

IN THE SUPREME COURT OF THE STATE OF NEVADA

IN THE MATTER OF THE ADMINISTRATION OF
THE SSJ'S ISSUE TRUST,

IN THE MATTER OF THE ADMINISTRATION OF
THE SAMUEL S. JAKSICK, JR. FAMILY TRUST.

TODD B. JAKSICK, INDIVIDUALLY AND AS CO-
TRUSTEE OF THE SAMUEL S. JAKSICK, JR.
FAMILY TRUST, AND AS TRUSTEE OF THE SSJ'S
ISSUE TRUST; MICHAEL S. KIMMEL,
INDIVIDUALLY AND AS CO-TRUSTEE OF THE
SAMUEL S. JAKSICK, JR. FAMILY TRUST; KEVIN
RILEY, INDIVIDUALLY AND AS A FORMER
TRUSTEE OF THE SAMUEL S. JAKSICK, JR.
FAMILY TRUST, AND AS TRUSTEE OF THE
WENDY A. JAKSICK 2012 BHC FAMILY TRUST;
AND STANLEY JAKSICK, INDIVIDUALLY AND AS
CO-TRUSTEE OF THE SAMUEL S. JAKSICK, JR.
FAMILY TRUST,

Appellants/Cross-Respondents,

vs.

WENDY JAKSICK,

Respondent/Cross-Appellant.

Electronically Filed
Jun 14 2021 04:08 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

Case No.: 81470

Appeal from the Second
Judicial District Court,
the Honorable David
Hardy Presiding

**RESPONDENT/CROSS-APPELLANT WENDY JAKSICK'S
APPENDIX, VOLUME 6**

Marquis Aurbach Coffing

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cclement@maclaw.com
kwilde@maclaw.com

Spencer & Johnson, PLLC

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Zachary E. Johnson (pro hac vice)
500 N. Akard Street, Suite 2150
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Facsimile: (214) 965-9500
kevin@dallasprobate.com
zach@dallasprobate.com

Attorneys for Respondent/Cross-Appellant, Wendy Jaksick

DOCUMENT	DATE	VOL. NO.	PAGE NO.
Indemnification and Contribution Agreement – Trial Exhibit 11	1/1/2008	1	WJ 0001 - 0010
Email - Kevin Riley to Todd Jaksick - Tahoe/Incline TSS -Trial Exhibit 441	10/28/2014	1	WJ 0011 - 0013
Agreement and Consent to Proposed Action – Stanley Jaksick Buy in to Lake Tahoe Property - Trial Exhibit 23	11/13/2015	1	WJ 0014 - 0018
Objection to Approval of Accountings and Other Trust Administration Matters Case No. PR17-00446	11/13/2015	1	WJ 0019 - 0021
Objection to Approval of Accountings and Other Trust Administration Matters Case No. PR17-00445	10/10/2017	1	WJ 0022 - 0024
Minutes of Court Appearances - Hearing	1/8/2018	1	WJ 0025 - 0026
Minutes from Scheduling Conference	3/12/2018	1	WJ 0026 - 0029
Amended Objection and Counter-Petition Re: Family Trust	3/23/2018	1	WJ 0030 - 0048
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L. Robert Legoy, Jr. and Maupin, Cox & Legoy Custodian's Fifth Supplement to Their Objections and Responses to Subpoena Duces Tecum- Priv Log	1/29/2019	1	WJ 0132 - 0138
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Todd B Jaksick, Individually, Incline TSS, LTD., and Duck Lake Ranch, LLC's Memo of Costs and Disbursements Incurred in Case No. PR 17-00445	3/11/2019	18	WJ 4162 - 4178
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Todd B Jaksick, Individually, incline TSS, LTD., and Duck Lake Ranch, LLC's Memo of Costs and Disbursements Incurred in Case No. PR 17-00445	3/21/2019	18	WJ 4189 - 4196
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Trial Transcript	2/21/2019	22-23	WJ 5016 - 5283
Trial Transcript	2/28/2019	23-24	WJ 5284 – 5673

Dated this 14th day of June, 2021.

MARQUIS AURBACH COFFING

By /s/ Chad F. Clement

Chad F. Clement, Esq. (SBN 12192)
Kathleen A. Wilde, Esq. (SBN 12522)
10001 Park Run Drive
Las Vegas, Nevada 89145

SPENCER & JOHNSON, PLLC

R. Kevin Spencer (pro hac vice)
Zachary E. Johnson (pro hac vice)
500 N. Akard Street, Suite 2150
Dallas, Texas 75201
Attorneys for Respondent/Cross-
Appellant, Wendy Jaksick

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **RESPONDENT/CROSS-APPELLANT WENDY JAKSICK'S APPENDIX, VOLUME 6** was filed electronically with the Nevada Supreme Court on the 14th day of June, 2021. Electronic Service of the foregoing document shall be made in accordance with the Master Service List as follows:

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Carolyn K. Renner, Esq.
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Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, NV 89519

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1575 Delucchi Lane, Ste. 101
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/s/ Leah Dell
Leah Dell, an employee of
Marquis Aurbach Coffing

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
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lrlegoy@mclrenolaw.com

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From: McQuaid, Brian
Sent: Monday, June 03, 2013 9:30 AM
To: 'Kevin Riley'; tjaksick@gmail.com; jtcclaytone@aol.com
Cc: LeGoy, Bob
Subject: RE: INCLINE TSS LTD, a Nevada Limited-Liability Company

Thanks Kevin.

Brian

From: Kevin Riley [<mailto:kevin@rmb-cpa.com>]
Sent: Sunday, June 02, 2013 12:03 PM
To: McQuaid, Brian; tjaksick@gmail.com; jtcclaytone@aol.com
Subject: RE: INCLINE TSS LTD, a Nevada Limited-Liability Company

The structure as detailed in the email appears consistent with what we discussed. My thought is to time the new investment in escrow simultaneously with the refinance although that might not be feasible. We can use the bank's appraisal to establish the value to the new ownership interest and the existing equity in TSS Ltd. Also, I would prefer Sam's trust to pay down the loan rather than Ssj llc if that is possible. Todd we need to work on that loan application.

Sent from my Android

-----Original Message-----

From: Todd Jaksick [tjaksick@gmail.com]
Received: Sunday, 02 Jun 2013, 7:19am
To: McQuaid, Brian [bmcquaid@mclrenolaw.com]; Todd Jaksick [tjaksick@gmail.com]; Kevin Riley [kevin@rmb-cpa.com]; Jessica Claytone [jtcclaytone@aol.com]
Subject: Re: INCLINE TSS LTD, a Nevada Limited-Liability Company

Todd
(775)771-2122

On Jun 1, 2013, at 2:41 PM, "McQuaid, Brian" <bmcquaid@mclrenolaw.com> wrote:

Jess, in reviewing the materials we have in preparation for drafting the agreement regarding the use of the life insurance proceeds by The SSJ Issue Trust, I think it's important that we get some additional information from you in order to make sure we document this correctly and make sure we include all of the right parties and signature authorities. This is especially important in light of Todd's (understandable) desire to make sure the agreement is as binding as possible on all interested parties and their families.

Ok thanks Brian -Kevin and Jess are both cc - Jess all we need from you on below is getting Brian operating agreements for TSS Ltd and SSJ llc - rest for now is Brian Todd Kevin thanks

To that end, it's my understanding that the steps of the transaction covered by the agreement will be as follows:

1. The SSJ Issue Trust will use the life insurance proceeds on Sam's life to make a capital investment in Incline TSS Ltd. in exchange for a to-be-determined membership interest in Incline TSS Ltd c

Correct - kevin to help confirm structure

2. Incline TSS Ltd. will then use this new capital investment to help pay off the approx. \$7million note due to SSJ LLC.

Correct - kevin to confirm

3. SSJ LLC will then use the funds received from Incline TSS Ltd. to pay off the approx. \$6.3 million BofA mortgage on the Tahoe house (either directly or by distributing the funds to The Samuel S. Jaksick Family Trust to be used by the Trust to pay off BofA).

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After dust settles TSS should owe B Of A approx \$1.5m and TSS should owe SSJ llc approx \$500k - if we don't release some buckhorn land then one of these will be paid down additional \$500k

Please confirm that our above understanding of the contemplated transactions are correct, including whether the SSJ LLC will be the one paying off BofA or if SSJ LLC will be distributing the money to Sam's Trust to pay off BofA.

Need to ask kevin for which I CC on this email

Also, in order to ensure that we include all the necessary parties to the agreement, and in their proper capacities, please provide us with a copy of the current Operating Agreements for both Incline TSS Ltd. and SSJ LLC.

Ok will do Jess can you foreword

Once we receive the above information and documents, I should be able to get the agreement drafted up in fairly short order. In the meantime, if you or Todd have any questions, please don't hesitate to let me know.

Thanks,

Brian

Brian C. McQuaid, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, Nevada 89519
Phone: 775-827-2000
Fax: 775-827-2185
email: bmcquaid@mclrenolaw.com

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From: LeGoy, Bob
Sent: Thursday, May 30, 2013 5:30 PM
To: 'Jessica Clayton'
Cc: tjaksick@gmail.com; McQuaid, Brian
Subject: RE: INCLINE TSS LTD, a Nevada Limited-Liability Company

Jess, we will have a draft agreement to you no later than next Tuesday. My partner, Brian McQuaid, is preparing the first draft for our reviews. Do you have an Operating Agreement for the LLC? If so, would you please send us a copy. If not, we probably should prepare one not long after you all sign the initial agreement. Todd will be the only necessary signature, but we probably will want Stan and Wendy to also sign it. Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
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From: Jessica Clayton [<mailto:jtclaytone@aol.com>]
Sent: Thursday, May 30, 2013 8:47 AM
To: LeGoy, Bob
Cc: tjaksick@gmail.com
Subject: Re: INCLINE TSS LTD, a Nevada Limited-Liability Company

Good morning Bob,

Todd wanted to set up a meeting with Stan and Wendy regarding the Tahoe house, and wondered what your estimated time frame on getting him the letter stating their intent?

Thanks so much and have a great day,

Jess

-----Original Message-----

From: LeGoy, Bob <lregoy@mclrenolaw.com>
To: tjaksick@gmail.com; 'Jessica Clayton' <jtclaytone@aol.com>
Sent: Fri, May 24, 2013 3:26 pm
Subject: INCLINE TSS LTD, a Nevada Limited-Liability Company

Todd and Jess, Is this the company that owns your house at Incline and owes Sam's Family Trust \$7.2 million? If so, it looks like Todd is the sole Manager of it? Who are the Members and in what percentages? Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

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McQuaid, Brian

From: Todd Jaksick <tjaksick@gmail.com>
Sent: Monday, June 03, 2013 9:38 AM
To: McQuaid, Brian
Subject: Re: Tahoe house

Perfect !!! Glad to know your helping on dads estate - thanks u da man

Todd
(775)771-2122

On Jun 3, 2013, at 9:23 AM, "McQuaid, Brian" <bmcquaid@mclrenolaw.com> wrote:

> Todd, I understand, and I'll try to keep it as simple as possible while at the same time protecting you from potential claims in the future.

>

> Thanks,

>

> Brian

>

> Brian C. McQuaid, Esq.

> Maupin, Cox & LeGoy

> 4785 Caughlin Parkway

> Reno, Nevada 89519

> Phone: 775-827-2000

> Fax: 775-827-2185

> email: bmcquaid@mclrenolaw.com

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>

> -----Original Message-----

> From: Todd Jaksick [<mailto:tjaksick@gmail.com>]

> Sent: Sunday, June 02, 2013 11:20 AM

> To: McQuaid, Brian

> Subject: Tahoe house

>

> Brian what I was envisioning was a simple agreement probably little more detail for this Tahoe situation I think both Stan and wendy are on board with the Tahoe plan but if they get a huge agreement may delay things so lets go ass simple ass possible with covering our bases -

>

> Todd

> (775)771-2122

>

McQuaid, Brian

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Bob LeGoy
L. Robert LeGoy, Jr., Esq.

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lrlegoy@mclrenolaw.com

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From: Jessica Clayton [<mailto:jtclaytone@aol.com>]
Sent: Thursday, May 30, 2013 8:47 AM
To: LeGoy, Bob
Cc: tjaksick@gmail.com
Subject: Re: INCLINE TSS LTD, a Nevada Limited-Liability Company

Good morning Bob,

Todd wanted to set up a meeting with Stan and Wendy regarding the Tahoe house, and wondered what your estimated time frame on getting him the letter stating their intent?

Thanks so much and have a great day,

Jess

-----Original Message-----

From: LeGoy, Bob <lrlegoy@mclrenolaw.com>

To: tjaksick <tjaksick@gmail.com>; 'Jessica Clayton' <jtclaytone@aol.com>

Sent: Fri, May 24, 2013 3:26 pm

Subject: INCLINE TSS LTD, a Nevada Limited-Liability Company

Todd and Jess, Is this the company that owns your house at Incline and owes Sam's Family Trust \$7.2 million? If so, it looks like Todd is the sole Manager of it? Who are the Members and in what percentages? Thanks

Bob LeGoy

L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy

4785 Caughlin Parkway

P.O. Box 30000

Reno, Nevada 89520

(775) 827-2000

(775) 827-2185 (facsimile)

Legal Assistant: Doris A. Dotson

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McQuaid, Brian

From: Todd Jaksick <tjaksick@gmail.com>
Sent: Sunday, June 02, 2013 11:20 AM
To: McQuaid, Brian
Subject: Tahoe house

Brian what I was envisioning was a simple agreement probably little more detail for this Tahoe situation I think both Stan and wendy are on board with the Tahoe plan but if they get a huge agreement may delay things so lets go ass simple ass possible with covering our bases -

Todd
(775)771-2122

McQuaid, Brian

From: Todd Jaksick <tjaksick@gmail.com>
Sent: Sunday, June 02, 2013 7:19 AM
To: McQuaid, Brian; Todd Jaksick; Kevin Riley; Jessica Claytone
Subject: Re: INCLINE TSS LTD, a Nevada Limited-Liability Company

Todd
(775)771-2122

On Jun 1, 2013, at 2:41 PM, "McQuaid, Brian" <bmcquaid@mclrenolaw.com> wrote:

Jess, in reviewing the materials we have in preparation for drafting the agreement regarding the use of the life insurance proceeds by The SSJ Issue Trust, I think it's important that we get some additional information from you in order to make sure we document this correctly and make sure we include all of the right parties and signature authorities. This is especially important in light of Todd's (understandable) desire to make sure the agreement is as binding as possible on all interested parties and their families.

Ok thanks Brian -kevin and Jess are both cc - Jess all we need from you on below is getting Brian operating agreements for TSS ltd and SSJ llc - rest for now is Brian Todd Kevin thanks

To that end, it's my understanding that the steps of the transaction covered by the agreement will be as follows:

1. The SSJ Issue Trust will use the life insurance proceeds on Sam's life to make a capital investment in Incline TSS Ltd. in exchange for a to-be-determined membership interest in Incline TSS Ltd c

Correct - kevin to help confirm structure

2. Incline TSS Ltd. will then use this new capital investment to help pay off the approx. \$7million note due to SSJ LLC.

Correct - kevin to confirm

3. SSJ LLC will then use the funds received from Incline TSS Ltd. to pay off the approx. \$6.3 million BofA mortgage on the Tahoe house (either directly or by distributing the funds to The Samuel S. Jaksick Family Trust to be used by the Trust to pay off BofA).

Correct - of the \$7.1m TSS note due SSJ Llc - \$ 6.3m is due B of A and 800k note + interest due is payable on and to SSJ note - total insurance is \$6m so can't pay down completely - lets build some flexibility into the document for approx # and what \$ will be used for example - after running through above channels pay B of A \$5m leaving loan with B of A of \$1.3m + loan fees costs etc and we will refi loan in the name of TSS the \$1.3 + the remaining \$1m insurance \$ will partly pay down the \$800k note for example \$400k so \$ can flow back

to the estate to pay some bills and may also some use \$ to release 1600 acres of buckhorn land approx \$500k - pay TBJ sc loan back for recent monthly payment \$54k (kevin confirm) finish Sam trophy room at the ranch - build 50k storage building on ssj issue property and or leave 100 to 200k reserve -

After dust settles TSS should owe B Of A approx \$1.5m and TSS should owe SSJ llc approx \$500k - if we don't release some buckhorn land then one of these will be paid down additional \$500k

Please confirm that our above understanding of the contemplated transactions are correct, including whether the SSJ LLC will be the one paying off BofA or if SSJ LLC will be distributing the money to Sam's Trust to pay off BofA.

Need to ask kevin for which I CC on this email

Also, in order to ensure that we include all the necessary parties to the agreement, and in their proper capacities, please provide us with a copy of the current Operating Agreements for both Incline TSS Ltd. and SSJ LLC.

Ok will do Jess can you foreword

Once we receive the above information and documents, I should be able to get the agreement drafted up in fairly short order. In the meantime, if you or Todd have any questions, please don't hesitate to let me know.

Thanks,

Brian

Brian C. McQuaid, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, Nevada 89519
Phone: 775-827-2000
Fax: 775-827-2185
email: bmcquaid@mclrenolaw.com

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From: LeGoy, Bob
Sent: Thursday, May 30, 2013 5:30 PM
To: 'Jessica Clayton'
Cc: tjaksick@gmail.com; McQuaid, Brian
Subject: RE: INCLINE TSS LTD, a Nevada Limited-Liability Company

Jess, we will have a draft agreement to you no later than next Tuesday. My partner, Brian McQuaid, is preparing the first draft for our reviews. Do you have an Operating Agreement for the LLC? If so, would you please send us a copy. If not, we probably should prepare one not long after you all sign the initial agreement. Todd will be the only necessary signature, but we probably will want Stan and Wendy to also sign it. Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

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Thanks so much and have a great day,

Jess

-----Original Message-----

From: LeGoy, Bob <lrlegoy@mclrenolaw.com>
To: tjaksick@gmail.com; 'Jessica Clayton' <jtclaytone@aol.com>
Sent: Fri, May 24, 2013 3:26 pm
Subject: INCLINE TSS LTD, a Nevada Limited-Liability Company

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McQuaid, Brian

From: McQuaid, Brian
Sent: Saturday, June 01, 2013 2:41 PM
To: 'Jessica Clayton'
Cc: LeGoy, Bob; tjaksick@gmail.com
Subject: RE: INCLINE TSS LTD, a Nevada Limited-Liability Company

Jess, in reviewing the materials we have in preparation for drafting the agreement regarding the use of the life insurance proceeds by The SSJ Issue Trust, I think it's important that we get some additional information from you in order to make sure we document this correctly and make sure we include all of the right parties and signature authorities. This is especially important in light of Todd's (understandable) desire to make sure the agreement is as binding as possible on all interested parties and their families.

To that end, it's my understanding that the steps of the transaction covered by the agreement will be as follows:

1. The SSJ Issue Trust will use the life insurance proceeds on Sam's life to make a capital investment in Incline TSS Ltd. in exchange for a to-be-determined membership interest in Incline TSS Ltd.
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Please confirm that our above understanding of the contemplated transactions are correct, including whether the SSJ LLC will be the one paying off BofA or if SSJ LLC will be distributing the money to Sam's Trust to pay off BofA.

Also, in order to ensure that we include all the necessary parties to the agreement, and in their proper capacities, please provide us with a copy of the current Operating Agreements for both Incline TSS Ltd. and SSJ LLC.

Once we receive the above information and documents, I should be able to get the agreement drafted up in fairly short order. In the meantime, if you or Todd have any questions, please don't hesitate to let me know.

Thanks,

Brian

Brian C. McQuaid, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, Nevada 89519
Phone: 775-827-2000
Fax: 775-827-2185
email: bmcquaid@mclrenolaw.com

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From: LeGoy, Bob
Sent: Thursday, May 30, 2013 5:30 PM
To: 'Jessica Clayton'
Cc: tjaksick@gmail.com; McQuaid, Brian
Subject: RE: INCLINE TSS LTD, a Nevada Limited-Liability Company

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From: LeGoy, Bob <lrlegoy@mclrenolaw.com>

To: tjaksick <tjaksick@gmail.com>; 'Jessica Clayton' <jclaytone@aol.com>

Sent: Fri, May 24, 2013 3:26 pm

Subject: INCLINE TSS LTD, a Nevada Limited-Liability Company

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McQuaid, Brian

From: LeGoy, Bob
Sent: Friday, May 31, 2013 3:54 PM
To: McQuaid, Brian
Subject: Jaksick, Sam

Brian, Todd asked us another question about personal guarantees. Sam guaranteed a \$6m loan from NSB to the company that owns Bronco Billy's casino in Colorado, Pioneer Group. Sam owns 37% of Pioneer, and he gifted 6% each to Todd and Stan on 4/15/13. Todd has the same question as with the other personal guarantees. Do we serve NSB with a Notice To Creditors and can NSB continue Sam's personal guarantee against his Trust and Estate by filing claims?

My question is can we deduct all or any of the loan from the estate tax return if it continues? My assumption is we cannot because there is no current likelihood of default.

Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
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P.O. Box 30000
Reno, Nevada 89520
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McQuaid, Brian

From: LeGoy, Bob
Sent: Friday, May 31, 2013 9:44 AM
To: tjaksick@gmail.com; 'Jessica Clayton'
Subject: Sam's loan from Nevada State Bank

Jess & Todd, Matt Gray, the attorney for Nevada State Bank, just called me and told me they want to review Sam's entire Family Trust Agreement as part of their due diligence in permitting Sam's trusts to assume Sam's loan from NSB. I suggest you do that, but I did not commit to anything. I need to call him back as soon as I can. Also, I do not have the entire Trust Agreement, because I do not have the amendments Pierre drafted or any other amendments that might have been made. Please forward to us a complete package of Sam's estate planning documents including his Trust Agreements, Will, and all amendments to all of them. Please also authorize us to share with Matt whatever he requests on behalf of his client, NSB. Please call me if you have any questions about this matter. Thanks and have a good weekend.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

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Sent: Thursday, May 30, 2013 5:30 PM
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Cc: tjaksick@gmail.com; McQuaid, Brian
Subject: RE: INCLINE TSS LTD, a Nevada Limited-Liability Company

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Jess

-----Original Message-----

From: LeGoy, Bob <lrlegoy@mclrenolaw.com>

To: tjaksick <tjaksick@gmail.com>; 'Jessica Clayton' <jclaytone@aol.com>

Sent: Fri, May 24, 2013 3:26 pm

Subject: INCLINE TSS LTD, a Nevada Limited-Liability Company

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McQuaid, Brian

From: LeGoy, Bob
Sent: Thursday, May 30, 2013 5:22 PM
To: 'Jessica Clayton'
Cc: tjaksick@gmail.com; McQuaid, Brian
Subject: RE: from Todd

Jess, My responses follow your questions in *RED CAPS*. I am asking Brian McQuaid to tell us if he has any additional or differing thoughts by sending him a copy of this email.

The rules pertaining to payments to trustees of testamentary trusts are in NRS 153.070 below. They probably also apply to nontestamentary trusts like Sam's Family and Issue Trusts. However, the rules are not specific in that they allow compensation to trustees that is "just and reasonable". That is not much help.

NRS 153.070 Expenses and compensation of trustees. On the settlement of each account of a trustee, the court shall allow the trustee his or her proper expenses and such compensation for services as the court may deem just and reasonable. Where there are several trustees, it shall apportion the compensation among them according to the respective services rendered. It may fix a yearly compensation for each trustee, in a set amount or pursuant to a standard schedule of fees, to continue as long as the court may deem proper.

[246:107:1941; 1931 NCL § 9882.246]—(NRS A 1987, 511)

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

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From: Jessica Clayton [mailto:jtclaytone@aol.com]
Sent: Thursday, May 30, 2013 12:15 PM
To: LeGoy, Bob
Cc: tjaksick@gmail.com
Subject: Re: from Todd

Oh Bob, no hold up here...just when Todd has a question, we shoot out an email so I'm glad it works for you, but please don't think we are trying to rush you.

We appreciate all your help!

Jess

-----Original Message-----

From: LeGoy, Bob <lrlegoy@mclrenolaw.com>
To: 'Jessica Clayton' <jtcclaytone@aol.com>
Cc: tjaksick <tjaksick@gmail.com>
Sent: Thu, May 30, 2013 12:13 pm
Subject: RE: from Todd

I am trying to get some docs out the door as soon as I can. I have all your emails and I will respond to all of them this afternoon. I do not want you to think I am not getting your emails and am not going to respond to them. That is a great way to ask your questions and I will respond. I just need a couple more hours. My partner Brian McQuaid is going to start helping me this afternoon, and we will speed up responding to you as we divide our responsibilities. Thanks and sorry to hold you up.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

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lrlegoy@mclrenolaw.com

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From: Jessica Clayton [<mailto:jtcclaytone@aol.com>]
Sent: Thursday, May 30, 2013 12:08 PM
To: LeGoy, Bob
Cc: tjaksick@gmail.com
Subject: from Todd

Hi Bob,

Could you please help us analyze an appropriate range of trustee fees, and is it customary to pay some trustees more or less depending on their day to day involvement. *THE TRUSTEES SHOULD KEEP TRACK OF ALL THE TIME THEY SPEND ON TRUST ADMINISTRATION MATTERS FROM THE DATE OF SAM'S DEATH. WE CAN GIVE YOU TIME SHEETS THAT CAN BE EASILY MAINTAINED AND KEVIN MIGHT HAVE A COMPUTER PROGRAM FOR THAT. WE ALSO CAN HELP YOU SELECT HOURLY RATES. SOME TRUSTEES CHARGE A PERCENTAGE OF THE VALUE OF THE ASSETS. THE NEVADA STATUTES HAVE A GRADED PERCENTAGE FEE FOR EXECUTORS OF ESTATES BUT NOT FOR TRUSTEES OF TRUSTS. AFTER WE DETERMINE THE SIZE AND COMPLEXITY OF SAM'S ESTATE*

AND TRUST, WE CAN GIVE YOU A RANGE OF WHAT WE BELIEVE WILL BE ACCEPTABLE FEES FOR TODD, STAN AND KEVIN.

Could you also please review section 17, since the roles and responsibilities have greatly increased. Could you give us some additional input as to what seems to be a reasonable compensation amount? Is this section considered an allowable expense at the same time that you're servicing estate debts including IRS, etc. I AM SORRY, BUT WHAT IS SECTION 17? THE TRUSTS I DRAFTED FOR SAM DO NOT HAVE A SECTION 17, AND YOU HAVE NOT YET SENT US THE AMENDMENTS PIERRE DRAFTED FOR SAM.

YOU ARE CORRECT THAT REASONABLE TRUSTEES' AND EXECUTORS' FEES ARE DEDUCTIBLE FROM SAM'S ESTATE FOR ESTATE TAX OR INCOME TAX PURPOSES. THE IRS SOMETIMES ARGUES FEES TAKEN BY BENEFICIARIES ARE TOO HIGH TO BE FULLY DEDUCTED BUT SOME PORTION ALWAYS IS DEDUCTIBLE.

Feel free to call and I can give you more details to finalize the above thoughts.

Trustee fees I'm assuming are fees that can be paid on an ongoing monthly basis while administrating the trust, and until the trust is completely settled. YES. YOUR ASSUMPTION IS CORRECT. ONCE A PERCENTAGE OR OTHER FORMULA IS ESTABLISHED TRUSTEES' FEES CAN BE PAID MONTHLY. ALSO, IF HOURLY FEES ARE CHARGED, THEY CANBE PAID MONTHLY. UNFORTUNTELY, EXECUTORS' FEES PAID BY A PROBATE ESTATE CANNOT BE PAID MONTHLY UNLESS PRE-APPROVED BY THE PROBATE COURT.

Thank you,

Todd
by Jess

McQuaid, Brian

From: LeGoy, Bob
Sent: Thursday, May 30, 2013 4:46 PM
To: 'Jessica Clayton'
Cc: tjaksick@gmail.com
Subject: RE: Declaration of Gift - Bank Accounts

Jess, That might be difficult. Our experience is that the banks are reticent to transfer funds like this. It might be a lot easier to try to convert the existing accounts to trust accounts or set up the new accounts with the same banks. They will ask for a lot of documentation including those items you list, plus probably a copy of Sam's death certificate. They might even require you to probate the accounts. You will need to contact an officer at each bank to get their help. Please let us know if we can help you do this.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

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From: Jessica Clayton [<mailto:jtcaytone@aol.com>]
Sent: Thursday, May 30, 2013 9:09 AM
To: LeGoy, Bob
Cc: tjaksick@gmail.com
Subject: Declaration of Gift - Bank Accounts

Hello again Bob,

Attached please find a Declaration of Gift where Sam transfers his bank accounts into his Family Trust in 2012. Todd wanted me to ask you how we would be able to get the individual banks to wire/transfer the funds into the new account which will be opened tomorrow for the Administration of the Trust account. Do you know what the process would be, or if they would need more than the attached, the Certification of Trust, The Certificate of Incumbency, and the 2nd Amendment to transfer funds?

Thanks so much,

Jess

for Todd

2012
Assignment and Declaration of Gift

On December 17, 2012, I, Samuel S. Jaksick, Jr. ("Donor"), hereby transfers, assigns and gifts, without consideration, the following Samuel S. Jaksick bank accounts to Samuel S. Jaksick, Jr., as Trustee for the Samuel S. Jaksick, Jr. Family Trust dated June 29, 2006 (as amended and restated) ("Donee"):

1. RBC Capital Account No. 300-00747
2. First Independent Bank Account No. 1101-0840
3. Bank of America (Wedge Parkway Branch) Account No. 000322078333
4. Unpqua Bank Account No. 973819071
5. First Independent Bank (Sam Jaksick Trustee for Slinkard Trust) Account No. 11017134

The terms of this Declaration is intended by the parties as a final expression of their agreement and there are no prior or contemporaneous agreements, oral or written, that contradict the terms of this Declaration with all such prior agreements being incorporated into this Declaration and constituting the entire agreement between the parties.

Remainder of page intentionally left blank

The undersigned executes this document at Reno, Nevada on DECEMBER 17, 2012.

By: _____

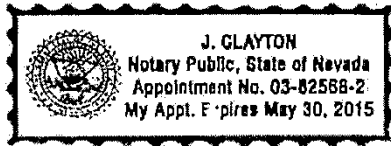
Samuel S. Jaksick, Jr.

STATE OF NEVADA)

: ss.

COUNTY OF WASHOE)

On this 17th day of DECEMBER, 2012, before me, Notary Public, in and for said county and state personally appeared Samuel S. Jaksick, Jr., known to me to be the person who executed the foregoing instrument and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.



Notary Public

MCL002649

WJ 001189

McQuaid, Brian

From: LeGoy, Bob
Sent: Wednesday, May 29, 2013 3:38 PM
To: McQuaid, Brian
Subject: FW: Question on List of Creditors

Brian, Look at this question. Did you have a chance to look at how a guarantee makes a creditor's claim and what happens to it?

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

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From: Jessica Clayton [mailto:jtclaytone@aol.com]
Sent: Wednesday, May 29, 2013 3:09 PM
To: kevin@rmb-cpa.com
Cc: tjaksick@gmail.com; LeGoy, Bob
Subject: Re: Question on List of Creditors

Hi Kev,

Sam personally guaranteed almost all, if not all, the business entity loans, so next to the loan should I put his/his trusts percentage of ownership in the entity? Wouldn't this be something that would go on the books as a liability against the trust?

-----Original Message-----

From: Kevin Riley <kevin@rmb-cpa.com>
To: Jessica Clayton <Jtclaytone@aol.com>
Cc: Todd Jaksick <tjaksick@gmail.com>; lrlegoy <lrlegoy@mclrenolaw.com>
Sent: Wed, May 29, 2013 2:47 pm
Subject: RE: Question on List of Creditors

Hi Jess,

I know your worksheet tends to aggregate all of the debt for all of the entities but most of the debt is NOT in sam's name or in his trust's name. Maybe you can send Bob the worksheet? It would be helpful. Also, I don't really have a handle of how much debt he has guaranteed.

I will eventually need a listing of all of Sam's debts as of April 21.

If you can send me copies of statements that include April 21 for him personally and in the name of his family trust? That would help me establish who, what, and how much he owes.

Kevin Riley, CPA
Rossman MacDonal & Benetti, CPA's
3838 Watt Avenue, Suite E-500
Sacramento, CA 95821
Email: Kevin@rmb-cpa.com
Web: www.rmb-cpa.com
Telephone: (916) 488-8360
Fax: (916) 488-9478

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From: Jessica Clayton [<mailto:Jtclaytone@aol.com>]
Sent: Wednesday, May 29, 2013 2:32 PM
To: Kevin Riley
Cc: Todd Jaksick
Subject: Fwd: Question on List of Creditors

Hi Kev,

Please see Bob Legoy's email below. Are there other information items you need for Sam's creditors for accounting/tax purposes?

I will just put all on a similar sheet to the loans worksheet but with the addition of any items you two need not already listed.

Thank you :)

Begin forwarded message:

From: "LeGoy, Bob" <lrlegoy@mclrenolaw.com>
Date: May 29, 2013, 2:25:18 PM PDT
To: 'Jessica Clayton' <jtclaytone@aol.com>
Subject: RE: Question on List of Creditors

Jess, Thanks for this. I also need the type of loan. That means whether it is secured or unsecured, and if it is secured, what assets secure it. I do not need balances, origination dates or purposes, but Kevin will need the date of death balance of each of Sam's secured and unsecured loans for the estate tax return and funding of trusts. You might ask Kevin what additional information he will need on each. Thanks for the quick work.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520

(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

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From: Jessica Clayton [<mailto:jclaytone@aol.com>]
Sent: Wednesday, May 29, 2013 2:03 PM
To: LeGoy, Bob
Cc: tjaksick@gmail.com
Subject: Question on List of Creditors

Hi there Bob,

Hope you had a great Memorial Weekend.

I wasn't able to pull Sam's credit report. I think because we had Jim (from our office) notify social security already.

My question to you is, what information do you need for each creditor...

Creditor Name
Address
Account number

Do you need the type of loan, balance, origination date, purpose of loan etc?

Thanks so much,

Jessica

McQuaid, Brian

From: LeGoy, Bob
Sent: Wednesday, May 29, 2013 2:27 PM
To: 'Jessica Clayton'
Subject: RE: Question on List of Creditors

Type of loan also includes personal guarantees and co-signed loans. Thanks again.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
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From: LeGoy, Bob
Sent: Wednesday, May 29, 2013 2:25 PM
To: 'Jessica Clayton'
Subject: RE: Question on List of Creditors

Jess, Thanks for this. I also need the type of loan. That means whether it is secured or unsecured, and if it is secured, what assets secure it. I do not need balances, origination dates or purposes, but Kevin will need the date of death balance of each of Sam's secured and unsecured loans for the estate tax return and funding of trusts. You might ask Kevin what additional information he will need on each. Thanks for the quick work.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
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(775) 827-2000
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From: Jessica Clayton [<mailto:jtcclaytone@aol.com>]
Sent: Wednesday, May 29, 2013 2:03 PM
To: LeGoy, Bob
Cc: tjaksick@gmail.com
Subject: Question on List of Creditors

Hi there Bob,

Hope you had a great Memorial Weekend.

I wasn't able to pull Sam's credit report. I think because we had Jim (from our office) notify social security already.

My question to you is, what information do you need for each creditor...

Creditor Name
Address
Account number

Do you need the type of loan, balance, origination date, purpose of loan etc?

Thanks so much,

Jessica

McQuaid, Brian

From: LeGoy, Bob
Sent: Tuesday, May 28, 2013 11:36 AM
To: McQuaid, Brian
Subject: FW: INCLINE TSS LTD, a Nevada Limited-Liability Company
Attachments: inclinetssnote_Lakeshorehouse_SSJLLC.pdf

Brian, Here is the info on the company that bought Sam's Incline house. Todd and Stan want a virtual representation agreement and/or Notice of Proposed Action to be signed by the three of Sam's kids-Wendy, Todd and Stan-to let the SSJ's Issue Trust invest up to all \$6m in LI proceeds it expects to receive in the company. You said you will work on these docs this week. Thanks and please let me know if you have any questions.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
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From: Jessica Clayton [<mailto:jtclaytone@aol.com>]
Sent: Tuesday, May 28, 2013 9:45 AM
To: LeGoy, Bob; tjaksick@gmail.com
Subject: Re: INCLINE TSS LTD, a Nevada Limited-Liability Company

Hi there Bob,

Yes, Incline TSS LTD is the company that owns the Incline house, however it holds the note with SSJ LLC (please see attached).

