per stirpes, of the marriage of the most immediate ancestor of such beneficiary that is my descendant and has descendants then living. Such property shall be held and administered in separate trust shares for each such beneficiary upon the same terms and provisions that governed the trust share for the deceased beneficiary during his or her lifetime.

If there are no then living descendants of the marriage of any ancestor of such beneficiary that is my descendant, then my Trustee shall distribute such trust property as provided in Article Nine of this agreement.

**b. Distribution of Trust Share for CHRISTOPHER D. DAVIS**

The trust share for CHRISTOPHER D. DAVIS shall be held in trust and administered and distributed as follows:

**1. Distributions of Net Income**

My Trustee, in its sole and absolute discretion, shall apply to, or for the benefit of, CHRISTOPHER D. DAVIS and such other beneficiaries to whom distributions are authorized in Section 3 of this Article as much of the net income from his trust share as my Trustee in its sole and absolute discretion shall determine.

## 2. Distributions of Principal

My Trustee, in its sole and absolute discretion, shall apply to, or for the benefit of, CHRISTOPHER D. DAVIS and such other beneficiaries to whom distributions are authorized in Section 3 of this Article as much of the principal from his trust as my Trustee in its sole and absolute discretion shall determine.

## 3. Guidelines for Discretionary Distributions

To the extent that I have given my Trustee any discretionary authority over the distribution of income or principal to CHRISTOPHER D. DAVIS, it is my desire that my Trustee be liberal in exercising such discretion and that distributions be made in accordance with the general guidelines I have outlined in Section 3 of this Article.

## 4. Distribution on the Death of CHRISTOPHER D. DAVIS

Upon the death of CHRISTOPHER D. DAVIS, any property remaining in his trust share shall be divided and allocated to the then living descendants of CHRISTOPHER D. DAVIS, per stirpes, to be held and administered in separate trust shares for each of such descendants upon the same terms and provisions set forth that govern the trust share for CHRISTOPHER D. DAVIS during his lifetime.

If CHRISTOPHER D. DAVIS has no then living descendants, any property in his trust share shall be distributed to my then living descendants, per stirpes. Each such share shall be added to any existing trust share held by my Trustee for that beneficiary. If no separate trust share then exists for that beneficiary, the trust share shall be held and administered in separate trust share for that beneficiary upon the same terms and provisions that govern the separate trust share for CHRISTOPHER D. DAVIS during his lifetime.

If I have no descendants then living, my Trustee shall distribute the trust property as provided in Article Nine of this agreement.

#### 5. Continuation of Trust Shares for Descendants

Upon the death of any beneficiary for whom a trust share shall have been established pursuant to subparagraph 4, any property in such beneficiary's trust share shall be divided and allocated to the beneficiary's then living descendants, per stirpes, to be held and administered in separate trust shares for each of the descendants of such beneficiary upon the same terms and provisions that govern the trust share for the deceased beneficiary during his or her lifetime.

Upon the death of the descendants of a beneficiary for whom a trust share shall have been established, and likewise upon the death of their descendants for whom a trust share shall have been established, a separate trust share shall be established for the descendants of a deceased beneficiary, per stirpes, and held and administered pursuant to the provisions of this subparagraph 5 from generation to generation until the expiration of the Rule Against Perpetuities period described in Article Fourteen of this agreement. Upon the expiration of the Rule Against Perpetuities period, such shares shall be distributed as therein provided.

If any beneficiary of a trust share has no descendants living at his or her death, any property in the trust share of such beneficiary shall be divided and allocated to the then living descendants, per stirpes, of the marriage of the most immediate ancestor of such beneficiary that is my descendant and has descendants then living. Such property shall be held and administered in separate trust shares for each such beneficiary upon the same terms and provisions that governed the trust share for the deceased beneficiary during his or her lifetime.

If there are no then living descendants of the marriage of any ancestor of such beneficiary that is my descendant,

then my Trustee shall distribute such trust property as provided in Article Nine of this agreement.

**c. Distribution of Trust Share for Afterborn Beneficiaries**

The trust share for any beneficiary of mine born after the creation of this trust agreement shall be held in trust and administered and distributed as follows:

**1. Distributions of Net Income**

My Trustee, in its sole and absolute discretion, shall apply to, or for the benefit of such afterborn beneficiary and such other beneficiaries to whom distributions are authorized in Section 3 of this Article as much of the net income from his or her trust share as my Trustee in its sole and absolute discretion shall determine.

**2. Distributions of Principal**

My Trustee, in its sole and absolute discretion, shall apply to, or for the benefit of the afterborn beneficiary and such other beneficiaries to whom distributions are authorized in Section 3 of this Article as much of the principal from his or her trust as my Trustee in its sole and absolute discretion shall determine.

**3. Guidelines for Discretionary Distributions**

To the extent that I have given my Trustee any discretionary authority over the distribution of income or principal to the afterborn beneficiary, it is my desire that my Trustee be liberal in exercising such discretion and that distributions be made in accordance with the general guidelines I have outlined in Section 3 of this Article.

#### 4. Distribution on the Death of the Afterborn Beneficiary

Upon the death of the afterborn beneficiary, any property remaining in his or her trust share shall be distributed to the then living descendants of the afterborn beneficiary, per stirpes, to be held and administered in separate trust shares for each of such descendants upon the same terms and provisions set forth that govern the trust share for the afterborn beneficiary during his or her lifetime.

If the afterborn beneficiary has no then living descendants, any property in his or her trust share shall be distributed to my then living descendants, per stirpes. Each such share shall be added to any existing trust share held by my Trustee for that beneficiary. If no separate trust share then exists for that beneficiary, the trust share shall be held and administered in separate trust share for that beneficiary upon the same terms and provisions that govern the separate trust share for the afterborn beneficiary during his or her lifetime.

If I have no descendants then living, my Trustee shall distribute the trust property as provided in Article Nine of this agreement.

#### 5. Continuation of Trust Shares for Descendants

Upon the death of any beneficiary for whom a trust share shall have been established pursuant to subparagraph 4, any property in such beneficiary's trust share shall be divided and allocated to the beneficiary's then living descendants, per stirpes, to be held and administered in separate trust shares for each of the descendants of such beneficiary upon the same terms and provisions that govern the trust share for the deceased beneficiary during his or her lifetime.

Upon the death of the descendants of a beneficiary for whom a trust share shall have been established, and likewise upon the death of their descendants for whom a trust share shall have been established, a separate trust share shall be established for the descendants of a



deceased beneficiary, per stirpes, and held and administered pursuant to the provisions of this subparagraph 5 from generation to generation until the expiration of the Rule Against Perpetuities period described in Article Fourteen of this agreement. Upon the expiration of the Rule Against Perpetuities period, such shares shall be distributed as therein provided.