Todd is the sole manager of Incline TSS - The Members/Percentages for Incline TSS are as follows:

TBJ SC Trust 49%

Todd Jaksick 51%

Please let me know if you need anything further..

Have a great week,

Jess

-----Original Message-----

From: LeGoy, Bob <lrlegoy@mclrenolaw.com>

To: tjaksick <tjaksick@gmail.com>; 'Jessica Clayton' <jtclaytone@aol.com>

Sent: Fri, May 24, 2013 3:26 pm

Subject: INCLINE TSS LTD, a Nevada Limited-Liability Company

Todd and Jess, Is this the company that owns your house at Incline and owes Sam's Family Trust \$7.2 million? If so, it looks like Todd is the sole Manager of it? Who are the Members and in what percentages? Thanks

Bob LeGoy

L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy

4785 Caughlin Parkway

P.O. Box 30000

Reno, Nevada 89520

(775) 827-2000

(775) 827-2185 (facsimile)

Legal Assistant: Doris A. Dotson

lrlegoy@mclrenolaw.com

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McQuaid, Brian

From: LeGoy, Bob
Sent: Friday, May 24, 2013 2:42 PM
To: 'Jessica Clayton'
Cc: tjaksick@gmail.com
Subject: RE: Notice to Creditors

Jess, that is a great idea. Anything that will help you build a complete list of liabilities and assets will be great. Thanks and have a great weekend.

I just gave Todd my cell phone and told him to please call me any time of the day or night. I want you and Stan to please know you also can do that. My number is 7624350. I told Todd we understand how issues can hit you at the oddest times and bug you until you get an answer (or at least pass the issue on to someone else).

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
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From: Jessica Clayton [<mailto:jtcclaytone@aol.com>]
Sent: Friday, May 24, 2013 12:18 PM
To: LeGoy, Bob
Cc: tjaksick@gmail.com
Subject: Notice to Creditors

Good afternoon Bob,

Todd mentioned that you would be working on the template for the Notice to Creditors, and that I should be compiling a list of creditors and addresses. We were wondering if it would be ok if we pulled a copy of Sam's credit report? If so, I'll go ahead and do that and use it to be sure we capture all of them.

Thanks for all your help,

Jess

Dotson, Doris

From: LeGoy, Bob
Sent: Tuesday, May 21, 2013 5:21 PM
To: Dotson, Doris
Subject: FW: Letter from Diversified re Sam / Pivots
Attachments: DiversifiedLetter_RePivots_Sam.pdf

Please print the attached. Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
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From: Jessica Clayton [<mailto:jtclaytone@aol.com>]
Sent: Tuesday, May 21, 2013 12:55 PM
To: LeGoy, Bob; kevin@rmb-cpa.com
Cc: tjaksick@gmail.com
Subject: Letter from Diversified re Sam / Pivots

Todd asked me to send you this letter. I will be sending over another regarding the Tahoe house.

Thank you,

jessica
for Todd



Diversified**Financial**Services, LLC

May 14, 2013

Estate of Samuel Jaksick Jr
C/o Mrs. Jaksick, Administrator
White Pines Lumber
18124 Wedge Pkwy #510
Reno, NV 89511

RE: Contract 009-163920-001

Mrs. Jaksick:

This office was recently notified of the death of Samuel Jaksick, please accept our condolences. Enclosed is a copy of the contract executed November 30, 2007, with Diversified Financial Services, LLC ("DFS"). The principal balance due as of the reported date of death, April 21, 2013, was \$55,484.39.

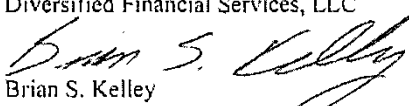
Should you choose to payoff this account, a payoff has been calculated on the contract obligation with DFS accurate as of May 20, 2013, in the amount of \$60,193.64. A per diem rate of \$9.72 shall be applicable thereafter.

Please provide the name and contact information of the Estate administrator. If the estate has or will be probated, the name and contact information of the probate attorney, and case number if available, will be required.

Should the Estate wish to maintain said debt, please provide a copy of the section of the will that pertains to the financed personal property and identify the party to assume the above contract. A credit application, current financial statement, and a fee to assign are required. Please provide current proof of physical damage and liability insurance coverage.

Thank you for your consideration in this matter, and should anything further be necessary to treat this as a claim of the estate, please advise.

Sincerely,
Diversified Financial Services, LLC


Brian S. Kelley
VP Litigation Manager
800-648-8026

encl.

J. Shearer

DiversifiedCreditCorporation DiversifiedCasualtyCompany, Ltd. DiversifiedAgrisuranceCompany
DFSReceivablesFundingCorporation NAEDAFinancial, Ltd.

14010 First National Bank Parkway, Suite 400 • Omaha, NE 68154-5206
402.964.8050 • Toll Free: 800.648.8026 • Fax: 888.356.6242
www.dfsfin.com

MCL002660

WJ 001200

Dotson, Doris

From: LeGoy, Bob
Sent: Tuesday, May 21, 2013 5:20 PM
To: Dotson, Doris
Subject: FW: BofA / US Trust / Letter re Tahoe house
Attachments: USTrust_LetterReSam_TahoeHouse.pdf

Please print the attached.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
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From: Jessica Clayton [<mailto:jtclaytone@aol.com>]
Sent: Tuesday, May 21, 2013 12:56 PM
To: kevin@rmb-cpa.com; LeGoy, Bob
Cc: tjaksick@gmail.com
Subject: BofA / US Trust / Letter re Tahoe house

Bank of America, N.A.

VIA FEDERAL EXPRESS

May 20, 2013

Todd Jaksick
4005 Quail Rock Lane
Reno, NV 89511

RE: Samuel S Jaksick, Jr.

Dear Todd,

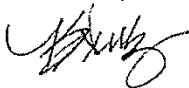
It was nice to see you last week.

Our Custom Mortgage Group has requested the following information with respect to your father's mortgage with Bank of America:

1. Death Certificate
2. Letters Testamentary (or any other document evidencing the appointment of the fiduciary for the estate of Samuel S Jaksick, Jr.)
3. Copy of the will
4. Question: Did the Bank receive a Notice to Creditor's from the Personal Representative of the Estate? If so, please provide a copy.
5. Question: Did the Personal Representative of the Estate file an affidavit of publication in the newspaper? If so, please provide a copy.

Please let me know if you have any questions regarding these items.

Sincerely,



Kathleen Newby
Senior Vice President
Private Client Manager

McQuaid, Brian

From: LeGoy, Bob
Sent: Monday, May 20, 2013 6:46 AM
To: Dotson, Doris; McQuaid, Brian
Subject: FW: Trustee Certificate of Incumbency

Brian, Will you please draft this by tomorrow?

Doris, Please give Brian a copy of Sam Jaksick's Certification of Trust.

Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

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From: Jessica Clayton [<mailto:jtclaytone@aol.com>]
Sent: Thursday, May 16, 2013 10:26 AM
To: LeGoy, Bob
Cc: tjaksick@gmail.com
Subject: Trustee Certificate of Incumbency

Hi Bob,

Hope all is well with you. First Independent Bank is where we are opening the Administrative Trust for the Samuel S. Jaksick Family Trust. We have provided them with the Certificate of Trust and the EIN, but they said we need the following:

"Trustee Certificate of Incumbency" listing and signed by the named Successor Co-Trustees; Stanley S. Jaksick, Todd Bruce Jaksick and (3rd co-trustee) have accepted the appointment as Successor Co-Trustees pursuant to the Trust Agreement.

Is this a document you could provide for us?

Thanks so much,

Jessica Clayton
for Todd Jaksick

Dotson, Doris

From: LeGoy, Bob
Sent: Monday, May 20, 2013 6:46 AM
To: Dotson, Doris; McQuaid, Brian
Subject: FW: Trustee Certificate of Incumbency

Brian, Will you please draft this by tomorrow?

Doris, Please give Brian a copy of Sam Jaksick's Certification of Trust.

Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

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P.O. Box 30000
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"Trustee Certificate of Incumbency" listing and signed by the named Successor Co-Trustees; Stanley S. Jaksick, Todd Bruce Jaksick and (3rd co-trustee) have accepted the appointment as Successor Co-Trustees pursuant to the Trust Agreement.

Is this document you could provide for us?

Thanks so much,

Jessica Clayton
for Todd Jaksick

Huntley Hunter Teodoru PC
100 S. Ridge Street, Suite 204
P.O. Box 588
Breckenridge, CO 80424
Telephone: (970) 453-2901 ex.12
Email: swest@westbrown.com
Website: www.westbrown.com

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Begin forwarded message:

From: marcmurphy@broncobillys.biz
Date: May 10, 2013, 2:39:16 PM MDT
To: "Stan Jaksick" <ssj3232@aol.com>, "Todd Jaksick" <tjaksick@gmail.com>
Subject: FW: Stan Jaksick's stock

Hello Stan and Todd,

I would again like to express my condolences and let you know that I am here to help. I am forwarding you an email sent to me from Pioneer Group's corporate attorney, Steve West. Please review and let me know how you would like to proceed.

-----Original Message-----

From: "Steve West" <swest@westbrown.com>
Sent: Friday, May 10, 2013 2:21pm
To: "'marcmurphy@broncobillys.biz'" <marcmurphy@broncobillys.biz>
Subject: Stan Jaksick's stock

Marc

MCL002667

WJ 001207

Dotson, Doris

From: LeGoy, Bob
Sent: Saturday, June 15, 2013 10:18 AM
To: McQuaid, Brian; Dotson, Doris
Subject: FW: List of Creditors
Attachments: List_of_Creditors_Sam.pdf

Brian, Here you go. Please also see my next email.

Doris, Please print this in color for Brian and me, a separate color copy for each of us.

Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

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From: Jessica Clayton [<mailto:jtclaytone@aol.com>]
Sent: Friday, June 14, 2013 3:40 PM
To: LeGoy, Bob; kevin@rmb-cpa.com
Cc: tjaksick@gmail.com
Subject: List of Creditors

Hi Bob and Kevin,

Attached please find the List of Creditors compiled with regard to Sam. In the first section, I listed notes that Sam personally held. In the second section, marked with a highlighted light green space - I listed notes that were under entities names, but that Sam had personally guaranteed, and lastly I listed miscellaneous notes where entities or Sam held but weren't personally guaranteed.

I will compile the actual notes as best as I can to provide the information on the note payable and personal guarantee.

Thank you,

Jess

McQuaid, Brian

From: LeGoy, Bob
Sent: Wednesday, June 05, 2013 9:36 AM
To: McQuaid, Brian; 'Todd Jaksick'
Subject: RE: Draft Agreement re: Life Insurance

Todd, I had the same reaction you did. I told Brian it is a very good agreement because it is short, clear and covered the points, hopefully for all three of you and all your children, grandchildren and later issue. Good luck getting it signed.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
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From: McQuaid, Brian
Sent: Wednesday, June 05, 2013 9:29 AM
To: 'Todd Jaksick'
Cc: LeGoy, Bob
Subject: RE: Draft Agreement re: Life Insurance

Thanks Todd, attached is the final version of the Agreement that you can take to your meeting with Stan and Wendy today (we added some additional language to paragraph a. top of page 2). Please let me know if they have any questions and please provide us with the executed Agreement once everyone has signed it.

Hopefully your meeting goes well and please let me know if you have any questions.

Thanks,

Brian

Brian C. McQuaid, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway

Reno, Nevada 89519
Phone: 775-827-2000
Fax: 775-827-2185
email: bmcquaid@mclrenolaw.com

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From: Todd Jaksick [<mailto:tjaksick@gmail.com>]
Sent: Tuesday, June 04, 2013 7:37 PM
To: McQuaid, Brian
Subject: Re: Draft Agreement re: Life Insurance

Thanks the agreement looks great to me let me know if bob has any changes - Brian I also really appreciate the way you write I can actual understand it - lol

Todd
(775)771-2122

On Jun 4, 2013, at 6:02 PM, "McQuaid, Brian" <bmcquaid@mclrenolaw.com> wrote:

Todd, attached is the draft Agreement that I have prepared with respect to the propose investment of the life insurance proceeds by The SSJ's Issue Trust in Incline TSS Ltd. Please review and let me know of any questions you may have or changes you may desire. Bob LeGoy is reviewing it tonight as well, so first thing tomorrow morning we should be able to email you the final draft to take to your meeting with Stan and Wendy tomorrow afternoon.

With regard to your earlier email about whether we could add a sentence consenting to future sales of The SSJ's Issue Trust property, we don't think that would necessarily be appropriate at this time. Any such sales will have to comply with the very specific terms of The SSJ's Issue Trust Agreement and should seriously be documented/justified in much more detail than this initial agreement here. One thing to keep in mind, the less detailed and vague these agreements are, the less protection they afford you down the road should someone have a change of heart. So we think we really need to take these things one step at a time, and document each step accordingly. This first step is to get Stan and Wendy to agree to you investing The SSJ's Issue Trust life insurance funds in Incline TSS Ltd. for purposes of assisting in the restructuring of the TSS debt, and that is the goal of this Agreement. Subsequent steps will then be documented separately as more of the details flush out. Hopefully that makes sense...

Anyways, please let me know if this draft agreement is what you were contemplating, and I'll get you a final version in morning once I get LeGoy's feedback as well.

Thanks,

Brian

Brian C. McQuaid, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, Nevada 89519
Phone: 775-827-2000

Fax: 775-827-2185

email: bmcquaid@mclrenolaw.com

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<Agreement & Consent - Life Insurance Proceeds (Initial Draft 6.4.13).pdf>

From: Nik Palmer
Subject: FW: Stan Jaksick's stock
Date: May 22, 2013, 3:40 PM
To: Todd Jaksick
Cc: Jessica Claytone

Has anyone spoken with Diane about which company she is associated with regarding the Pioneer Group Stock?

Best regards,

Nicholas C. Palmer, Esq.
1029 Riverside
Reno NV 89503
Telephone: (775) 786-4121
Fax: (775) 786-4122
nik@palmerlawreno.com

From: Steve West (<mailto:swest@westbrown.com>)
Sent: Wednesday, May 22, 2013 3:09 PM
To: 'Nik Palmer'
Subject: FW: Stan Jaksick's stock

Nik

I got your email about stock ownership, but thought it was important to resolve exactly who the appropriate representatives of Sam Jaksick's trust and estate are before we spend any more time communicating in what almost seems a random manner. Please see Marc Murphy's email below to Stan and Todd Jaksick forwarding an email I sent Marc. After we receive a reply, and there has not been one to date, we can determine how best to handle communications going forward.

In addition, there are a number of requests for documents or information that I have emailed you, but have not received what was requested. So maybe you could review my emails to you and see what can be done about providing the requested information or documents. Thanks.

Steve

Stephen C. West, Esq.
West Brown

MCL002673

WJ 001213

In light of the time that we have been spending and the multiple different contacts that have been made concerning Sam Jaksick's stock, it seems to me that we need to ask for some clarification about exactly who has the authority to act on behalf of: 1) The Samuel S. Jaksick, Jr. Family Trust dated June 29, 2006 (Trust), into which we have been told Sam transferred all of his stock in Pioneer, but apparently without going through the proper steps with the Division of Gaming (DOG); and 2) what I assume will be Sam Jaksick's estate. We would be looking for a trustee or successor trustee for the Trust and a personal representative or executor (PR) of the estate.

If the Trust or the estate has retained an attorney, then it would be very helpful to have the name(s) of those attorney(s). To the extent that there are not attorneys or an attorney representing the Trust or the estate, then either you or I should be able to communicate with the Trustee or the PR, but if either or both are represented, then I will need to communicate only with the attorney or attorneys.

After we determine who the Trustee and PR are, and whether there is one or more attorneys involved, then it would be most helpful to limit communications so that only you are communicating for Pioneer (or Vicky to the extent financial information or coordination of filings with DOG is involved) and the PR or Trustee is communicating for the estate or the Trust. And to the extent that there are one or more attorneys involved on behalf of the Trust or the estate, then they can communicate with me. As you know I have been communicating with Nik Palmer, but so far he has indicated to me that he represents Stan and Todd Jaksick, but not necessarily the Trust or the estate.

Obviously our concern for clarity as to who to deal with and what needs to be done is heightened by the facts that there apparently was an assignment of stock to the Trust in 2006 without the knowledge of Pioneer or the approval of DOG and that what we were told was a 2013 gift to each of Stan and Todd of stock equal to 6% of Pioneer actually appears to have been a gift of 6% of Sam Jaksick's interest in Pioneer.

As we have discussed, until we can determine how Sam Jaksick's stock is to be distributed from the Trust (assuming the transfer to the Trust was valid without DOG approval) or his estate and we can get any recipients of the stock who will have a 5% or greater interest in Pioneer approved by DOG, any dividends or distributions due with respect to Sam Jaksick's stock

should be held, and possibly segregated from company funds, until the stock is transferred to the appropriate beneficiaries or heirs, after DOG approval of them to the extent required.

As always, if there are any questions or concerns about any of this, please do not hesitate to let me know or to direct anyone making inquiry to me.

Steve

Stephen C. West, Esq.
West Brown
Huntley Hunter Teodoru PC
100 S. Ridge Street, Suite 204
P.O. Box 588
Breckenridge, CO 80424
Telephone: (970) 453-2901 ex.12
Email: swest@westbrown.com
Website: www.westbrown.com

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MCL002675

WJ 001215

X 6-1 1-1 1-1 1-1

Nicholus C. Palmer, Esq.
1029 Riverside
Reno NV 89503
Telephone: (775) 786-4121
Facsimile: (775) 786-4122
nik@palmerlawreno.com

PDF

Roger Morris Retainer.pdf
1/20/2011

MCL002676

WJ 001216

To: Nik Palmer
Subject: FW: Bronco Billy's
Date: May 8, 2013, 12:27 PM
Todd Jaksick
Jessica Claytone

Hi Nik,

Please see the response below from Mr. West. You would need to own more than 5% of the total amount of stock issued in order to get the Colorado Gaming License. By receiving 6% of Sam's Stock you only have a 1.79% interest in the company overall. At this point Todd you will not need to get a gaming license in Colorado.

Pursuant to the Pioneer Group Operating Trust Agreement, Stan becomes the new trustee and will need to get the Gaming License. Mr. West does not have a copy of the signed Pioneer Group Operating Agreement I think sending him a copy of that document, along with the Pioneer Group Sam Jaksick Distribution Trust would be a good idea at this point. Please let me know your thoughts so we can keep this moving forward.

Best regards,

1029 Riverside
Reno NV 89503
Telephone: (775) 786-4121
Facsimile: (775) 786-4122
nik@palmerlawreno.com

From: Steve West [<mailto:swest@westbrown.com>]
Sent: Tuesday, May 7, 2013 2:20 PM
To: 'Nik Palmer'
Subject: RE: Bronco Billy's

Nik

It looks like you attached 2 copies of the 2013 Declaration of Gift, but no copies of the 2006 assignment of Sam's interest to his trust. That earlier assignment is a bit troubling because it does not appear that Pioneer was aware of it and the stock to this day appears to be in Sam Jaksick's name individually. This is not a Division of Gaming issue but one for Pioneer and Sam Jaksick's representatives to sort out because the stock certificate that is outstanding is in Sam Jaksick's name individually. Speaking of the stock certificate, I need to confirm that on

MCL002677

WJ 001217

your list of things to try to track down and ultimately get delivered to Pioneer in care of me is whatever original stock certificates in Pioneer Group can be located.

As for the 2013 gifts to Stan individually and Todd's Trust, I am having some trouble figuring out exactly what was transferred. I had understood from you and assumed that the gift was of a 6% interest in Pioneer to each of Stan and Todd's Trust, which would have meant that each gift exceeded the 5% limit requiring approval by the Div. of Gaming. However, the Declaration of Gift reads "6% of his stock in Pioneer Group, Inc." Sam's stock consists of 299.05 shares and outstanding shares and 1.79% of the total shares (including treasury shares), both of which are considerably below the 5% required for approval.

So it appears that we have a couple of issues to try to sort out. However, it may be that the will or trust that controls the distribution of Sam Jaksick's assets may be helpful in resolving both issues and it would be good to consider what such will or trust provides before worrying too much about the incomplete assignment back in 2006 or the "6% of his stock" issue.

I look forward to hearing further from you on these matters and to receiving whatever documentation you are able to obtain and will to share with us. Thanks.

Steve

Stephen C. West, Esq.
West Brown
Huntley Hunter Teodoru PC
100 S. Ridge Street, Suite 204
P.O. Box 588
Breckenridge, CO 80424
Telephone: (970) 453-2901 ex.12
Email: swest@westbrown.com
Website: www.westbrown.com

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MCL002678

WJ 001218

attachments. Thank you.

From: Nik Palmer [<mailto:nik@palmerlawreno.com>]
Sent: Tuesday, May 07, 2013 2:23 PM
To: Steve West
Subject: Bronco Billy's

Hello Mr. West,

Please find attached a copy of the letter we discussed on Friday. You will also find in the attachment the Declaration of Gifts for Todd and Stan Jaksick. Please let me know if you have any questions.

Best regards,

Nicholus C. Palmer, Esq.
1029 Riverside
Reno NV 89503
Telephone: (775) 786-4121
Facsimile: (775) 786-4122
nik@palmerlawreno.com

MCL002679

WJ 001219

Dotson, Doris

From: LeGoy, Bob
Sent: Tuesday, December 30, 2014 12:41 PM
To: Dotson, Doris
Cc: 'Jessica Clayton'; 'Todd Jaksick'; ssj3232@aol.com; Kevin Riley (kevin@rmb-cpa.com)
Subject: FW: Jaksick distribution

Doris, Please have this check hand delivered to Jess at their new address as soon as you receive it. Thanks

From: LeGoy, Bob
Sent: Tuesday, December 30, 2014 12:40 PM
To: 'Steve West'; Kevin Riley (kevin@rmb-cpa.com)
Subject: RE: Jaksick distribution

Send it to my assistant, Doris Dotson at my office. We will get it to them. Thanks

From: Steve West [mailto:swest@westbrown.com]
Sent: Tuesday, December 30, 2014 12:30 PM
To: LeGoy, Bob; Kevin Riley (kevin@rmb-cpa.com)
Subject: Jaksick distribution

Bob or Kevin

Easiest thing for us to do is to send a check from our trust account to Todd B Jaksick and Stanley S Jaksick as Co-Trustees of the Samuel S. Jaksick, Jr. Family Trust, so please advise me where to send it. If a check is not preferred on your end, then please provide wiring instructions. Thanks.

Steve

Stephen C. West

WEST/BROWN

West Brown Huntley Hunter Teodoru PC
100 S. Ridge Street, Suite 204 / P.O. Box 588
Breckenridge, CO 80424
(970) 453-2901 x12
swest@westbrown.com / www.westbrown.com

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17454

Dotson, Doris

From: LeGoy, Bob
Sent: Tuesday, December 30, 2014 12:41 PM
To: Dotson, Doris
Cc: 'Jessica Clayton'; 'Todd Jaksick'; ssj3232@aol.com; Kevin Riley (kevin@rmb-cpa.com)
Subject: FW: Jaksick distribution

Doris, Please have this check hand delivered to Jess at their new address as soon as you receive it. Thanks

From: LeGoy, Bob
Sent: Tuesday, December 30, 2014 12:40 PM
To: 'Steve West'; Kevin Riley (kevin@rmb-cpa.com)
Subject: RE: Jaksick distribution

Send it to my assistant, Doris Dotson at my office. We will get it to them. Thanks

From: Steve West [mailto:swest@westbrown.com]
Sent: Tuesday, December 30, 2014 12:30 PM
To: LeGoy, Bob; Kevin Riley (kevin@rmb-cpa.com)
Subject: Jaksick distribution

Bob or Kevin

Easiest thing for us to do is to send a check from our trust account to Todd B Jaksick and Stanley S Jaksick as Co-Trustees of the Samuel S. Jaksick, Jr. Family Trust, so please advise me where to send it. If a check is not preferred on your end, then please provide wiring instructions. Thanks.

Steve

Stephen C. West

WEST/BROWN

West Brown Huntley Hunter Teodoru PC
100 S. Ridge Street, Suite 204 / P.O. Box 588
Breckenridge, CO 80424
(970) 453-2901 x12
swest@westbrown.com / www.westbrown.com

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Dotson, Doris

From: LeGoy, Bob
Sent: Tuesday, December 09, 2014 9:18 AM
To: Dotson, Doris
Subject: FW: Stan's entry to Incline TSS Ltd

Doris, Please print the attachments. Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

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From: Todd Jaksick [<mailto:tjaksick@gmail.com>]
Sent: Monday, December 08, 2014 7:49 PM
To: Kevin Riley; Todd Jaksick
Cc: LeGoy, Bob; ssj3232@aol.com; McQuaid, Brian
Subject: Re: stan's entry to Incline TSS Ltd

I will try to get with Stan this week or next to finalize the principle pay down structure we need - not sure where the 9 years came from but just so you know that won't work - I need to focus on getting buckhorn deal closed hopefully this week then next week I can get appropriate info to Bob

Thank you

Todd
(775)771-2122

On Dec 8, 2014, at 6:26 PM, Kevin Riley <kevin@rmb-cpa.com> wrote:

This message contains attachments delivered via ShareFile.

- Incline TSS LTD Addendum to Operating Agreement dated 031714.pdf (1.5 MB)
- Incline TSS recapitalization.pdf (63.9 kB)
- INCLINETSS.ARTICLESOFORGANIZATION.pdf (2.7 MB)

Download the attachments by [clicking here](#).

Bob,

Please find attached the proposed buy in for Stan. I have also attached the operating agreement along with the amendment.

The basic deal is Stan would contribute a note to Incline TSS Ltd for 23 units of Series A representing an 18.7% interest. Stan would have to personally guarantee the mortgage or something to that effect.

The payment of the note would be due in nine years. Todd is working with stan on the required principal payments on the note.

Kevin Riley, CPA

Rossmann MacDonald & Benetti, CPA's

3838 Watt Avenue, Suite E-500

Sacramento, CA 95821

Email: Kevin@rmb-cpa.com

Web: www.rmb-cpa.com

Telephone: (916) 488-8360

Fax: (916) 488-9478

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Dotson, Doris

From: LeGoy, Bob
Sent: Monday, December 08, 2014 11:11 AM
To: Dotson, Doris
Subject: FW: Transfers of PGI stock to Trusts
Attachments: ENDORSEMENT OF STOCK Pioneer2.pdf

Here you go.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

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From: LeGoy, Bob
Sent: Monday, December 08, 2014 10:02 AM
To: ssj3232@aol.com; tjaksick@gmail.com; Kevin Riley (kevin@rmb-cpa.com); McQuaid, Brian; Morris, Roger M. (RMorris@lrrlaw.com)
Subject: Transfers of PGI stock to Trusts

Team, Attached is the Endorsement of Stock I want to send to Steve West, Esq. with Sam's two original stock certificates. I have asked him for the bills he is going to pay from the accumulated dividends he is holding so we can review them and object to any we think should be paid by PGI. Finally, I am going to request he distribute the entire balance to Sam's Family Trust, rather than the four separate recipient trusts listed in the Endorsement. Please let me know if you have any questions or changes. Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

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doctrine and should not be disclosed to other parties or distributed/copied in any way.
If you have received this message in error, please reply by e-mail to inform us and
delete any copies from your hard drive. Thank you.

ENDORSEMENT OF STOCK

Todd B. Jaksick, Stanley S. Jaksick, and Kevin Riley, as Co-Executors of the Estate of Samuel S. Jaksick, Jr., and Stanley S. Jaksick and Todd B. Jaksick, as Co-Trustees of The Samuel S. Jaksick, Jr. Family Trust, hereby assign and transfer all of the right, title, and interest of the Estate of Samuel S. Jaksick, Jr., and The Samuel S. Jaksick, Jr. Family Trust in the 301.05 issued and outstanding shares of capital stock of Pioneer Group, Inc., a Nevada corporation, evidenced by stock certificates numbered 3 and 17, to the following Trusts in the following numbers.

<u>NAME OF SHAREHOLDER</u>	<u>NUMBER OF SHARES</u>
Todd B. Jaksick, as Trustee of The Todd Jaksick Family Trust	50.1570
Stanley S. Jaksick, as Trustee of The Stanley S. Jaksick Revocable Living Trust	50.1570
Stanley S. Jaksick and Todd B. Jaksick, as Co-Trustees of The Todd B. Jaksick Trust under The Samuel S. Jaksick, Jr. Family Trust (Restated)	100.3680
Stanley S. Jaksick and Todd B. Jaksick, as Co-Trustees of The Stanley S. Jaksick Trust under The Samuel S. Jaksick, Jr. Family Trust (Restated)	100.3680

The undersigned represent and warrant they are the owners of the shares of stock described above and that the shares of stock are free and clear of all liens and encumbrances. The undersigned hereby irrevocably authorize the transfer agent of the corporation to transfer the stock on the books and records of the corporation, cancel stock certificates numbered 3 and 17, and issue replacement certificates.

Dated: December __, 2014.

[SIGNATURES ON FOLLOWING PAGE]

MCL002686

WJ 001226

McQuaid, Brian

From: Jessica Clayton <jtclaytone@aol.com>
Sent: Tuesday, November 18, 2014 11:21 AM
To: McQuaid, Brian
Cc: tjaksick@gmail.com
Subject: draft promissory notes - Wendy
Attachments: Draft_Wendy Notes_for review.pdf; Promissory_Note_Wendy_Jaksick Family.wpd; Promissory_Note_Wendy_Sam Trust.wpd

Hi Brian,

I just used the word perfect forms you sent over a while back, so I'm just returning them with a couple changes in reference to the notes between Wendy and the Sam Trust and Wendy and Jaksick Family LLC that Todd left you a message about.

Hope you have a great week! And thanks for all your help!

Jess

11/20/14 // TLC Kevin Riley

- his thought is to treat all the prior payments to Wendy as loans. They could then distribute her notes to her trust as part of her distribution of her trust estate.
- also, treat the payments from her LLC to her as loans, possibly secured by her life insurance note.

11/24/14 // TLC Todd; Stan Jaksick, Kevin Riley; LRL

- we discussed this and I raised no concerns; reluctance to present anything further to Wendy to sign. Especially something like this where they are basically going to make it a condition for her to receive any further monies. Todd, Stan; LRL all still think it is a good idea, so I will be drafting the notes, etc.
- Kevin suggests .40 rate, for 3 years. The AFR for now is .39, short term.
- The note from the trust will be unsecured. The note from LLC will be secured by Wendy's life insurance note. LRL thinks the perfection of the security will require possession of the original. They don't know who has the original, so they will try to find out.

Samuel S Jaksick Jr Family Trust
Wendy Loan Activity
For the Period From Apr 1, 2013 to November 1, 2014

Loan Balance As of 042113				269,665.91
Vendor ID	Vendor	Date	Trans No	Debit Amt
NV ENERGY	NV ENERGY	5/22/14	9306	244.95
NV ENERGY	NV ENERGY	6/27/14	9329	295.90
NV ENERGY	NV ENERGY	7/24/14	9366	292.82
NV ENERGY	NV ENERGY	8/21/14	9381	360.03
NV ENERGY	NV ENERGY	9/2/14	9413	450.00
PEREGRIN	THOMAS PERGRIN	8/2/13	9042	1,600.00
PEREGRIN	THOMAS PERGRIN	9/3/13	9070	1,600.00
PEREGRIN	THOMAS PERGRIN	10/1/13	9104	1,600.00
SADDLEHORN	SADDLEHORN HOA	4/30/14	9286	130.00
SADDLEHORN	SADDLEHORN HOA	7/24/14	9368	130.00
SADDLEHORN	SADDLEHORN HOA	10/1/14	9429	130.00
WASHOE	WASHOE COUNTY sewer/water	4/30/14	9281	124.32
WASHOE	WASHOE COUNTY sewer/water	5/15/14	9300	66.88
WASHOE	WASHOE COUNTY sewer/water	6/27/14	9331	191.84
WASHOE	WASHOE COUNTY sewer/water	7/24/14	9352	434.24
WASHOE	WASHOE COUNTY sewer/water	8/24/14	9395	209.62
WASHOE	WASHOE COUNTY sewer/water	9/2/14	9414	200.00
WASHOE	WASHOE COUNTY sewer/water	10/1/14	9431	217.05
WASTE	WASTE MANAGEMENT OF NEVADA	5/2/14	9291	65.82
WASTE	WASTE MANAGEMENT OF NEVADA	8/21/14	9382	65.82
WENDY	WENDY JAKSICK	7/17/13	9026	1,000.00
WENDY	WENDY JAKSICK	7/24/13	9034	1,045.00
WENDY	WENDY JAKSICK	8/2/13	9043	1,087.00
WENDY	WENDY JAKSICK	8/8/13	9050	180.00
WENDY	WENDY JAKSICK	8/14/13	9051	2,000.00
WENDY	WENDY JAKSICK	8/14/13	9055	1,500.00
WENDY	WENDY JAKSICK	8/21/13	9064	1,400.00
WENDY	WENDY JAKSICK	9/3/13	9072	1,994.00
WENDY	WENDY JAKSICK	9/16/13	9090	1,630.00
WENDY	WENDY JAKSICK	10/1/13	9103	2,579.00
WENDY	WENDY JAKSICK	10/15/13	9118	2,000.00
WENDY	WENDY JAKSICK	11/1/13	9135	2,075.00
WENDY	WENDY JAKSICK	11/8/13	9139	500.00
WENDY	WENDY JAKSICK	11/15/13	9146	2,000.00
WENDY	WENDY JAKSICK	12/2/13	9153	2,000.00
WENDY	WENDY JAKSICK	12/13/13	9186	1,473.00
WENDY	WENDY JAKSICK	12/31/13	9196	2,000.00
WENDY	WENDY JAKSICK	1/15/14	9205	1,168.00
WENDY	WENDY JAKSICK	2/4/14	9218	2,074.00
WENDY	WENDY JAKSICK	2/27/14	9243	2,096.00
WENDY	WENDY JAKSICK	3/19/14	9262	1,450.00
WENDY	WENDY JAKSICK	3/31/14	9265	1,750.00
WENDY	WENDY JAKSICK	3/31/14	9266	250.00
WENDY	WENDY JAKSICK	5/1/14	9284	1,500.00
WENDY	WENDY JAKSICK	5/15/14	9302	1,500.00
WENDY	WENDY JAKSICK	5/15/14	9303	723.00

Report Total

PORTION OF CHASE PYMTS MAR-MAY @ \$1200
PORTION OF CHASE PYMTS JUN-NOV @ \$1500

PAYMENTS FROM JAKSICK FAMILY LLC	5/30/14		1,500.00
*Ken has separate accounting of LIRC expenses	6/9/14	8001	600.00
**Does not include vehicle payments	6/19/14	8003	1,500.00
*Interest to be calculated by Kevin Riley	6/25/14	Tickets to Texas	1,414.00
	7/1/14	9999	1,500.00
	7/15/14	9000	1,500.00
The parties agree that this is an accurate assessment as of 11/1/14	7/22/14	9001	2,000.00
of the balance of Wendy's 1995 Life Insurance Note	7/28/14	9003	1,500.00
	8/15/14	9005	1,500.00
	9/2/14	9006	1,500.00
	9/15/14	9004	1,500.00
	9/30/14	9007	1,500.00
	10/3/14	9008	1,075.00
	10/17/14	9009	2,650.00
	10/28/14	9010	2,650.00
	11/14/14	9011	2,650.00
JAKSICK FAMILY LLC			26,539.00
Total Expenses			86,522.29
NEW LOAN BALANCE			183,143.62

MCL002688

WJ 001228

PROMISSORY NOTE

\$59,983.29

Reno, Nevada

For valuable consideration, Wendy A. Jaksick Smrt, as a beneficiary of The Samuel S. Jaksick, Jr. Family Trust Agreement (As Restated) ("Payor"), hereby agrees to pay to the order of Samuel S. Jaksick Jr. Family Trust ("Payee"), at such place as the Payee shall designate in writing, the principal sum of \$59,983.29, together with interest at the rate of ____% per annum (the "Interest Rate") on the declining principal balance from the date hereof.

Principal and interest are payable as follows:

1. The initial interest only payment is due and payable six (6) months from the date hereof. Thereafter, regular semi-annual payments of interest only accruing on the entire unpaid principal balance at the Interest Rate are due and payable on the same day of each succeeding sixth (6th) month thereafter until the entire balance of principal and interest has been paid in full.
2. The entire unpaid principal balance and accrued interest shall be paid in full on or before the second (2nd) anniversary from the date hereof (the "Maturity Date").
3. Each payment under this Promissory Note shall be credited first to accrued interest then due, with the remainder, if any, credited against principal, and interest shall no longer accrue upon the principal so credited.
4. Payor may prepay this Promissory Note in whole or in part without premium or penalty. Prepayments will not, unless otherwise agreed upon by Payee in writing, relieve Payor of Payor's obligation to continue to make the semi-annual payments of accrued interest. Rather, prepayments will reduce the principal balance due on the Maturity Date.

This Promissory Note is secured by an existing Security Agreement between Payor and Payee dated _____, as amended this same date, and is further secured by a Deed of Trust to be recorded against the Wendy Ann Jaksick Smrt 1995 Life Insurance Trust.

The Payor promises and agrees that if a default occurs in the payment of any sum required hereunder, or if the Payor becomes insolvent, makes a general assignment for the benefit of creditors, or is adjudged bankrupt, then the unpaid principal balance and accrued interest shall, at the option of the holder of this Promissory Note, become immediately due and payable although the time of maturity as expressed in this Promissory Note may not have then arrived.

If a default occurs under the terms of this Promissory Note, the Payor agrees to pay all costs, including reasonable attorneys' fees, incurred in the collection of any unpaid amounts.

The Payor, endorser, and guarantor waives presentment for payment, demand, notice, protest, notice of protest, diligence, and non-payment of this Promissory Note, and all defenses on the ground of any extension of time for payment that may be given by the holder to them.

This Promissory Note shall be governed by and construed in accordance with the laws of the State of Nevada and the laws of the United States applicable to transactions in the State of Nevada. The Payor consents to personal jurisdiction of the appropriate state or federal court located in Reno, Nevada.

In the event that any of the terms hereof shall be held to be invalid or unenforceable by any court of competent jurisdiction, such fact shall not affect the validity or enforceability of the remaining terms hereof.

Dated: _____, 2014.

WENDY ANN JAKSICK SMRT

By _____

4005 Quail Rock Lane
Reno, Nevada 89511

PROMISSORY NOTE

\$26,539.00

Reno, Nevada

For valuable consideration, Wendy A. Jaksick Smrt, ("Payor"), hereby agrees to pay to the order of the Jaksick Family LLC ("Payee"), at such place as the Payee shall designate in writing, the principal sum of \$26,539.00, together with interest at the rate of ____% per annum (the "Interest Rate") on the declining principal balance from the date hereof.

Principal and interest are payable as follows:

1. The initial interest only payment is due and payable six (6) months from the date hereof. Thereafter, regular semi-annual payments of interest only accruing on the entire unpaid principal balance at the Interest Rate are due and payable on the same day of each succeeding sixth (6th) month thereafter until the entire balance of principal and interest has been paid in full.
2. The entire unpaid principal balance and accrued interest shall be paid in full on or before the second (2nd) anniversary from the date hereof (the "Maturity Date").
3. Each payment under this Promissory Note shall be credited first to accrued interest then due, with the remainder, if any, credited against principal, and interest shall no longer accrue upon the principal so credited.
4. Payor may prepay this Promissory Note in whole or in part without premium or penalty. Prepayments will not, unless otherwise agreed upon by Payee in writing, relieve Payor of Payor's obligation to continue to make the semi-annual payments of accrued interest. Rather, prepayments will reduce the principal balance due on the Maturity Date.

This Promissory Note is secured by an existing Security Agreement between Payor and the Samuel S. Jaksick Jr. Family Trust dated _____, as amended this same date, and is further secured by a Deed of Trust to be recorded against the Wendy Ann Jaksick Smrt 1995 Life Insurance Trust.

The Payor promises and agrees that if a default occurs in the payment of any sum required hereunder, or if the Payor becomes insolvent, makes a general assignment for the benefit of creditors, or is adjudged bankrupt, then the unpaid principal balance and accrued interest shall, at the option of the holder of this Promissory Note, become immediately due and payable although the time of maturity as expressed in this Promissory Note may not have then arrived.

If a default occurs under the terms of this Promissory Note, the Payor agrees to pay all costs, including reasonable attorneys' fees, incurred in the collection of any unpaid amounts.

The Payor, endorser, and guarantor waives presentment for payment, demand, notice, protest, notice of protest, diligence, and non-payment of this Promissory Note, and all defenses on the ground of any extension of time for payment that may be given by the holder to them.

This Promissory Note shall be governed by and construed in accordance with the laws of the State of Nevada and the laws of the United States applicable to transactions in the State of Nevada. The Payor consents to personal jurisdiction of the appropriate state or federal court located in Reno, Nevada.

In the event that any of the terms hereof shall be held to be invalid or unenforceable by any court of competent jurisdiction, such fact shall not affect the validity or enforceability of the remaining terms hereof.

Dated: _____, 2014.

WENDY ANN JAKSICK SMRT

By _____

4005 Quail Rock Lane
Reno, Nevada 89511

McQuaid, Brian

From: Jessica Clayton <jtclaytone@aol.com>
Sent: Monday, November 17, 2014 10:38 AM
To: LeGoy, Bob; McQuaid, Brian; tjaksick@gmail.com; ssj3232@aol.com; kevin@rmb-cpa.com
Subject: Information for Unclaimed Property - Today's 1pm meeting
Attachments: Joseph_Milan_Sam_Jaksick_Unclaimed_Property.pdf


Hi guys,

Hope you all had a great weekend!

For discussion in today's meeting, attached is information regarding Unclaimed Property relating to Joseph Milan Jaksick. Sam was working with New York Life to see if he could figure this out. Recently, we had Jim Corica working on the claim through the Office of the State Treasurer. We received the attached letter requesting the death certificate for Joseph.

I went on Ancestry.com and figured out that he passed away in Lakeview, Oregon September 7, 1994. We then went through the State of Oregon Vital Records and ordered a certified copy of the death certificate through their link @ VitalChek.com. Once we receive, we will have Jim forward the certificate to the State of Nevada. In discussion with the Las Vegas office, Jim found out that the claim is worth approximately \$31,400 +/-.

Thank you,

Jess 

As a reminder, the call in number is:

1-877-650-2602
code 8356111

Kate Marshall
State Treasurer



STATE OF NEVADA
OFFICE OF THE STATE TREASURER
UNCLAIMED PROPERTY

October 09, 2014



Claim # 158743

ESTATE OF SAMUEL S JAKSICK JR ^{= 36,423³⁵}
% TODD JAKSICK / EXECUTOR
500 DAMONTE RANCH PKWY STE 980
RENO NV 89521

Dear Claimant:

We have completed our initial review of your claim form. It will be necessary for you to provide additional documentation to support your claim. To expedite the evaluation of this claim, please submit the item(s) listed below:

Please provide a certified copy of the decedent(s) death certificate.

* For Joseph Milan Jaksick as he is listed as the insured on this death benefit policy from New York Life Insurance.

Please return the requested documents along with a copy of this letter at your earliest convenience so we may resume processing of your claim. If you have any questions, please call our office at (702) 486-4140.

Respectfully,

Unclaimed Property Staff

10/21/14 - Gave to Jess to try to get Death Certificate for Joe Jaksick - P

1) Deadline? - Cecilia - (702) 486-3952

2) Deadline - No

Unclaimed Property Division
555 E. Washington Ave Suite 4200
Las Vegas, Nevada 89101-1075

Internet: www.NevadaTreasurer.gov

(800) 521-0019 Toll Free (within Nevada)
(702) 486-4140 Telephone
(702) 486-4177 Fax

E-mail: UnclaimedProperty@NevadaTreasurer.gov

LeGoy, Bob

From: LeGoy, Bob
Sent: Friday, October 24, 2014 7:33 AM
To: ssj3232@aol.com
Cc: Kevin Riley (kevin@rmb-cpa.com)
Subject: Montreux Development Group, LLC

FAX -
849-3501

10/27 Conf of Stan & Kevin -

Stan, You asked me to explain how your Dad's sudden and unexpected death on April 21, 2013, affected your agreement to give your prior wife, Lisa, \$100,000 from the sale of a Montreux lot after your divorce in early 2013. The following is that explanation. I derived these facts from my discussions with you, your brother Todd and Kevin Riley, CPA and my firm's work for you. You asked me to give you this explanation because my law firm represents you and your brother as the sole Co-Trustees of your Dad's Family Trust and represents you and your brother and Kevin Riley, CPA as Co-Executors of your Dad's estate.

When you and Lisa divorced, you worked for Montreux Development Group, LLC (Montreux), and Montreux owned most of the lots in the Montreux subdivision surrounding the Montreux golf course. At the time of your divorce, Montreux was owned 4.25% by you as your separate property and the balance by Toiyabe Investment Co., a Nevada corporation. Toiyabe was owned 100% by your Dad. Thus, you owned 4.25% of Montreux and your Dad owned the remaining 95.75%. In an effort to settle your divorce with Lisa, you asked your Dad if you could borrow or be paid \$100,000 from the sale of a Montreux lot and give it to Lisa. Your Dad agreed to do that to help you and Lisa.

After you divorced, your Dad gave you 50% of Toiyabe, but then he tragically died six days later. His death has created substantial financial turmoil and stress for you and your entire family. This turmoil and stress has made it impossible for you to consummate your payment of \$100,000 to Lisa.

Your Dad fortunately and unfortunately died at a time when his assets had declined in value and he faced substantial liabilities. That is fortunate because his estate tax liability will be much less than anyone anticipated. It is unfortunate because those assets declined to such an extent and his liabilities are so high that you and your brother are having a very difficult time managing the satisfaction of all your Dad's creditors. Your Dad's creditors include the IRS. You had to pay your Dad's 2013 federal income taxes. In addition, your Dad's federal estate tax was reported to the IRS to be \$540,969. (Kevin?) However, because your Dad was so heavily invested in real estate, the IRS might argue you owe much more than that. In addition, your Dad's Family Trust and estate do not have the money to pay his federal estate tax. The IRS has accepted that fact and agreed to let you and your brother pay it over the next 14 years.

As everyone knows, your Dad's obligations to the IRS are the first priority for your Dad's Family Trust and estate. Your Dad's creditors who have security interests in your Dad's assets have second priority and his unsecured creditors have third priority. You, your brother and Kevin have serious legal obligations to properly manage all your Dad's affairs. In doing that, I presume your Dad's Family Trust and estate have spent hundreds of thousands of dollars on appraisers, accountants, lawyers and other professionals to help you complete this monumental task. You, your brother and your sister are the primary beneficiaries of your Dad's Family Trust and estate, and you are the last priority obligation. If you and your brother and sister do not receive anything from your Dad's Family Trust and estate, you will not have any recourse against anyone. The IRS, all your Dad's other

approx. \$5,000 #93,500
creditors and all the professionals you have hired must to be paid before you three beneficiaries can receive anything from your Dad's Family Trust and estate. *15,000*

Based on the foregoing, you do not have any legal right to take \$100,000 from the sale of a Montreux lot and give it to Lisa as you and your Dad agreed. That is your personal liability so none of your Dad's interests can be used to satisfy it. The only good news is you now own more of Montreux because your Dad gifted you more of it six days before he died. You have used that position to try to pay Lisa. After your Dad died, you received approximately \$156,000 in distributions from lot sales in 2013. You determined you were compelled to loan \$90,000 of that to your Dad's Family Trust to help it pay its liabilities, you repaid approximately \$20,000 to Lisa and \$10,000 to your divorce lawyer and paid other creditors and retained some of the rest. ~~It was determined your Dad's Family Trust cannot repay your \$90,000 loan for a long time, so you received Markhor Investment Co. LLC from the Trust in full repayment.~~ In all, you believe by carefully managing your cash flow and your numerous financial obligations, you have paid Lisa approximately one-half of what you owe her and you intend to continue to do that as you can. *1/20,000 to Lisa's attorney,*

Your Dad left all of you in this circumstance, even though everyone knows he never intended to do that. This occurred because of the unforeseen and unfortunate decline in the world wide real estate market and economy that occurred in 2008. Our office has seen many sad and unexpected consequences of that real estate decline. Some very wealthy and successful people lost everything during that economic crash.

It appears to me and the other lawyers in our firm who are helping you, Todd and Kevin that you and your brother are working hard to resolve your Dad's creditor issues and at the same time resolve your personal creditors by making payments as you can.

If you or your divorce lawyer have any questions about my comments, please feel to call or write to me at any time. Also, if you, Kevin, or your divorce lawyer determines anything I have said is not entirely accurate, please tell me that so I can correct it. Thanks for letting us help you through all these difficult processes.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

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**CONFIDENTIAL ATTORNEY-CLIENT WORK-PRODUCT
PRIVILEGED COMMUNICATION**

MEMORANDUM

Sales of Sam's Prop.
for > 70% ind.

TO: Brian McQuaid and L. Robert LeGoy
FROM: Procter J. Hug IV
DATE: October 16, 2014
RE: Samuel S. Jaksick Jr. Trust and Estate Administration

QUESTIONS PRESENTED

1. Whether payments by the Trustees of the Samuel S. Jaksick Jr. Trust ("Trust") or by the Executors of the Estate of Samuel S. Jaksick Jr. ("Decedent") to beneficiaries, secured creditors, unsecured creditors, and/or other third parties will make the Trustees and/or Executors personally liable to the Internal Revenue Service ("IRS") if the Estate and/or the Trust are unable to pay Decedent's federal income and/or estate tax liabilities.

2. Whether payments by the Trustees of the Trust to certain Trust beneficiaries, secured creditors, unsecured creditors, and/or other third parties will create personal liability for the Trustees of the Trust and/or the Executors of the Estate if the Trust pays all of its federal tax liabilities but certain Trust creditors are not paid.

SHORT ANSWER

1. Probably yes; the Executors of the Estate and the Trustees of the Trust will be personally liable for the unpaid federal tax debts of the Decedent if they had actual or constructive knowledge that the tax debts existed and made distributions to subordinate payees, but they will only be personally liable to the extent of the improper distributions. This personal

liability of the Trustees and Executors generally arises under Section 6901 of the Internal Revenue Code of 1986, as amended ("IRC").

2. Maybe. The Executors of the Estate will probably not be personally liable for distributions made by the Trustees of the Trust. The creditors of the Estate probably become creditors of the Trust under NRS 111.700 et. seq., allowing those creditors to pursue the assets of the Trust for unpaid debts of the Estate. In general, the Trustee is not statutorily absolved from personal liability for distributions from the Trust under NRS 111.700, et. seq., but conversely, these statutes do not impose personal liability on the Trustee for distributions from the Trust. That said, beneficiaries who receive distributions from the Trust will be subject to transferee liability under NRS 111.700 et. seq. and NRS Chapter 112. The Trustees might be able to pay certain unrelated creditors at the expense of other creditors without exposing themselves to personal liability as there appears to be no controlling law that imposes personal liability on the Trustees for such payments. At the same time, there is no controlling law that would absolve the Trustees from personal liability. Moreover, it is possible that, by analogy, a court would impose similar duties on the Trustees as the duties imposed on executors of an estate, or alternatively, the directors of an insolvent corporation. In addition, it is possible that creditors could allege that the Trustees' payment to one creditor to the exclusion of another constitutes a tort for which the Trustees are personally liable. The only way for the Trustees to ensure that they will avoid personal liability is to petition the court under NRS 164.033 to approve of any substantial distributions from the Trust.

STATEMENT OF FACTS

The Trust was Decedent's revocable inter vivos trust. Decedent was the trustee of the Trust and maintained complete control of the Trust until his death on April 21, 2013. At the time

of his death, Decedent's Estate consisted of the assets identified on Exhibit A attached hereto. At the time of his death, the assets identified on Exhibit B attached hereto were held in the Trust, which was confirmed by a Court Order entered on September 24, 2013. The creditors of Decedent's Estate that filed creditor claims against the Estate are identified on Exhibit C attached hereto. The creditors of the Trust that filed creditor claims against the Trust are identified on Exhibit D attached hereto. Decedent has federal estate and income tax obligations that the Trustees and Executors may not have sufficient assets to satisfy.

DISCUSSION

1. The Estate's Executors and the Trust's Trustees are personally liable for Decedent's unpaid federal tax debts if they knew the tax debts existed and made distributions to subordinate payees without first paying the decedent's taxes, but they will only be personally liable to the extent of the improper distributions.

The Executors of the Estate and the Trustees of the Trust will be personally liable for the Decedent's unpaid federal tax debts if they had actual or constructive knowledge that the tax debts existed and made distributions to subordinate payees, but they will only be personally liable to the extent of the improper distributions. Moreover, any transferees who received improper distributions will be subject to transferee liability to the extent of the improper distributions received.

IRC Section 6901 imposes liability on the "transferee" of property of a taxpayer with unpaid federal taxes. IRC Section 6901. The "transferee" liability is imposed on the transferee of property (1) of a taxpayer in the case of an income tax, (2) of a decedent in the case of an estate tax, or (3) of a donor in the case of a gift tax. IRC Section 6901(a)(1)(A). In addition, IRC Section 6901(a)(1)(B) expressly provides that a fiduciary, who becomes personally liable under

31 USC Section 3713 or another section for paying the taxpayer's, decedent's or donor's unpaid taxes, has the same personal liability for the unpaid taxes as a transferee. For purposes of transferee liability procedures, the term "transferee" is any transferee of property who is liable at law or in equity for the taxpayer's income, estate, or gift tax, including a donee, heir, legatee, devisee, and distributee, and for estate taxes, also includes any person IRC Section 6324(a)(2) makes personally liable for unpaid estate tax. IRC Section 6901(a)(1)(A); IRC Section 6901(h).

Under IRC Section 6901(a), transferee or fiduciary liability must be "assessed, paid, and collected in the same manner and subject to the same provisions and limitations" as the tax liability of the taxpayer, decedent, or donor. IRC Section 6901(a). Therefore, IRC Section 6901(a) treats the transferee or fiduciary as the taxpayer, and so the transferee or fiduciary may contest the taxpayer's liability either in Tax Court or in a refund suit. *See e.g., United States v. Williams*, 514 US 527, 539 (1995). The period for making an assessment of transferee liability against an initial transferee's liability is one year longer than the period within which the IRS must make an assessment of income, estate, or gift tax against the taxpayer/transferor. IRC Section 6901(c). This means that, in general, the IRS must make an assessment against the initial transferee within one year after the statute of limitations for assessment against the taxpayer/transferor expires. *Id.*

The substantive liability that IRC Section 6901 refers to is "the liability at law or in equity" of a transferee or fiduciary. IRC Section 6901(a)(1)(A). A transferee's or fiduciary's liability "at law or in equity" is not determined under IRC Section 6901, but rather under state law, another section of the Code, or some other federal law. For state law purposes, the IRS is a creditor for the amount of the tax claim and has all the rights of a private creditor under state law.

In addition, liability “at law or in equity” under IRC Section 6901 specifically includes liability under 31 USC Section 3713. IRC Section 6901(a)(1)(B).

Because the IRS is a creditor for the amount of the tax claim and has all the rights of a private creditor under state law, the IRS can collect a claim for taxes under a state's law of fraudulent conveyances, such as the Uniform Fraudulent Transfer Act (UFTA), codified in Nevada as NRS Chapter 112. The IRS is entitled to relief against a transferee under any state law that a normal creditor would be able to seek redress, such as: state bulk sales acts, that are included in Article 6 (Bulk Transfers) of the state version of the Uniform Commercial Code (UCC); corporation laws dealing with the effect of mergers, consolidations, or liquidations on unpaid corporate debts, such as the trust fund doctrine; the rights of creditors in life insurance benefits; and any other common law claim.

IRC Section 6901 explicitly imposes liability on a fiduciary, who is liable under 31 USC Section 3713, for making transfers from an insolvent debtor or estate before paying a tax debt. Although a person’s liability under 31 USC Section 3713 may be collected under IRC Section 6901, the liability, including the status of the person as a fiduciary, is determined under 31 USC Section 3713, and is not defined in IRC Section 6901. IRC Section 6901(a)(1)(B). Under 31 USC 3713, a fiduciary is any “representative of a person or an estate (except a trustee acting under title 11) paying any part of a debt of the person or estate before paying a claim of the Government is liable to the extent of the payment for unpaid claims of the Government.” 31 USC 3713(b). In this context, “person” has been interpreted broadly, with the goal of ensuring that the federal government can collect from anyone who has possession and control of assets of a deceased or insolvent debtor. *See e.g., King v. United States*, 379 US 329 (1964).

Pursuant to IRC Section 6901, the IRS can impose fiduciary liability against an executor or trustee under 31 USC Section 3713 for a decedent's unpaid taxes. *See e.g.*, 31 USC Section 3713; Rev. Rul. 66-43. 31 USC Section 3713 grants super-priority to the IRS for unpaid tax liabilities. In general, 31 USC Section 3713(a) provides that a debt due the United States must be paid first wherever an insolvent debtor or an insolvent estate of a deceased debtor is insufficient to pay all creditors. In addition, personal liability is imposed on a fiduciary for any improper distributions to the extent of the unpaid tax debts. 31 USC Section 3713(b). The fiduciary is held personally liable for any diminution in the assets available to pay the government's debt. *Id.*

As a threshold matter, for a fiduciary to be liable to the IRS under 31 USC 3713 for the decedent's unpaid taxes, there must be: (1) knowledge of a "debt" due the United States, (2) an insolvent debtor or estate, and (3) a distribution from the insolvent debtor or estate to a subordinate payee. *See e.g.*, Rev. Rul. 66-43, 1966 -1 CB 291, 293; Rev. Rul. 79-310, 1979-2 CB 404; *United States v. Coppola*, 77 AFTR 2d 96-2477, 85 F3d 1015 (2d Cir.1996). If the fiduciary distributes assets to subordinate payees prior to paying the federal tax debt, the fiduciary is only liable to the extent of the improper distribution. *See* 31 USC Section 3713(b). This limitation on personal liability exists in the plain language of the statute, which provides that the liability to the Government is only "to the extent of" the improper distribution. *See Id.*

For purposes of 31 USC Section 3713(a), taxes are "debts" due the United States even if they are unassessed (it is sufficient that the tax liability has accrued). *United States v. Estate of Francis J. Romani*, 523 US 117 (1998); *Viles v. Commissioner*, 233 F.2d 376 (6th Cir. 1956); *Estate of Frost v. Commissioner*, TC Memo, 1993-94. Also, the "insolvency" referred to in 31 USC Section 3713(a) is insolvency in the balance sheet sense, which occurs when the debtor's liabilities exceed the debtor's assets. *Lakeshore Apartments, Inc. v. US*, 351 F.2d 349 (9th Cir.

1965). In applying 31 USC Section 3713(a) to a situation involving a living debtor (a bank adjudged insolvent under state law), the Supreme Court stated: "mere inability of the debtor to pay all his debts in [the] ordinary course of business is not insolvency within the meaning of Section 3713(a)." *United States v. State of Okla.*, 261 US 253, 260 (1923). The statute, the Court observed, requires that there be an insolvent debtor "not having sufficient property to pay all his debts." *Id.* The relevant time for testing insolvency is at the time of distribution of assets. *Id.* Thus, although an estate or debtor might not be initially insolvent, the federal priority will arise if it becomes insolvent when assets are later distributed. *Schwartz v. Commissioner*, 560 F.2d 311 (8th Cir. 1977). In the context of an insolvent estate, to determine whether the decedent's assets are sufficient to pay his debts, only the "estate...in the custody of the executors or administrators" is considered. 31 USC Section 3713(a). Consequently, property passing outside probate is not considered; in other words, the probate estate, not the gross estate for tax purposes, is the "estate" to be considered for testing insolvency under 31 USC Section 3713(a).

The federal priority statute does not apply, and the fiduciary will not be held liable thereunder, if before the insolvency another person has obtained an interest in the property that would prevail over the federal tax lien under IRC Section 6323. *United States v. Estate of Romani*, 523 US 517 (1998). Therefore, if the interest of a creditor prevails over the federal tax lien under IRC Section 6323(a)-(d), then the federal tax debt does not have priority over the creditor's interest and the fiduciary can pay the creditor without being exposed to fiduciary liability. *Id.* Therefore, for example, a secured judgment lien creditor that recorded its lien on real property before the IRS filed its Notice of Federal Tax Lien has priority over the IRS's tax claims. *Id.* In addition, the federal tax lien should not be valid against the holder of a security interest in real property pursuant to IRC Section 6323(a). The term "security interest" means any

interest in property acquired by contract for the purpose of securing payment or performance of an obligation or indemnifying against loss or liability. IRC Section 6323(h)(1). A security interest exists at any time if, at such time, the property is in existence and the interest has become protected under local law against a subsequent judgment lien arising out of an unsecured obligation, and to the extent that, at such time, the holder has parted with money or money's worth. IRC Section 6323(h)(1). If a lien or security interest has priority over a tax lien pursuant to IRC Section 6323(a), then IRC Section 6323(e) extends the priority to the interest expenses and costs of preserving the collateral related to the lien or security interest, so long as under the security instrument and local law, any such expense item has the same priority as the lien or security interest to which it relates.

In addition, the costs of administering the estate of the deceased or living debtor may be paid before a federal tax claim; these expenses include court costs and reasonable compensation for fiduciaries and attorneys. *Malcolm D. Champlin*, 6 TC 280, 285 (1946). Also, where expenses (including taxes) are incurred in operating a business or liquidating assets, payments or transfers made in the ordinary course of such operations are in the nature of administrative expenses and likewise are not subject to the priority of IRC Section 3713(a). *United States v. State of Okla.*, 261 US 253 (1923). On the other hand, generally, other payments of state income taxes or to unsecured creditors constitute the payment of debts in derogation of the government's priority. *See e.g.*, Rev. Rul. 79-310, 1979-2 CB 404. Likewise, distributions to beneficiaries are clearly not permissible "charges" against the estate of a deceased taxpayer, but are considered payment of a "debt" to an unsecured creditor; however, certain allowances to a surviving spouse authorized under state law have been found to have priority over a tax debt. *See IRS Priv. Ltr. Rul. 8341018* (July 11, 1983) (citing Rev. Rul. 80-112, 1980-1 C.B. 306). Generally, though,

distributions to beneficiaries of an insolvent estate or from an insolvent trust may not be made by an executor or trustee before payment of the unpaid taxes. Treas. Reg. § 20.2002-1 (estate tax), Treas. Reg. § 25.2502-2 (gift tax); See *United States v. First Huntington Nat'l Bank*, 34 F. Supp. 578, 580 (SD W. Va. 1940), aff'd on opinion below per curiam, 117 F.2d 376 (4th Cir. 1941); *Malcolm D. Champlin*, 6 TC 280, 285 (estate tax); *Want v. Commissioner*, 280 F.2d 777 (2d Cir. 1960) (gift tax).

Even assuming a subordinate payee is paid prior to the IRS, the fiduciary will only be personally liable for the unpaid taxes if the fiduciary made the improper payment with actual or constructive knowledge of the unpaid taxes. “[I]t has long been held that a fiduciary is liable only if it had notice of the claim of the United States before making the distribution.” *Want v. Commissioner*, 280 F.2d 777, 783 (2d Cir. 1960). Knowledge of the tax debt requires “actual knowledge of the liability or notice of such facts as would put a reasonably prudent person on inquiry as to the existence of the unpaid claim of the United States.” *Little v. Commissioner*, 113 T.C. 474, 480 (1999). To be chargeable with knowledge of such a debt, the fiduciary must be in possession of such facts as to “put him on inquiry.” *New v. Commissioner*, 48 T.C. 671, 676 (1967). “It is this knowing disregard of the debts due to the United States that imposes liability on the fiduciary”. *Leigh v. Commissioner*, supra at 1109-1110 (citing *United States v. Crocker*, 313 F.2d 946 (9th Cir. 1963)). If the government makes a prima facie showing that an improper distribution was made, the burden of proof is on the fiduciary to establish that he or she was unaware of the decedent’s unpaid tax debts. See *McCourt v. Commissioner*, 15 T.C. 734, 738 (1950).

In addition to fiduciary liability, as mentioned earlier, the person in receipt of the improper distribution may still have transferee liability under IRC Section 6901, and the term

“transferee” includes a donee, heir, legatee, devisee, and distributee. It is worth mentioning that even if a trustee could somehow avoid fiduciary liability, they may still be subject to transferee liability if they came into possession of a decedent’s property. In general, tax debts due to the United States must be paid prior to all other subordinate payees, and to the extent transferees receive property from an insolvent debtor with unpaid tax debts to the United States, the transferees may be liable for the unpaid tax debt to the extent of the property they received.

The transferee is not liable for payments received solely because they are a “transferee” under IRC Section 6901. Instead, the transferee must be liable at “law or in equity” for the payment received, so IRC Section 6901 does not by itself impose liability on every “transferee.” *See e.g., Diebold Found., Inc. v. Comm’r*, 736 F.3d 172 (2d Cir. 2013). In the case of an unpaid income tax, it is most common for the IRS to impose liability on a transferee under a State’s law of fraudulent conveyances. *See Id.*; *see also, United States v. Floersch*, 276 F2d 714 (10th Cir.), cert. denied, 364 US 816 (1960); *Viles v. Comm’r*, 233 F2d 376 (6th Cir. 1956); *Sadie D. Leary*, 18 TC 139 (1952); *Grace McKnight*, 15 TC 730 (1950). For an unpaid estate or gift tax, the IRS will generally impose liability on the transferee under IRC Section 6324. When the theory of liability at law is imposed under IRC Section 6324, to impose liability on the transferee the IRS need prove only that (1) the transferee received property subject to estate or gift tax; (2) the transferor owed the tax in question; and (3) the tax is due and unpaid. *See e.g., Baur v. Comm’r*, 145 F.2d 338 (3d Cir. 1944) (donee of nontaxable gift was held personally liable to the extent of its value for the unpaid gift tax the donor owed on another taxable gift to different donor); *Magill v. Comm’r*, 43 TCM 859 (1982) (jointly owned property passing outside probate subject to transferee liability under IRC Section 6324(a)(2)); *See also*, Treas. Reg. § 20.2002-1 (estate tax), Treas. Reg. § 25.2502-2 (gift tax). Moreover, if a gift tax is not paid when due, the donee of any

gift of the donor, even the donee of a gift with respect to which the gift taxes were paid, becomes personally liable for the tax to the extent of the value of his gift, and a lien attaches to such gift for a period of ten years. Treas. Reg. § 301.6324-1.

In this case, the Executors of the Estate and the Trustees of the Trust are fiduciaries who will be personally liable for the Decedent's unpaid federal tax debts if they had actual or constructive knowledge that the tax debts existed and made distributions to subordinate payees, such as beneficiaries or unsecured creditors. The tax debt is deemed to exist at the time it accrued, so any improper payments after that accrual will subject the Trustees and/or Executors to personal liability. The Trustees and Executors cannot make a distribution to subordinate payees after they had actual knowledge of the tax liability or notice of such facts as would put a reasonably prudent person on inquiry as to the existence of the unpaid claim of the United States. In addition, payments to creditors with a preexisting security interest, whether it is a principal payment or an interest payment, are permissible and will not subject the Trustees or Executors to personal liability. Similarly, payments of reasonable administrative expenses will not subject the Trustees or Executors to personal liability. The Trustees or Executors that made the improper distributions will only be personally liable to the extent of the improper distributions. As a result, if the Trustees and/or Executors made any distributions to beneficiaries or unsecured creditors after the fiduciaries had actual or constructive knowledge of an unpaid tax debt, they will be personally liable to the IRS to the extent of the distribution. Moreover, any beneficiaries of the Estate or Trust who received distributions will be subject to transferee liability to the extent of the improper distributions received. For example, if the Decedent has unpaid income or estate taxes, transferee liability may be asserted against beneficiaries of the Estate and/or the Trust who received distributions from the Estate and/or Trust.

2. **Beneficiaries of the Trust and Estate should not be paid before unsecured or secured creditors, otherwise the beneficiaries will be subject to transferee liability, and while the Trustees might be able to pay certain unrelated creditors at the expense of other creditors without exposing themselves to personal liability, it is possible that the Executors of the Estate and/or Trustees of the Trust could be held personally liable for such payments.**

Beneficiaries of the Trust and Estate should not be paid before unsecured or secured creditors, otherwise the beneficiaries will be subject to transferee liability, and while the Trustees might be able to pay certain unrelated Trust creditors at the expense of other Trust creditors without exposing themselves to personal liability, it is possible that the Executors of the Estate and/or the Trustees of the Trust could be held personally liable for such payments.

The first issue is whether an Executor of the Estate can be held liable for payments made by the Trustees to one creditor to the exclusion of another creditor; a claim that appears frivolous on its face. The executor of an estate owes fiduciary duties to the estate's beneficiaries as well as its creditors. *See e.g., 31 Am. Jur. 2d Executors and Administrators* § 376. "An executor or administrator owes duties to estate creditors in addition to the general duties the fiduciary owes to the beneficiaries of the estate." *Restatement (Third) of Trusts* § 5 (2003). "In the absence of a statute otherwise providing, the fundamental duties of personal representatives are: (1) to determine and, if appropriate, take possession of the estate assets; (2) to determine and pay the decedent's debts, taxes, and expenses of administration; and (3) to determine and make distribution to the beneficiaries." *Restatement (Third) of Trusts*, § 5 (2003). "An executor or personal representative is ... appointed by law for the benefit and protection of creditors and distributees....thus, the personal representative of an estate represents the creditors as well as the

heirs of the decedent....” *Restatement (Third) of Trusts*, § 5 (2003) (citing *Mutual Hospital Services, Inc. v. Burton*, 695 N.E.2d 641, 644 (Ind.App.1998)).

Since the Executor of Decedent’s Estate owes fiduciary duties to creditors, it is possible that a creditor of the Estate could bring a breach of fiduciary duty claim against the Executors for not contesting the Court Order finding that certain assets are held in the Trust, from which recovery may be more difficult for the creditors because of the lack of formal priority rules and/or the lack of a requirement of court approval of payments to Trust creditors. Though such a claim is conceivable, no Nevada case or statute would support such a claim and it would be difficult to assert in the face of a Court Order specifically acknowledging that assets are held in the Trust, not the Estate, after each creditor of the Estate had an opportunity to contest that finding at a hearing. In addition, a creditor of the Estate could allege a breach of fiduciary duty claim against the Executors of the Estate for payments made in the Executor’s capacity as Trustee of the Trust; however, there does not appear to be any statute or case supporting a claim against a personal representative for actions taken in his capacity as trustee of the decedent’s trust.

Assuming the Executor of the Estate cannot be held liable for actions of the Trustee of the Trust, the next issue is whether the Estate’s creditors automatically become creditors of the Trust with a right to pursue assets of the Trust, and whether the Trust’s creditors must be paid in accordance with the same rules and procedures applicable to probate proceedings. In California, “a judgment against a decedent becomes a valid claim against both the decedent’s estate and, where necessary, against assets placed in an inter vivos trust which was subject to revocation during the settlor’s lifetime.” *Dobler v. Arluk Med. Ctr. Indus. Grp., Inc.*, 89 Cal. App. 4th 530, 540, 107 Cal. Rptr. 2d 478, 486 (2001); Cal. Prob. Code Sections 19001(a), 18200, 18201. The

newly enacted California statutes provide that the decedent's creditors become creditors of the trust, and that the trust must pay those creditors in the same priority and in accordance with the same rules as applicable in probate. Cal. Prob. Code Sections 19001(b), 11420. As a result, the same rules and procedures applicable to the payment of creditors in probate apply to the payment of the trust's creditors. *Id.* Prior to the enactment of these statutes in the California Probate Code, "the sole remedy available to a creditor after a deceased trust settlor had left the estate insolvent by transferring assets to a revocable inter vivos trust was a separate action for relief against the trust on the ground the conveyance was fraudulent." *Bank One Texas v. Pollack*, 24 Cal. App. 4th 973, 980, 29 Cal. Rptr. 2d 510, 513 (1994). Therefore, "if the decedent had left his or her estate insolvent by transferring assets to a revocable inter vivos trust, the creditors sole remedy was a separate action against the estate and the trust on the ground the conveyance was fraudulent." *Arluk Med. Ctr. Indus. Grp., Inc. v. Dobler*, 116 Cal. App. 4th 1324, 1331, 11 Cal. Rptr. 3d 194, 198 (2004).

Prior to the enactment of these statutes, California creditors had no recourse, other than pursuing a fraudulent conveyance claim if a decedent's assets were transferred to a revocable inter vivos trust. This implies that, prior to the enactment of these statutes, a decedent's revocable inter vivos trust was not subject to the same rules and procedures applicable in probate, and that the trustee of that trust did not owe the same fiduciary duties to the trust's creditors as the executor owes to the estate's creditors. In addition, since the creditors' only recourse was to unwind the fraudulent conveyance, this also implies that creditors could not pursue the trustee personally for breach of a fiduciary duty for paying one trust creditor to the exclusion of another.