If any beneficiary of a trust share has no descendants living at his or her death, any property in the trust share of such beneficiary shall be divided and allocated to the then living descendants, per stirpes, of the marriage of the most immediate ancestor of such beneficiary that is my descendant and has descendants then living. Such property shall be held and administered in separate trust shares for each such beneficiary upon the same terms and provisions that governed the trust share for the deceased beneficiary during his or her lifetime.

If there are no then living descendants of the marriage of any ancestor of such beneficiary that is my descendant, then my Trustee shall distribute such trust property as provided in Article Nine of this agreement.

#### **Section 5. Share of a Descendant of a Deceased Beneficiary**

Each share set aside for a deceased beneficiary, if any, which has then living descendants shall be divided, administered, and distributed as follows:

**a. Division into Separate Shares**

Each share set aside for a deceased beneficiary who has then living descendants shall be divided into as many equal shares as shall be necessary to create one equal share for such deceased beneficiary's descendants, per stirpes.

**b. Distribution of Shares for Descendants**

Any share established for a then living descendant of a deceased beneficiary of mine pursuant to Paragraph a, of this Section 5 shall

be held and administered upon the same terms and provisions set forth in Section 4 (c) of this Article that governs the separate shares created for afterborn beneficiaries.

## Article Nine

### Ultimate Distribution Pattern

If at any time there is no person, corporation, or other entity entitled to receive all or any part of my trust property, then all of the trust property shall be distributed to the Ilus W. Davis Foundation.

If the Ilus W. Davis Foundation is not then in existence, my Trustee shall distribute such property to the Kansas City Community Foundation to be held and administered in a separate fund in the name of Ilus and Beatrice Davis. This fund shall be used to carry out the charitable purposes which are as similar as possible to the mission and purpose of the Ilus W. Davis Foundation.

## **Article Ten**

### **Methods of Distribution and Trust**

#### **Administration with Regard to**

#### **Minor and Disabled Beneficiaries**

##### **Section 1. General Guidelines for Distribution**

Whenever a distribution is authorized or required to be made by a provision of this agreement to any beneficiary who is disabled or incapacitated, such distribution may be made by my Trustee:

Without continuing court supervision or the intervention of a guardian, conservator, or any other legal representative.

Without giving or requiring any bond or surety on bond.

Pursuant to any of the methods authorized under this Article.

In making distributions under this Article, disability or incapacity shall include adjudicated mental incapacity by a court of competent jurisdiction, or incapacity because of age, illness, injury or any other cause as determined pursuant to the terms of this Agreement.

Before making any distributions to beneficiaries under this Article, it is my desire that my Trustee, to the extent that it is both reasonable and possible:

Inquire into the ultimate disposition of the distributed funds.

Take into consideration the behavior of trust beneficiaries with regard to their disposition of prior distributions of trust property.

My Trustee shall obtain a receipt from the person, corporation, or other entity receiving any distribution called for in this Article.

## **Section 2. Methods of Payment**

My Trustee may make the distributions called for in this Article in any one or more of the following ways:

Directly to a beneficiary.

To persons, corporations, or other entities for the use and benefit of the beneficiary.

To an account in a commercial bank or savings institution in the name of the beneficiary, or in a form reserving the title, management, and custody of the account to a suitable person, corporation, or other entity for the use and benefit of the beneficiary.

In any prudent form of annuity purchased for the use and benefit of the beneficiary.

To any person or duly licensed financial institution, including my Trustee, as a custodian under the Uniform Transfers to Minors Act, or any similar act, of any state, or in any manner allowed by any state statute dealing with gifts or distributions to minors or other individuals under a legal disability.

To any agent under a valid power of attorney.

To any guardian, or other person deemed by my Trustee to be responsible, and who has assumed the responsibility of caring for the beneficiary.

## **Section 3. Special Instructions for Beneficiaries Disabled Due to Addictive Situations**

Prior to making any distribution authorized under this Agreement, or as a condition for further distributions, my Trustee may require that any beneficiary that has been determined to be disabled as provided in this Section due to a drug, alcohol, gambling, chemical or other dependency disorder, participate in or complete a rehabilitation program aimed at combating the dependency problem.

If my Trustee suspects that a beneficiary has a dependency problem, my Trustee shall advise my Protector, and together they shall name a panel of three individuals who have expertise in the suspected dependency. If the three-member panel selected advise the Trustee that the beneficiary is disabled by reason of a dependency problem, or if the beneficiary refuses to cooperate with the three-member panel in the process of making the determination, my Trustee may consider the beneficiary to be disabled for purposes of this provision.

If a beneficiary is disabled by reason of drug, alcohol, gambling, chemical or other dependency disorder, my Trustee may condition further distributions, or the amount of distributions, upon participation in, or satisfactory completion of, a rehabilitation program for the problem involved, and/or upon appropriate medical, chemical or psychological tests to establish that the problem has been controlled and remains under control.

My Trustee, in its sole and absolute discretion, may determine the nature and extent of the rehabilitative program, including follow up requirements. I direct that my Trustee consult with the three member panel selected to evaluate the matter of the beneficiary's dependency as well as counselors from rehabilitative programs selected by my beneficiary's medical doctors in order to best design an individualized program for the affected beneficiary.

I specifically authorize and direct my Trustee to pay the expenses of rehabilitation for the affected beneficiary from that beneficiary's trust property.

If any of my beneficiaries are incarcerated, I authorize my Trustee to withhold or limit distributions to such beneficiary during the period of such incarceration and, thereafter, to condition some or all of such distributions on participation by the beneficiary in counseling or therapy intended to reduce the likelihood of recidivism.

## Article Eleven

### The Resignation, Replacement, and Succession of My Trustee and the Protector

#### Section 1. The Resignation of a Trustee

Any Trustee may resign by giving thirty days' written notice to me or to my legal representative. If I am not living, the notice shall be delivered to my Trustees, if any, and to all of the beneficiaries then eligible to receive mandatory or discretionary distributions of net income from any trust created under this agreement.

If a beneficiary is a minor or is legally incapacitated, the notice shall be delivered to that beneficiary's guardian or other legal representative.

#### Section 2. The Removal of a Trustee

Any Trustee may be removed as follows:

a. No Removal by Me

I shall have no right to remove any Trustee.

b. Removal by My Protector

During my lifetime, any Trustee may be removed by my Protector, unless my Protector is acting under duress or legal compulsion.

c. Removal by Other Beneficiaries After My Death

After my death, a majority of the beneficiaries then eligible to receive mandatory or discretionary distributions of net income under this agreement may remove any Trustee.

d. **No Cause for Removal Needed**

No person having a right to remove a Trustee need give any Trustee being removed a reason, cause, or ground for such removal.

e. **Notice of Removal**

Notice of removal shall be effective when made in writing by either:

Personally delivering notice to the Trustee and securing a written receipt, or

Mailing notice in the United States mail to the last known address of the Trustee by certified mail, return receipt requested.