Though Nevada does not have statutes that mirror the above cited sections of the California Probate Code, Nevada did enact NRS 111.700, et. seq., which provides that a transferee of a “nonprobate transfer” is liable to the decedent’s estate to the extent of the “nonprobate transfers” they receive if the decedent’s estate is insufficient to satisfy its creditor claims. Pursuant to NRS 111.779, “a transferee of a nonprobate transfer is liable to the probate estate of the decedent for allowed claims against that decedent’s probate estate to the extent the estate is insufficient to satisfy those claims.” Therefore, if property held in a decedent’s revocable inter vivos trust qualifies as a “nonprobate transfer,” the trust is liable to the decedent’s probate estate to the extent the estate is insufficient to satisfy its creditor claims. NRS 111.721 defines “Nonprobate transfer” to mean:

“A transfer of any property or interest in property from a decedent to one or more other persons by operation of law or by contract that is effective upon the death of the decedent and includes, without limitation: (a) A transfer by right of survivorship, including a transfer pursuant to subsection 1 of NRS 115.060; (b) A transfer by deed upon death pursuant to NRS 111.655 to 111.699, inclusive; and (c) A security registered as transferable on the death of a person.”

A “contract” is defined to include a trust. Property held in a decedent’s revocable inter vivos trust is not transferred to the trust upon death, so it is arguably not a “nonprobate transfer.” However, upon the decedent’s death, a successor trustee may acquire an “interest in property from [the] decedent...by contract that is effective upon the death of the decedent,” which probably brings the trust assets within the definition of a “nonprobate transfer” in NRS 111.721.

Assuming the property held in the decedent’s revocable inter vivos trust is a “nonprobate transfer,” then the trust is a transferee that is subject to liability for the estate’s unpaid debts. NRS 111.779(1). In that case, the trust’s transferee liability “may not exceed the value of nonprobate transfers received or controlled” by the trust. NRS 111.779(2). “Unless otherwise

provided by the trust instrument, interests of beneficiaries in all trusts incurring liabilities under this section abate as necessary to satisfy the liability, as if all the trust instruments were a single will and the interests were devised under it." NRS 111.779(4). "Upon due notice to a nonprobate transferee, the liability imposed by this section is enforceable in probate proceedings." NRS 111.779(7). If a probate proceeding is pending, a proceeding under NRS 111.779 against a transferee may be commenced by the personal representative of the decedent's estate or, if the personal representative declines to do so, by a creditor in the name of the decedent's estate. NRS 111.779(8). If a creditor successfully establishes an entitlement to payment from a transferee under NRS 111.779, the creditor is entitled to all costs incurred, including attorney's fees, from the transferee. *Id.* A personal representative who declines in good faith to commence a requested proceeding incurs no personal liability for declining. *Id.* A proceeding against a transferee pursuant to NRS 111.779 must be commenced within the time periods outlined in NRS 111.779(10). It is worth noting that liability arising under NRS 111.779 is eliminated if it is barred by "other applicable law," such as a claim that is time-barred under NRS 164.025.

Even if the Trust was not liable to the Estate's creditors pursuant to NRS 111.779, which it probably is, it might still be liable to the Estate's creditors based on an alter ego theory. A trust may become liable to a debtor's creditors if it is considered to be the alter ego of the debtor, which can occur where the debtor uses the trust's assets for his own benefit and exercises authority over the trust's assets. *See e.g., Dexia Credit Local v. Rogan*, 2008 WL 4543013 (N.D. Ill.); NRS 163.418.

In this case, the Trust is probably liable to the Estate's creditors to the extent that the Estate is unable to pay those creditors. In addition, under NRS 111.779(7), upon due notice to the Trust, the Estate's creditors' claims against the Trust are enforceable in probate proceedings.

This arguably makes the duties, rules and procedures applicable in probate proceedings equally applicable to the Trustees and the Trust. On the other hand, nothing in NRS 111.779 imposes such duties, rules and procedures on the Trust, and the language of NRS 111.779 merely allows the Estate's creditors to pursue the Trust. Regardless, the Trust is almost certainly liable to the Estate's creditors for any unpaid amounts either under NRS 111.779 or an alter ego theory. If creditors of the decedent are unable to collect from the decedent's estate, they can probably assert a claim against the Trust based on NRS 111.700, et. seq. or an alter ego claim; however, even if creditors can collect from the Trust, that doesn't necessarily mean that the successor Trustees are personally liable to the creditors.

The final and most important issue is whether the Trustees of the Trust are personally liable for distributions from the Trust to one creditor to the exclusion of another creditor or for distributions from the Trust to beneficiaries. Without the special creditor rules granted to the IRS, general creditors have more difficulty pursuing a trustee personally for a trust's unpaid debts. Even if a valid claim under NRS 111.779 is timely filed, the trustee is not necessarily personally liable for the claim. Pursuant to NRS 111.779(11), unless a written notice asserting that a decedent's probate estate is nonexistent or insufficient to pay allowed claims and statutory allowances has been received from the decedent's personal representative, "a trustee receiving or controlling a nonprobate transfer is released from liability under this section with respect to any assets distributed to the trust's beneficiaries." NRS 111.779(11). Therefore, in the absence of a written notice from the decedent's personal representative, if a trustee receives a nonprobate transfer, the trustee is released from liability under NRS 111.779 with respect to any assets distributed to the trust's beneficiaries. Presumably, the same rule would apply with regard to payments made to other trust creditors, although the statute is silent on this issue. On the other

hand, if the trustee did receive written notice from the decedent's personal representative, then the default rule may not apply and the trustee is not statutorily absolved from personal liability for payments to beneficiaries. Either way, the beneficiary who received a distribution from the trustee becomes liable to the extent of the assets they received. NRS 111.779(11)(b).

Though NRS 111.700, et. seq., may impose liability on a trust, the statutes do not impose a fiduciary duty on the trustee or require the trustee to comply with the duties, rules and procedures applicable in probate proceedings. That said, as mentioned above, NRS 111.779(7) could be interpreted to impose the duties, rules and procedures applicable in probate proceedings on nonprobate transferees. Absent such an interpretation, NRS 111.779 merely gives unpaid estate creditors a claim against the assets in the decedent's revocable living trust; however, unlike the California statutes, NRS 111.779 does not explicitly entitle creditors to be paid in the same priority and in accordance with the same rules as creditors of the decedent's estate. Indeed, NRS 111.751 specifically provides that "a nonprobate transfer on death in a contract is non-testamentary" and is not subject to administration as part of the person's estate at death. NRS 111.751(1)(c), (2)(b). This suggests that a nonprobate transferee does not need to pay creditors in accordance with the same priority rules as creditors of the decedent's estate. Though NRS 111.700, et. seq. does not statutorily impose personal liability on the trustee for distributions from the trust, at the same time, it does not statutorily absolve the trustee from liability unless the conditions in NRS 111.779(11) are satisfied.

In general, a third party may bring a claim against a trust by proceeding against the trustee in the trustee's representative capacity based on a contract entered into or a tort committed by the trustee. NRS 163.120; NRS 163.140; *see also*, Restatement (Third) of Trusts § 105 (2012). Similarly, a third party may sue a trustee in the trustee's representative capacity on

claims, including claims for unjust enrichment, arising from the trustee's ownership or control of trust property. *Id.* In each situation, the alleged liability arises in the trustee's representative, not personal, capacity. *Id.*

A trustee may be held personally liable on a contract only if: (a) the trustee committed a breach of trust; or (b) the trustee's representative capacity was undisclosed and unknown to the third party; or (c) the contract so provides. NRS 163.120; *see also*, Restatement (Third) of Trusts § 106 (2012). Here, the Trustee is unlikely to be held personally liable on a contract, even if the Trustee pays some creditors to the exclusion of others, so long as the Trustee has not committed a breach of Trust, the Trustee's representative capacity was always disclosed and known, and none of the contracts provide for personal liability for the Trustee.

Moreover, a trustee is personally liable for a tort committed in the course of trust administration, or for an obligation arising from the trustee's ownership or control of trust property, only if the trustee is personally at fault. NRS 163.140(3); *see also*, Restatement (Third) of Trusts § 106 (2012). Generally, a trustee is 'personally at fault' when the trustee commits a tort either intentionally or negligently in the course of trust administration. *Haskett v. Villas at Desert Falls*, 90 Cal. App. 4th 864, 877, 108 Cal. Rptr. 2d 888, 897 (2001). Courts have interpreted "personally at fault" to require the claimant to demonstrate that the trustee personally committed a tort. *Id.*

The first potential claim against a trustee that could impose personal liability is a breach of fiduciary duty claim. The creditor could argue that the trustee owes a fiduciary duty to the trust's creditors and would personally breach that duty by making a transfer to one creditor to the exclusion of another. However, most courts have held that, "without more, the relationship of debtor and creditor does not constitute a fiduciary relationship." *See e.g., Restatement (Third) of*

Trusts § 5 (2003) (citing *Aristocrat Lakewood Nursing Home v. Mayne*, 133 Ohio App.3d 651, 729 N.E.2d 768, 784 (1999)). “Under well-settled principles of trust law, a debtor-creditor relationship is not a fiduciary relationship.” *Restatement (Third) of Trusts* § 5 (2003) (citing *In re Halpin*, 566 F.3d 286, 290 (2d Cir. 2009)). Moreover, although a confidential or “special relationship” can give rise to a fiduciary duty, a debtor typically does not owe a fiduciary duty to its lenders. *Giles v. Gen. Motors Acceptance Corp.*, 494 F.3d 865, 872 (9th Cir. 2007); *see also*, *Mackintosh v. Jack Matthews & Co.*, 109 Nev. 628, 855 P.2d 549, 553 (1993). Similarly, a creditor could argue that the trustee owes the same duties to trust creditors as the personal representative owes to estate creditors, particularly since the claims against the trust under NRS 111.779 derive from claims against the estate. Moreover, the creditors could point to NRS 111.779(7), and argue that it imposes the same duties on nonprobate transferees as the duties applicable to an executor in probate proceedings. That said, unlike the California statutes, NRS 111.700 et. seq. does not explicitly statutorily impose the same rules, duties and procedures on a trustee as those imposed on a personal representative.

Creditors could also argue that, similar to an insolvent corporation, when a trust becomes insolvent the trustee owes fiduciary duties to its creditors under the “trust fund doctrine.” *See e.g., Asmussen v. Quaker City Corp.*, 156 A. 180, 181 (Del. Ch. 1931); *Pennsylvania Co. for Ins. on Lives & Granting Annuities v. South Broad St. Theatre Co.*, 174 A. 112, 116 (Del. Ch. 1934); *Berg & Berg Enterprises, LLC v. Boyle*, 178 Cal. App. 4th 1020, 100 Cal. Rptr. 3d 875 (2009).

The trust fund doctrine posits that the assets of an insolvent corporation will be treated as a trust for the benefit of creditors, and fiduciary duties will be imposed on the officers and directors in control of the assets. *Id.* However, unlike a corporation, a revocable living trust that becomes irrevocable upon death of the settlor is not considered a separate legal entity “but rather a

fiduciary relationship with respect to property.” *Ziegler v. Nickel*, 64 Cal. App. 4th 545, 548, 75 Cal. Rptr. 2d 312, 314 (1998). This distinction may make it less logical to impose the same duties on a trust as those arising for an insolvent corporation. In addition, imposing a fiduciary duty to creditors may conflict with the trustee’s fiduciary duties to trust beneficiaries, which is one reason why a trust debtor does not typically stand in a fiduciary relationship to its creditors. Restatement (Third) of Trusts § 5 (2003).

The next potential claim against a fiduciary could be a fraudulent conveyance claim under NRS Chapter 112. When a debtor transfers property beyond the reach of its creditors, and the debtor fails to repay its creditors, the creditors may be entitled to remedies under the fraudulent conveyance laws contained in NRS Chapter 112. However, just because a transfer is voidable under state fraudulent conveyance laws doesn’t mean that the trustee is personally liable for the transfer.

Under NRS Chapter 112, a creditor may obtain relief against a fraudulent conveyance by obtaining the property transferred, an attachment/garnishment against other property of the transferee, a levy of execution against the transferred asset or its proceeds, or other equitable relief. NRS 112.210(1). A transfer is fraudulent if it is made with the intent to defraud the creditor ~~or~~ if it is made without receiving a reasonably equivalent value in exchange for the transfer or obligation. One of the primary factors that can establish a fraudulent intent is if the transfer was made to an insider, which is defined to include relatives of the debtor. NRS 112.150(7). Although a transaction may be a fraudulent conveyance if a transfer is made without receiving reasonably equivalent value, reasonably equivalent value is given to a creditor who receives property secured by an antecedent debt. NRS 112.170. Thus, transferring encumbered

property to a creditor with a preexisting security interest would typically not constitute a fraudulent conveyance. *Id.*

In addition, a transfer will be found to be fraudulent if it was made by a debtor as to a creditor whose claim arose before the transfer was made if the transfer was made to an insider, the debtor was insolvent at the time, and the insider had reasonable cause to believe that the debtor was insolvent. NRS 112.190; *see also*, 37 Am. Jur. 2d *Fraudulent Conveyances and Transfers* § 65. Therefore, a transfer made by a debtor is fraudulent as to a creditor whose claim arose before the transfer if the transfer was made to a beneficiary of a decedent/debtor that is a relative of the decedent/debtor, the decedent/debtor's estate was insolvent at the time, and the insider receiving the transfer had reasonable cause to believe the debtor was insolvent.

Creditors have also argued that a payment to a creditor that has the ancillary effect of relieving an insider of liability on a personal guaranty constitutes a fraudulent conveyance. *See e.g., In re Maine Poly, Inc.*, 317 B.R. 1 (Bankr. D. Me. 2004). However, in a case involving a statute similar to NRS 112.190, a payment that a debtor made to an oversecured creditor could not be recovered from an insider that allegedly benefited from this payment by reduction of his exposure on a guarantee because the reduction of the insider's guarantee liability was an incidental consequence of the payment which, by decreasing the extent of the oversecured creditor's lien on the debtor's assets, had potentially benefited, rather than harmed, its other unsecured creditors. 37 Am. Jur. 2d *Fraudulent Conveyances and Transfers* § 65 (citing *In re Maine Poly, Inc.*, 317 B.R. 1 (Bankr. D. Me. 2004)). Creditors of a trust could conceivably claim that a trustee is personally liable if he commits a fraudulent conveyance under NRS Chapter 112; however, the statutory remedies under NRS 112.210(1) suggest the creditor would be more

likely to receive the property transferred or a levy of execution against the transferred asset or its proceeds than to pursue the trustee personally.

In this case, the Trust's creditors could claim that the Trustees are personally liable because they committed a breach of fiduciary duty or a fraudulent conveyance when paying one creditor to the exclusion of others. A breach of fiduciary duty claim, imposing duties on the Trustees similar to the duties imposed on an executor, is probably the most likely basis for imposing personal liability on the Trustees. Given the lack of authority absolving the Trustees from personal liability, it is difficult to predict with confidence that the Trustees could successfully avoid personal liability on a claim breach of fiduciary duty claim for paying one creditor to the exclusion of another creditor. It is also possible that the creditor prefer to pursue the remaining assets in the Trust to recover a deficiency, and if the Trust does not have any assets, the assets distributed to beneficiaries, and they will not pursue the Trustees given the lack of law supporting such a claim.

The only way for the Trustees to ensure that they are absolved from personal liability for payments to one Trust creditor to the exclusion of another Trust creditor is to file a petition concerning the conveyance pursuant to NRS 164.033. NRS 164.033 provides a mechanism for the court to approve of conveyances of trust property in which multiple creditors have a claim or interest. NRS 164.033(1) provides as follows:

"The trustee...may petition the court to enter an order: (a) If the trustee is in possession of, or holds title to, property and the property or an interest in it is claimed by another. (b) If the trustee has a claim to property and another holds title to or is in possession of the property. (c) If property of the trust is subject to a claim of a creditor of the settlor of the trust."

Notice of the petition must be given to each person claiming an interest in the property, and any other person whose right, title or interest in or to the property would be affected by the granting

of the petition. Once a trustee files a petition under NRS 164.033, the court will only grant a petition if it determines that the matter need not be determined by civil action. NRS 164.033(2). If the court is satisfied that a conveyance of property should be made, the court can enter an order directing the trustee to convey, transfer or deliver the property to the person entitled thereto. NRS 164.033.

Here, all of the Trust's and Estate's creditors could claim to have a direct and/or indirect interest in all of the Trust's property, particularly if the Trust and Estate are insolvent and certain creditors are under secured. As a result, the Trustee would be justified in seeking a petition to make a conveyance of property from the Trust. Without filing such a petition, it is conceivable that the Trustee could be subject to personal liability for the reasons outlined above.

CONCLUSION

The Trust and Estate creditors should be paid before any beneficiaries of the estate. In addition, all federal tax obligations must be paid to avoid fiduciary and/or transferee liability to the IRS. While the Trustees might be able to pay certain unrelated creditors at the expense of other creditors without exposing themselves to personal liability, it is possible that the Executors of the Estate and/or Trustees of the Trust could be held personally liable for such payments. To avoid any risk of personal liability for payments to one Trust creditor to the exclusion of another Trust creditor, the Trustee should file a petition concerning any large conveyances to Trust creditors pursuant to NRS 164.033.

**CONFIDENTIAL ATTORNEY-CLIENT WORK-PRODUCT
PRIVILEGED COMMUNICATION**

MEMORANDUM

TO: Brian McQuaid and L. Robert LeGoy
FROM: Procter J. Hug IV
DATE: October 16, 2014
RE: Samuel S. Jaksick Jr. Trust and Estate Administration

QUESTIONS PRESENTED

1. Whether payments by the Trustees of the Samuel S. Jaksick Jr. Trust ("Trust") or by the Executors of the Estate of Samuel S. Jaksick Jr. ("Decedent") to beneficiaries, secured creditors, unsecured creditors, and/or other third parties will make the Trustees and/or Executors personally liable to the Internal Revenue Service ("IRS") if the Estate and/or the Trust are unable to pay Decedent's federal income and/or estate tax liabilities.

2. Whether payments by the Trustees of the Trust to certain Trust beneficiaries, secured creditors, unsecured creditors, and/or other third parties will create personal liability for the Trustees of the Trust and/or the Executors of the Estate if the Trust pays all of its federal tax liabilities but certain Trust creditors are not paid.

SHORT ANSWER

1. Probably yes; the Executors of the Estate and the Trustees of the Trust will be personally liable for the unpaid federal tax debts of the Decedent if they had actual or constructive knowledge that the tax debts existed and made distributions to subordinate payees, but they will only be personally liable to the extent of the improper distributions. This personal

liability of the Trustees and Executors generally arises under Section 6901 of the Internal Revenue Code of 1986, as amended ("IRC").

2. Maybe. The Executors of the Estate will probably not be personally liable for distributions made by the Trustees of the Trust. The creditors of the Estate probably become creditors of the Trust under NRS 111.700 et. seq., allowing those creditors to pursue the assets of the Trust for unpaid debts of the Estate. In general, the Trustee is not statutorily absolved from personal liability for distributions from the Trust under NRS 111.700, et. seq., but conversely, these statutes do not impose personal liability on the Trustee for distributions from the Trust. That said, beneficiaries who receive distributions from the Trust will be subject to transferee liability under NRS 111.700 et. seq. and NRS Chapter 112. The Trustees might be able to pay certain unrelated creditors at the expense of other creditors without exposing themselves to personal liability as there appears to be no controlling law that imposes personal liability on the Trustees for such payments. At the same time, there is no controlling law that would absolve the Trustees from personal liability. Moreover, it is possible that, by analogy, a court would impose similar duties on the Trustees as the duties imposed on executors of an estate, or alternatively, the directors of an insolvent corporation. In addition, it is possible that creditors could allege that the Trustees' payment to one creditor to the exclusion of another constitutes a tort for which the Trustees are personally liable. The only way for the Trustees to ensure that they will avoid personal liability is to petition the court under NRS 164.033 to approve of any substantial distributions from the Trust.

STATEMENT OF FACTS

The Trust was Decedent's revocable inter vivos trust. Decedent was the trustee of the Trust and maintained complete control of the Trust until his death on April 21, 2013. At the time

of his death, Decedent's Estate consisted of the assets identified on Exhibit A attached hereto. At the time of his death, the assets identified on Exhibit B attached hereto were held in the Trust, which was confirmed by a Court Order entered on September 24, 2013. The creditors of Decedent's Estate that filed creditor claims against the Estate are identified on Exhibit C attached hereto. The creditors of the Trust that filed creditor claims against the Trust are identified on Exhibit D attached hereto. Decedent has federal estate and income tax obligations that the Trustees and Executors may not have sufficient assets to satisfy.

DISCUSSION

1. The Estate's Executors and the Trust's Trustees are personally liable for Decedent's unpaid federal tax debts if they knew the tax debts existed and made distributions to subordinate payees without first paying the decedent's taxes, but they will only be personally liable to the extent of the improper distributions.

The Executors of the Estate and the Trustees of the Trust will be personally liable for the Decedent's unpaid federal tax debts if they had actual or constructive knowledge that the tax debts existed and made distributions to subordinate payees, but they will only be personally liable to the extent of the improper distributions. Moreover, any transferees who received improper distributions will be subject to transferee liability to the extent of the improper distributions received.

IRC Section 6901 imposes liability on the "transferee" of property of a taxpayer with unpaid federal taxes. IRC Section 6901. The "transferee" liability is imposed on the transferee of property (1) of a taxpayer in the case of an income tax, (2) of a decedent in the case of an estate tax, or (3) of a donor in the case of a gift tax. IRC Section 6901(a)(1)(A). In addition, IRC Section 6901(a)(1)(B) expressly provides that a fiduciary, who becomes personally liable under

31 USC Section 3713 or another section for paying the taxpayer's, decedent's or donor's unpaid taxes, has the same personal liability for the unpaid taxes as a transferee. For purposes of transferee liability procedures, the term "transferee" is any transferee of property who is liable at law or in equity for the taxpayer's income, estate, or gift tax, including a donee, heir, legatee, devisee, and distributee, and for estate taxes, also includes any person IRC Section 6324(a)(2) makes personally liable for unpaid estate tax. IRC Section 6901(a)(1)(A); IRC Section 6901(h).

Under IRC Section 6901(a), transferee or fiduciary liability must be "assessed, paid, and collected in the same manner and subject to the same provisions and limitations" as the tax liability of the taxpayer, decedent, or donor. IRC Section 6901(a). Therefore, IRC Section 6901(a) treats the transferee or fiduciary as the taxpayer, and so the transferee or fiduciary may contest the taxpayer's liability either in Tax Court or in a refund suit. *See e.g., United States v. Williams*, 514 US 527, 539 (1995). The period for making an assessment of transferee liability against an initial transferee's liability is one year longer than the period within which the IRS must make an assessment of income, estate, or gift tax against the taxpayer/transferor. IRC Section 6901(c). This means that, in general, the IRS must make an assessment against the initial transferee within one year after the statute of limitations for assessment against the taxpayer/transferor expires. *Id.*

The substantive liability that IRC Section 6901 refers to is "the liability at law or in equity" of a transferee or fiduciary. IRC Section 6901(a)(1)(A). A transferee's or fiduciary's liability "at law or in equity" is not determined under IRC Section 6901, but rather under state law, another section of the Code, or some other federal law. For state law purposes, the IRS is a creditor for the amount of the tax claim and has all the rights of a private creditor under state law.

In addition, liability “at law or in equity” under IRC Section 6901 specifically includes liability under 31 USC Section 3713. IRC Section 6901(a)(1)(B).

Because the IRS is a creditor for the amount of the tax claim and has all the rights of a private creditor under state law, the IRS can collect a claim for taxes under a state's law of fraudulent conveyances, such as the Uniform Fraudulent Transfer Act (UFTA), codified in Nevada as NRS Chapter 112. The IRS is entitled to relief against a transferee under any state law that a normal creditor would be able to seek redress, such as: state bulk sales acts, that are included in Article 6 (Bulk Transfers) of the state version of the Uniform Commercial Code (UCC); corporation laws dealing with the effect of mergers, consolidations, or liquidations on unpaid corporate debts, such as the trust fund doctrine; the rights of creditors in life insurance benefits; and any other common law claim.

IRC Section 6901 explicitly imposes liability on a fiduciary, who is liable under 31 USC Section 3713, for making transfers from an insolvent debtor or estate before paying a tax debt. Although a person's liability under 31 USC Section 3713 may be collected under IRC Section 6901, the liability, including the status of the person as a fiduciary, is determined under 31 USC Section 3713, and is not defined in IRC Section 6901. IRC Section 6901(a)(1)(B). Under 31 USC 3713, a fiduciary is any “representative of a person or an estate (except a trustee acting under title 11) paying any part of a debt of the person or estate before paying a claim of the Government is liable to the extent of the payment for unpaid claims of the Government.” 31 USC 3713(b). In this context, “person” has been interpreted broadly, with the goal of ensuring that the federal government can collect from anyone who has possession and control of assets of a deceased or insolvent debtor. *See e.g., King v. United States*, 379 US 329 (1964).

Pursuant to IRC Section 6901, the IRS can impose fiduciary liability against an executor or trustee under 31 USC Section 3713 for a decedent's unpaid taxes. *See e.g.*, 31 USC Section 3713; Rev. Rul. 66-43. 31 USC Section 3713 grants super-priority to the IRS for unpaid tax liabilities. In general, 31 USC Section 3713(a) provides that a debt due the United States must be paid first wherever an insolvent debtor or an insolvent estate of a deceased debtor is insufficient to pay all creditors. In addition, personal liability is imposed on a fiduciary for any improper distributions to the extent of the unpaid tax debts. 31 USC Section 3713(b). The fiduciary is held personally liable for any diminution in the assets available to pay the government's debt. *Id.*

As a threshold matter, for a fiduciary to be liable to the IRS under 31 USC 3713 for the decedent's unpaid taxes, there must be: (1) knowledge of a "debt" due the United States, (2) an insolvent debtor or estate, and (3) a distribution from the insolvent debtor or estate to a subordinate payee. *See e.g.*, Rev. Rul. 66-43, 1966 -1 CB 291, 293; Rev. Rul. 79-310, 1979-2 CB 404; *United States v. Coppola*, 77 AFTR 2d 96-2477, 85 F3d 1015 (2d Cir.1996). If the fiduciary distributes assets to subordinate payees prior to paying the federal tax debt, the fiduciary is only liable to the extent of the improper distribution. *See* 31 USC Section 3713(b). This limitation on personal liability exists in the plain language of the statute, which provides that the liability to the Government is only "to the extent of" the improper distribution. *See Id.*

For purposes of 31 USC Section 3713(a), taxes are "debts" due the United States even if they are unassessed (it is sufficient that the tax liability has accrued). *United States v. Estate of Francis J. Romani*, 523 US 117 (1998); *Viles v. Commissioner*, 233 F.2d 376 (6th Cir. 1956); *Estate of Frost v. Commissioner*, TC Memo, 1993-94. Also, the "insolvency" referred to in 31 USC Section 3713(a) is insolvency in the balance sheet sense, which occurs when the debtor's liabilities exceed the debtor's assets. *Lakeshore Apartments, Inc. v. US*, 351 F.2d 349 (9th Cir.

1965). In applying 31 USC Section 3713(a) to a situation involving a living debtor (a bank adjudged insolvent under state law), the Supreme Court stated: "mere inability of the debtor to pay all his debts in [the] ordinary course of business is not insolvency within the meaning of Section 3713(a)." *United States v. State of Okla.*, 261 US 253, 260 (1923). The statute, the Court observed, requires that there be an insolvent debtor "not having sufficient property to pay all his debts." *Id.* The relevant time for testing insolvency is at the time of distribution of assets. *Id.* Thus, although an estate or debtor might not be initially insolvent, the federal priority will arise if it becomes insolvent when assets are later distributed. *Schwartz v. Commissioner*, 560 F.2d 311 (8th Cir. 1977). In the context of an insolvent estate, to determine whether the decedent's assets are sufficient to pay his debts, only the "estate...in the custody of the executors or administrators" is considered. 31 USC Section 3713(a). Consequently, property passing outside probate is not considered; in other words, the probate estate, not the gross estate for tax purposes, is the "estate" to be considered for testing insolvency under 31 USC Section 3713(a).

The federal priority statute does not apply, and the fiduciary will not be held liable thereunder, if before the insolvency another person has obtained an interest in the property that would prevail over the federal tax lien under IRC Section 6323. *United States v. Estate of Romani*, 523 US 517 (1998). Therefore, if the interest of a creditor prevails over the federal tax lien under IRC Section 6323(a)-(d), then the federal tax debt does not have priority over the creditor's interest and the fiduciary can pay the creditor without being exposed to fiduciary liability. *Id.* Therefore, for example, a secured judgment lien creditor that recorded its lien on real property before the IRS filed its Notice of Federal Tax Lien has priority over the IRS's tax claims. *Id.* In addition, the federal tax lien should not be valid against the holder of a security interest in real property pursuant to IRC Section 6323(a). The term "security interest" means any

interest in property acquired by contract for the purpose of securing payment or performance of an obligation or indemnifying against loss or liability. IRC Section 6323(h)(1). A security interest exists at any time if, at such time, the property is in existence and the interest has become protected under local law against a subsequent judgment lien arising out of an unsecured obligation, and to the extent that, at such time, the holder has parted with money or money's worth. IRC Section 6323(h)(1). If a lien or security interest has priority over a tax lien pursuant to IRC Section 6323(a), then IRC Section 6323(e) extends the priority to the interest expenses and costs of preserving the collateral related to the lien or security interest, so long as under the security instrument and local law, any such expense item has the same priority as the lien or security interest to which it relates.

In addition, the costs of administering the estate of the deceased or living debtor may be paid before a federal tax claim; these expenses include court costs and reasonable compensation for fiduciaries and attorneys. *Malcolm D. Champlin*, 6 TC 280, 285 (1946). Also, where expenses (including taxes) are incurred in operating a business or liquidating assets, payments or transfers made in the ordinary course of such operations are in the nature of administrative expenses and likewise are not subject to the priority of IRC Section 3713(a). *United States v. State of Okla.*, 261 US 253 (1923). On the other hand, generally, other payments of state income taxes or to unsecured creditors constitute the payment of debts in derogation of the government's priority. *See e.g.*, Rev. Rul. 79-310, 1979-2 CB 404. Likewise, distributions to beneficiaries are clearly not permissible "charges" against the estate of a deceased taxpayer, but are considered payment of a "debt" to an unsecured creditor; however, certain allowances to a surviving spouse authorized under state law have been found to have priority over a tax debt. *See* IRS Priv. Ltr. Rul. 8341018 (July 11, 1983) (citing Rev. Rul. 80-112, 1980-1 C.B. 306). Generally, though,

distributions to beneficiaries of an insolvent estate or from an insolvent trust may not be made by an executor or trustee before payment of the unpaid taxes. Treas. Reg. § 20.2002-1 (estate tax), Treas. Reg. § 25.2502-2 (gift tax); See *United States v. First Huntington Nat'l Bank*, 34 F. Supp. 578, 580 (SD W. Va. 1940), aff'd on opinion below per curiam, 117 F.2d 376 (4th Cir. 1941); *Malcolm D. Champlin*, 6 TC 280, 285 (estate tax); *Want v. Commissioner*, 280 F.2d 777 (2d Cir. 1960) (gift tax).

Even assuming a subordinate payee is paid prior to the IRS, the fiduciary will only be personally liable for the unpaid taxes if the fiduciary made the improper payment with actual or constructive knowledge of the unpaid taxes. “[I]t has long been held that a fiduciary is liable only if it had notice of the claim of the United States before making the distribution.” *Want v. Commissioner*, 280 F.2d 777, 783 (2d Cir. 1960). Knowledge of the tax debt requires “actual knowledge of the liability or notice of such facts as would put a reasonably prudent person on inquiry as to the existence of the unpaid claim of the United States.” *Little v. Commissioner*, 113 T.C. 474, 480 (1999). To be chargeable with knowledge of such a debt, the fiduciary must be in possession of such facts as to “put him on inquiry.” *New v. Commissioner*, 48 T.C. 671, 676 (1967). “It is this knowing disregard of the debts due to the United States that imposes liability on the fiduciary”. *Leigh v. Commissioner*, supra at 1109-1110 (citing *United States v. Crocker*, 313 F.2d 946 (9th Cir. 1963)). If the government makes a prima facie showing that an improper distribution was made, the burden of proof is on the fiduciary to establish that he or she was unaware of the decedent’s unpaid tax debts. See *McCourt v. Commissioner*, 15 T.C. 734, 738 (1950).

In addition to fiduciary liability, as mentioned earlier, the person in receipt of the improper distribution may still have transferee liability under IRC Section 6901, and the term

“transferee” includes a donee, heir, legatee, devisee, and distributee. It is worth mentioning that even if a trustee could somehow avoid fiduciary liability, they may still be subject to transferee liability if they came into possession of a decedent’s property. In general, tax debts due to the United States must be paid prior to all other subordinate payees, and to the extent transferees receive property from an insolvent debtor with unpaid tax debts to the United States, the transferees may be liable for the unpaid tax debt to the extent of the property they received.

The transferee is not liable for payments received solely because they are a “transferee” under IRC Section 6901. Instead, the transferee must be liable at “law or in equity” for the payment received, so IRC Section 6901 does not by itself impose liability on every “transferee.” *See e.g., Diebold Found., Inc. v. Comm’r*, 736 F.3d 172 (2d Cir. 2013). In the case of an unpaid income tax, it is most common for the IRS to impose liability on a transferee under a State’s law of fraudulent conveyances. *See Id.*; *see also, United States v. Floersch*, 276 F.2d 714 (10th Cir.), cert. denied, 364 US 816 (1960); *Viles v. Comm’r*, 233 F.2d 376 (6th Cir. 1956); *Sadie D. Leary*, 18 TC 139 (1952); *Grace McKnight*, 15 TC 730 (1950). For an unpaid estate or gift tax, the IRS will generally impose liability on the transferee under IRC Section 6324. When the theory of liability at law is imposed under IRC Section 6324, to impose liability on the transferee the IRS need prove only that (1) the transferee received property subject to estate or gift tax; (2) the transferor owed the tax in question; and (3) the tax is due and unpaid. *See e.g., Baur v. Comm’r*, 145 F.2d 338 (3d Cir. 1944) (donee of nontaxable gift was held personally liable to the extent of its value for the unpaid gift tax the donor owed on another taxable gift to different donor); *Magill v. Comm’r*, 43 TCM 859 (1982) (jointly owned property passing outside probate subject to transferee liability under IRC Section 6324(a)(2)); *See also*, Treas. Reg. § 20.2002-1 (estate tax), Treas. Reg. § 25.2502-2 (gift tax). Moreover, if a gift tax is not paid when due, the donee of any

gift of the donor, even the donee of a gift with respect to which the gift taxes were paid, becomes personally liable for the tax to the extent of the value of his gift, and a lien attaches to such gift for a period of ten years. Treas. Reg. § 301.6324-1.

In this case, the Executors of the Estate and the Trustees of the Trust are fiduciaries who will be personally liable for the Decedent's unpaid federal tax debts if they had actual or constructive knowledge that the tax debts existed and made distributions to subordinate payees, such as beneficiaries or unsecured creditors. The tax debt is deemed to exist at the time it accrued, so any improper payments after that accrual will subject the Trustees and/or Executors to personal liability. The Trustees and Executors cannot make a distribution to subordinate payees after they had actual knowledge of the tax liability or notice of such facts as would put a reasonably prudent person on inquiry as to the existence of the unpaid claim of the United States. In addition, payments to creditors with a preexisting security interest, whether it is a principal payment or an interest payment, are permissible and will not subject the Trustees or Executors to personal liability. Similarly, payments of reasonable administrative expenses will not subject the Trustees or Executors to personal liability. The Trustees or Executors that made the improper distributions will only be personally liable to the extent of the improper distributions. As a result, if the Trustees and/or Executors made any distributions to beneficiaries or unsecured creditors after the fiduciaries had actual or constructive knowledge of an unpaid tax debt, they will be personally liable to the IRS to the extent of the distribution. Moreover, any beneficiaries of the Estate or Trust who received distributions will be subject to transferee liability to the extent of the improper distributions received. For example, if the Decedent has unpaid income or estate taxes, transferee liability may be asserted against beneficiaries of the Estate and/or the Trust who received distributions from the Estate and/or Trust.

2. **Beneficiaries of the Trust and Estate should not be paid before unsecured or secured creditors, otherwise the beneficiaries will be subject to transferee liability, and while the Trustees might be able to pay certain unrelated creditors at the expense of other creditors without exposing themselves to personal liability, it is possible that the Executors of the Estate and/or Trustees of the Trust could be held personally liable for such payments.**

Beneficiaries of the Trust and Estate should not be paid before unsecured or secured creditors, otherwise the beneficiaries will be subject to transferee liability, and while the Trustees might be able to pay certain unrelated Trust creditors at the expense of other Trust creditors without exposing themselves to personal liability, it is possible that the Executors of the Estate and/or the Trustees of the Trust could be held personally liable for such payments.

The first issue is whether an Executor of the Estate can be held liable for payments made by the Trustees to one creditor to the exclusion of another creditor; a claim that appears frivolous on its face. The executor of an estate owes fiduciary duties to the estate's beneficiaries as well as its creditors. *See e.g., 31 Am. Jur. 2d Executors and Administrators* § 376. "An executor or administrator owes duties to estate creditors in addition to the general duties the fiduciary owes to the beneficiaries of the estate." *Restatement (Third) of Trusts* § 5 (2003). "In the absence of a statute otherwise providing, the fundamental duties of personal representatives are: (1) to determine and, if appropriate, take possession of the estate assets; (2) to determine and pay the decedent's debts, taxes, and expenses of administration; and (3) to determine and make distribution to the beneficiaries." *Restatement (Third) of Trusts*, § 5 (2003). "An executor or personal representative is ... appointed by law for the benefit and protection of creditors and distributees....thus, the personal representative of an estate represents the creditors as well as the

heirs of the decedent....” *Restatement (Third) of Trusts*, § 5 (2003) (citing *Mutual Hospital Services, Inc. v. Burton*, 695 N.E.2d 641, 644 (Ind.App.1998)).

Since the Executor of Decedent’s Estate owes fiduciary duties to creditors, it is possible that a creditor of the Estate could bring a breach of fiduciary duty claim against the Executors for not contesting the Court Order finding that certain assets are held in the Trust, from which recovery may be more difficult for the creditors because of the lack of formal priority rules and/or the lack of a requirement of court approval of payments to Trust creditors. Though such a claim is conceivable, no Nevada case or statute would support such a claim and it would be difficult to assert in the face of a Court Order specifically acknowledging that assets are held in the Trust, not the Estate, after each creditor of the Estate had an opportunity to contest that finding at a hearing. In addition, a creditor of the Estate could allege a breach of fiduciary duty claim against the Executors of the Estate for payments made in the Executor’s capacity as Trustee of the Trust; however, there does not appear to be any statute or case supporting a claim against a personal representative for actions taken in his capacity as trustee of the decedent’s trust.

Assuming the Executor of the Estate cannot be held liable for actions of the Trustee of the Trust, the next issue is whether the Estate’s creditors automatically become creditors of the Trust with a right to pursue assets of the Trust, and whether the Trust’s creditors must be paid in accordance with the same rules and procedures applicable to probate proceedings. In California, “a judgment against a decedent becomes a valid claim against both the decedent’s estate and, where necessary, against assets placed in an inter vivos trust which was subject to revocation during the settlor’s lifetime.” *Dobler v. Arluk Med. Ctr. Indus. Grp., Inc.*, 89 Cal. App. 4th 530, 540, 107 Cal. Rptr. 2d 478, 486 (2001); Cal. Prob. Code Sections 19001(a), 18200, 18201. The

newly enacted California statutes provide that the decedent's creditors become creditors of the trust, and that the trust must pay those creditors in the same priority and in accordance with the same rules as applicable in probate. Cal. Prob. Code Sections 19001(b), 11420. As a result, the same rules and procedures applicable to the payment of creditors in probate apply to the payment of the trust's creditors. *Id.* Prior to the enactment of these statutes in the California Probate Code, "the sole remedy available to a creditor after a deceased trust settlor had left the estate insolvent by transferring assets to a revocable inter vivos trust was a separate action for relief against the trust on the ground the conveyance was fraudulent." *Bank One Texas v. Pollack*, 24 Cal. App. 4th 973, 980, 29 Cal. Rptr. 2d 510, 513 (1994). Therefore, "if the decedent had left his or her estate insolvent by transferring assets to a revocable inter vivos trust, the creditors sole remedy was a separate action against the estate and the trust on the ground the conveyance was fraudulent." *Arluk Med. Ctr. Indus. Grp., Inc. v. Dobler*, 116 Cal. App. 4th 1324, 1331, 11 Cal. Rptr. 3d 194, 198 (2004).

Prior to the enactment of these statutes, California creditors had no recourse, other than pursuing a fraudulent conveyance claim if a decedent's assets were transferred to a revocable inter vivos trust. This implies that, prior to the enactment of these statutes, a decedent's revocable inter vivos trust was not subject to the same rules and procedures applicable in probate, and that the trustee of that trust did not owe the same fiduciary duties to the trust's creditors as the executor owes to the estate's creditors. In addition, since the creditors' only recourse was to unwind the fraudulent conveyance, this also implies that creditors could not pursue the trustee personally for breach of a fiduciary duty for paying one trust creditor to the exclusion of another.

Though Nevada does not have statutes that mirror the above cited sections of the California Probate Code, Nevada did enact NRS 111.700, et. seq., which provides that a transferee of a “nonprobate transfer” is liable to the decedent’s estate to the extent of the “nonprobate transfers” they receive if the decedent’s estate is insufficient to satisfy its creditor claims. Pursuant to NRS 111.779, “a transferee of a nonprobate transfer is liable to the probate estate of the decedent for allowed claims against that decedent’s probate estate to the extent the estate is insufficient to satisfy those claims.” Therefore, if property held in a decedent’s revocable inter vivos trust qualifies as a “nonprobate transfer,” the trust is liable to the decedent’s probate estate to the extent the estate is insufficient to satisfy its creditor claims. NRS 111.721 defines “Nonprobate transfer” to mean:

“A transfer of any property or interest in property from a decedent to one or more other persons by operation of law or by contract that is effective upon the death of the decedent and includes, without limitation: (a) A transfer by right of survivorship, including a transfer pursuant to subsection 1 of NRS 115.060; (b) A transfer by deed upon death pursuant to NRS 111.655 to 111.699, inclusive; and (c) A security registered as transferable on the death of a person.”

A “contract” is defined to include a trust. Property held in a decedent’s revocable inter vivos trust is not transferred to the trust upon death, so it is arguably not a “nonprobate transfer.” However, upon the decedent’s death, a successor trustee may acquire an “interest in property from [the] decedent...by contract that is effective upon the death of the decedent,” which probably brings the trust assets within the definition of a “nonprobate transfer” in NRS 111.721.

Assuming the property held in the decedent’s revocable inter vivos trust is a “nonprobate transfer,” then the trust is a transferee that is subject to liability for the estate’s unpaid debts. NRS 111.779(1). In that case, the trust’s transferee liability “may not exceed the value of nonprobate transfers received or controlled” by the trust. NRS 111.779(2). “Unless otherwise

provided by the trust instrument, interests of beneficiaries in all trusts incurring liabilities under this section abate as necessary to satisfy the liability, as if all the trust instruments were a single will and the interests were devised under it.” NRS 111.779(4). “Upon due notice to a nonprobate transferee, the liability imposed by this section is enforceable in probate proceedings.” NRS 111.779(7). If a probate proceeding is pending, a proceeding under NRS 111.779 against a transferee may be commenced by the personal representative of the decedent’s estate or, if the personal representative declines to do so, by a creditor in the name of the decedent’s estate. NRS 111.779(8). If a creditor successfully establishes an entitlement to payment from a transferee under NRS 111.779, the creditor is entitled to all costs incurred, including attorney’s fees, from the transferee. *Id.* A personal representative who declines in good faith to commence a requested proceeding incurs no personal liability for declining. *Id.* A proceeding against a transferee pursuant to NRS 111.779 must be commenced within the time periods outlined in NRS 111.779(10). It is worth noting that liability arising under NRS 111.779 is eliminated if it is barred by “other applicable law,” such as a claim that is time-barred under NRS 164.025.

Even if the Trust was not liable to the Estate’s creditors pursuant to NRS 111.779, which it probably is, it might still be liable to the Estate’s creditors based on an alter ego theory. A trust may become liable to a debtor’s creditors if it is considered to be the alter ego of the debtor, which can occur where the debtor uses the trust’s assets for his own benefit and exercises authority over the trust’s assets. *See e.g., Dexia Credit Local v. Rogan*, 2008 WL 4543013 (N.D. Ill.); NRS 163.418.

In this case, the Trust is probably liable to the Estate’s creditors to the extent that the Estate is unable to pay those creditors. In addition, under NRS 111.779(7), upon due notice to the Trust, the Estate’s creditors’ claims against the Trust are enforceable in probate proceedings.

This arguably makes the duties, rules and procedures applicable in probate proceedings equally applicable to the Trustees and the Trust. On the other hand, nothing in NRS 111.779 imposes such duties, rules and procedures on the Trust, and the language of NRS 111.779 merely allows the Estate's creditors to pursue the Trust. Regardless, the Trust is almost certainly liable to the Estate's creditors for any unpaid amounts either under NRS 111.779 or an alter ego theory. If creditors of the decedent are unable to collect from the decedent's estate, they can probably assert a claim against the Trust based on NRS 111.700, et. seq. or an alter ego claim; however, even if creditors can collect from the Trust, that doesn't necessarily mean that the successor Trustees are personally liable to the creditors.

The final and most important issue is whether the Trustees of the Trust are personally liable for distributions from the Trust to one creditor to the exclusion of another creditor or for distributions from the Trust to beneficiaries. Without the special creditor rules granted to the IRS, general creditors have more difficulty pursuing a trustee personally for a trust's unpaid debts. Even if a valid claim under NRS 111.779 is timely filed, the trustee is not necessarily personally liable for the claim. Pursuant to NRS 111.779(11), unless a written notice asserting that a decedent's probate estate is nonexistent or insufficient to pay allowed claims and statutory allowances has been received from the decedent's personal representative, "a trustee receiving or controlling a nonprobate transfer is released from liability under this section with respect to any assets distributed to the trust's beneficiaries." NRS 111.779(11). Therefore, in the absence of a written notice from the decedent's personal representative, if a trustee receives a nonprobate transfer, the trustee is released from liability under NRS 111.779 with respect to any assets distributed to the trust's beneficiaries. Presumably, the same rule would apply with regard to payments made to other trust creditors, although the statute is silent on this issue. On the other

hand, if the trustee did receive written notice from the decedent's personal representative, then the default rule may not apply and the trustee is not statutorily absolved from personal liability for payments to beneficiaries. Either way, the beneficiary who received a distribution from the trustee becomes liable to the extent of the assets they received. NRS 111.779(11)(b).

Though NRS 111.700, et. seq., may impose liability on a trust, the statutes do not impose a fiduciary duty on the trustee or require the trustee to comply with the duties, rules and procedures applicable in probate proceedings. That said, as mentioned above, NRS 111.779(7) could be interpreted to impose the duties, rules and procedures applicable in probate proceedings on nonprobate transferees. Absent such an interpretation, NRS 111.779 merely gives unpaid estate creditors a claim against the assets in the decedent's revocable living trust; however, unlike the California statutes, NRS 111.779 does not explicitly entitle creditors to be paid in the same priority and in accordance with the same rules as creditors of the decedent's estate. Indeed, NRS 111.751 specifically provides that "a nonprobate transfer on death in a contract is non-testamentary" and is not subject to administration as part of the person's estate at death. NRS 111.751(1)(c), (2)(b). This suggests that a nonprobate transferee does not need to pay creditors in accordance with the same priority rules as creditors of the decedent's estate. Though NRS 111.700, et. seq. does not statutorily impose personal liability on the trustee for distributions from the trust, at the same time, it does not statutorily absolve the trustee from liability unless the conditions in NRS 111.779(11) are satisfied.

In general, a third party may bring a claim against a trust by proceeding against the trustee in the trustee's representative capacity based on a contract entered into or a tort committed by the trustee. NRS 163.120; NRS 163.140; *see also*, Restatement (Third) of Trusts § 105 (2012). Similarly, a third party may sue a trustee in the trustee's representative capacity on

claims, including claims for unjust enrichment, arising from the trustee's ownership or control of trust property. *Id.* In each situation, the alleged liability arises in the trustee's representative, not personal, capacity. *Id.*

A trustee may be held personally liable on a contract only if: (a) the trustee committed a breach of trust; or (b) the trustee's representative capacity was undisclosed and unknown to the third party; or (c) the contract so provides. NRS 163.120; *see also*, Restatement (Third) of Trusts § 106 (2012). Here, the Trustee is unlikely to be held personally liable on a contract, even if the Trustee pays some creditors to the exclusion of others, so long as the Trustee has not committed a breach of Trust, the Trustee's representative capacity was always disclosed and known, and none of the contracts provide for personal liability for the Trustee.

Moreover, a trustee is personally liable for a tort committed in the course of trust administration, or for an obligation arising from the trustee's ownership or control of trust property, only if the trustee is personally at fault. NRS 163.140(3); *see also*, Restatement (Third) of Trusts § 106 (2012). Generally, a trustee is 'personally at fault' when the trustee commits a tort either intentionally or negligently in the course of trust administration. *Haskett v. Villas at Desert Falls*, 90 Cal. App. 4th 864, 877, 108 Cal. Rptr. 2d 888, 897 (2001). Courts have interpreted "personally at fault" to require the claimant to demonstrate that the trustee personally committed a tort. *Id.*

The first potential claim against a trustee that could impose personal liability is a breach of fiduciary duty claim. The creditor could argue that the trustee owes a fiduciary duty to the trust's creditors and would personally breach that duty by making a transfer to one creditor to the exclusion of another. However, most courts have held that, "without more, the relationship of debtor and creditor does not constitute a fiduciary relationship." *See e.g., Restatement (Third) of*

Trusts § 5 (2003) (citing *Aristocrat Lakewood Nursing Home v. Mayne*, 133 Ohio App.3d 651, 729 N.E.2d 768, 784 (1999)). “Under well-settled principles of trust law, a debtor-creditor relationship is not a fiduciary relationship.” *Restatement (Third) of Trusts* § 5 (2003) (citing *In re Halpin*, 566 F.3d 286, 290 (2d Cir. 2009)). Moreover, although a confidential or “special relationship” can give rise to a fiduciary duty, a debtor typically does not owe a fiduciary duty to its lenders. *Giles v. Gen. Motors Acceptance Corp.*, 494 F.3d 865, 872 (9th Cir. 2007); *see also*, *Mackintosh v. Jack Matthews & Co.*, 109 Nev. 628, 855 P.2d 549, 553 (1993). Similarly, a creditor could argue that the trustee owes the same duties to trust creditors as the personal representative owes to estate creditors, particularly since the claims against the trust under NRS 111.779 derive from claims against the estate. Moreover, the creditors could point to NRS 111.779(7), and argue that it imposes the same duties on nonprobate transferees as the duties applicable to an executor in probate proceedings. That said, unlike the California statutes, NRS 111.700 et. seq. does not explicitly statutorily impose the same rules, duties and procedures on a trustee as those imposed on a personal representative.

Creditors could also argue that, similar to an insolvent corporation, when a trust becomes insolvent the trustee owes fiduciary duties to its creditors under the “trust fund doctrine.” *See e.g.*, *Asmussen v. Quaker City Corp.*, 156 A. 180, 181 (Del. Ch. 1931); *Pennsylvania Co. for Ins. on Lives & Granting Annuities v. South Broad St. Theatre Co.*, 174 A. 112, 116 (Del. Ch. 1934); *Berg & Berg Enterprises, LLC v. Boyle*, 178 Cal. App. 4th 1020, 100 Cal. Rptr. 3d 875 (2009). The trust fund doctrine posits that the assets of an insolvent corporation will be treated as a trust for the benefit of creditors, and fiduciary duties will be imposed on the officers and directors in control of the assets. *Id.* However, unlike a corporation, a revocable living trust that becomes irrevocable upon death of the settlor is not considered a separate legal entity “but rather a

fiduciary relationship with respect to property.” *Ziegler v. Nickel*, 64 Cal. App. 4th 545, 548, 75 Cal. Rptr. 2d 312, 314 (1998). This distinction may make it less logical to impose the same duties on a trust as those arising for an insolvent corporation. In addition, imposing a fiduciary duty to creditors may conflict with the trustee’s fiduciary duties to trust beneficiaries, which is one reason why a trust debtor does not typically stand in a fiduciary relationship to its creditors. Restatement (Third) of Trusts § 5 (2003).

The next potential claim against a fiduciary could be a fraudulent conveyance claim under NRS Chapter 112. When a debtor transfers property beyond the reach of its creditors, and the debtor fails to repay its creditors, the creditors may be entitled to remedies under the fraudulent conveyance laws contained in NRS Chapter 112. However, just because a transfer is voidable under state fraudulent conveyance laws doesn’t mean that the trustee is personally liable for the transfer.

Under NRS Chapter 112, a creditor may obtain relief against a fraudulent conveyance by obtaining the property transferred, an attachment/garnishment against other property of the transferee, a levy of execution against the transferred asset or its proceeds, or other equitable relief. NRS 112.210(1). A transfer is fraudulent if it is made with the intent to defraud the creditor or if it is made without receiving a reasonably equivalent value in exchange for the transfer or obligation. One of the primary factors that can establish a fraudulent intent is if the transfer was made to an insider, which is defined to include relatives of the debtor. NRS 112.150(7). Although a transaction may be a fraudulent conveyance if a transfer is made without receiving reasonably equivalent value, reasonably equivalent value is given to a creditor who receives property secured by an antecedent debt. NRS 112.170. Thus, transferring encumbered

property to a creditor with a preexisting security interest would typically not constitute a fraudulent conveyance. *Id.*

In addition, a transfer will be found to be fraudulent if it was made by a debtor as to a creditor whose claim arose before the transfer was made if the transfer was made to an insider, the debtor was insolvent at the time, and the insider had reasonable cause to believe that the debtor was insolvent. NRS 112.190; *see also*, 37 Am. Jur. 2d *Fraudulent Conveyances and Transfers* § 65. Therefore, a transfer made by a debtor is fraudulent as to a creditor whose claim arose before the transfer if the transfer was made to a beneficiary of a decedent/debtor that is a relative of the decedent/debtor, the decedent/debtor's estate was insolvent at the time, and the insider receiving the transfer had reasonable cause to believe the debtor was insolvent.

Creditors have also argued that a payment to a creditor that has the ancillary effect of relieving an insider of liability on a personal guaranty constitutes a fraudulent conveyance. *See e.g., In re Maine Poly, Inc.*, 317 B.R. 1 (Bankr. D. Me. 2004). However, in a case involving a statute similar to NRS 112.190, a payment that a debtor made to an oversecured creditor could not be recovered from an insider that allegedly benefited from this payment by reduction of his exposure on a guarantee because the reduction of the insider's guarantee liability was an incidental consequence of the payment which, by decreasing the extent of the oversecured creditor's lien on the debtor's assets, had potentially benefited, rather than harmed, its other unsecured creditors. 37 Am. Jur. 2d *Fraudulent Conveyances and Transfers* § 65 (citing *In re Maine Poly, Inc.*, 317 B.R. 1 (Bankr. D. Me. 2004)). Creditors of a trust could conceivably claim that a trustee is personally liable if he commits a fraudulent conveyance under NRS Chapter 112; however, the statutory remedies under NRS 112.210(1) suggest the creditor would be more

likely to receive the property transferred or a levy of execution against the transferred asset or its proceeds than to pursue the trustee personally.

In this case, the Trust's creditors could claim that the Trustees are personally liable because they committed a breach of fiduciary duty or a fraudulent conveyance when paying one creditor to the exclusion of others. A breach of fiduciary duty claim, imposing duties on the Trustees similar to the duties imposed on an executor, is probably the most likely basis for imposing personal liability on the Trustees. Given the lack of authority absolving the Trustees from personal liability, it is difficult to predict with confidence that the Trustees could successfully avoid personal liability on a claim breach of fiduciary duty claim for paying one creditor to the exclusion of another creditor. It is also possible that the creditor prefer to pursue the remaining assets in the Trust to recover a deficiency, and if the Trust does not have any assets, the assets distributed to beneficiaries, and they will not pursue the Trustees given the lack of law supporting such a claim.

The only way for the Trustees to ensure that they are absolved from personal liability for payments to one Trust creditor to the exclusion of another Trust creditor is to file a petition concerning the conveyance pursuant to NRS 164.033. NRS 164.033 provides a mechanism for the court to approve of conveyances of trust property in which multiple creditors have a claim or interest. NRS 164.033(1) provides as follows:

"The trustee...may petition the court to enter an order: (a) If the trustee is in possession of, or holds title to, property and the property or an interest in it is claimed by another. (b) If the trustee has a claim to property and another holds title to or is in possession of the property. (c) If property of the trust is subject to a claim of a creditor of the settlor of the trust."

Notice of the petition must be given to each person claiming an interest in the property, and any other person whose right, title or interest in or to the property would be affected by the granting

of the petition. Once a trustee files a petition under NRS 164.033, the court will only grant a petition if it determines that the matter need not be determined by civil action. NRS 164.033(2). If the court is satisfied that a conveyance of property should be made, the court can enter an order directing the trustee to convey, transfer or deliver the property to the person entitled thereto. NRS 164.033.

Here, all of the Trust's and Estate's creditors could claim to have a direct and/or indirect interest in all of the Trust's property, particularly if the Trust and Estate are insolvent and certain creditors are undersecured. As a result, the Trustee would be justified in seeking a petition to make a conveyance of property from the Trust. Without filing such a petition, it is conceivable that the Trustee could be subject to personal liability for the reasons outlined above.

CONCLUSION

The Trust and Estate creditors should be paid before any beneficiaries of the estate. In addition, all federal tax obligations must be paid to avoid fiduciary and/or transferee liability to the IRS. While the Trustees might be able to pay certain unrelated creditors at the expense of other creditors without exposing themselves to personal liability, it is possible that the Executors of the Estate and/or Trustees of the Trust could be held personally liable for such payments. To avoid any risk of personal liability for payments to one Trust creditor to the exclusion of another Trust creditor, the Trustee should file a petition concerning any large conveyances to Trust creditors pursuant to NRS 164.033.

Dotson, Doris

From: LeGoy, Bob
Sent: Thursday, October 09, 2014 1:17 PM
To: Dotson, Doris
Subject: FW: Amended & Restated Shareholder Agreement
Attachments: ltr shareholders 09-25-14.pdf; A&R shareholder ag body 08-19-14.pdf; A&R shldr ag 2014 sig p.26.pdf

Please print the three attachments. Thanks

Bob LeGoy
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From: Steve West [<mailto:swest@westbrown.com>]
Sent: Thursday, October 09, 2014 1:10 PM
To: LeGoy, Bob
Subject: Amended & Restated Shareholder Agreement

Bob

I did not see any replies to your email to the rest of your team about the final form of the Agreement being acceptable to you, but maybe there were some on which I was not copied. If there are any remaining concerns, please let me know ASAP. Otherwise, we are ready to send out the attached letter to the shareholders, and the Board and I thought that it would put us in a better position to push the shareholders to sign and return their signature pages if we had the signature page for Sam Jaksick's Estate in hand. While I agree that the Agreement is better because of your input, the changes were made based on comments from the Estate's representatives and it would be nice to let any shareholders who might ask that the Estate has signed off on all the changes.

Accordingly, I also have attached the final form of the Agreement and the signature page for the Estate, which I am hoping you can get Kevin, Todd and Stan to sign. Then I ultimately will need the original signature page, but can proceed with getting the other shareholders to sign as soon as I have a copy of the Estate's executed signature page.

Thanks for obtaining the signatures and I look forward to receiving a copy of the executed signature page.

Steve

772-2780

Stephen C. West

WEST/BROWN

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JILL D. BLOCK
Paralegal

September 25, 2014

Shareholders of Pioneer Group, Inc.

Re: Amended and Restated Shareholder Agreement

Ladies and Gentlemen:

Late last year an Amended and Restated Shareholder Agreement was prepared and distributed to all of you along with an explanation letter as to why that Agreement was needed. As the last of the signature pages were coming in earlier this year, we learned that Sam Jaksick's Estate ("Estate") never had received the cover letter and the proposed Amended and Restated Shareholder Agreement. Because the situation with the Estate is complex, not only the executors of the Estate, but also the attorney for the Estate in Nevada needed to review the proposed Amended and Restated Shareholder Agreement.

After that review was complete, there were a number of issues of concern to the Jaksick representatives and their attorney and we have been working through their attorney to address those concerns. Some of those concerns merely provided a slightly different perspective of some of the provisions and have proved helpful in making changes that could benefit any or all of the shareholders. In addition, the Estate has retained a Colorado attorney to help with the required Colorado Division of Gaming ("DOG") approvals. That attorney previously was with DOG and offered some suggestions for changes that potentially are beneficial to all of the shareholders and will satisfy DOG in the event that it ever has occasion to review the Agreement.

General Descriptions of the changes that have been made and are reflected in the enclosed Amended and Restated Shareholder Agreement are as follows:

A. Paragraph 2 has been revised to allow a shareholder to transfer stock not only to a spouse or lineal descendants, but also to siblings, which certainly could benefit any number of shareholders, and to eliminate the restriction on the encumbrance of shares.

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WJ 001287

Shareholders of Pioneer Group, Inc.
September 25, 2014
Page 2

B. Paragraph 4(a) was revised to eliminate the one year time restriction to obtain approval from DOG and to merely provide that such approval must be diligently pursued because it was obvious the DOG was going to take more than a year to approve the transfer of Sam Jaksick's shares and because it provides more flexibility for all of the shareholders in the future.

C. Paragraph 5(b) and (d) were revised in connection with the possibility that shares could be encumbered and to protect Pioneer in the event a creditor actually obtains the right of ownership.

D. The two paragraphs at the end of 5, following (d), were revised simply for clarification and consistency.

E. The last sentence of 6(b) was revised for clarification.

F. At the end of the first paragraph of 7, the appraisers fee provision was revised to split such fee half and half between a selling shareholder and Pioneer.

G. Paragraph 10 is new and was added based on the recommendation of the estate's Colorado attorney to address a possible review of the Agreement by DOG.

H. Paragraph 15 was amended to provide, as we determined was required by Nevada law, that any amendment to the Agreement approved by 2/3 vote would not be binding upon any shareholder who did not vote for the amendment.

I. Paragraph 18 was revised to address the addition of new paragraph 20 and to provide that any action must be filed in the Second Judicial District of Washoe County, Nevada.

J. Paragraph 20 was added, at the suggestion of the estate's Nevada counsel, to require mediation and arbitration, which are intended to limit the amount of time and the cost of resolving any disputes.

The Board of Directors has reviewed all of these changes in detail and recommends that each of you sign the signature page enclosed and return it to my office at your earliest possible convenience. I join in that recommendation and want you to know that the changes that have been made will benefit all of the shareholders not just the Estate. While the Board and I think the Agreement distributed late last year would have worked fine and represented a significant improvement over the original Shareholder Agreement, having input from the Estate's Nevada and Colorado attorneys has made the enclosed Amended and Restated Shareholder Agreement even better.

If you have any questions or concerns about any of the changes I have described, please do not hesitate to contact either Marc Murphy or me. On the assumption that each of you will agree that the enclosed Amended and Restated Shareholder Agreement is acceptable, we have

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Shareholders of Pioneer Group, Inc.
September 25, 2014
Page 3

enclosed your signature page and a return, postage prepaid, envelope for certified mail, return receipt requested. The reason for the certified mail is that we need each of you to send back not only your signature page, but also your original stock certificate or certificates so that the legend required under paragraph 9 can be placed on the certificate. We then will return the original certificate to you via certified mail.

Thank you very much for your understanding of the reasons for this new Amended and Restated Shareholder Agreement. I look forward to receiving your executed signature page and your original stock certificate.

Sincerely,

Stephen C. West

SCW/amw
Enclosures
3607.05

MCL002749

WJ 001289

AMENDED AND RESTATED SHAREHOLDER AGREEMENT

This Amended and Restated Shareholder Agreement (this "Agreement") is made as of this _____ day of _____, 2014, by and between PIONEER GROUP, INC., a Nevada corporation (hereafter "Company") and its shareholders (hereafter the "Shareholders") who own all of the issued and outstanding shares of the Company's stock. This Agreement is made with respect to all shares of the Company's capital stock now or hereafter outstanding, for the purpose of protecting the Company and its Shareholders with regard to the sale, purchase, or other transfer of the shares of any Shareholder after the date of and as provided for in this Agreement.

1. **SHARE CERTIFICATES.** On execution of this Agreement, each Shareholder shall have the legend set forth in this Agreement placed on the certificates representing his, her or its shares. None of the shares shall be transferred, encumbered, or in any way alienated except under the terms of this Agreement. Each Shareholder shall have the right to vote his shares and receive the dividends and/or other distributions paid to them until the shares are sold or transferred as provided in this Agreement.
2. **TRANSFER RESTRICTIONS; RIGHT OF FIRST REFUSAL.** Except for transfers permitted under paragraph 4 below and transfers by a Shareholder to a trust of which such Shareholder, his or her spouse, his or her lineal descendants, or his or her siblings are the only trustees and beneficiaries, no Shareholder shall transfer or in any way dispose of any of his shares or any right or interest in them without obtaining the prior written consent of the Company and all other Shareholders, unless the transferring Shareholder ("Transferor") gives written notice to the Company of his intention to do so ("Notice of Intent to Transfer").

The Notice of Intent to Transfer (which includes any executed counterparts of transfer documents accompanying it) must name the proposed transferee and specify the number of shares to be transferred, the price per share, and the terms of payment. For a period beginning with the date on which the Notice of Intent to Transfer is received by the Company and ending on the "Company's election date" set forth in subparagraph (a) below, the Company shall have the option to purchase the shares at the price and on the terms stated in the Notice. The Company's right to exercise the option to purchase the stock is subject to the applicable provisions of the Nevada Revised Statutes and any other applicable governmental laws, rules or regulations on the right of a corporation to purchase its own stock.

Immediately upon receipt of a Shareholder's Notice of Intent to Transfer, the Company or its secretary shall forward copies of the Notice and any accompanying documents to each director, and within the time limits set forth in

subparagraph (b) below, a meeting of the board of directors shall be duly held to consider the proposed transfer. Any election by the Company to purchase shall be exercised by a written document ("Company's Election to Purchase") delivered to the Transferor on or before the Company's election date set forth in subparagraph (a) below.

If the option is not exercised by the Company as to all shares set forth in the Notice of Intent to Transfer, the secretary shall, within the time limits set forth at subparagraph (c) below, send or deliver a copy of the Transferor's Notice of Intent to Transfer and a statement of the number of shares not being purchased by the Company ("Secretary's Statement") to each of the remaining Shareholders, who shall then have the option to purchase any shares not purchased by the Company, at the price and on the terms specified in the Notice of Intent to Transfer.

Any Shareholder desiring to acquire part or all of the available shares shall, on or before the "Shareholders' election date" set forth in subparagraph (d) below, deliver to the secretary of the Company a written election to purchase a specified number of the shares. If the total number of shares specified by the elections exceeds the number of available shares, each purchasing Shareholder shall have priority, up to the number of shares specified in his election, to purchase such proportion of the available shares as to the number of shares in the Company that he, she or it holds, in proportion to the total number of shares held by all Shareholders electing to purchase. The shares not purchased on such a priority basis shall be allocated in one or more successive allocations to those Shareholders electing to purchase more than the number of shares to which they have a priority right, up to the number of shares specified in their respective elections, in the proportion to the number of shares held by each of them in proportion to the number of shares held by all of them.

If any Shareholder elects to purchase as specified above, the secretary of the Company shall, within the time limits set forth in subparagraph (e) below, notify each purchasing Shareholder of the number of shares as to which his, her or its election was effective. Such Shareholders shall meet the terms and conditions of the purchase within the time limits set forth in subparagraph (f) below.

If the Company and the Shareholders do not elect to purchase the full number of shares set forth in the Transferor's Notice of Intent to Transfer, the Transferor shall not be required to sell the specified shares, or any of them, to the Company or to the other Shareholders, but may sell or transfer all the specified shares to the proposed transferee under the terms and for the price stated in the Notice of Intent to Transfer, except that (i) any such transaction shall be null and void if it would have the effect of violating provisions, if any, in the Articles of Incorporation

limiting the total number of Shareholders; (ii) any such transaction shall be null and void if it purports to sell or transfer the specified shares, or any of them, at a lower price or on terms more favorable to the transferee than those specified in the Notice of Intent to Transfer; and (iii) the sale or transfer, if any, must take place within the time period set forth in subparagraph (g) below. No transfer of the shares shall be made after that time period has expired, and no change in the terms of transfer shall be permitted, without a new Notice of Intent to Transfer and compliance with requirements of this paragraph. Notwithstanding the foregoing, no transfer shall be valid unless it meets any and all governmental and regulatory requirements, including, without limitation, those pertaining to the gaming license requirements of the State of Colorado, and the time periods provided for in subparagraphs (f) and (g) below may be extended by the Board of Directors of the Company, in its sole discretion, to provide additional time for such requirements to be met, provided that the transferee is diligently pursuing the satisfaction of any and all such requirements.

- (a) Company's election date: Thirty (30) days after receipt of Shareholder's Notice of Intent to Transfer;
- (b) Board meeting to be held within twenty (20) days after receipt of Shareholder's Notice of Intent to Transfer;
- (c) Secretary's statement to be sent to the Shareholders not later than ten (10) days after Company's election date;
- (d) Shareholder's election date: Thirty (30) days after the date of the Secretary's Statement;
- (e) Secretary to notify purchasing Shareholders of actual number of shares as to which option was effective within ten (10) days after Shareholder's election date;
- (f) Shareholder's payments due thirty (30) days after receipt of Secretary's notification of actual number of shares;
- (g) Period within which transfer can be made if options not exercised: Two (2) months.

3. **OBLIGATIONS OF TRANSFEREES.** Unless this Agreement expressly provides otherwise, each transferee of shares of the Company or any interest in such shares shall hold such shares or interest subject to all the provisions of this Agreement and shall make no further transfers except as provided in this Agreement.

4. **PURCHASE ON DEATH AND OTHER TRANSFERS.**

- (a) Upon the death of a Shareholder or of the beneficiary of a trust Shareholder, the deceased Shareholder's shares of the Company's stock may be conveyed by testamentary disposition to his or her surviving spouse and/or lineal descendants, in trust or otherwise, or the trust may continue as a Shareholder if all of the succeeding beneficiaries are the surviving spouse and/or lineal descendants of the deceased beneficiary, subject to receipt of all necessary governmental approvals for owning such shares. In the event such surviving spouse and/or lineal descendants, or any new trustee, fails to apply for all necessary governmental approvals as soon as reasonably possible after the death of a Shareholder or of the beneficiary of a trust Shareholder and to continue to pursue such approvals diligently or is denied any necessary governmental approval for owning such shares, then the provisions for purchase upon death set forth in Section 4(b) shall apply, provided, however, that the Board of Directors of the Company, in its sole discretion, may approve one or more extensions of the time within which all necessary governmental approvals must be received, .
- (b) Except as otherwise provided in Section 4(a), within a period beginning with the death of any Shareholder or of any beneficiary of a trust Shareholder and ending sixty (60) days following the qualification of the decedent's executor or administrator or within thirty (30) days following the government's failure to approve either the ownership of the shares by his or her surviving spouse and/or lineal descendants, individually or as beneficiaries of a trust, or the trustee of any trust, the Company may initiate the process for the purchase of all of the shares of the decedent or the trust of which the decedent was the beneficiary and may purchase such shares in accordance with the terms of Sections 5, 6, 7 and 8.
- (c) Notwithstanding the foregoing, any Shareholder shall have the right, prior to his or her death, to assign, transfer, and convey (by gift or otherwise) any or all of his or her right, title and interest in and to his or her shares in the Company, either outright, or in trust, to or for the benefit of his or her spouse and/or lineal descendants, subject to receiving all necessary governmental approvals. The Shareholders hereby acknowledge and agree that the purpose of this provision is to allow each of the Shareholders to accomplish their own individual family and estate planning goals without

placing unnecessary restrictive provisions and/or burdens upon the Company and/or its other Shareholders.

5. **OPTIONAL PURCHASE ON OTHER EVENTS.** If any of the triggering events listed below occur as to any Shareholder, or if the shares of a decedent or of a trust of which a decedent was the beneficiary are to be purchased as provided for in Section 4(b), the Company and the other Shareholders have the option, for a period of ninety (90) days following notice of any such event, to elect to purchase all or any part of the shares owned by the Shareholder.