### **Section 3. Replacement of Individual Trustees**

If an individual Trustee is removed, dies, resigns, becomes legally incapacitated, or is otherwise unable or unwilling to serve, that Trustee shall be replaced as follows:

a. **Replacement By Me**

I shall have no right to replace any Trustee.

b. **Replacement by Others During My Lifetime**

While I am living, if a Trustee dies, resigns, is removed or is unable or unwilling to continue serving as a Trustee of this trust, my Trustee shall be replaced by one or more successor Qualified Trustees selected by the Protector.

If the Protector fails to act within a reasonable period of time but in any event delays longer than 30 days to fill a vacancy in Trusteeship, a successor Trustee may be appointed by my surviving children but only if they both agree. If both of my children are incapacitated, deceased or otherwise fail to act within a reasonable time but in any event delay longer than 30 days, a majority in interest of the beneficiaries who are my descendants and who are then eligible for



distributions of income or principal from this trust shall have the right to name a Qualified Trustee.

The authority of any beneficiary who is not of legal age or otherwise suffers from a lack of legal incapacity shall be exercised by his or her legal or natural guardian or conservator, as the case may be.

**c. Replacement After My Death**

After my death, my Trustee shall be replaced by one or more successor Qualified Trustees selected by the Protector.

If the Protector fails to act within a reasonable period but in any event delays longer than 30 days, a successor Trustee may be appointed by my children, but only if they both agree. If both of my children are incapacitated, deceased or otherwise fail to act within a reasonable period of time but in any event delay longer than 30 days, a majority in interest of the beneficiaries who are my descendants and who are then eligible for distributions of income or principal from this trust shall have the right to name a Qualified Trustee.

The authority of any beneficiary who is not of legal age or otherwise suffers from a lack of legal incapacity shall be exercised by his or her legal or natural guardian or conservator, as the case may be.

**Section 4. Replacement of Corporate Trustees**

If a corporate Trustee is removed, resigns, or is otherwise unable or unwilling to serve, that Trustee shall be replaced in the same manner as any other Trustee.

**Section 5. Qualified Trustee**

A "Qualified Trustee" shall mean a corporate fiduciary that satisfies the requirements of Section 6 of this Article or an individual fiduciary acceptable to my Protector. If the person authorized to appoint a successor Trustee fails to designate a Qualified Trustee, any beneficiary (including a contingent beneficiary) may petition a court of competent jurisdiction, ex parte, to designate a Qualified Trustee to serve as a Trustee.

The court that designates the successor Trustee shall not acquire any jurisdiction over any trust created under this agreement, except to the extent necessary to name a Qualified Trustee as a successor Trustee

## **Section 6. Corporate Fiduciaries**

Any corporate fiduciary named in this trust agreement or appointed by a court of competent jurisdiction as a Trustee must be a bank or trust company situated anywhere in the world having trust powers under applicable law.

Such corporate fiduciary shall:

- a. have a combined capital and surplus of at least 5 million dollars; or
- b. maintain in force a policy of insurance with policy limits of not less than 5 million dollars covering the errors and omissions of the Trustee with a solvent insurance carrier licensed to do business in the jurisdiction in which the Trustee has its corporate headquarters.

## **Section 7. Powers and Liabilities of Successor Trustees**

Any successor Trustee, whether corporate or individual, shall have all of the rights, powers, and privileges, and be subject to all of the obligations and duties, both discretionary and ministerial, as given to the original Trustee.

Any successor Trustee shall be subject to any restrictions imposed on the original Trustees. No successor Trustee shall be required to examine the accounts, records, and acts of any previous Trustees.

No successor Trustee shall in any way be responsible for any act or omission to act on the part of any previous Trustee.

## **Section 8. The Protector**

If the initial Protector or any subsequent Protector is unable or unwilling to serve or to continue to serve in that capacity, the successor Protector shall be

an individual designated in writing by the previously serving Protector as provided in this Section. If a Protector dies, resigns, becomes incapacitated and has not named a successor Protector, the then serving Protector shall be replaced by the following individuals who shall serve as Protector in the order in which their names appear:

First, STEPHEN K. LEHNARDT, my Protector

Second, an individual person who is designated in a written instrument given by CHRISTOPHER D. DAVIS and CAROLINE D. DAVIS, or the survivor of them.

If at any time there is no Protector designated herein who is acting as to any trust hereunder, the Protector of such trust shall be such individual as the last serving Protector has designated in an instrument in writing.

In the absence of any such designation, the Protector shall be an individual person (other than me) selected by a court of competent jurisdiction in Alaska. I request that any individual named by my children, the last serving Protector or any court be an individual with mature judgment who has the interests of myself and my beneficiaries as his or her primary concern. A Protector may resign in the same manner as a Trustee may resign.

I have appointed the Trust Protector to give advice to the Trustee and to ensure that the Trustee properly fulfills its duties. Trustmakers often rely on their trustees to exercise broad discretion, and rely on such trustees to make determinations that would be consistent with the Trustmakers' desires. However, my Trustee hereunder may not know me and my family well enough to be able to do this well. Therefore, I have selected persons to act as Trust Protector whom I believe know me and can determine what I would have desired with regard to my family better than my Trustee. I do not wish or expect my Trust Protector to be subservient to my desires, or to consult me with regard to the advice my Trust Protector gives and the actions my Trust Protector takes.

Some of the persons selected as Trust Protector or successor Trust Protector may have other personal or professional relationships which may impose or imply fiduciary or other duties to me. I hereby fully relieve such Trust Protector from any such duties to the extent the Trust Protector is acting as Trust Protector. I instruct the Trust Protector to make independent decisions regarding what my Trust Protector believes would best serve my family and the broad objectives for my family expressed in this instrument.

The actions of my Trust Protector shall not be subject to any review or supervision by any court. My Trust Protector may act, or refrain from acting, free of any duty, fiduciary or otherwise, to me or any member of my family. Instead, I direct my Trust Protector to act freely and independently, taking my broad objectives into account only to the extent that my Trust Protector believes they are important, and without consultation with, or influence by, me.

The Protector shall be invested with the following authority:

a. **Power Respecting Trustees**

During my life, the Protector is authorized, in the exercise of sole and absolute discretion, in accordance with the provisions of Article Eleven hereof, to designate successor Trustees and to remove any and all Trustees acting hereunder and appoint successor Trustees in their place; provided, however, that no Protector may appoint me, himself or herself, any person who is married to the Protector or who is related to the Protector or his or her spouse within the third degree of consanguinity, or who is a partner or fellow shareholder of the Protector in any enterprise in which the Protector holds a ten percent (10%) interest or to which he devotes on an average more than 10 hours per week, or who is any subsequent spouse of mine, or any spouse of any descendant of mine.

b. **Power to Advise Regarding Distributions**

The Protector may advise the Trustee with regard to distributions that the Protector believes would carry out the intentions of the Trustmaker and which the Protector believes would be in the best interests of the beneficiaries. However, the Trustee shall have no legal or moral obligation whatsoever to act in accordance with any such advice.

This agreement does not impose any fiduciary responsibility on the Protector to monitor the acts of the Trustees. The Protector shall not be liable for failing to remove any Trustee even if such Trustee may be guilty of a gross violation of his or her fiduciary duties hereunder.

c. Power to Add Beneficiaries During My Lifetime

The Protector shall have the authority to appoint the following persons or classes of persons as additional discretionary beneficiaries under Article Three of this agreement:

- i. Myself
- ii. Any descendant of my grandparents;
- iii. The spouse of any beneficiary identified in Article Three of this agreement

Such appointment may identify the added beneficiary generally or may limit the distribution discretion of my Trustee to an amount specified in the written instrument exercising this power delivered to my Trustee. My Trustee shall have discretion to make distributions to, or for the benefit of, such appointee subject to the other limitations of Section 9 of Article Three.

The Trust Protector shall not exercise this power at any time that this Trust holds real property in a jurisdiction where the holding of such real property would impact adversely on the spendthrift restrictions hereof or on the ability to maintain a perpetual trust after such exercise. My Trustee shall have no obligation to distribute to any such appointee the amounts specified in such instruments. My Trustee shall have discretion to make distributions (limited by the aggregate amounts specified in such appointments) to, or for the benefit of, such appointee subject to the other limitations of Section 9 of Article Three.

d. Power to Allow Beneficiaries to Purchase Property from the Trust on Favorable Terms.

The Protector shall have the authority to allow any beneficiary of this trust (other than a beneficiary added by my Protector under the preceding clause), without the approval or consent of any adverse party, to purchase, exchange, or otherwise deal with or dispose of any portion of the principal or the income of this trust for less than an adequate consideration in money or money's worth, but in no event for less than 90% of the fair market value of such portion of the principal or income from this trust.

e.       **Limitation on Exercise of Powers of the Protector**

No action of the Protector shall have any force or effect unless accompanied by a representation, warranty and declaration by the Protector that its action is not made under duress or legal compulsion.

## **Article Twelve**

### **General Matters and Instructions**

#### **with Regard to my Trustee**

##### **Section 1. Use of "Trustee" Nomenclature**

As used throughout this agreement, the word "Trustee" shall refer to the initial Trustee as well as any single, additional, or successor Trustee. It shall also refer to any individual, corporation, or other entity acting as a replacement, substitute, or added Trustee.

##### **Section 2. No Requirement to Furnish Bond or Registration**

My Trustee shall not be required to furnish any bond for the faithful performance of its duties. This trust shall be registered with the State of Alaska in the manner required by Alaska law

If a bond is required by any law or court of competent jurisdiction, it is my desire that no surety be required on such bond.

##### **Section 3. Court Supervision Not Required**

All trusts created under this agreement shall be administered free from the active supervision of any court.

Any proceedings to seek judicial instructions or a judicial determination shall be initiated by my Trustee in the appropriate state court having original jurisdiction of those matters relating to the construction and administration of trusts.

#### **Section 4. My Trustee's Responsibility to Make Information Available to Beneficiaries**

During my lifetime, my Trustee shall report at least semi-annually to my Protector and to my children or to the survivor of them. After the death of my children, my Trustee shall report, at least semiannually, to the beneficiaries then eligible to receive mandatory or discretionary distributions of the net income from the various trusts created in this agreement and all of the receipts, disbursements, and distributions occurring during the reporting period along with a complete statement of the trust property.

With respect to any trust asset that is not cash or marketable securities, my Trustee shall only have the duty to report to the beneficiaries the information that is provided to my Trustee. My Trustee shall be indemnified and held harmless by the assets in the trust from any loss, claim or damage [including costs and attorney's fees] incurred by my Trustee arising out of any claim by a beneficiary relating to my Trustee's duty to report information relating to any non-marketable securities held by my Trustee.

The trust's books and records along with all trust documentation shall be available and open at all reasonable times to the inspection of the trust beneficiaries and their representatives.

My Trustee shall not be required to furnish trust records or documentation to any individual, corporation, or other entity that is not a beneficiary, does not have the express written approval of a beneficiary, or is not requesting such pursuant to a court order.

#### **Section 5. Delegation Among the Trustees**

Any Trustee may delegate to any other Trustee the power to exercise any or all powers granted my Trustee in this agreement, including those that are discretionary, if allowed by law.

My delegating Trustee may revoke any such delegation at will.

The delegation of any such power, as well as the revocation of any such delegation, shall be evidenced by an instrument in writing executed by the delegating Trustee.

As long as any such delegation is in effect, any of the delegated powers may be exercised by the Trustee receiving such delegation with the same force



and effect as if the delegating Trustee had personally joined in the exercise of such power.

#### **Section 6. Utilization of Substitute Trustee**

If any Trustee is unwilling or unable to act as to any trust property, my Trustee shall designate, in writing, an individual, bank trust department, or trust company to act as a substitute Trustee with regard to such property.

The property being administered by the substitute Trustee, as well as the net income therefrom, shall be distributed or remitted as directed by the delegating Trustee consistent with the terms of this agreement.

Each substitute Trustee shall exercise all of the fiduciary powers granted by this agreement unless expressly limited by the delegating Trustee in the instrument appointing such substitute Trustee, or by any provision within this Section.

Any substitute Trustee may resign at any time by delivering written notice to my Trustee to that effect.

Following my death, a Qualified Trustee may appoint any of my descendants, or the spouse of any of my descendants, as a special Substitute Trustee of this trust, or any subtrust created hereby, whose sole responsibility shall be to determine the amount to be distributed in any period to the beneficiaries of this trust, or any such subtrust. Such Substitute Trustee shall have no authority to exercise any discretion with regard to distributions to, or for the benefit of, such Substitute Trustee and, if such Substitute Trustee has been delegated the power to determine the amount of any distributions to or for the Substitute Trustee's benefit, his/her authority shall be limited by an ascertainable standard only to distributions reasonably necessary for his/her health, education, maintenance and support. The actions of any Substitute Trustee shall be limited by the provisions of the agreement with regard to the actions of an Interested Trustee. Notwithstanding anything to the contrary in this instrument, in the event that the Qualified Trustee delegates to such a Substitute Trustee the responsibility to determine the amount to be distributed in any period to the beneficiaries of this trust, or any such subtrust, the Substitute Trustee shall have all the powers of the Trustees hereof with regard to such distributions, and no other Trustee, including the Qualified Trustee which appointed such Substitute Trustee, shall have any responsibility to determine appropriate distributions under the terms of this Trust.