The following is the list of triggering events:

- (a) A Shareholder is adjudicated a bankrupt, either voluntary or involuntary;
- (b) A Shareholder makes an assignment for the benefit of creditors, provided, however, that such an assignment will not constitute a triggering event, if the Shareholder is not in default to such creditor at the time of the assignment and if written notice of such assignment is given by the Shareholder to the Company within fifteen (15) days of the date of such assignment;
- (c) A Shareholder, who is required to obtain any governmental approval for his or her status as a shareholder of the Company, fails to obtain such governmental approval and/or fails to maintain such approval by any governmental agency, board or department; or
- (d) Any creditor of a Shareholder obtains the right to have ownership or control of any such Shareholder's stock in the Company transferred to or vested in such creditor.

When a triggering event occurs, or if the shares of a decedent or of a trust which a decedent was the beneficiary are to be purchased as provided for in Section 4(b), the Company shall give notice to the Shareholder or his representative, executor, administrator or trustee. The option shall be exercisable first by the Company and thereafter by the remaining Shareholders in the same manner as provided for in Section 2, and the price, terms of purchase, and process for transfer of shares shall be the same as are provided in Sections 6, 7 and 8 of this Agreement.

If one or more triggering events occur, or if the shares of a decedent or of a trust which a decedent was the beneficiary are to be purchased as provided for in Section 4(b), but the option is not exercised as to all of that Shareholder's shares

in the Company, the Shareholder or his successor in interest will hold the remaining shares subject to the provisions of this Agreement.

6. **PAYMENT OF PURCHASE PRICE.**

If the Company and the shareholder or representatives of the Shareholder agree on a purchase price or if the price determined in accordance with Section 7 is acceptable to the Company and the remaining Shareholders electing to purchase shares, the payment for the purchase of shares pursuant to either Section 4(b) or Section 5 of this Agreement shall be as follows:

- (a) The purchaser of shares may elect to pay all cash for the shares or purchase such shares on terms; and
- (b) If the purchaser elects to purchase such shares on terms, it shall make a cash down payment of at least twenty-five percent (25%) of the purchase price, and execute a promissory note in the amount of the deferred balance of the purchase price. This promissory note shall be dated as of the "effective date of the purchase," and provide for thirty-six (36) equal monthly installments of principal and interest. For this purpose, the "effective date of the purchase" shall be the earlier of (a) the date when the promissory note is delivered from the buyer to the seller, or (b) the last date that the shares were to be purchased in accordance with this Agreement. Interest on the unpaid principal balance of the promissory note from the Effective Date of the Purchase shall be set at the lowest applicable federal interest rate which will avoid imputed interest, compounded annually, as issued by the Internal Revenue Service, that is effective on the effective date of the purchase.

7. **PRICE.** The value of a Shareholder's shares shall be the fair market value of such shares. The purchase price to be paid for each of the shares subject to this Agreement shall be determined by appraisal, and shall be equal to the appraised value of the Company multiplied by the sum of the shares to be purchased divided by the issued and outstanding shares. For example, if the appraised value were \$10 million and the number of shares to be purchased was 5,000 and there were 100,000 shares issued and outstanding, the price would be $P = \$10,000,000 \times 5000 / 100,000$; $P = \$500,000.00$. Within thirty (30) days after the occurrence of the event requiring determination of the purchase price under this Agreement, the Company shall cause the appraiser designated below to appraise the Company and determine its value. The appraiser's fee, if any, shall be paid one-half (1/2) by the selling Shareholder and one-half (1/2) by the Company.

For purposes of an appraisal under this provision, real estate and improvements shall be valued at fair market value; machinery and equipment shall be valued at fair market; value finished inventory shall be valued at fair market value; receivables shall be valued at their face amount, less an allowance for uncollectible items that is reasonable in view of the past experience of the Company in a recent review of their collectability; all liabilities shall be deducted at their face value; and a reserve for contingent liabilities shall be established if appropriate. The value of other comparable companies, if known, shall also be considered.

The appraiser shall be a MAI independent, qualified business appraiser selected by the President and approved by the Board of Directors.

8. **PAYMENT AND TRANSFER OF SHARES.** The consideration for shares transferred under this Agreement shall be paid to the transferring Shareholder or his representative or successor, as the case may be, in accordance with Section 6 hereof.

After payment has been made or otherwise provided for under Section 6 of this Agreement, the secretary of the Company shall cause the certificates representing the purchased shares to be properly endorsed and, upon compliance with the paragraph of this Agreement on governmental approvals, shall cause new certificates to be issued in the names of the purchasers.

9. **LEGEND ON SHARE CERTIFICATES.** Each share certificate, when issued, shall have conspicuously endorsed on its face the following words: "Sale, transfer or hypothecation of the shares represented by this certificate are restricted by the provisions of a Shareholder Agreement among the Shareholders and the Company, all the provisions of which are incorporated by reference in this certificate. A copy of the Shareholder Agreement may be inspected at the Company's principal office."

A copy of this Agreement shall be delivered to the secretary of the Company, who is directed to show it to anyone requesting it.

10. **COLORADO GOVERNMENTAL RESTRICTIONS.** Notwithstanding any provision of this Agreement to the contrary, no transfer of any ownership interest, or shares, in the Company shall be permitted, effectuated or valid unless and until such intended transfer has been approved, in advance of any actual transfer, by the Colorado Division of Gaming and the Colorado Limited Gaming Control Commission (collectively, the "Colorado Gaming Authorities"). No such transfer shall be legally binding or otherwise effective unless the aforesaid approvals have been obtained by the Company and any applicable parties. Additionally, the

Colorado Gaming Authorities may restrict, limit, or prohibit the rights or abilities of any shareholder or other person to: own or transfer shares of, or ownership interests in, the Company; receive dividends or distributions; vote the shares of the Company; hold office or be employed by the Company; enter into or maintain any agreement with the Company; or have any association with the Company or its employees or principals. The parties to this Agreement agree to comply with any restrictions or conditions imposed upon them by the Colorado Gaming Authorities. Such conditions may include the sale of shares of the Company at unfavorable times and prices which may result in a material loss to the seller/transferor.

11. **TERMINATION OF AGREEMENT.** This Agreement shall terminate on:
 - A. The written agreement of all parties;
 - B. The dissolution, bankruptcy, or insolvency of the Company; or
 - C. At such time as only one Shareholder remains, the shares of all others having been transferred or redeemed.
12. **DIVIDENDS TO PAY TAX LIABILITIES.** With respect to any taxable period of the Corporation during which it is an S Corporation, within thirty (30) days after the Company files its federal income tax return, Form 1120S, for such taxable period, the Company shall promptly declare and pay a dividend to all Shareholders in the amount equal to (a) that portion of the Company's income attributed to such Shareholders during such taxable period multiplied by (b) the sum of the maximum federal and state income tax rates in effect for such taxable period, less (c) the amount of any dividends declared by the Company during such taxable period. The Company's obligation to declare and pay such a dividend to the Shareholders in such an amount is subject to the restrictions governing dividends under Nevada Revised Statutes and such other pertinent governmental restrictions as are now, or may hereafter become effective. If the Company at the time of the request does not have sufficient funds available to permit it lawfully to declare and pay such dividend, the Shareholders and the Company shall take such action, adopt such resolutions, and cause such certificates and other documents to be filed as may be necessary to create sufficient funds to permit the payment of such dividend, whereupon the Company shall declare and pay such dividend.
13. **NOTICES.** Any notice to be given hereunder shall be in writing and shall be delivered personally, by email, by facsimile, by a recognized overnight courier service, or by United States registered or certified mail, return receipt requested, postage prepaid and addressed to any Shareholder or representative of a Shareholder at such address as has been provided or at the address to which

dividends or other distributions are made or to the Company at P.O. Box 590, Cripple Creek, CO 80813 for mail or 233 Bennett Avenue, Cripple Creek, CO 80813 for delivery personally or by overnight courier service. Notices shall be effective (i) upon delivery or refusal if delivered personally or by confirmed email or facsimile, (ii) one (1) business day after depositing with such an overnight courier service, or (iii) three (3) business days after deposit in the mail if mailed. A party may change its address or provide alternate addresses for receipt of notices by service of the notice of such change in accordance herewith.

14. **AGREEMENT TO PERFORM NECESSARY ACTS.** Each party to this Agreement agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.
15. **AMENDMENTS.** The provisions of this Agreement may not be waived, altered, amended, or repealed, in whole or in part, except with the written consent of parties to this Agreement representing two-thirds (2/3) of the issued and outstanding shares of stock in the Company, provided, however, that any amendment approved by less than all of the Shareholders then owning stock in the Company may not be binding upon any Shareholder that did not provide a written consent to such amendment.
16. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding on, and shall insure to the benefit of, the parties to it and their respective heirs, legal representatives, successors, and assigns.
17. **VALIDITY OF AGREEMENT.** It is intended that each paragraph of this Agreement shall be viewed as separate and divisible, and in the event that any paragraph shall be held to be invalid, the remaining paragraphs shall continue to be in full force and effect.
18. **GOVERNING LAW AND VENUE.** This Agreement shall be construed in accordance with and governed by the laws of the State of Nevada and, subject to the provisions of Section 20, venue for any action arising out of or related to this Agreement shall be in Second Judicial District Court of Washoe County, Nevada.
19. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
20. **RESOLUTION OF DISPUTES.** If any disputes should arise between the parties, the parties intend to resolve the disputes in a manner that is the most expeditious, least expensive, and the most private without jeopardizing the rights

and remedies of any of them. Accordingly, the parties agree that if any dispute should arise between them over the terms of this Agreement, they agree to first meet and confer at the offices of the Corporation or any other location agreed to by the parties to the dispute within 30 days after the dispute arises in a good faith attempt to resolve the dispute between themselves. If the parties are unable to resolve the dispute between themselves at that meeting or any subsequent meetings agreed to by all the parties involved in the dispute, then they agree to enter into non-binding mediation as a method to attempt to resolve the dispute. The mediation is to be conducted in Reno, Nevada, by a single, neutral mediator selected by them. If they are unable to agree on the selection of a neutral mediator, then the mediator is to be selected by the Chief Judge of the Second Judicial District Court of Washoe County, Nevada. The mediator must be independent of all parties involved, must be reasonably qualified to mediate the matter in dispute, and must have had at least five (5) years' experience with matters similar to that in dispute. Each of the parties involved in the dispute will be entitled to be represented by legal counsel at both the meetings and mediation, and each will pay his or her own attorneys' fees and the expenses of the mediation will be divided equally among the parties involved in the dispute.

If the parties are unable to resolve the dispute between themselves (or through non-binding mediation) within 120 days after the dispute arises (or any longer or shorter time period that might be agreed to by the parties), then the dispute is to be resolved through binding arbitration. The dispute will be resolved by an arbitrator selected by agreement between the parties. If the parties are unable to agree on the arbitrator, then the arbitrator will be selected by the Chief Judge of the Second Judicial District Court of Washoe County, Nevada. Any arbitrator must be independent of all the parties and must be reasonably qualified to arbitrate the matter in dispute. The arbitration proceeding shall be conducted in Reno, Nevada, in accordance with the Rules for Arbitration in effect in the State of Nevada on the date of the dispute. Each of the parties involved in the dispute will be entitled to be represented by legal counsel at the arbitration, and each will pay his or her own attorneys' fees and the expenses of the arbitration will be divided equally among the parties involved in the dispute unless the arbitrator decides otherwise as described in the next sentence. The prevailing party in the arbitration proceeding shall be entitled to recover reasonable attorneys' fees and all the reasonable costs of the arbitration proceeding, including arbitrator's fees and costs, all of which shall be awarded by the arbitrator as part of his or her decision. The arbitration will be binding and a judgment may be entered in a court of competent jurisdiction based upon the decision of the arbitrator.

By signing this agreement, the parties expressly waive the right to resolve any of our disputes in civil lawsuits, including court trials before a judge or jury.

However, notwithstanding the foregoing, the provisional remedies of injunction and receivership may be pursued by any party through a court of competent jurisdiction, rather than through arbitration.

In no event shall any party be awarded any tort or punitive damages in any dispute.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first shown above.

[Separate signature pages for Shareholders and the Company follow]

**ESTATE OF SAMUEL S. JAKSICK, JR.
a.k.a. SAMUEL S. JAKSICK, SAM S.
JAKSICK, SAM S. JAKSICK, JR. and
SAM JAKSICK**

By: _____
TODD B. JAKSICK, Co-Executor

By: _____
STANLEY S. JAKSICK, Co-Executor

By: _____
KEVIN RILEY, Co-Executor

Dotson, Doris

From: LeGoy, Bob
Sent: Wednesday, September 17, 2014 7:22 AM
To: Dotson, Doris
Subject: FW: Amended & Restate Shareholders Agreement
Attachments: A&R shareholder ag body redline 08-19-14.docx; A&R shareholder ag body redline 08-19-14.pdf

Please print either of the attached. They are the same but in different formats. Thanks

From: Steve West [mailto:swest@westbrown.com]
Sent: Tuesday, September 09, 2014 11:22 AM
To: LeGoy, Bob
Subject: RE: Amended & Restate Shareholders Agreement

Bob

Attached is a red line of the Agreement (in Word and as a PDF) showing the changes made in response to your email below and our conversation discussing your email. Sorry it took longer than expected to get you the attached, but I wanted the Board to review it first and then I was out for a week. I look forward to hearing from you at your earliest convenience that all issues have been resolved, which I understood you did not think would take the time it has in the past for the whole Jaksick team to weigh in. If there are any remaining issues, please call me so that we can try to resolve them and get this Agreement finalized. Then we can circulate the revised Agreement to all the other shareholders for their execution, knowing that we will be able to get your client's signoff. Thanks.

Steve

Stephen C. West

WEST/BROWN

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From: LeGoy, Bob [mailto:lrlegoy@mcclrenolaw.com]
Sent: Friday, August 01, 2014 5:11 PM
To: Steve West
Cc: ssj3232@aol.com; tjaksick@gmail.com; Kevin Riley (kevin@rmb-cpa.com); Morris, Roger M. (RMorris@lrrlaw.com)
Subject: FW: Amended & Restate Shareholders Agreement

Steve, Thanks for your efforts on this and thanks again for your patience. You made almost all the changes we requested in my email dated 2/19 and later emails. We only have a few more changes and a few questions for you. They are described below.

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1. Roger recommends changing section 4(a) to read: "Upon the death of a Shareholder or of the beneficiary of a trust Shareholder on or after the date of this Amended and Restated Agreement,..."
2. We note you changed the first paragraph of 2. to permit the sale to Wendy and to permit any shareholder to encumber his stock so we can permit the IRS to lien Sam's for his estate taxes if that is necessary. We appreciate that.
3. We think the last six lines of the 8th paragraph of 2. on page 3 should be deleted starting with the word "including".
4. We think the last six lines of subparagraph of 4.(a) should be deleted starting with the word "if".
5. We think the language you added to 5.(d) is too broad and should be deleted or significantly limited.
6. The language you added to the last subparagraph in 5. appears to be incomplete. If you agree, please add "be purchased as provided in 4.(b)" at the end of the underlined language.
7. You changed the first subparagraph in 7. to require the selling Shareholder and Company to each pay ½ of the appraiser's fee. That is good, but as Kevin pointed out, the last subparagraph in 7. is not changed. The company still selects the appraiser without approval of the selling shareholder. Please reconsider changing that provision as we previously suggested. It does not seem fair to leave that to the company.
8. We like the change you made to 15.
9. Thank you for adding our RESOLUTION OF DISPUTES language in 20.

Please call or write to discuss any of these suggestions. If they are satisfactory to you, please make them and let's get this Agreement signed.

To bring you up-to-date, a CDOG investigator is scheduled (finally) to interview Todd, Stan and Todd's wife, Dawn, on 8/20. They hopefully will be licensed shortly thereafter.

We have considered your request to set up separate, insured accounts for the distributions from Pioneer you are retaining in your firm's Trust account. For a number of reasons, Stan and Todd have decided not to do that. As I told you, you can transfer some of the money to our firm's Trust account, if you want to spread the risk. However, we all hope the funds can be distributed to the Jaksick trusts in the near future. Let me know if you want to further discuss this issue.

Thanks again and have a good weekend.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

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MCL002765

WJ 001305

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From: Steve West [<mailto:swest@wbhtlaw.com>]
Sent: Monday, June 16, 2014 4:09 PM
To: LeGoy, Bob
Subject: FW: Amended & Restate Shareholders Agreement

Bob

I was emailing some information to Kevin Riley about the Jaksick distributions going into trust and it occurred to me that it had been almost 2 weeks since I had sent you the email below. So I thought I would check in to see if you have an estimate of when your clients and you might be able to tell me that the revised Amended and Restated Shareholder Agreement is ready to go. Thanks for whatever information you might be able to share.

Steve

Stephen C. West

WEST/BROWN

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From: Steve West
Sent: Tuesday, June 03, 2014 8:54 PM
To: 'LeGoy, Bob'
Subject: Amended & Restate Shareholders Agreement

Bob

Attached is a red line of the Agreement showing all of the changes from the version that was sent out to the shareholders last year and approved by all but your clients earlier this year. I believe all of the changes are based on suggestions your clients and you made, as subsequently discussed and modified by you and me, except on one issue I will explain.

The change that is different from what you might have expected is that, in the Amendment provision in paragraph 15, we left in the 2/3, but added that an amendment approved by less than 100% would not be binding on any shareholder who did not consent to the amendment. That is exactly what the Nevada statutes provides and seemed to me to be a better solution than a strict 100% amendment requirement. We feel it was better to have the 2/3 approval and the

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exception for non-consenting shareholders because an issue requiring an amendment could be dealt with by the larger shareholders to avoid a problem like being forced to buy out one of the large shareholder's interest and Pioneer could live with the risk of having to buy out a smaller, non-consenting shareholder, which actually has happened once previously.

I hope you find the changes to be acceptable, but I trust you will not hesitate to let me know if you want me to do anything differently. In addition, thank you for the suggested provisions on venue and especially resolution of disputes. The Board has approved the revisions, so we are sharing them with your client and you as the only ones who commented and requested changes. Hopefully you will find all the changes to be acceptable and then we can send this revised Agreement to the other shareholders for their approval, with a pretty extensive explanation as to why we are asking for their signatures again, of course.

Steve

Stephen C. West

WEST/BROWN

West Brown Huntley Hunter Teodoru PC
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MCL002769

WJ 001309

Dotson, Doris

From: LeGoy, Bob
Sent: Wednesday, September 03, 2014 12:20 PM
To: Dotson, Doris
Subject: FW: Executed Agreement and Consent to Proposed Action/Promissory Note/Security Agreement and Letter to Wendy
Attachments: Letter.WendyNote.doc

Please print this in final. It's on my Sam Jaksick subdirectory.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

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From: LeGoy, Bob
Sent: Tuesday, September 02, 2014 3:08 PM
To: 'Jessica Clayton'; ssj3232@aol.com; tjaksick@gmail.com; jaksickhome@live.com; a.smrt@yahoo.com
Cc: kevin@rmb-cpa.com; McQuaid, Brian
Subject: RE: Executed Agreement and Consent to Proposed Action/Promissory Note/Security Agreement and Letter to Wendy

Everyone, Thanks for the attachments. I am not going to review them unless you ask me to do that. Brian drafted them so he will review the signed finals.

However, I have attached the letter response I propose to send to Wendy. I apologize for being so slow to prepare it (and I also apologize for saying that to you guys all the time). Please give me your input on the letter. I will be out of my office from tomorrow at noon to 9/15, but Brian can revise and send the letter while I am gone if you cannot review it before I leave. I also will miss the next two Monday meetings because I will be gone for them, but Brian will call in to them.

Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520



MCL002771

WJ 001311

(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

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From: Jessica Clayton [<mailto:jtclaytone@aol.com>]
Sent: Tuesday, September 02, 2014 2:09 PM
To: ssj3232@aol.com; tjaksick@gmail.com; jaksickhome@live.com; a.smrtr@yahoo.com
Cc: kevin@rmb-cpa.com; McQuaid, Brian; LeGoy, Bob
Subject: Executed Agreement and Consent to Proposed Action/Promissory Note/Security Agreement

Hi all,

Attached is the executed copy of the Agreement and Consent to Proposed Action, Promissory Note and Security between SSJ Issue Trust and the Samuel S Jaksick Family Trust dated 08/28/14.

Thank you,

Jessica



MCL002773

WJ 001313

1-7404
Dotson, Doris

From: Jessica Clayton <jtclaytone@aol.com>
Sent: Wednesday, July 16, 2014 5:03 PM
To: Dotson, Doris
Subject: Re: call in number

Oh sorry..just wondering if the payments of \$50k came off original balance and then balance due as of 6/30 is \$_____.

Hope that makes sense?

On Jul 16, 2014, at 4:39 PM, "Dotson, Doris" <ddotson@mclrenolaw.com> wrote:

I do not understand what you mean by "how the monthly checks were credited to the account"?

Sincerely,

Doris A. Dotson

Doris A. Dotson, Legal Assistant to
L. Robert LeGoy, Jr., Esq.
Maupin, Cox & LeGoy, A Professional Corporation
4785 Caughlin Parkway
Reno, Nevada 89519
(775) 827-2000
(775) 827-2185 (facsimile)
ddotson@mclrenolaw.com

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From: Jessica Clayton [<mailto:jtclaytone@aol.com>]
Sent: Wednesday, July 16, 2014 2:58 PM
To: Dotson, Doris
Subject: Re: call in number

Thank you Doris :)

-----Original Message-----

From: Dotson, Doris <ddotson@mclrenolaw.com>
To: 'Jessica Clayton' <jtclaytone@aol.com>
Sent: Wed, Jul 16, 2014 2:39 pm
Subject: RE: call in number

I use AT&T conference calling. I will work on the other part of the e-mail.

MCL002775

WJ 001315

Sincerely,
Doris A. Dotson
Doris A. Dotson, Legal Assistant to
L. Robert LeGoy, Jr., Esq.
Maupin, Cox & LeGoy, A Professional Corporation
4785 Caughlin Parkway
Reno, Nevada 89519
(775) 827-2000
(775) 827-2185 (facsimile)
ddotson@mclrenolaw.com

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From: Jessica Clayton [<mailto:jclaytone@aol.com>]
Sent: Wednesday, July 16, 2014 2:38 PM
To: Dotson, Doris
Cc: LeGoy, Bob; McQuaid, Brian
Subject: Fwd: call in number

Hi Doris,

I just found out from the guys that Bob is out for the balance of the week. Are you in the office?

I was hoping for 2 things. The contact in your accounting department for our CPA so we can get the balance due and how the monthly checks were credited to the account, as well as I was hoping to find out who you guys use for your conference call in line.

Thanks in advance for your help,

Jess

-----Original Message-----

From: LeGoy, Bob <lrlgoy@mclrenolaw.com>
To: 'Jessica Clayton' <jclaytone@aol.com>; Kevin <kevin@rmb-cpa.com>; McQuaid, Brian <bmccquaid@mclrenolaw.com>
Sent: Mon, Jul 14, 2014 12:10 pm
Subject: RE: call in number

Jess, Let's use 877-807-5706, participant code 469203. Tell Todd and Stan we will talk to them then. Thanks for herding us cats.

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlgoy@mclrenolaw.com

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MCL002777

WJ 001317

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From: Jessica Clayton [<mailto:jtcaytone@aol.com>]
Sent: Monday, July 14, 2014 11:03 AM
To: kevin@rmb-cpa.com; LeGoy, Bob; McQuaid, Brian
Subject: call in number

Hi guys,

Do either of you or your office have a call in number you could use at 2pm. I've not heard back from Arkadin yet on our account which does not seem to be working.

Thank you,

Jess



MCL002779

WJ 001319

McQuaid, Brian

From: McQuaid, Brian
Sent: Wednesday, June 11, 2014 12:48 PM
To: LeGoy, Bob
Subject: Jaksick - Consent
Attachments: Agreement & Consent - Income Distributions.wpd

Leroy, here is what I came up with for the consent to the distribution of the notes. Please let me know if you think this will suffice or if I should expand upon it at all.

Thanks,

Brian

Brian C. McQuaid, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, Nevada 89519
Phone: 775-827-2000
Fax: 775-827-2185
email: bmcquaid@mclrenolaw.com

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AGREEMENT AND CONSENT TO PROPOSED ACTION

This Agreement and Consent to Proposed Action is entered into among Todd B. Jaksick and Stanley S. Jaksick, as Co-Trustees under The Samuel S. Jaksick, Jr. Family Trust Agreement (As Restated) (the "Family Trust"), Todd B. Jaksick ("Todd"), Stanley S. Jaksick ("Stan"), and Wendy Ann Jaksick ("Wendy"), as the "Primary Beneficiaries" of the Family Trust, with reference to the following facts:

A. The Grantor of the Family Trust, Samuel S. Jaksick, Jr. ("Sam"), died on April 21, 2013. At the time of Sam's death, the Family Trust was the owner of certain notes receivable from Todd B. Jaksick, Bright-Holland Co., and Jaksick Family LLC (the "Notes").

B. It has been determined by Kevin Riley, CPA, the accountant for the Family Trust, that federal income taxes attributable to the Family Trust for its first fiscal year would be approximately \$250,000. Such income taxes would be due and payable on July 15, 2014. At the present time, the Family Trust does not have sufficient cash to satisfy such federal income tax liability.

C. The Co-Trustees and the Primary Beneficiaries of the Family Trust have all agreed that it is in the best interests of the Family Trust, the Primary Beneficiaries, and all future beneficiaries of the Family Trust for an in-kind income distribution to be made of the Notes from the Family Trust to the Primary Beneficiaries in order pass out approximately \$406,365 of the trust income to the Primary Beneficiaries in order to defer the ultimate due date for the federal income taxes relating thereto until April 15, 2015. True and correct copies of the Assignments of the Notes are attached hereto and incorporated herein by reference.

D. It is estimated that the in-kind income distribution will shift approximately \$190,000 of the federal income tax liability from the Family Trust to the Primary Beneficiaries (or in the case of Wendy, to the Wendy Ann Jaksick Smrt Trust to be established pursuant to The Samuel S. Jaksick, Jr. Family Trust Agreement (As Restated), as amended). Due to the lack of available cash or liquidity in the Family Trust, the Primary Beneficiaries all acknowledge and agree that it is in the best interests of the Family Trust, the Primary Beneficiaries, and all future beneficiaries of the Family Trust for them to receive the in-kind income distribution of the Notes as well as the responsibility to pay the attendant federal income tax liabilities relating thereto. The Co-Trustees and the Primary Beneficiaries further acknowledge and understand that the IRS can potentially challenge the distribution of the Notes as being a preferential transfer and potentially impose fiduciary or transferee liability on them for such amounts distributed to the extent there remains outstanding unpaid income and/or estate tax liability for Sam and/or the Family Trust. This could potentially require the return of the Notes to the Family Trust in order to satisfy the unpaid income tax liabilities of either Sam or the Family Trust, among other potential remedies.

E. The Primary Beneficiaries are the sole adult beneficiaries of the Family Trust who would otherwise be entitled to a notice of proposed action under NRS 164.725 for the Co-Trustees' distributions of the Notes, and they intend for this Agreement to constitute their written and binding consent thereto. In addition, each Primary Beneficiary agrees he or she is representing all his or her minor children and unborn grandchildren, great grandchildren and other issue in entering into this Agreement in accordance with NRS 164.038, based on the fact that there is no counsel representing any such person and there is no material conflict of interests between the Primary Beneficiary and any of his or her issue.

BASED ON THE FOREGOING, the Co-Trustees of the Family Trust, the Primary Beneficiaries, and all their minor and unborn issue that they represent hereby agree as follows:

1. Incorporation of Recitals. The parties agree that the recitals set forth above are true and correct and are hereby incorporated into this Agreement.

2. Agreement and Consent to Proposed Action. The Co-Trustees of the Family Trust, the Primary Beneficiaries, and all the minor and unborn issue of the Primary Beneficiaries all agree and consent to the transactions described in the recitals above, specifically including, but not limited to, the distribution of the Notes from the Family Trust to the Primary Beneficiaries pursuant to the Assignments attached hereto.

3. Binding Effect. This Agreement constitutes the written and binding consent of the parties to the proposed actions described herein. The Primary Beneficiaries, as the sole adult beneficiaries of the Family Trust, acknowledge, agree and specifically intend that by virtue of their written consents, the Trustee shall have no liability to any present or future beneficiary of the Family Trust with respect to the proposed actions described herein. The parties acknowledge and agree that this Agreement is binding on all present and future beneficiaries of the Family Trust in accordance with NRS 164.038 and NRS 164.725, and hereby waive any further notice of proposed actions relating thereto.

4. LEGAL REPRESENTATION AND WAIVERS OF CONFLICT. THIS AGREEMENT HAS BEEN PREPARED BY THE LAW FIRM OF MAUPIN, COX & LEGOY IN THEIR CAPACITY AS ATTORNEYS FOR THE CO-TRUSTEES OF THE FAMILY TRUST. ALL OF THE OTHER PARTIES HAVE BEEN ADVISED AND REPRESENTED IN THIS MATTER BY THE LAWYERS THEY HAVE VOLUNTARILY SELECTED OR THEY HAVE VOLUNTARILY WAIVED THEIR RIGHTS AND OPPORTUNITIES TO BE INDIVIDUALLY REPRESENTED IN THE FORMATION OF THIS AGREEMENT. CERTAIN OF THE PARTIES TO THIS AGREEMENT, INCLUDING TODD B. JAKSICK, HAVE PREVIOUSLY BEEN AND CONTINUE TO BE REPRESENTED IN RELATED AND UNRELATED MATTERS BY THE LAW FIRM OF MAUPIN, COX & LEGOY. ALL SIGNATORIES TO THIS AGREEMENT HEREBY GIVE THEIR INFORMED CONSENTS TO THE REPRESENTATIONS DESCRIBED IN THIS PARAGRAPH WITH RESPECT TO THIS MATTER AND OTHER RELATED TRANSACTIONS AND WAIVE ANY CONCURRENT OR FUTURE CONFLICTS OF INTEREST ARISING FROM SUCH REPRESENTATIONS. EACH OF THE SIGNATORIES REPRESENTS HE OR SHE HAS

McQuaid, Brian

From: McQuaid, Brian
Sent: Wednesday, June 11, 2014 12:48 PM
To: LeGoy, Bob
Subject: Jaksick - Consent
Attachments: Agreement & Consent - Income Distributions.wpd

Leroy, here is what I came up with for the consent to the distribution of the notes. Please let me know if you think this will suffice or if I should expand upon it at all.

Thanks,

Brian

Brian C. McQuaid, Esq.
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, Nevada 89519
Phone: 775-827-2000
Fax: 775-827-2185
email: bmcquaid@mclrenolaw.com

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BEEN ADVISED AND GIVEN ADEQUATE OPPORTUNITY TO CONSULT WITH INDEPENDENT LEGAL COUNSEL WITH RESPECT TO THESE CONSENTS AND WAIVERS AND, IF HE OR SHE HAS NOT CONSULTED WITH SUCH INDEPENDENT LEGAL COUNSEL, HE OR SHE HAS VOLUNTARILY WAIVED THAT RIGHT AND OPPORTUNITY. THESE INFORMED CONSENTS AND WAIVERS ARE GIVEN IN ACCORDANCE WITH ALL APPLICABLE LAWS, INCLUDING BUT NOT LIMITED TO, NEVADA RULES OF PROFESSIONAL CONDUCT 1.7 AND 1.9.

Dated: _____, 2014.

THE SAMUEL S. JAKSICK, JR. FAMILY TRUST

By _____
Todd B. Jaksick, Co-Trustee

By _____
Stanley S. Jaksick, Co-Trustee

PRIMARY BENEFICIARIES

Todd B. Jaksick

Stanley S. Jaksick

Wendy Ann Jaksick

J:\wpdata\BCM\Jaksick\Sam\Agreement & Consent - Income Distributions.wpd

Dotson, Doris

From: LeGoy, Bob
Sent: Sunday, June 08, 2014 12:40 PM
To: Dotson, Doris
Subject: FW: meeting with Todd in person

*Done
clerk*

Before 1 pm on Monday, please get me Sam's SSJ's Issue Trust file and the hunting lease from the Jaksick's Bright-Holland??? File. Thanks

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
(775) 827-2185 (facsimile)
Legal Assistant: Doris A. Dotson
lrlegoy@mclrenolaw.com

*Done
6-9-14*

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From: Todd Jaksick [<mailto:tjaksick@gmail.com>]
Sent: Saturday, June 07, 2014 10:20 PM
To: LeGoy, Bob
Cc: Jessica Clayton
Subject: Re: meeting with Todd in person

Perfect !! I will go to your office at 1:00 on Monday

Todd
(775)771-2122

On Jun 6, 2014, at 4:21 PM, "LeGoy, Bob" <lrlegoy@mclrenolaw.com> wrote:

Jess, I am out most of next week. I can meet Monday afternoon before 4 or after 5, or late Thursday afternoon. Can Todd come over at 1 on Monday? We could have the weekly phone conference, then we could discuss these other issues. (I could give him Dawn's Trust Agreement then also.) Thanks

[Handwritten signature]

Bob LeGoy
I. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
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Legal Assistant: Doris A. Dotson
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From: Jessica Clayton [<mailto:jtclaytone@aol.com>]
Sent: Friday, June 06, 2014 12:47 PM
To: LeGoy, Bob
Cc: tjaksick@gmail.com
Subject: meeting with Todd in person

Hi again Bob,

Would you be available next week, possibly the 11th, to meet Todd in person (he would come to your office) regarding SSJ Issue Trust and Todd and Sam's hunting lease?

These would both be items billable separate from the Trust.

Thanks so much,

Jess

McQuaid, Brian

From: LeGoy, Bob
Sent: Friday, April 04, 2014 4:40 PM
To: Procter Hug IV; McQuaid, Brian
Cc: Olivero, Jan
Subject: RE: Jaksick Lakeridge Parcels

Proc, Thanks for this email. My comments and questions follow your points in *RED CAPS*. Your email is a great analysis of a difficult chain of events. I think it is the text of our quiet title petition. Do you want to meet to discuss on Monday or some other day next week?

Bob LeGoy
L. Robert LeGoy, Jr., Esq.