## **Section 7. Indemnification of the Trustee**

I recognize that some persons may be hesitant to serve as Trustee of this trust agreement because of a concern about potential liability, particularly with respect to the management of assets in closely held corporations or partnerships. Therefore I direct that my Trustee shall not incur any liability by reason of any error of judgment, mistake of law, or action of any kind taken or omitted to be taken in connection with respect to the management of any non-marketable securities held by my trust. My Trustee shall be fully indemnified by the trust estate against any claim or demand by any trust beneficiary or trust creditor arising out of any claim relating to the management of such assets, except for any claim or demand based on my Trustee's own willful misconduct or gross negligence proved by clear and convincing evidence. Expenses incurred by my Trustee in defending any such claim or demand shall be paid by the trust estate in advance of the final disposition of such claim or demand, upon receipt of an undertaking by or on behalf of such Trustee to repay such amount, if it shall ultimately be determined that such Trustee is not entitled to be indemnified as authorized in this Section.

My Trustee shall not incur liability to the trust nor to the trust beneficiaries for a decision to invest or to retain an investment of all or any part of the trust property in a partnership, limited partnership, limited liability company, or other entity which provides additional protection of the assets of the trust or which provides for the convenient management of jointly owned family property (including property held by one or more trusts for members of the family), even if restrictions on transfer and liquidation may cause the ownership interest to have a fair market value which is less than the fair market value of the assets contributed to the entity, or if the lack of control over the interests (or lack of diversification of investments as a result thereof) have an adverse impact on the value of the assets hereof.

## **Section 8. Trustee's Fee**

My Trustee shall be entitled to fair and reasonable compensation for the services it renders as a fiduciary. The amount of compensation shall be an amount equal to the customary and prevailing charges for services of a similar nature during the same period of time and in the same geographic locale.

My Trustee shall be reimbursed for the reasonable costs and expenses incurred in connection with its fiduciary duties under this agreement.

### **Section 9. A Majority of Trustees Required to Control**

Except as otherwise provided herein, when more than two Trustees are acting, the concurrence and joinder of a majority of my Trustees shall control in all matters pertaining to the administration of any trust created under this agreement, except as to matters properly delegated to one of them.

Except as otherwise provided herein, if only two Trustees are acting, the concurrence and joinder of both shall be required, except as to matters properly delegated to one of them.

As to any matter where my Trustees cannot attain the concurrence or joinder of a majority of Trustees, my Trustees may designate by agreement of all of my Trustees a third party to determine such matter, and my Trustees shall abide by the decision of such third party, or, if they cannot agree on a third party, may seek the instructions of a court of competent jurisdiction.

Any dissenting or abstaining Trustee may be absolved from personal liability by registering a written dissent or abstention with the records of the trust. The dissenting Trustee shall thereafter act with the other Trustees in any manner necessary or appropriate to effectuate the decision of the majority.

### **Section 10. Successor Corporate Fiduciaries**

If any bank or trust company ever succeeds to the trust business of any corporate fiduciary serving as a Trustee under this agreement, whether because of a name change or any other form of reorganization, or if such corporate fiduciary ever transfers all of its existing business to any other bank or trust company, the successor shall thereupon, without any action being required, succeed to the trusteeship as if originally named.

### **Section 11. Early Termination of Trusts Based on Cost**

Notwithstanding any other provision of this trust, if at any time after my death, any trust created in this trust is reduced to an amount which the Trustee, in the Trustee's sole and absolute discretion, determines that the trust is no longer economically feasible (which shall not be at any time when the reasonably anticipated annual costs of operating the trust do not exceed the greater of 15 percent of anticipated annual trust income or one and one-half percent of the trust's assets), the Trustee may, in the Trustee's sole discretion, either:

terminate such trust and distribute the trust property to the person(s) then entitled to the income or to receive or to have the benefit of the income therefrom or to the legal representative of such person. If there is more than one income beneficiary, the distribution to such income beneficiaries shall be made in the proportion in which they are beneficiaries or if no proportion is designated, in equal shares to such beneficiaries; or

purchase and deliver to the income beneficiary(ies) restrictive savings accounts, certificates of deposit, annuities, endowments, or comparable investments which the Trustee deems proper; or

distribute the trust assets to a custodian for the beneficiary(ies) under the applicable Uniform Transfers (or Gifts) to Minors Act.

## **Section 12. Generation-Skipping Tax Provisions**

In order to minimize the impact of any generation-skipping tax that may be applied to any of the trusts created by this agreement or their beneficiaries, my Trustee, in its sole and absolute discretion, is authorized to take the following actions:

### **a. Division into Exempt and Nonexempt Trusts**

If any trust created under this agreement would be partially exempt from generation-skipping tax by reason of an allocation of a generation-skipping tax exemption to it, prior to such allocation my Trustee shall divide the total trust assets into two separate trust shares of equal or unequal value, to permit allocation of the exemption solely to one trust share (the "exempt trust").

The exempt trust shall consist of a fractional interest of the total trust assets in an amount necessary to cause the exempt trust to be entirely exempt from generation-skipping tax. The other trust share (the "nonexempt trust") shall consist of the remaining fractional interest of the total trust assets.

My Trustee shall have complete authority to make allocations of trust property between the Exempt Shares and the Non-Exempt

Shares established in this Section. Property conveyed or assigned in kind to the Exempt Shares shall be valued at its value as finally determined for federal estate tax purposes. However, if specific property is allocated to these shares, the division of assets shall be made in a manner that fairly reflects net appreciation or depreciation in the value of the assets measured from the valuation date for federal estate tax purposes to the date of funding. My Trustee shall maintain separate accounts for the exempt trust and the nonexempt trust.

Any exempt trust or nonexempt trust and any exempt share or nonexempt share established under this agreement may be referred to by such name as may be designated by my Trustee.

**b. Additions to a Separate Trust**

If a trust under this agreement, whether created under this Section or not, is entirely exempt or nonexempt from generation-skipping tax and adding property to it would partially subject the trust to generation-skipping tax, my Trustee may hold that property in a separate trust in lieu of making the addition.

**c. Terms of the Trusts**

If my Trustee divides a trust into two separate trust shares or creates a separate trust for additions, the trusts or trust shares that result shall have the same terms and conditions as the original trust.

My Trustee shall not make discretionary distributions from the income or principal of an exempt trust to beneficiaries who are non-skip persons as long as any readily marketable assets remain in a nonexempt trust for such beneficiaries.

To the extent possible, my Trustee shall make discretionary distributions to beneficiaries who are skip persons from an exempt trust for such beneficiaries.

**d. Allocation from an Exempt Trust First**

Upon division or distribution of an exempt trust and a nonexempt trust, my Trustee may allocate property from the exempt trust first

to a share from which a generation-skipping transfer is more likely to occur.

**e. Taxable Distributions**

If my Trustee considers that any distribution from a trust under this agreement, other than pursuant to a power to withdraw or appoint, is a taxable distribution subject to a generation-skipping tax payable by the beneficiary, my Trustee shall augment the distribution by an amount which my Trustee estimates to be sufficient to pay the tax and shall charge the same against the trust to which the tax relates.

**f. Taxable Terminations**

If my Trustee considers that any termination of an interest in trust property is a taxable termination subject to a generation-skipping tax, my Trustee shall pay the tax from the portion of the trust property to which the tax relates, without adjustment of the relative interests of the beneficiaries.

**g. No Duty to Make Generation Skipping Allocations**

No provision of this Section 12 or any other provision of this trust shall impose or imply any affirmative duty on my Trustee to make any allocation of my generation skipping exemption unless my Trustee is expressly requested in writing to make such allocation and is provided the information necessary to properly make the allocation.

### **Section 13. My Beneficiary's General Power of Appointment**

The beneficiary of any separate trust share created in this trust agreement shall have the unlimited and unrestricted testamentary general power to appoint by a valid last will and testament, by a valid living trust agreement or by any other written instrument which expressly refers to this power any property remaining in the trust share the distribution of which would otherwise constitute a taxable generation-skipping transfer. In exercising this general power of appointment, my Primary Beneficiary shall specifically refer to this power. The Primary Beneficiary of the trust share shall have the sole and exclusive right to exercise this general power of appointment.

This general power of appointment specifically grants to my Primary Beneficiary the right to appoint property to his or her own estate. It also specifically grants to my Primary Beneficiary the right to appoint the property among persons, corporations, or other entities in equal or unequal proportions, and on such terms and conditions, whether outright or in trust, as the Primary Beneficiary may elect.

Any property in the trust share which is not distributed pursuant to the exercise of the general power of appointment or is not subject to such power because it is not taxable as a generation-skipping transfer shall be distributed under the lapse and other provisions of the beneficiary's trust share.

This provision shall apply to all trust shares created for a beneficiary under this trust agreement unless the provisions of the separate trust share, by reference to this provision, provides otherwise.



## **Article Thirteen**

### **My Trustee's Administrative and Investment Powers**

#### **Section 1. Introduction to Trustee's Powers**

Except as otherwise provided in this agreement, my Trustee shall have both the administrative and investment powers enumerated under this Article and any other powers granted by law with respect to the various trusts created by this agreement.

My Trustee shall also have the express power to employ attorneys, accountants, agents, auditors, trust departments and officers and other financial advisors (including brokers, financial planners, professional money managers, and registered investment advisors) in order to assist in carrying out the responsibilities of the position of Trustee.

Unless otherwise specifically provided in this Agreement, the decision to employ such assistants, as well as determining the terms and conditions of such employment (including the decision to terminate such assistant) is at the sole and absolute discretion of my Trustee.

So long as a Trust Protector serves with regard to this Trust, my Trustee may delegate the investment powers with regard to the assets hereof to such persons or entities as are designated by my Trust Protector in a written instrument. However, my Trustee is authorized, without approval from the Trust Protector, to establish one or more bank accounts or transactional accounts with a broker dealer, for the purpose of holding not more than \$10,000 on a long term basis, or through which funds may be transferred between investments or to beneficiaries. My Trustee is further authorized, without approval from my Trust Protector, to invest Trust assets, or incur liabilities on account of the Trust, for the purpose of acquiring any asset from me, a beneficiary of this Trust or a trust for my benefit or that of any beneficiary hereof.



## Section 2. Powers to Be Exercised in the Best Interests of the Beneficiaries

My Trustee shall exercise the following administrative and investment powers without the order of any court, as my Trustee determines in its sole and absolute discretion to be in the best interests of the beneficiaries.

Despite any conflicting provision in my trust, my Trustee shall not exercise any power in a manner inconsistent with the beneficiaries' right to the beneficial enjoyment of the trust property in accordance with the general principles of the law of trusts.

### a. Waiver of Prudent Investor Rule

In addition to the investment powers conferred in this Trust, the Trustee is authorized (but not directed) to acquire and retain investments not regarded as traditional for trusts, including investments that would be forbidden or would be regarded as imprudent, improper or unlawful by the "prudent person" rule, "prudent investor" rule, or any other rule or law which restricts a fiduciary's capacity to invest. The Trustee, in the exercise of sole and absolute discretion, may invest in any type of property, wherever located, including any type of life insurance policy, security or option, improved or unimproved real property, and tangible or intangible personal property, and in any manner, including direct purchase, joint ventures, partnerships, limited partnerships, limited liability companies, corporations, mutual funds, business trusts or any other form of participation or ownership whatsoever. In making investments, the Trustee may disregard any or all of the following factors:

Whether a particular investment, or the trust investments collectively, will produce a reasonable rate of return or result in the preservation of principal.

Whether the acquisition or retention of a particular investment or the trust investments collectively are consistent with any duty of impartiality as to the different beneficiaries. The Trustmaker intends that no such duty shall exist.

Whether the trust is diversified. The Trustmaker intends that no duty to diversify shall exist.

Whether any or all of the trust investments would traditionally be classified as too risky or speculative for trusts. The entire trust may be so invested. The Trustmaker intends the Trustee to have sole and absolute discretion in determining what constitutes acceptable risk and what constitutes proper investment strategy.

The Trustmaker's purpose in granting the foregoing authority is to modify the "prudent person" rule, "prudent investor" rule, or any other rule or law which restricts a fiduciary's ability to invest insofar as any such rule or law would prohibit an investment or investments because of one or more factors listed above, or any other factor relating to the nature of the investment itself. The Trustmaker does this because the Trustmaker believes it is in the best interests of the beneficiaries of the trusts created hereunder to give the Trustee broad discretion in managing the assets of the trusts created hereunder.

**b. Investment Policy**

I have attached, as Schedule B, a suggested set of investment rules and guidelines in the form of a written investment policy. I desire that my Trustee follow the investment policy when making investment and management decisions affecting trust assets.

Notwithstanding any investment policy contained in Schedule B, my Trustee is expressly authorized to acquire and retain any interest in any insurance policy insuring the life of any member of my immediate family other than myself. Likewise, my Trustee is authorized to acquire and retain any interest in a business entity in which a majority of the equity interest is owned by me, members of my immediate family or by trusts established for their benefit.

In the event my Trustee determines that the investment policy should be modified, my Trustee shall submit the proposed modification(s) to the then current beneficiaries of my Trust for review. The proposed modifications shall become effective only upon the consent of 85% of the then current beneficiaries of my Trust. If the requisite consent is not obtained, the then existing policy shall remain in effect.

c. **Fiduciary Capacity**

Every act done, power exercised or obligation assumed by a Trustee pursuant to the provisions of this Agreement shall be held to be done, exercised or assumed, as the case may be, by the Trustee acting in a fiduciary capacity and not otherwise, and every person, firm, corporation or other entity contracting or otherwise dealing with the Trustee shall look only to the funds and property of the trust estate for payment under such contract or payment of any money that may become due or payable under any obligation arising under this Agreement, in whole or in part, and the Trustee shall not be individually liable therefor even though the Trustee did not exempt himself, herself or itself from individual liability when entering into any contract, obligation or transaction in connection with or growing out of the trust estate.