Maupin, Cox & LeGoy
4785 Caughlin Parkway
P.O. Box 30000
Reno, Nevada 89520
(775) 827-2000
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From: Procter Hug IV
Sent: Friday, April 04, 2014 2:46 PM
To: McQuaid, Brian; LeGoy, Bob
Cc: Olivero, Jan
Subject: Jaksick Lakeridge Parcels

Guys:

I'm sorry for the delay on sending out this email. I'm writing to update you on our research regarding the ownership of the two Lakeridge parcels (the "Property") owned by Sam Jaksick Jr ("Sam Jr."). The Court has had trouble finding the relevant files and documents. This email outlines our current understanding of the ownership of the Property:

- Sam Sr. and Thelma Jaksick acquired title to the majority of the Property on December 7, 1950 as Joint Tenants with rights of survivorship. Sam Sr. and Thelma Jaksick retitled their ownership of the Property as community property in a March 30, 1965 Deed. The legal description in this Deed does not exactly match the legal description of the Property. I have not seen the Deed by which Bertha Short acquired title to a 1/8 interest in

this portion of the Property. *WHAT DO WE DO ABOUT CHANGING LEGAL DESCRIPTIONS? I PRESUME WE NEED AN ENGINEER OR SURVEYOR. THESE LOTS WERE CREATED BEFORE LAKE RIDGE WAS SUBDIVIDED. I UNDERSTAND THERE ARE CONTIGUOUS LOTS. WE MIGHT HAVE TO COMPUTE THE BORDERS OF THESE LOTS FROM THE BORDERS OF THE CONTIGUOUS LOTS. TODD AND STAN MIGHT BE ABLE TO TELL WHO IS BEST TO DO THAT.*

- A May 14, 1968 Deed from White Pine Lumber Co., a Nevada corporation, conveyed a portion of the Property to Sam Sr.'s Estate as to an undivided 7/16 interest in that portion of the Property, Thelma as to an undivided 7/16 interest, and Bertha Short (Thelma's mom) as to an undivided 1/8 interest. The legal description in this Deed does not exactly match the legal description of the Property. *HOW DID WHITE PINE GET IT AND WHY DID IT DEED IT TO AN ESTATE? THAT IS GOING BACKWARDS.*
- In a September 15, 1972 Deed, Bertha Short, Thelma Jaksick, and the Estate of Sam Sr., conveyed property to Lake-Ridge, a Nevada corporation. This Deed appeared in the Preliminary Title Report prepared by Ticor Title; however, it appears that none of the now-owned Property was included in the conveyance. *INADVERTENT EXCLUSIONS.*
- Bertha Short died intestate on July 30, 1974. At the time of her death, Bertha Short's legal heirs were: Mildred Short (daughter), Harold Short (son), Thelma Jaksick (daughter), and Helen Slinkard (daughter). There were two petitions for authorization to execute a conveyance of Bertha Short's 1/8 interest in property to Lake-Ridge. The conveyances were pursuant to the terms of an option granted to Lake-Ridge by Bertha Short, Thelma and Sam Sr. on December 22, 1965. Both Petitions were granted by Court Orders; however, it appears that the Property was not included in either authorized conveyance –no Deed for either authorized conveyance appeared in the Preliminary Title Report prepared by Ticor Title. Likewise, we do not have the option granted to Lake-Ridge. It appears that Bertha Short died owning a 1/8 interest in the Property (assuming there is a valid deed conveying the interest to her, and also assuming the Property wasn't included in the conveyances to Lake-Ridge pursuant to the Option), which would have passed to her heirs at law (Mildred Short, Harold Short, Thelma Jaksick, and Helen Slinkard). There is no document conveying Bertha Short's interest in the Property out of her estate to her heirs at law (either in the Preliminary Title Report or the court documents). *I DISAGREE. I THINK THE TWO COURT ORDERS ARE SUPERSEDING DOCUMENTATION THAT BERTHA'S INTEREST IN THE TWO LOTS SHOULD BE TRANSFERRED TO LAKE RIDGE.*
- In the administration of Sam Sr.'s estate, the Order Approving Sixth Annual Account and Report and Decree of Distribution of Assets dated September 19, 1973 provides that the Property, along with all of the other residue of his estate, should be distributed to Sam Jr. and Arthur Triebwasser, as trustees subject to the terms of the testamentary trust established by Sam's Will. Specifically, paragraph 3(f) and Exhibit C of the Order reference Sam Sr.'s undivided ½ interest in the 87.5% interest in the Property. In addition, 4(h) of the Order confirms Thelma's community property interest in an undivided ½ interest in the 87.5% interest in the Property. The Amended Order Approving Sixth Annual Account and Report and Decree of Distribution of Assets dated October 17, 1975, includes the same language regarding the distribution of the Property to the testamentary trust established by Sam's Will, and confirms Thelma's community property interest in the Property.
 1. Sam Sr.'s Will provides for the creation of two separate testamentary trusts. The first testamentary trust created by Sam Sr.'s will was the Jaksick Children's Trust, established for the benefit of the decedent's grandchildren. The second testamentary trust was the Samuel Jaksick Residual Trust, established for the benefit of Samuel S. Jaksick Jr., Helen Slinkard, and Joseph Jaksick (the "Jaksick Trust"). The residue of Sam's estate was distributed to the Jaksick Trust pursuant to the Order Approving Sixth Annual Account and Report and Decree of Distribution of Assets dated September 19, 1973. After the lifetime and lump sum payments to Joseph Jaksick and Helen Slinkard, the Jaksick Trust was intended to hold the remainder of the property for the benefit of Sam Jr. (or Sam Jr.'s issue if Sam Jr. was deceased). The Petition For Termination of Trust and Distribution of Assets and Final Account in Connection Therewith, dated May 23, 1995, clarifies that Sam Jr. was the last remaining beneficiary of

the Jaksick Trust entitled to the remainder of the estate (including Sam Sr.'s interest in the Property) after the lifetime payments to Joseph Jaksick and Helen Slinkard. Sam Jr. thus inherited 100% of Sam Sr.'s 7/16 interest in the Property. I AGREE.

- The chain of title prepared by Ticor Title includes two deeds from Thelma Jaksick to Sam Jr. Though the legal description in those Deeds does not match the exact legal description of the Property, it appears to include the Property. The APNs on the Deeds have been split into multiple new parcels, two of which are the parcels which comprise the Property. It appears that Thelma Jaksick transferred her entire interest in the Property to Sam Jr. in these two Grant, Bargain and Sale Deeds dated December 13, 1990. Oddly, the first deed conveys a 13.45% interest in the Property and the second deed conveys a 38.05% interest in the Property (in total, this is a 51.5% interest in the property transferred from Thelma to Sam Jr.). Tracing the chain of title, Thelma should have owned a 7/16 interest in the Property (43.75%) if Bertha Short's 1/8 interest is valid and owned by other people; or an 8/16 (50%) interest in the Property if Bertha Short's interest was invalid and owned equally by Sam Sr. and Thelma; or a 9/16 (56.25%) interest in the Property if Bertha Short's interest was invalid and owned entirely by Thelma; or a 15/32 (46.875%) interest in the Property if Thelma inherited 1/4 of Bertha Short's 1/8 interest; or an 8/16 (50%) interest in the Property if Bertha Short's 1/8 interest is valid and inherited completely by Thelma. Regardless, I can't figure out how Thelma owned 51.5% of the Property. If Thelma did own that percentage interest in the Property, then Sam Jr. would have acquired a 95.25% interest in the Property by way of the transfers from Sam Sr. and Thelma. If Thelma only owned a 7/16 interest in the Property, then Sam Jr. would have acquired a 14/16 (87.5%) interest in the Property from Thelma and Sam Sr. It is worth noting that the Property did not appear in the list of assets in Thelma's estate. *BECAUSE SHE GAVE IT TO SAM JR IN 1990, AS YOU SAY ABOVE.* It is also possible that the percentage ownership identified in the Deed was incorrect and that Thelma simply conveyed all of her right, title, and interest in the Property to Sam Jr.
- Conclusion: It appears that Sam Jr. acquired at least a 14/16 (87.5%) ownership interest in the Property from Sam Sr. and Thelma. If we could invalidate Bertha's 1/8 interest in the Property, then Sam Jr. would own 100% of the Property. If we argue that Sam Jr. has acquired title to Bertha Short's 1/8 interest in the Property by adverse possession, then Sam Jr. would own 100% of the Property. *DID SAM SATISFY 40.090? I PRESUME HE DID YEARS AGO.* If Bertha Short died owning a 1/8 interest in the Property, then that Property would have been distributed equally to her four children since Bertha Short died intestate (1/32 to each child). If this is the case, Sam Jr. owns 29/32 of the Property, Mildred Short or her transferees/devisees own 1/32, Harold Short and his transferees/devisees own 1/32, and Helen Slinkard and her transferees/devisees own 1/32. *I DISAGREE. I THINK THE TWO COURT ORDERS GAVE LAKE RIDGE THE PRIORITY RIGHT TO IT.*

Proc

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McQuaid, Brian

From: Procter Hug IV
Sent: Friday, April 04, 2014 2:46 PM
To: McQuaid, Brian; LeGoy, Bob
Cc: Olivero, Jan
Subject: Jaksick Lakeridge Parcels

Follow Up Flag: Follow up
Flag Status: Flagged

Guys:

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Thelma's community property interest in an undivided $\frac{1}{2}$ interest in the 87.5% interest in the Property. The Amended Order Approving Sixth Annual Account and Report and Decree of Distribution of Assets dated October 17, 1975, includes the same language regarding the distribution of the Property to the testamentary trust established by Sam's Will, and confirms Thelma's community property interest in the Property.

1. Sam Sr.'s Will provides for the creation of two separate testamentary trusts. The first testamentary trust created by Sam Sr.'s will was the Jaksick Children's Trust, established for the benefit of the decedent's grandchildren. The second testamentary trust was the Samuel Jaksick Residual Trust, established for the benefit of Samuel S. Jaksick Jr., Helen Slinkard, and Joseph Jaksick (the "Jaksick Trust"). The residue of Sam's estate was distributed to the Jaksick Trust pursuant to the Order Approving Sixth Annual Account and Report and Decree of Distribution of Assets dated September 19, 1973. After the lifetime and lump sum payments to Joseph Jaksick and Helen Slinkard, the Jaksick Trust was intended to hold the remainder of the property for the benefit of Sam Jr. (or Sam Jr.'s issue if Sam Jr. was deceased). The Petition For Termination of Trust and Distribution of Assets and Final Account in Connection Therewith, dated May 23, 1995, clarifies that Sam Jr. was the last remaining beneficiary of the Jaksick Trust entitled to the remainder of the estate (including Sam Sr.'s interest in the Property) after the lifetime payments to Joseph Jaksick and Helen Slinkard. Sam Jr. thus inherited 100% of Sam Sr.'s $\frac{7}{16}$ interest in the Property.
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 - Conclusion: It appears that Sam Jr. acquired at least a $\frac{14}{16}$ (87.5%) ownership interest in the Property from Sam Sr. and Thelma. If we could invalidate Bertha's $\frac{1}{8}$ interest in the Property, then Sam Jr. would own 100% of the Property. If we argue that Sam Jr. has acquired title to Bertha Short's $\frac{1}{8}$ interest in the Property by adverse possession, then Sam Jr. would own 100% of the Property. If Bertha Short died owning a $\frac{1}{8}$ interest in the Property, then that Property would have been distributed equally to her four children since Bertha Short died intestate ($\frac{1}{32}$ to each child). If this is the case, Sam Jr. owns $\frac{29}{32}$ of the Property, Mildred Short or her transferees/devisees own $\frac{1}{32}$, Harold Short and his transferees/devisees own $\frac{1}{32}$, and Helen Slinkard and her transferees/devisees own $\frac{1}{32}$.

Proc

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ALL of JAKSICK ENTITIES

Revised 06/05/13

Tab	Entity	Tax ID No.	Ownership	Officers/Mgrs
	ALSB LTD (corp.)	26-4528546	Sam Jaksick 100%	Sam Jaksick, Pres./Sec./Treas.
	Aspen Streams, LLC 48651.029 Managed by: Managers	20-3012504	49% Todd J. Fam. Trust 51% TBJ Investment Trust	Manager Todd Jaksick, Tstee
	B & A Aqua, LLC 48651.016 Managed by: Managers	Need EIN	100% T. Jaksick Fam. Trust	Todd Tstee - Manager
	BBB Investments, LLC 48651.014 Managed by: Managers	74-3077713	51% Todd J. Fam. Trust 49% Sam J. Fam. Trust	Sam Tstee - Manager Todd Tstee - Manager
	Basecamp, LLC Managed by: Managers	88-0467643	18.75% Sam J. Fam. Trust 18.75% Todd Fam. Trust 37.5% Randy (indiv) 25% Rick Haygood (indiv)	Managers Rick Haygood Sam Jaksick R. Venturacci
	Beaver Springs LLC	27-5503467	Todd Jaksick 50% Tim Humes Trust 50%	Managers: Todd and Tim
	Bent Arrow LLC	45-0981662	Sam Jaksick Trust 100%	Manager - Sam Jaksick
	Benny's Outdoor Adventures	47-4715263	Todd Family Trust 100%	Manager - Todd Jaksick
	Benny Runs Wild LLC	45-5453975	Todd B. Jaksick Adventures 1 LLC 80% Chad Belding 20%	Executive Committee Todd Jaksick Chad Belding
	Bright-Holland Co., Inc. 48651.026	81-0295757	13% Todd BHC Trust 13% Wendy J. BHC Trust 13% Stan J. BHC Trust 49% Todd Family Trust 12% TBJ SC Trust	Sam -President/Treasurer Todd - Secretary
	Buckhorn Land and Livestock, LLC (formerly Winn. Ranch LLC) Managed by: Managers (Todd exercised option 4/12	72-1593241	25% Sam II LLC 15% Todd II LLC 7.5% TBJ Invest. Trst 20% Stan III LLC 25% Randy Venturacci	Managers: Sam - Manager Todd - Manager Stan - Manager Randy - Manager
	California Bighorn, LLC 48651.033 Managed by: Managers	26-3328810	100% Sam J. Fam. Trust	Sam Jaksick - Manager

Tab	Entity	Tax ID No.	Ownership	Officers/Mgrs
	Duck Flat Ranch LLC 48651.034 Managed by: Managers	20-2909488	49% Sam J. Fam. Trust 51% Aspen Streams	Sam Jaksick, Manager Todd Jaksick, Manager of Aspen Streams
	Duck Lake Ranch, LLC 48651.060 Managed by: Managers	88-0412803	95% Todd J. Fam. Trust 5% TBJ Invest. Trust	Managers: Sam Jaksick Todd Jaksick
	Fly Ranch LLC 48651.025 Managed by: Managers	20-8019411	44.5% Sam Trust 40% Todd Trust 11% TBJ Inves. Trst 4.5% Stan Jaksick (indiv)	Manager: Todd Jaksick
	Gerlach Green Energy LLC 48651.032 Managed by: Managers	20-2137944	45% Sam J. 45% Aspen Streams 10% Stan J.	Managers: Stan Jaksick Todd Jaksick Sam Jaksick
	Home Camp Land and Livestock Co., Inc. 48651.027	88-0094937	49% TBJ Issue Trust 2% TBJ SC Trust 49% SSJ Issue Trust	Sam - President Todd - Secretary/Treasurer
	Incline TSS Ltd	27-3505890	TBJ SC Trust 49% Todd Jaksick 51%	Manager - Todd Jaksick
	Jackrabbit Properties, LLC 48651.013 Managed by: Managers	72-1549198	35.242% Sam Jaksick I LLC 31.35% Todd J. I LLC 9.515% TBJ Inves. Trst 3.893% Stan Jaksick II LLC 13.5% SC Ranch 6.5% G. Brown Trust	Executive Committee Stan Jaksick Todd Jaksick William Douglass
	Jaksick Family LLC - managed by managers	20-5582624	34.33% Stan Jaksick Todd and Thelma Jaksick Trust fbo Todd 34.33% Thelma Jaksick Trust fbo Wendy Jaksick 31.33%	Sam S. Jaksick, Manager

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	LSC Development, Inc. 48651.043 (Sam abandoned interest)	20-8775748	41.0% Todd III LLC 4.5% Stan IV LLC 6.5% JohnJulia LLC 4.5% Silver Star LLC 3.0% Palmetto Moon Water LLC 3.0% Staci & Amy LLC 3.0% Bill D LLC	Todd - President Dan Douglass VP Stan - Secretary/Treasurer
	Lakecrest Realty, Inc.	88-0176565	100% Sam Trust 25,000 shares 1,000 shares issued	Sam Jaksick President/Treas. Todd Jaksick Secretary Sam Jaksick sole Director
	Lake-Ridge (corporation) Missing Articles & Bylaws signature page	88-0097892	100% Sam Family Trust	President: Sam Secretary: Sam Treasurer: Sam
	Lakeridge Golf Course Ltd managed by its managers Missing Operating Agr	88-0316355	Jaksick Family LLC 25% Sam Jaksick Family Trust 75%	Manager: Sam
	Locnavar, LLC 48651.038 Managed by: Managers	20-2833015	40% Sam II LLC 20% Stan 15% Todd II LLC 25% Randy V (indiv)	Managers Todd Jaksick Sam Jaksick R. Venturacci Stan Jaksick
	Markhor Investment Co. LLC	46-2026752	Stan Jaksick / Sam Jaksick Investment stock (Tilly)	Managers: Sam and Stan
	Montreux Development Group LLC 48651.020 Managed by: Managers	88-0474136	81.75% Toiyabe Invest. 14% Nichols Dev. Co. 4.25% Stan Jaksick I LLC	Managers: Sam Jaksick Stan Jaksick
	Montreux Golf Club Ltd managed by its managers	88-0317892	3% Sam Jaksick Family Trust 96% Lakeridge Golf Course Ltd. 1% Jaksick Family LLC	Managers: Sam Stan
	Montreux Golf & Country Club, Inc., non profit corp.	88-0390138	Owned by Equity Club/Golf members	President: Sam Secretary: Stan Treasurer: Sam

Tab	Entity	Tax ID No.	Ownership	Officers/Mgrs
	Montreux South 51 TIC	No EIN required	70 %Toiyabe Invest. Co. 10% Ken Huff LLC 5% Stan Jaksick LLC 15% Nichols Develop. Co.	Managing TIC: Sam Jaksick
	Montreux South 80 TIC	No EIN required	81.75% Toiyabe Invest Co 4.25% Stan Jaksick LLC 14% Nichols Develop. Co.	Managing TIC: Sam Jaksick
	Nevada Pronghorn LLC (Series)	45-4715358	Home Camp L & L 49% SSJ Issue Trust	Manager - Todd
	Nevada Pronghorn II LLC	45-5079135	Home Camp L & L 49% SSJ Issue Trust	Manager - Todd
	Northern Washoe Ranching Management LLC Managed by: Managers	20-3173034	100% Todd J.	Todd Jaksick, Manager
	Northern Washoe Ranching Management Corp.	46-2028916	Todd Jaksick 100%	Todd Jaksick, Manager
	Pioneer Group, Inc. 48651.035	88-0269667 Missing Bylaws	35.5870% Sam 18.0864% Brown 12.1759% Oliver 8.0350% Murphy 4.7399% Kinney 3.5776% Chaput 2.8684% Passink 3.0264% Douglass, Dan 2.9553% Flint 2.9553% Ryczkowski 2.1513% Prezant 1.4776% Kinney 1.1821% Douglass, Ben <u>1.1821% Douglass, Jack</u> 100.0003%	Dan Douglass, Pres. Mike Chaput Treas. Marc Murphy Sec. Sam Jaksick Dir. Dan Douglass, Dir. George Brown, Dir.
	SJ Ranch LLC 48651.028 Managed by: Managers	88-0505084	100% Sam J. Fam. Trust	Managers: Sam Jaksick Todd Jaksick
	SST Westridge LLC 48651.031 Managed by: Managers	20-2832970	50% Stan (indiv) 25% Sam J. Fam. Trust 25% Aspen Streams LLC	Managing Members: Stan Jaksick Sam Jaksick Todd Jaksick

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	S & T Investments LLC managed by its managers	20-1902810	50% Todd Fam. Trust 50% Stan Jaksick (owns Shakey stock)	Managers: Stan Todd
	Sammy Supercub LLC Series A Sammy Supercub LLC Series B	27-4832839	100% Sam Family Trust Todd Family Trust 100%	Managers: Sam Jaksick Todd Jaksick
	Samuel S. Jaksick Jr I LLC May 2, 2008 (managed by managers)	26-3368413	100% Sam owns 35.242 units Jackrabbit	Sam Jaksick sole manager/member
	Samuel S. Jaksick Jr II LLC May 29, 2008 (managed by managers)	26-3368654	100% Sam owns 40% Buckhorn	Sam Jaksick sole manager/member
	Samuel S. Jaksick Jr III LLC May 19, 2008 (managed by managers)	26-3368837	100% Sam owns <u>34.5% LSC</u>	Sam Jaksick sole manager/member
	Sam S. Jaksick IV LLC (managed by managers)	26-3857459	owns 1.25% RBIZNET	Sam Jaksick manager
	Samuel S. Jaksick, Jr. V LLC	45-2790181	Sam Jaksick Trust	Sam Jaksick, Manager
	SSJ LLC (Lakeshore rental)	80-0768900	Sam Jaksick Trust	Managers Sam Todd
	Spring Mountain Development Company, Inc.	26-3980479	Sam Family Trust Todd Family Trust TBJ SC Trust Stan Jaksick Randy Venturacci	Sam - President Randy - VP Todd - Secretary/Treas.
	Stan Jaksick LLC December 24, 2007 (managed by managers)	26-2229879	100% Stan LLC owns: 5% Montreux So 51 TIC & 4.25% Montreux So. 80 TIC	Stan Jaksick sole manager
	Stanley S. Jaksick II LLC May 2, 2008 (managed by managers)	26-3376282	100% Stan owns 3.893% Jackrabbit	Stan Jaksick sole manager
	Stanley S. Jaksick III LLC June 2, 2008 (managed by managers)	26-3376359	100% Stan owns 20% Buckhorn	Stan Jaksick sole manager

48651.000/Index Jaksick Entities

Tab	Entity	Tax ID No.	Ownership	Officers/Mgrs
	Stanley S. Jaksick IV LLC May 21, 2008 (managed by managers)	26-3376757	100% Stan owns 4.5% LSC	Stan Jaksick sole manager
	Todd B. Jaksick LLC April 8, 2008 (managed by managers)	26-2438613	100% Todd owns 31.35 units Jackrabbit	Todd Jaksick sole manager/member
	Todd B. Jaksick II LLC May 2, 2008 (managed by managers)	26-3376419	100% Todd owns 7.5% Buckhorn	Todd Jaksick sole manager/member
	Todd B. Jaksick III LLC May 19, 2008 (managed by managers)	26-3376481	100% Todd owns 41% LSC	Todd Jaksick sole manager
	Todd B. Jaksick IV LLC (managed by managers)	26-3857474	owns 1.25% RBIZNET	Todd Jaksick sole manager
	Todd B. Jaksick V LLC (Outdoor Syndicate)	45-3969889	Todd Family Trust	Manager: Todd
	Todd B. Jaksick Adventures I LLC	45-5493460	Todd Family Trust	Manager - Todd
	Toiyabe Investment Co.	88-0264983	50% SSJ Issue Trust 50% Stan	President: Sam Secretary: Sam Treasurer: Sam
	WSR Land LLC	27-4683720	TBJ SC Trust Homecamp L & L	Managers: Todd Jaksick
	White Pine Lumber Co.	88-0121360	100% Sam J. Fam. Trust 195,000 o/s shares per merger agreement Thelma Jaksick was a 50% owner of White Pine owning 97,500 shares per merger in 1982 Sam inherited the first 97,500 shares from his father in 1966 and the remaining shares from his mother in 1991	Sam - President/Secretary Todd Jaksick - Treas. Sam - Director
	Youth Outdoor Adventures	45-4747929	100% Todd Family Trust	Todd - President/Secretary/Treasurer

48651.000/Index Jaksick Entities

Tab	Entity	Tax ID No.	Ownership	Officers/Mgrs
	Castle Peak Cruises, LLC 48651.037 Managed by: Managers	20-2548389	Dissolved	Managers: Stanley Jaksick Todd Jaksick
	Washoe Winds, LLC	sold to Chris/Bob		
	Pronghorn, LLC		Dissolved	
	Montreux West 40 LLC Managed by: Managers	Dissolved	73% Sam 21% Rob 6% Stan	Sam Jaksick, Manager Nichols Dev. Co. Stan Jaksick
	Montreaux South 51 LLC Managed by: Managers	88-0376767 Dissolved	10% Ken Huff 70% Sam Trust 15% Rob 5% Stan Jaksick	Ken Huff LLC Mgr Mem Toiyabe Invest. Co. Manager Nichols Dev. Co. Mgr Mem Stan Jaksick LLC Mgr Mem
	Montreux South 80JV Montreux Joint Venture (dissolved and merged into MDG LLC 8/31/00)	Dissolved	82% Sam 14% Rob 4% Stan	Toiyabe Inves. Co. Nichols Dev. Co. Stan Jaksick LLC
	Pioneer Associates LLC		Dissolved April 1999	
	Montreux Unit 3 Association		Dissolved September 2001	
	Jaksick Family Partnership, Limited Partnership		Permanently Revoked 5/31/1993	
	SJ Ranch Property Owners Association		Revoked 2/28/2007	
	Liquid Waste Management LLC		Dissolved 10/31/2007	
	RDJ, LLC	27-1993601	Dissolved	Managers - Dan Douglass Randy Venturacci Todd and Sam Jaksick
	Southeast SJ Ranch Property Owners Association		Revoked 4/30/2005	

Tab	Entity	Tax ID No.	Ownership	Officers/Mgrs
	Blue Spruce LLC managed by its members		Revoked 5/31/2004	Managing Member: James Sanford
	Juniper Trails Development Co.		Dissolved	Samuel S. Jaksick as trustee of the Samuel S. Jaksick, Jr. Family Trust
	Great Western Helicopters, Inc. Missing Bylaws	88-0217030	100% Sam Family Trust Dissolved	President: Sam Secretary: B. Marshall Treasurer: Sam
	Saddlehorn Development Co. Missing Bylaws	88-0242927	100% Sam Family Trust	Director: Rob Nichols President: Rob Nichols Secretary: James Smrt Treasurer: Sam Jaksick

Sam Jaksick Entities

Entity	Tax ID No.	Ownership	Officers/Mgrs
ALSB, Ltd	26-4528546	Sam Jaksick 100%	Sam Jaksick, Pres/Sec/Treas
BBB Investments LLC	74-3077713	49% Sam Family Trust	Sam and Todd Managers
Basecamp LLC	88-0467643	18.75 Sam Fam. Trust	Managers Sam Ricki Haygood R. Venturacci
Bent Arrow LLC	45-0981662	100% Sam Fam. Trust	Sam – Manager
Buckhorn Land and Livestock LLC (Note: Todd exercised option 4/12)	72-1593241	25% Sam II LLC 22.5% Todd II LLC 7.5% TBJ SC Invest Trst 20% Stan III LLC 25% R. Venturacci	Managers Sam Todd Stan Randy
California Bighorn LLC	26-3328810	100% Sam Fam. Trust	Manager – Sam
Duck Flat Ranch LLC	20-2909488	49% Sam Fam. Trust 41% Aspen Streams	Manager Sam Todd Manager of Aspen Streams
Fly Ranch LLC	20-8019411	44.5% Sam Trust 40% Todd Fam. Trust 11% TBJ Invest. Trust 4.5% Stan	Manager – Todd
Gerlach Green Energy LLC	20-2137944	45% Sam Fam Trust 45% Aspen Streams 10% Stan	Managers Stan Todd Sam
Home Camp Land and Livestock Co., Inc.	88-0094937	49% TBJ Issue Trust 2% TBJ SC Trust 49% SSJ Issue Trust	Sam – Pres. Todd – Sec/Treas.
Jackrabbit Properties LLC	72-1549198	35.242% Sam I LLC 31.35% Todd I LLC 9.515% TBJ Inves. Trst 3.893% Stan II LLC 13.5% SC Ranch 6.5% G. Brown Trst	Executive Committee Stan Todd Wm Douglass
Lakecrest Realty, Inc.	88-0176565	100% Sam Trust 15,000 shares 1,000 shares issued	Sam – Pres/Treas Todd – Sec. Sam sole director
Lake-Ridge	88-0097892	100% Sam Fam. Trust	Pres/Sec/Treas Sam
Lakeridge Golf Course Ltd	88-0316355	75% Sam Fam. Trust 25% Jaksick Fam. LLC	Manager – Sam
Locnavar, LLC	20-2833015	40% Sam II LLC 20% Stan 15% Todd II LLC 25% R. Venturacci	Mangers – Todd Sam R. Venturacci

Entity	Tax ID No.	Ownership	Officers/Mgrs
			Stan
Markhor Investment Co.	46-2026752	Stan/Sam Stock Investment (Tilly)	Managers Stan Sam
Montreux Development Group LLC	88-0474136	81% Toiyabe 14% Nichols Dev. Co. 4.25% Stan I LLC	Managers Stan Sam
Montreux Golf Club Ltd	88-0317892	39% Sam Fam. Trust 96% Lakeridge Golf Course 1% Jaksick Fam. LLC	Managers – Stan Sam
Montreux South 51 TIC		70% Toiyabe Invest Co.	Managing TIC Sam
Montreux South 80 TIC		81.75% Toiyabe	Managing TIC Sam
Pioneer Group	88-0269667	35.5870%	Sam - Director
SJ Ranch LLC	88-0505084	100% Sam Fam. Trust	Managers – Todd Sam
SSJ Issue Trust		49% Todd – Stan – Wendy Beneficiaries	Todd - Trustee
SST Westridge LLC	20-2832970	25% Sam Fam. Trust 50% Stan 25% Aspen Streams	Managers – Stan Sam Todd
Sammy Supercub Series A	27-4832839	100% Sam Fam. Trust	Managers Todd Sam
Sam I LLC	26-3368413	100% Sam 35.242 units Jackrabbit	Manager - Sam
Sam II LLC	26-3368654	100% Sam 40% Buckhorn	Manager – Sam
Sam IV LLC	26-3857459	1.25% R-Biznet	Manager – Sam
SSJ LLC	80-0768900	Sam Fam. Trust	Managers - Todd Sam
Spring Mountain Development Co., Inc.	26-3980479	Sam Fam. Trust Todd Fam. Trust TBJ SC Trust Stan Jaksick R. Venturacci	Sam – President Randy – VP Todd – Sec/Treas
Toiyabe Investment Co.	88-0264983	100% Sam Fam. Trust	Sam – Pres/Sec/Treas
White Pine Lumber	88-0121360	100% Sam Fam. Trust	Sam – Pres/Sec Todd - Treasurer

THE
TBJ's ISSUE
TRUST AGREEMENT

Ref - MJA
Todd B. Jaksick, a married man, a resident of Reno, Washoe County, Nevada, as Grantor, and Samuel S. Jaksick, Jr., as Trustee, hereby create The TBJ's Issue Trust on the following terms and conditions.

I
DESCRIPTION OF TRUST PROPERTY

The Grantor has transferred or will transfer to the trust ____ shares of issued and outstanding stock in Home Camp Land and Livestock Co., Inc., a Nevada corporation, representing 49% of the issued and outstanding stock of the corporation and the sum of \$_____, in cash. The Trustee may, in the Trustee's discretion, invest the cash in one or more policies of life insurance insuring the life of the Grantor, or in any other types of investments selected by the Trustee. The trust is to be designated the owner and beneficiary of all life insurance policies in which trust funds are invested. The Trustee is to administer the stock, the life insurance policies, the proceeds of the policies, and any other property or life insurance policies that may subsequently be transferred to or acquired by the trust on the terms and conditions contained in this Trust Agreement.

II
DISPOSITION OF INCOME AND PRINCIPAL

A. LIFETIME OF GRANTOR. So long as the Grantor is living, the trust estate is to be held, administered, and distributed as hereafter provided.

1. Except as otherwise provided below, during each calendar year in which money or other property (including life insurance policies) is transferred to the trust in a transaction that is considered a gift for federal gift tax purposes, including the initial transfer to the trust, the Trustee must pay to or apply for the benefit of each lineal descendant of the Grantor who is then living such amounts as are demanded by the lineal descendant, not to exceed the lesser of the two (2) amounts described in subparagraphs A.1.a. and A.1.b. below. The lesser of the two (2) amounts is hereafter referred to as the "Withdrawal Amount." Each lineal descendant of the Grantor who is living at the time of the transfer is hereafter referred to in this paragraph A. as the "Beneficiary."

a. That fraction of the fair market value of the property transferred to the trust during the calendar year, the numerator of which is one (1), and the denominator of which is the number of lineal descendants of the Grantor who are then living.

b. The maximum amount that qualifies, for gifts to the Beneficiary from the transferor of the property, under Section 2503(b) of the Internal Revenue Code of 1986, as amended (the "Code"), or any corresponding or substitute provision in effect during the calendar year, for the annual exclusion for federal gift tax purposes for the calendar year in which the transfer is made, reduced by the amount of gifts previously made by the transferor to or for the benefit of the Beneficiary during the calendar year that qualify for the annual exclusion. If money or other property is transferred to the trust by the transferor, and if at the time of the transfer to the trust the transferor notifies the Trustee that the transferor intends to treat the gift as having been made by both the transferor and the transferor's spouse under Section 2513 of the Code, or any corresponding or substitute provision in effect at the time of the transfer, then the transfer is to be considered to have been made by both the transferor and the transferor's spouse. In such event, or if the property transferred to the trust is the community property of the transferor and the transferor's spouse, then the amount specified in this subparagraph is to be the maximum amount that qualifies for gifts to the Beneficiary from both the transferor and the transferor's spouse under Section 2503(b) of the Code, or any corresponding or substitute provision in effect during the calendar year, for the annual exclusion for federal gift tax purposes for the calendar year in which the transfer is made, reduced by the amount of gifts previously made by the transferor and/or the transferor's spouse to or for the benefit of the Beneficiary during the calendar year that qualify for the annual exclusion. If separate property is transferred to the trust by the transferor, and if the transferor fails to notify the Trustee that the transferor intends to treat the gift as having been made by both the transferor and the transferor's spouse under Section 2513 of the Code, or any corresponding or substitute provision in effect at the time of the transfer, then the transfer is to be considered to have been made only by the transferor.

The demand is to be made upon the Trustee by a written instrument delivered to the Trustee by the Beneficiary. The demand is to be effective even if the Beneficiary is under a legal disability at the time of the demand. However, if the Beneficiary is under any legal disability, then the amount demanded may be distributed by the Trustee pursuant to paragraph F. below. If the Beneficiary is under any legal disability, then the demand may also be made by the guardian of the person or the guardian of the estate of the Beneficiary. However, the total of the demands made by the Beneficiary, the guardian of the person of the Beneficiary, and the guardian of the estate of the Beneficiary may not exceed the Withdrawal Amount. The Trustee must, within 30 days after the date of each transfer to the trust, notify the Beneficiary, the guardian of the person of the Beneficiary, and the guardian of the estate of the Beneficiary, if any, of the transfer to the trust and the right to demand a distribution pursuant to this provision. The demand must be delivered to the Trustee within 30 days after the date on which the Trustee gives notice of the transfer.

If the Beneficiary (or the guardian of the person or guardian of the estate of the Beneficiary) does not withdraw, during the 30 day period, the entire Withdrawal Amount, then the following are to occur:

First, the Withdrawal Amount is to be reduced at the expiration of the 30 day period by the excess of (a) the largest of the following three (3) amounts:

(1) Five Thousand Dollars (\$5,000);

(2) Five percent (5%) of the aggregate value at the expiration of the 30 day period of this and all other trusts known to the Trustee from which the Beneficiary has a right of withdrawal similar to the one provided by this subparagraph A.1.; or,

(3) Such greater amount as may be specified in an amendment to Section 2514(e) of the Code adopted after the date of this Trust Agreement that provides that the lapse of the right to withdraw such greater amount from the trust estate is to not be considered a release of a general power of appointment that is deemed a transfer of property by the Beneficiary under Section 2514(b) of the Code;

over (b) the aggregate amount of the rights of withdrawal of the Beneficiary in the other trusts described in clause (2) above that have lapsed during the same calendar year at or prior to the expiration of the thirty (30) day period.

Second, the withdrawal right is to continue with respect to the balance of the Withdrawal Amount. However, the withdrawal right is to lapse as to the amount of the reduction. The balance of the Withdrawal Amount is hereafter referred to as the "Nonlapsing Withdrawal Amount."

Third, the right of the Beneficiary to withdraw the Nonlapsing Withdrawal Amount after the expiration of the thirty (30) day period may not be exercised without the prior written consent of the Trustee.

Fourth, the Nonlapsing Withdrawal Amount is to be further reduced as of December 31 of each subsequent calendar year by the excess, if any, of (a) the amount described in subparagraph First above as of December 31 of that calendar year, over (b) the Withdrawal Amount for that calendar year. However, for the calendar year in which the Grantor dies, the reduction described in the preceding sentence is to occur on the earlier of (a) the 60th day after the Grantor's death, or (b) December 31, and the amounts described in subparagraph First above are to be determined as of the date of the reduction. If Nonlapsing Withdrawal Amounts originate from more than one (1) calendar year, then the reductions required by this subparagraph are to be applied to the Nonlapsing Withdrawal Amounts in their chronological order. The Nonlapsing Withdrawal Amount is to lapse as to the amount of the reduction required by this subparagraph.

Fifth, if the Beneficiary dies before the withdrawal of the Nonlapsing Withdrawal Amount, then the balance of the Nonlapsing Withdrawal Amount as of the date of the Beneficiary's death is to be distributed to such one or more persons and entities, excluding only the Beneficiary, the Beneficiary's estate, the Beneficiary's creditors, and the creditors of the Beneficiary's estate, and on such terms and conditions, either outright or

in trust, as the Beneficiary may appoint by a Will or a written and acknowledged instrument specifically referring to and exercising this special power of appointment. The Nonlapsing Withdrawal Amount is to lapse as to any portion not effectively appointed by the Beneficiary in this manner.

The Trustee is specifically empowered to amend the provisions of this subparagraph A.1. to ensure that the withdrawal right of the Beneficiary will qualify gifts to the trust for the annual exclusion for federal gift tax purposes under Section 2503 of the Code, as hereafter amended, or any corresponding or substitute provision applicable to the trust estate.