**Section 3. Administrative and Investment Powers**

My Trustee is hereby granted the following administrative and investment powers:

a. **Agricultural Powers**

My Trustee may retain, sell, acquire, and continue any farm or ranching operation whether as a sole proprietorship, partnership, or corporation.

My Trustee may engage in the production, harvesting, and marketing of both farm and ranch products either by operating directly or with management agencies, hired labor, tenants, or sharecroppers.

My Trustee may engage and participate in any government farm program, whether state or federally sponsored.

My Trustee may purchase or rent machinery, equipment, livestock, poultry, feed, and seed.

My Trustee may improve and repair all farm and ranch properties, construct buildings, fences, and drainage facilities; acquire, retain, improve, and dispose of wells, water rights, ditch rights, and priorities of any nature.

My Trustee may, in general, do all things customary or desirable to operate a farm or ranch operation for the benefit of the beneficiaries of the various trusts created under this agreement.

**b. Business Powers**

My Trustee may retain and continue any business in which this Trust acquires an ownership interest (including, but not limited to, an ownership interest as a shareholder, partner, sole proprietor, member, or participant in a joint venture), even though that interest may constitute all or a substantial portion of the trust property, without regard to any duty to diversify that might otherwise apply.

I recognize that the value of a non-controlling interest in a business entity held by this trust, including a limited partnership, may be less than underlying value of the net assets of such entity. Notwithstanding any duty to diversify, I authorize my Trustee to continue to hold such interest to maximize its long-term value, rather than to liquidate such asset at a discount, so long as the entity continues to be controlled by, or for the benefit of, members of my family.

To the extent that my Trustee determines that it may be advantageous, I authorize my Trustee to sell all, or a portion, of the interest of this Trust in any business entity or other asset to a segregated asset account held under a variable life insurance contract for cash, a private annuity or an installment note (or a combination thereof) with a fair market value equal to the fair market value of the interest sold. My Trustee may rely upon a determination by my Trust Protector, or a person appointed by my Trust Protector, in this regard. For the purposes of this provision, "fair market value" shall be determined by my Trustee in its reasonable discretion in a manner consistent with the principles applicable for Federal estate and gift tax purposes. No such sale shall be permitted, however, unless a majority of the interests in such life insurance contract are held by some combination of me, my Spouse, my descendants and trusts established primarily for the benefit of such persons.

My Trustee may directly participate in the conduct of any such business or employ others to do so on behalf of the beneficiaries. My Trustee may take part in the management of any business in

which investment is retained or made hereunder and delegate duties with respect to such management, with the requisite powers, to any employee, manager, partner or associate of such business, without liability for such delegation. To the extent that the interest held by this Trust is not one which has management powers (such as a limited partnership interest, or a membership interest in a limited liability company, or an indirect interest through a segregated asset account in a variable life insurance policy), my Trustee shall have no obligation to supervise the management of the underlying assets, and no liability for the actions of those who manage the respective entity who are not selected by my Trustee.

My Trustee may reduce, expand, limit or otherwise fix and change the operation or policy of any such business and to act with respect to any other matter in connection with any such business; subject the principal and income of this trust to the risks of any such business for such term or period as the Trustee, in the exercise of sole and absolute discretion, may determine.

My Trustee may advance money or other property to any such business; make loans, subordinated or otherwise, of cash or securities to any such business and to guarantee the loans of others made to any such business; borrow money for any such business, either alone or with other persons interested therein, and to secure such loan or loans by a pledge or mortgage of any part of any trust estate; select and vote for directors, partners, associates and officers of any such business; act as directors, general or limited partners, associates and officers of any such business either individually or through an officer or officers if any Trustee be a corporation; and receive compensation from such business for so acting.

My Trustee may enter into stockholders' agreements with corporations in which any trust estate has an interest and/or with the stockholders of such corporations; liquidate, either alone or jointly with others, any such business or any interest in any such business; and generally exercise any and all powers as the Trustee may deem necessary with respect to the continuance, management, sale or liquidation of any such business.

My Trustee may execute partnership agreements, buy-sell agreements, operating agreements for limited liability companies, and any amendments to them.

My Trustee may participate in the incorporation of any trust property and any reorganization, merger, consolidation, recapitalization, liquidation, dissolution, stock redemption or cross purchase buy-sell agreement. Any powers it may exercise with respect to stock may be exercised with respect to any other form of business interest.

My Trustee may hold the stock of any corporation as trust property, and may elect or employ directors, officers, managers, employees, and agents and compensate them for their services.

My Trustee may sell or liquidate any business interest that is part of the trust property.

To the extent that my Trustee determines that it may be advantageous, I authorize my Trustee to sell all, or any portion, of the interest which this Trust holds in any asset to a segregated asset account held within a variable life insurance contract for cash, a private annuity or an installment note (or a combination thereof) with a fair market value equal to the fair market value of the interest sold. For the purposes of this provision, the "fair market value" of an asset shall be determined by my Trustee in its reasonable discretion in a manner consistent with the principles applicable to the determination of value for Federal estate and gift tax purposes. No such sale shall be permitted, however, unless a majority of the beneficial interests in such life insurance contract are held by some combination of me, my Spouse, my descendants or trusts established primarily for the benefit of such persons.

My Trustee may carry out the provisions of any agreement entered into by me for the sale of any business interest or the stock thereof.

My Trustee may exercise all of the business powers granted in this agreement regardless of whether my Trustee is personally an interested or involved party with respect to any business enterprise forming a part of the trust property.

My Trustee may permit any business in which the trust holds an interest to establish a commercial lending or deposit relationship with any corporate fiduciary and to permit such corporate fiduciary to earn interest, take and enforce security interests in collateral owned by that business, enforce all its creditors rights with respect to any loan to such business and otherwise profit from such lending relationship.

**c. Common Fund Powers**

For the purpose of convenience with regard to the administration and investment of the trust property, my Trustee may hold the several trusts created under this agreement as a common fund.

My Trustee may make joint investments with respect to the funds comprising the trust property.

My Trustee may enter into any transaction authorized by this Article with fiduciaries or other trusts or estates in which any beneficiary hereunder has an interest, even though such fiduciary is also a Trustee under this agreement.

**d. Power to Establish Sub-Trusts**

My Trustee shall have the power and is expressly authorized to create one or more sub-trusts sited in any jurisdiction in the world for the purpose of acquiring, holding and managing trust property. Any such sub-trust shall provide that this trust shall be the sole beneficiary of such sub-trust.

**f. Compensation Powers**

My Trustee shall pay from income or principal all of the reasonable expenses attributable to the administration of the respective trusts created in this agreement.

My Trustee shall pay itself reasonable compensation for its services as fiduciary as provided in this agreement, and shall reasonably compensate those persons employed by my Trustee, including agents, auditors, accountants, attorneys, and financial advisors (including brokers, financial planners, professional money managers, registered investment advisors and trust departments and officers).

My Trustee may appoint, employ and remove, at any time and from time to time, any investment counsel, accountants, depositories, custodians, brokers, consultants, attorneys, expert advisers, agents, clerks and employees, irrespective of whether any person, firm or corporation so employed shall be a Trustee hereunder or shall be a corporate affiliate of a Trustee hereunder and irrespective of whether any firm or corporation so employed shall be one in which



a Trustee hereunder shall be a partner, stockholder, officer, director or corporate affiliate or shall have any interest.

My Trustee may pay the usual compensation for such services out of principal or income as the Trustee may deem advisable, and such compensation may be paid without diminution of or charging the same against the commissions or compensation of any Trustee hereunder, and any Trustee who shall be a partner, stockholder, officer, director or corporate affiliate in any such firm or corporation shall nonetheless be entitled as a partner, stockholder, officer, director or corporate affiliate to receive such Trustee's share of the compensation paid to such firm or corporation.

**g. Distribution Powers**

My Trustee is specifically authorized to make divisions and distributions of the trust property either in cash or in kind, or partly in cash and partly in kind, or in any proportion of cash or in kind it deems advisable. My Trustee shall be under no obligation or responsibility to make pro rata divisions and distributions in kind.

My Trustee may allocate specific property to any beneficiary or share although the property may differ in kind from the property allocated to any other beneficiary or share.

The foregoing powers may be exercised regardless of the income tax basis of any of the property.

My Trustee may make a joint purchase with, or to make a sale at less than fair market value to, any beneficiary of a trust created hereunder; make loans without interest or at less than market rate interest to any beneficiary; and enter into any other transaction or agreement whether or not of a commercial nature with any beneficiary which the Trustee, in the exercise of sole and absolute discretion, may determine to be in the best interest of the trust or its beneficiaries as a group.

My Trustee may employ domestic servants and pay any other expenses incident to the maintenance of a household for the benefit of any one or more of the beneficiaries of a trust created hereunder, as the Trustee, in the exercise of sole and absolute discretion, may determine, and provide for the personal care and comfort of any one or more of the beneficiaries in any manner whatsoever.



My Trustee may permit any one or more of the beneficiaries of any trust created hereunder, as the Trustee, in the exercise of sole and absolute discretion, may determine, to occupy any real property and to use any tangible personal property forming part of the trust on such terms as the Trustee, in the exercise of sole and absolute discretion, may determine, whether for rent, rent-free, in consideration of payment of taxes, insurance, maintenance or ordinary repairs, or otherwise.

#### **h. Environmental Powers**

My Trustee shall have the power to inspect any trust property to determine compliance with any environmental law affecting such property or to respond to any environmental law affecting property held by my Trustee. "Environmental Law" shall mean any federal, state, or local law, rule, regulation, or ordinance relating to protection of the environment or of human health.

My Trustee shall have the power to refuse to accept property if my Trustee determines that there is a substantial risk that such property is contaminated by any hazardous substance or has previously, or is currently, being used for any activities directly or indirectly involving hazardous substances which could result in liability to the trust assets. "Hazardous substance" shall mean any substance defined as hazardous or toxic by any federal, state, or local law, rule, regulation, or ordinance.

My Trustee shall have the power to take any necessary action to prevent, abate, clean up or otherwise respond to any actual or threatened violation of any environmental law affecting trust property prior to or after the initiation or enforcement of any action by any governmental body.

My Trustee may disclaim or release any power granted to it or implied by any document, statute, or rule of law that the Trustee determines may cause the Trustee to incur liability under any environmental law.

My Trustee may charge the cost of any inspection, review, prevention, abatement, response, cleanup, or remedial action authorized under this power against the trust property.

My Trustee shall not be liable to any beneficiary or to any other party for any decrease in value of the trust property by reason of my

Trustee's compliance with any environmental law, specifically including any reporting requirement under such law.

My Trustee may use and expend trust property to (i) conduct environmental assessments, audits or site monitoring; (ii) take all appropriate remedial action to contain, clean up or remove any environmental hazard including a spill, discharge or contamination; (iii) institute legal proceedings concerning environmental hazards or contest or settle legal proceedings brought by any local, state, or federal agency concerned with environmental compliance or a private litigant; (iv) comply with any local, state, or federal agency order or court order directing an assessment, abatement or clean-up of any environmental hazard; and (v) employ agents, consultants and legal counsel to assist or perform the above undertakings or actions. No Trustee shall be liable for any loss or depreciation in value sustained by the trust as a result of the Trustee retaining any property on which there is later discovered to be hazardous materials or substances requiring remedial action pursuant to any federal, state, or local environmental law, unless the Trustee contributed to that loss or depreciation in value through willful default or misconduct or gross negligence.

i. **Funeral and Burial Expenses**

My Trustee may in its sole discretion pay the funeral and burial or cremation expenses, expenses of the last illness, and valid claims and expenses of an income beneficiary of any trust created under this agreement.

Funeral and burial or cremation expenses shall include, but not be limited to, the cost of memorials of all types and memorial services of such kind as my Trustee shall approve. Valid claims and expenses shall include, but not be limited to, all state and federal death taxes.

The payments shall be paid from the assets of the trust or trusts from which the beneficiary was receiving income.

j. **Income and Principal Powers**

My Trustee may determine in a fair, equitable, and practical manner how all Trustee's fees, disbursements, receipts, and wasting assets shall be credited, charged, or apportioned between principal

and income. Except to the extent otherwise required by law, my Trustee shall allocate capital gains to principal, and not to income.

My Trustee may set aside from trust income reasonable reserves for taxes, assessments, insurance premiums, repairs, depreciation, obsolescence, depletion, and for the equalization of payments to or for the beneficiaries; it may select any and all accounting periods with regard to the trust property.

k. Investment Powers in General

My Trustee may invest and reinvest in such classes of stocks, bonds, securities, commodities, options, metals, rare coins, bullion, or other property, real or personal, as it shall determine.

My Trustee may invest in investment trusts as well as in common trust funds.

My Trustee may purchase life, annuity, professional liability, accident, sickness, disability and medical insurance on the behalf of and for the benefit of any trust beneficiary.

My Trustee may place all or any part of the securities which at any time are held by any trust in the care and custody of another bank or trust company with no obligation while such securities are so deposited to inspect or verify the same and with no responsibility for any loss or misapplication by such bank or trust company; may have all stocks and registered securities placed in the name of such bank or trust company or in the name of its nominee; and may appoint such bank or trust company agent and attorney to collect, receive, receipt for and disburse any income, and generally to perform the duties and services incident to a so-called "custodian" account.

My Trustee may employ a broker-dealer as a custodian for all or any part of the securities at any time held by any trust and to register such securities in the name of such broker-dealer; register securities in the name of a nominee with or without the addition of words indicating that such security is held in a fiduciary capacity, or hold securities in bearer form, or in uncertificated form; and use a central depository, clearing agency or book-entry system, such as The Depository Trust Company, Euroclear or the Federal Reserve Bank of New York.