The demand right granted to the Beneficiary by this subparagraph A.1. is not to apply with respect to any transfer to the trust that is accompanied by a written statement signed by the transferor that the demand right is not to be available to the Beneficiary with respect to that transfer, in which case the Beneficiary is to be disregarded in the determination of the denominator of the fraction under subparagraph A.1.a. above. The written statement may provide that the demand right is to be available to the Beneficiary with respect to a specified portion, but not all, of the property transferred to the trust, in which case the demand right is to apply only with respect to the specified portion of the property transferred. The written statement may also provide that the demand right is to continue to be unavailable to the Beneficiary with respect to all or any specified number or amounts of future transfers to the trust unless the transferor gives written notice to the Trustee that the demand right is to again be available to the Beneficiary.

The dispositive provisions of subparagraphs A.2. through A.7. below are subject to the rights of withdrawal granted by this subparagraph A.1.

2. So long as the Grantor is living, the Trustee must pay from the net income of the trust estate, and if the net income is insufficient, from the principal of the trust estate, whatever amounts are necessary to maintain each life insurance policy owned by the trust as a binding insurance contract. Any net income that is not so applied is to be accumulated and added to principal.

3. So long as the Grantor is living, the Trustee may also, but is not required to, pay to or apply for the benefit of any one or more of the group composed of and limited to the issue of the Grantor, including those aged 18 or older, and the surviving spouses of any deceased issue of the Grantor, such sums out of the principal of the trust estate as the Trustee considers necessary for the proper health, education, support, and maintenance of the beneficiaries, after taking into consideration, to the extent the Trustee considers advisable, any other income or resources of the beneficiaries known to the Trustee. Any payment or application of benefits to or for the benefit of any of the issue of the Grantor or the surviving spouses of any deceased issue of the Grantor pursuant to this subparagraph A.3. is to be charged against the trust estate as a whole, rather than against the ultimate distributive share of the beneficiary to whom or for whose benefit the payment is made.

4. So long as the Grantor is living, the Trustee must, in addition, distribute such amounts from the principal of the trust estate to such one or more members of the group composed of and limited to the issue of the Grantor who are living on or born or adopted after the date of execution of this Trust Agreement, and the surviving spouses of any deceased issue of the Grantor, and on such terms and conditions, either outright or in trust, as the Trust Protector named in or appointed pursuant to paragraph E. below may appoint by a written and acknowledged instrument specifically referring to and exercising this special power of appointment. If no one is then serving as Trust Protector under paragraph E. below, then this special power of appointment is to lapse until such time as a Trust Protector is appointed.

5. On the death of the Grantor, the Trustee must collect the proceeds of any life insurance policies that are then owned by the trust and that insure the life of the Grantor. The proceeds of such life insurance policies, together with any other property of the trust estate, are to then be distributed pursuant to subparagraphs A.5.a. and A.5.b. below.

a. If any Beneficiary possesses the right to withdraw a Nonlapsing Withdrawal Amount pursuant to subparagraph A.1. above on the 90th day after the Grantor's death, then there must be distributed to the Beneficiary an amount equal to the then existing balance of the Beneficiary's Nonlapsing Withdrawal Amount.

b. The residue of the trust estate is to be distributed to such one or more members of the group composed of and limited to the issue of the Grantor who are living on or born or adopted subsequent to the date of death of the Grantor, and the surviving spouses of any deceased issue of the Grantor, and on such terms and conditions, either outright or in trust, as the Trust Protector named in or appointed pursuant to paragraph E. below may appoint by a written and acknowledged instrument specifically referring to and exercising this special power of appointment. If no one is then serving as Trust Protector under paragraph E. below, then this special power of appointment is to lapse unless a Trust Protector is appointed within 90 days after the death of the Grantor. Any of the trust estate not effectively appointed in this manner within 90 days after the death of the Grantor is to be distributed to the then living issue of the Grantor, by right of representation. However, the share of the trust estate that would otherwise be distributed, free of trust, to each lineal descendant of the Grantor pursuant to the preceding sentence must instead be retained in trust for the primary benefit of that descendant for his or her entire lifetime pursuant to paragraph B. below.

B. GENERATION-SKIPPING TRUSTS. The amount distributable in trust for the primary benefit of each lineal descendant of the Grantor pursuant to subparagraph A.5.b. above is to be retained and administered as a separate trust for the benefit of that lineal descendant, the descendant's issue, and the surviving spouses of any deceased issue of the descendant pursuant to subparagraphs B.1. through B.5. below. In each of the following subparagraphs, all references to the "Beneficiary" are to the lineal descendant

of the Grantor for whose primary benefit a separate trust is established pursuant to subparagraph A.5.b. above and this paragraph B.

1. During the lifetime of the Beneficiary, the Trustee may pay to or apply for the benefit of the Beneficiary, any one (1) or more of the issue of the Beneficiary, including those aged 18 or older, and the surviving spouses of any deceased issue of the Beneficiary as much of the income and principal of the trust as the Trustee, in the Trustee's discretion, considers necessary for the health, education, support, and maintenance of such beneficiaries, after taking into consideration, to the extent the Trustee considers advisable, any of their other income or resources known to the Trustee. In exercising the discretion granted by this subparagraph, the Trustee may pay more to or apply more for some beneficiaries than others, and may make payments to or applications of benefits for one or more beneficiaries to the exclusion of others. However, in exercising these discretionary powers to distribute principal, the Trustee is to be mindful of the fact that the primary concern of the Grantor is the proper health, education, support, and maintenance of the Beneficiary, and that the interests of the other beneficiaries in the trust are to be subordinate to those of the Beneficiary. Any payment or application of benefits to or for the benefit of any of the issue of the Beneficiary or the surviving spouses of any deceased issue of the Beneficiary pursuant to this subparagraph B.1. is to be charged against the trust as a whole, rather than against the ultimate distributive share of the beneficiary to whom or for whose benefit the payment is made. Any net income that is not applied as provided in this subparagraph is to be accumulated and added to principal.

2. During the lifetime of the Beneficiary, the Trustee must, in addition, distribute such amounts from the principal of the trust to such one or more members of the group composed of and limited to the issue of the Beneficiary who are living on or born or adopted subsequent to the date of death of the Grantor and the surviving spouses of any deceased issue of the Beneficiary, and on such terms and conditions, either outright or in trust, as the Beneficiary may appoint by a written and acknowledged instrument specifically referring to and exercising this special power of appointment.

3. During the lifetime of the Beneficiary, the Trustee must, in addition, distribute to the Beneficiary such amounts from the principal of the Beneficiary's trust, and on such terms and conditions, either outright or in trust, as the Trust Protector named in or appointed pursuant to paragraph E. below may appoint by a written and acknowledged instrument specifically referring to and exercising this special power of appointment. If the Beneficiary is incapacitated (determined in the manner specified in paragraph D. of article VIII below), then the class of permissible appointees is to be expanded to include the Beneficiary's issue, and if the Beneficiary does not then have any living issue, then the class of permissible appointees is to be further expanded to include the Grantor's issue. If there is no Trust Protector acting under paragraph E. below, then this special power of appointment is to lapse until such time as a Trust Protector is appointed. If the exercise of the Trust Protector's special power of appointment conflicts with the exercise of the Beneficiary's special power of appointment under subparagraph B.2. above, then the exercise of the Beneficiary's special power of appointment is to control.

4. On the death of the Beneficiary, the Trustee must distribute the undistributed balance of the trust to such one or more persons and entities, excluding only the Beneficiary, the Beneficiary's estate, the Beneficiary's creditors, and the creditors of the Beneficiary's estate, and on such terms and conditions, either outright or in trust, as the Beneficiary may appoint by a Will or a written and acknowledged instrument specifically referring to and exercising this special power of appointment. Any of the Beneficiary's trust not effectively appointed by the Beneficiary in this manner is to be distributed to the then living issue of the Beneficiary, by right of representation, or, if there are none, by right of representation to the then living issue of the nearest ancestor of the Beneficiary who is a descendant of the Grantor and who has issue then living, or, if there is no such ancestor of the Beneficiary who has issue then living, to the then living issue of the Grantor, by right of representation. However, (a) if any part of the trust would otherwise be distributed, free of trust, pursuant to the preceding sentence to any lineal descendant of the Grantor for whose primary benefit a trust is then being administered pursuant to this paragraph B., then that part is instead to be added to that trust and is to thereafter be administered according to its terms; and (b), subject to the provisions of paragraph L. of article VIII below (the "Perpetuities Savings Clause"), if any part of the Beneficiary's trust would otherwise be distributed, free of trust, pursuant to the preceding sentence to any other lineal descendant of the Grantor, then that part is instead to be retained in trust for the primary benefit of that lineal descendant during his or her entire lifetime pursuant to this paragraph B. That lineal descendant is to thereafter be considered the "Beneficiary" for the purposes of this paragraph B.

5. The trust will terminate when all its assets are distributed or at the time specified in paragraph L. of article VIII below (the "Perpetuities Savings Clause"), whichever first occurs. If the trust terminates at the time specified in paragraph L. of article VIII below, the trust assets as then constituted will be distributed, free of trust and by right of representation, to the then living issue of the Grantor.

C. DISTRIBUTIONS TO PERSONS UNDER AGE TWENTY FIVE (25). - If any person who is otherwise entitled to an outright distribution of a trust or a share of a trust pursuant to the provisions of this Trust Agreement is, at the time for the outright distribution, under age 25, then the trust or the share of the trust to be distributed to that person is instead to be retained and administered by the Trustee as a separate trust for the benefit of that person as hereafter provided.

1. Until the person attains age 21, the Trustee may pay to or apply for the benefit of the person as much of the net income and principal of the person's trust as the Trustee, in the Trustee's discretion, considers necessary for the proper health, education, support, and maintenance of the person, after taking into consideration, to the extent the Trustee considers advisable, any other income or resources of the person known to the Trustee. Any net income not distributed is to be accumulated and added to principal.

2. After the person attains age 21, the Trustee must pay to or apply for the benefit of the person the entire net income of the person's trust, in quarter-annual or more frequent installments, until the person attains age 25. If the Trustee considers the net income to be insufficient, the Trustee may also pay to or apply for the benefit of the person as much of the principal of the person's trust as the Trustee, in the Trustee's discretion, considers necessary for the proper health, education, support, and maintenance of the person, after taking into consideration, to the extent the Trustee considers advisable, any other income or resources of the person known to the Trustee.

3. When the person attains age 25, the Trustee must distribute to the person the undistributed balance of the person's trust.

4. If the person dies before becoming entitled to receive distribution of the person's entire trust, then the remaining balance of the person's trust is to be distributed pursuant to subparagraphs C.4.a. through C.4.c. below.

a. The "Exempt Portion" (as defined in article VI below) of the person's trust is to be distributed to such one or more members of the group composed of and limited to the Grantor's issue (excluding the person) who are living on or born or adopted after the date of death of the person, and the surviving spouses of any of the Grantor's deceased issue (including the person's surviving spouse) and on such terms and conditions, either outright or in trust, as the person may appoint by a Will or a written and acknowledged instrument specifically referring to and exercising this special power of appointment. If there are no issue of the Grantor (other than the person) who are then living, then the objects of the special power of appointment are to be expanded to include any persons and entities, other than the person, the person's estate, the person's creditors, and the creditors of the person's estate. Any of the Exempt Portion of the person's trust not effectively appointed by the person in this manner is to be distributed pursuant to subparagraph C.4.c. below.

b. The "Nonexempt Portion" (as defined in article VI below) of the person's trust is to be distributed to such one or more persons and entities, including the person's estate, and on such terms and conditions, either outright or in trust, as the person may appoint by a Will or a written and acknowledged instrument specifically referring to and exercising this general power of appointment. Any of the Nonexempt Portion of the person's trust not effectively appointed by the person in this manner is to be distributed pursuant to subparagraph C.4.c. below.

c. Any of the person's trust not effectively appointed by the person pursuant to subparagraphs C.4.a. and C.4.b. above is to be distributed, free of trust, to the then living issue of the person, by right of representation, or, if there are none, by right of representation to the then living issue of the nearest ancestor of the person who is a descendant of the Grantor and who has issue then living, or, if there is no such ancestor of the person who has issue then living, to the nearest living ancestor of the person who is a descendant of the Grantor, or, if there is no such ancestor then living, to the then living

issue of the Grantor, by right of representation. However, if any part of that balance would otherwise be distributed, free of trust, to any person for whose benefit a trust is then being administered under paragraph B. of this Trust Agreement, then that part is instead to be added to that trust and is to thereafter be administered according to its terms; and if any part of that balance would otherwise be distributed, free of trust, to any other person who is then under age 25, then that part is instead to be retained in trust for the benefit of that person pursuant to this paragraph C.

D. REMOTE HEIRS. If at any time before final distribution of the trust estate Todd B. Jaksick and all of the issue of Todd B. Jaksick are deceased, and no other disposition of the property is directed by this Trust Agreement, the remaining portion of the trust estate shall then be distributed to those persons who would then be the legal heirs of Todd B. Jaksick, the identities and respective shares of the heirs of Todd B. Jaksick to be determined as though the death of Todd B. Jaksick had then occurred and according to the then existing laws of the State of Nevada. However, for purposes of this paragraph D., Todd B. Jaksick's sister, Wendy Ann Jaksick Smrt, shall be deemed to have predeceased Todd B. Jaksick.

E. TRUST PROTECTOR. The Trust Protector referred to in subparagraphs A.4., A.5. and B.3. above is to be Kevin Riley of Sacramento, California. If Kevin Riley should also for any reason fail to qualify or cease to act as the Trust Protector, then Brett J. Scolari shall act as the Trust Protector.

If both Kevin Riley and Brett J. Scolari should for any reason fail to qualify or cease to act as Trust Protectors prior to the distribution of the trust estate pursuant to subparagraph B.5. above, then one (1) or more successor Trust Protectors may be appointed by a written instrument signed by a majority of the lineal descendants of the Grantor who are living at the time of the appointment and who have attained the age of majority in the State of Nevada. If one (1) or more successor Trust Protectors are not appointed pursuant to the preceding sentence, then a successor Trust Protector or two (2) or more successor Trust Protectors may be appointed by a written instrument signed by a majority of the persons to whom accountings for that trust are then required to be rendered pursuant to paragraph J. of article IV below. The power granted to an individual to appoint one (1) or more Trust Protectors may be exercised by the individual's guardian or conservator of the estate or by the individual's attorney-in-fact acting under a valid and enforceable power of attorney. If two (2) or more instruments signed by the same person or persons purport to appoint Trust Protectors in an inconsistent or conflicting manner, then the last validly executed instrument signed by the same person or persons is to control.

Each Trust Protector (other than Kevin Riley and Brett J. Scolari) must be an individual with at least five (5) years experience with the administration of estates or trusts as an attorney or certified public accountant, as a trustee of one or more trusts, as a personal representative of one or more estates, as a trust officer with the trust department of a licensed bank or trust company, or any combination of the foregoing. Any person satisfying these requirements may be appointed a successor Trust Protector other than (1)

the Grantor, (2) any of the issue of the Grantor, (3) any of the spouses of the issue of the Grantor, and (4) any person who is considered to be related or subordinate to any of the persons named or described in clauses (1), (2), and (3) above, within the meaning of Code Section 672(c), or any corresponding or substitute provision in effect from time to time.

Any person appointed as a Trust Protector for a trust may be removed, with or without cause, by a written instrument signed by all of the persons to whom accountings for that trust are then required to be rendered pursuant to paragraph J. of article IV below. Any person named or appointed as a Trust Protector for a trust may resign at any time. The resignation is to be effective upon written notice to the Trustee and to all of the persons to whom accountings for that trust are then required to be rendered pursuant to paragraph J. of article IV below.

Any individual appointed as a Trust Protector pursuant to this paragraph E. is to be considered to have failed to qualify as a Trust Protector if the individual at any time becomes incapacitated (determined in the manner specified in paragraph D. of article VIII). The individual is to be restored to the office of Trust Protector as soon as he or she regains capacity. By accepting his or her appointment as the Trust Protector under this Trust Agreement, the individual agrees that his or her physicians may release to any Trustee or beneficiary of the trust estate (or to the beneficiary's attorney, guardian or conservator of the beneficiary's estate, or the beneficiary's attorney-in-fact under a valid and enforceable power of attorney), or to any person or entity named as a successor Trustee, any medical information reasonably necessary to determine the individual's competency pursuant to paragraph D. of article VIII.

If two (2) or more persons serve jointly as Trust Protectors for a trust, then the powers of the Trust Protectors must be exercised unanimously by them.

The Trust Protector is entitled to reasonable compensation for services rendered as Trust Protector, and the Trust Protector may employ, at the expense of the trust estate, attorneys, accountants, investment advisors, and other agents to assist the Trust Protector with the exercise of the Trust Protector's special power of appointment.

The special power of appointment granted to the Trust Protector includes, but is not necessarily limited to, the power to direct distributions of principal to one or more of the objects of the power, the power to amend or restate the Trust Agreement with respect to the trust for which the Trust Protector possesses the power of appointment (but only to the extent that the amendment or restatement affects the interests of the objects of the Trust Protector's power, without affecting the interests of any of the other beneficiaries of the trust), and the power to create new trusts for the benefit of one or more of the objects of the power. The Trust Protector is also specifically authorized to revoke the power granted to the Grantor in paragraph B. of article III to substitute assets and the power granted to the Trustee in subparagraph K.9. of article IV to make unsecured loans to the Grantor, and the Trust Protector may, if desired, subsequently reinstate the powers. Finally, the Trust Protector is specifically authorized to amend subparagraphs A.2. of article II and A.2.b.

of article V to require that the Trustee must pay from the net income of the trust estate whatever amounts are necessary to maintain each life insurance policy owned by the trust as a binding insurance contract only if approved in advance and in writing by one or more persons who are "adverse parties" as defined in Code Section 672(a) of the Internal Revenue, or any corresponding or substitute provision in effect from time to time. The Trustee can be granted the foregoing power if the Trustee is an adverse party.

The Trust Protector may also act jointly with the holders of other powers of appointment over the trust to simultaneously exercise the powers of appointment for the benefit of any number of the objects of the powers. The purpose for the grant of the special power of appointment to the Trust Protector is to provide flexibility to address changed family circumstances and changes in the tax and other laws governing the administration and distribution of the trust.

The Trust Protector is not required to exercise the special power of appointment granted to the Trust Protector, and the power may be exercised in the Trust Protector's sole discretion. The Trust Protector has no duty to monitor the trust with respect to which the special power of appointment is granted or to keep informed of the status of the Trustee and beneficiaries.

The exercise or non-exercise of the special power of appointment is not subject to any fiduciary duty, and, in the absence of fraud or bad faith, is not subject to judicial supervision or control. The Trust Protector is entitled to indemnification by the trust estate against all claims, liabilities, and expenses, including attorneys' fees and costs, resulting from the exercise or non-exercise of the Trust Protector's special power of appointment, unless a court of competent jurisdiction determines that the Trust Protector's acts or omissions were fraudulent or in bad faith. The expenses incurred by the Trust Protector in the defense of any action, suit, or other proceeding initiated against the Trust Protector for the exercise or non-exercise of the Trust Protector's special power of appointment must be paid by the trust estate as they are incurred and in advance of the final disposition of the action, suit, or other proceeding upon receipt by the Trustee of an undertaking by the Trust Protector to repay the expenses if it is ultimately determined by a court of competent jurisdiction that the Trust Protector's acts or omissions were fraudulent or in bad faith.

F. DISTRIBUTIONS TO BENEFICIARIES UNDER LEGAL DISABILITY. If any beneficiary to whom the Trustee is directed to or permitted to make distributions of income or principal is under any legal disability, or, in the opinion of the Trustee, is unable to properly apply such distributions for the benefit of the beneficiary, then the Trustee may make such distributions directly for the benefit of the beneficiary or in any one or more of the following methods:

1. to the beneficiary;
2. to the conservator or guardian of the estate of the beneficiary;

3. to a custodian of the beneficiary under the Uniform Act on Transfers to Minors, or any corresponding or substitute provisions then in effect (the "Act"), and if custodial property has not previously been created for the benefit of the beneficiary under the Act, then the Trustee may, in the Trustee's discretion, declare the property being distributed to be custodial property, transfer the custodial property to a qualified custodian under the Act, and specify any age permitted under the Act as the age for distribution to the beneficiary; or

4. to any relative of the beneficiary, to be expended by the relative for the benefit of the beneficiary.

G. EARLY TERMINATION OF SMALL TRUSTS. If at any time before final distribution, any trust being administered under this Trust Agreement contains assets with an aggregate fair market value of less than \$100,000, and if the Trustee determines, in the Trustee's discretion, that continued administration of the trust would be impractical or that the costs of administration would outweigh the anticipated benefits of continued administration, then the Trustee may terminate the trust and distribute the remaining trust assets to the trust beneficiaries, both income beneficiaries and then living remaindermen. The identities of the remaindermen are to be determined as if the event that would otherwise cause the final distribution of the trust, such as the attainment by the income beneficiary of a specified age or the death of the last living income beneficiary, had then occurred. Except as otherwise specifically provided in this Trust Agreement, distribution among the income beneficiaries and remaindermen is to be in accordance with sound actuarial principles.

H. INTEREST ON PECUNIARY BEQUESTS. Unless otherwise specifically provided in this Trust Agreement, any distribution or allocation of a monetary or pecuniary amount of property may be satisfied in cash or in kind, or partly in each, with the assets so distributed or allocated being valued for this purpose on the date or dates of distribution or allocation. Interest is not to accrue with respect to any pecuniary or monetary distribution or allocation that is satisfied or irrevocably set aside within 15 months after the date of the event that results in the distribution or allocation, such as the death of the Grantor. However, each such monetary or pecuniary distribution or allocation that is not so satisfied or irrevocably set aside within 15 months is to bear interest from the date specified under applicable state law, and if state law does not specify a date for the accrual of interest, interest is to accrue from the date of the event that results in the distribution or allocation, and interest is to accrue to the date of distribution or allocation. Interest is to accrue at the statutory rate applicable to pecuniary bequests under state law, and if state law does not specify a statutory rate, interest is to accrue at 80% of the rate applicable under Code Section 7520 in effect on the date of the event that results in the distribution or allocation, or such other rate as may from time to time be required by the Code or federal estate, gift, or generation-skipping tax regulations.

III

IRREVOCABILITY

A. IRREVOCABILITY. This trust is irrevocable and may not be altered or amended in any respect, and the trust may not be terminated except pursuant to the distributions permitted or required pursuant to the terms of this Trust Agreement. Other property may, however, be added to the trust estate by any person, by the Will or codicil of any person, from the proceeds of life insurance policies, or from any other source.

The Trustee is expressly prohibited from exercising any power primarily for the benefit of the Grantor rather than for the benefit of the beneficiaries of the trusts created under this Trust Agreement. The Grantor may not purchase, exchange, lease, or otherwise deal with or dispose of the principal or the income of the trust estate for less than an adequate and full consideration in money or money's worth, nor may the Grantor borrow the principal or income of the trust estate, directly or indirectly, without adequate interest. However, loans to the Grantor need not be secured. No income or principal of the trust estate may be used to discharge in whole or in part the legal obligation of the Grantor, from time to time existing, to support, educate, and maintain any of the beneficiaries of the trusts created under this Trust Agreement.

B. GRANTOR'S POWER TO SUBSTITUTE ASSETS. The Grantor may, during his lifetime, acquire any assets of the trust estate (except for the life insurance policies insuring the life of the Grantor as discussed below) by substituting other property with a value, on the date of substitution, equal to that of the assets being acquired. If the property does not have a readily ascertainable value, such as cash or securities traded on a non-recognized securities exchange, then the value of the property must be determined by an independent appraisal. This power may be exercised by the Grantor, in his sole discretion, acting in his individual capacity, without any fiduciary responsibility to the Trust, the Trustee or any beneficiary of the trust estate. The power is to be exercised by giving written notice to the Trustee. On receipt of written notice from the Grantor of the Grantor's exercise of the power, the Trustee must promptly execute any documents and take any further action reasonably necessary to substitute the trust assets, and the Trustee is not to be liable for any loss or expenses resulting from the substitution of assets. Notwithstanding the preceding, the Grantor may not exercise this power to substitute assets with regard to any policy of life insurance insuring the life of the Grantor, or the life of the Grantor's spouse. Further, and notwithstanding the preceding, the Grantor may renounce and disclaim his power to substitute assets pursuant to this paragraph B. by notifying the Trustee, in writing, of his renunciation and disclaiming of the power to substitute assets. The foregoing renunciation and disclaimer must be irrevocable.

IV

TRUSTEE PROVISIONS

A. APPOINTMENT OF TRUSTEES AND SUCCESSOR TRUSTEES. Except as otherwise provided in this Trust Agreement or in an instrument exercising a power of appointment that is granted by this Trust Agreement, the persons and entities named or appointed as the Trustee or Co-Trustees in this paragraph A. are to act as the Trustee or Co-Trustees, as the case may be, of each trust established pursuant to this Trust Agreement. Samuel J. Jaksick, Jr. is to initially serve as Trustee. If Samuel S. Jaksick, Jr. should for any reason fail to qualify or cease to act as Trustee, then Dawn Jaksick, Stanley S. Jaksick, and Kevin Riley shall act as Co-Trustees. If any one of Dawn Jaksick, Stanley S. Jaksick, or Kevin Riley should for any reason fail to qualify or cease to act as a Co-Trustee, then the remaining two Co-Trustees and Brett J. Scolari shall act as Co-Trustees. If any two of Dawn Jaksick, Stanley S. Jaksick, Kevin Riley, and Brett J. Scolari should for any reason fail to qualify or cease to act as a Co-Trustee, then Samuel S. Jaksick, Jr. shall appoint one (1) other person or entity to serve as a Co-Trustee with the remaining two Co-Trustees. If Samuel S. Jaksick, Jr. should for any reason be unable to appoint a Co-Trustee pursuant to the preceding sentence, then Dawn Jaksick shall appoint one (1) other person or entity to serve as a Co-Trustee with the remaining two Co-Trustees pursuant to the preceding sentence. If any three of Dawn Jaksick, Stanley S. Jaksick, Kevin Riley, and Brett J. Scolari should for any reason fail to qualify or cease to act as a Co-Trustee, and subject to any appointment by Samuel S. Jaksick, Jr. or Dawn Jaksick pursuant to the preceding sentence, then Nevada State Bank shall serve as a Co-Trustee with the remaining Co-Trustee.

If all five of the individuals named in the foregoing subparagraph should for any reason fail to qualify or cease to act as Co-Trustees, and if a successor Co-Trustee or two (2) or more successor Co-Trustees are not otherwise appointed as provided in the subparagraph, then a successor Co-Trustee or two (2) or more successor Co-Trustees of each trust are to be appointed to serve with Nevada State Bank by a majority of those persons to whom accountings for the trust are then required to be rendered pursuant to paragraph J. below. If a successor Co-Trustee of a trust is not appointed in this manner, then Nevada State Bank shall serve as a sole Trustee of that trust.

The power to appoint, remove, and replace Co-Trustees, successor Trustees, and successor Co-Trustees is to be exercised by a written instrument signed by the person or persons possessing the power. Any person or entity qualified to serve as Trustee, other than the Grantor, may be appointed a Co-Trustee, successor Trustee, or successor Co-Trustee pursuant to this paragraph A.

B. INCAPACITY OF TRUSTEE. Any person named or appointed as the Trustee or as a Co-Trustee pursuant to the provisions of this Trust Agreement is to be considered to have failed to qualify as Trustee or Co-Trustee if the person at any time becomes incapacitated (determined in the manner specified in paragraph D. of article VIII). The

person is to be restored to the office of Trustee, Co-Trustee, or special Trustee as soon as the person regains capacity. By accepting his or her appointment as the Trustee or as a Co-Trustee under this Trust Agreement, the person agrees that the person's physicians may release to any beneficiary of the trust estate (or to the beneficiary's attorney, guardian or conservator of the beneficiary's estate, or the beneficiary's attorney-in-fact under a valid and enforceable power of attorney) any medical information reasonably necessary to determine the person's competency pursuant to paragraph D. of article VIII.

C. EXCULPATION OF SUCCESSOR TRUSTEE. No successor Trustee is to be liable for any act, omission, or default of a predecessor Trustee. Unless requested in writing within 180 days after appointment by an adult beneficiary of the trust, no successor Trustee is to have any duty to investigate or review any action of a predecessor Trustee and may accept the accounting records of the predecessor Trustee showing assets on hand without further investigation and without incurring any liability to any person claiming or having an interest in the trust.

D. EXCULPATION OF CO-TRUSTEES. No Co-Trustee is to be liable for any act, omission, or default of any other Co-Trustee provided that the Co-Trustee has no knowledge of any facts that may reasonably be expected to put the Co-Trustee on notice in sufficient time to have prevented the act, omission, or default.

E. GOVERNING VOTE OF CO-TRUSTEES AND EXECUTION OF DOCUMENTS. During any period of time that there are two (2) or more Co-Trustees, all of the acts of the Co-Trustees are to be governed by the majority vote of the Co-Trustees, and any action taken by the majority vote of the Co-Trustees is to be binding on the trust estate and may be relied on by third parties transacting business with the Co-Trustees.

Following the approval by the Trustee or the Co-Trustees of any transaction pursuant to this Trust Agreement, any deeds, promissory notes, deeds of trust, mortgages, leases, contracts, checks, withdrawal orders for the disbursement or withdrawal of funds, or other instruments binding the assets of the trust or committing the trust to obligations may be executed on behalf of the trust (1) by the Trustee, if there is only one (1) Trustee, (2) by any one (1) of the Co-Trustees, if there are two (2) or more Co-Trustees, or (3) by any other person designated in writing by the Trustee, if there is only one (1) Trustee, or by all of the Co-Trustees, if there are two (2) or more Co-Trustees. Any person or entity transacting business with the trust may rely upon any instrument executed by an authorized signatory without inquiring into the approval of the transaction pursuant to this Trust Agreement.

F. RESIGNATION OF TRUSTEE. The Trustee may resign at any time. The resignation is to be effective after delivery of 30 days written notice to those persons to whom accountings are then required to be rendered pursuant to paragraph J. below. Upon the resignation of the Trustee, a successor Trustee is to be appointed pursuant to paragraph A. above.

G. REMOVAL OF CORPORATE TRUSTEES. Any corporate or institutional Trustee named or appointed as Trustee of a trust pursuant to paragraph A. above may be removed at any time, with or without cause, by a written instrument signed by a majority of those persons to whom accountings for the trust are then required to be rendered pursuant to paragraph J. below. Upon the removal of the corporate or institutional Trustee, a successor Trustee is to be appointed pursuant to paragraph A. above.

H. WAIVER OF BOND. No bond is to be required of any person named or appointed as Trustee for the faithful performance of the person's duties as Trustee.

I. COMPENSATION OF TRUSTEE. Each person or entity named or appointed as a Trustee or Co-Trustee pursuant to this Trust Agreement is entitled to reasonable compensation for services rendered in connection with the administration of the trust estate. Any bank or trust company acting as a corporate Trustee, whether acting as the sole Trustee or as a Co-Trustee, is entitled to compensation for its services in the amount and at the times specified in its schedule of fees and charges established by it from time to time for the administration of trusts similar in character and size to the trust established by this Trust Agreement and in effect when the compensation is payable. The compensation of the corporate Trustee is not to be affected by the fact that the corporate Trustee or an affiliate of the corporate Trustee receives an investment management, administrative, or other fee from an entity or fund in which the trust is an investor.

J. ACCOUNTINGS. During the lifetime of the Grantor, the Trustee is required to render accountings only to the Grantor, and such accountings are to be rendered at least annually. Following the death of the Grantor, the Trustee of each trust is required to render accountings at least annually to each beneficiary of the trust who is entitled to receive current discretionary or mandatory distributions from income or principal, and to each living remainderman who would then be entitled to a distribution of income or principal if the event requiring final distribution of the trust (such as the attainment by the income beneficiary of a specified age or the death of the last living income beneficiary) had then occurred. If a person would be a current beneficiary or remainderman only if a power of appointment were exercised in his or her favor, and if the Trustee does not have actual knowledge of the exercise of the power in that person's favor, then that person is not to be considered a current beneficiary or remainderman for the purposes of this paragraph J. If any beneficiary entitled to receive an accounting is a minor or under any other legal disability, then the accounting is to be delivered to the beneficiary's parents or guardian of the beneficiary's estate. Unless any person to whom an accounting is required to be rendered delivers a written objection to the Trustee within 180 days after receipt of the accounting, the accounting is to be final and conclusive with respect to all transactions disclosed in the accounting as to all beneficiaries of the trust, including unborn and unascertained beneficiaries. After settlement of the accounting by the agreement of the parties objecting to it, or by expiration of the 180 day period, the Trustee is to no longer be liable to any beneficiary of the trust, including unborn and unascertained beneficiaries, with respect to all transactions disclosed in the accounting, except for the Trustee's intentional wrongdoing or fraud.

K. TRUSTEE ADMINISTRATIVE POWERS. Except as otherwise provided in this Trust Agreement or by the laws of the State of Nevada, the Trustee is vested with the following powers with respect to the trust estate and any part of it, in addition to those powers now or hereafter conferred by law:

1. The Trustee is to invest and manage the trust estate as a prudent investor would, after taking into consideration the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the Trustee must exercise reasonable care, skill, and caution. The Trustee's investment and management decisions respecting individual assets and courses of action are to be evaluated not in isolation, but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust, with no types of investments or courses of actions being impermissible or imprudent *per se*. The intent of this provision is to confer upon the Trustee the investment authority defined in the Restatement 3d of the Law of Trusts ("The Prudent Investor Rule"). Within the limitations of this standard, and subject to any express provision or limitation contained in this Trust Agreement, the Trustee is authorized to invest and reinvest the trust estate in every kind of property, real, personal, or mixed, and every kind of investment, specifically including, but not limited to, corporate obligations of every kind, stocks, preferred or common, shares of investment trusts and investment companies (including any common trust fund or other collective investment vehicle administered by the Trustee or an affiliate of the Trustee), mutual funds, and interests in partnerships (both general and limited), limited liability companies, and other forms of legal entities. The Trustee's investment power is not to be affected by the fact that the Trustee or an affiliate of the Trustee may receive an investment management, administrative, or other fee from any entity in which trust assets are invested. In making and implementing investment decisions, the Trustee has a duty to diversify the investments of the trust unless, under the circumstances, it is prudent not to do so. However, the requirement for diversification is not to apply with respect to (a) any property contributed to the trust estate by the Grantor, (b) any life insurance policies purchased by the Trustee that insure the life of the Grantor, (c) any residential real property described in paragraph B. of article V below, and (d) any tangible personal property described in paragraph C. of article V below.

2. The Trustee may organize, participate in, invest in, and contribute trust assets to all forms of legal entities, specifically including, but not limited to, corporations, partnerships (both general and limited), and limited liability companies. The Trustee may acquire any form of equity interest in or evidence of indebtedness from any entity in which trust assets are invested, specifically including, but not limited to, stocks (preferred, common, voting, and non-voting), partnership interests (both limited and general), membership interests (both voting and non-voting), bonds, and promissory notes (both secured and unsecured), on terms and conditions approved by the Trustee, in the Trustee's discretion. This power specifically includes, but is not limited to, the power to invest in and contribute property to limited partnerships, limited liability companies, and other forms of legal entities administered or managed by the Trustee or an affiliate of the Trustee.

3. The Trustee may continue to hold any property, including any shares of the Trustee's own stock, and may operate at the risk of the trust estate any business that the Trustee receives or acquires as long as the Trustee considers advisable.

4. The Trustee is to have all the rights, powers, and privileges of an owner with respect to the securities held in trust, including, but not limited to, the power to vote, give proxies, and pay assessments; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers, and liquidations; and incident to such participation to deposit securities with and transfer title to any protective or other committee on such terms as the Trustee may consider advisable; and to exercise or sell stock subscription or conversion rights.

5. The Trustee may hold securities or other property in the Trustee's name as Trustee under this Trust Agreement, in the Trustee's own name, or in the name of a nominee, or the Trustee may hold securities unregistered in such condition that ownership will pass by delivery.

6. The Trustee may manage, control, grant options on, sell (for cash or on deferred payments), convey, exchange, partition, divide, improve, and repair trust property.

7. The Trustee may write or sell covered call options on any securities held in the trust through any recognized options exchange.

8. The Trustee may lease trust property for terms within or beyond the term of the Trust Agreement for any purpose, including exploration for the removal of gas, oil, and other minerals; and may enter into community oil leases, pooling, and unitization agreements.

9. The Trustee may loan money to the Grantor, the probate estate of the Grantor, The Todd Jaksick Family Trust, and any beneficiary of the trust estate. Any such loan must bear a reasonable rate of interest, but need not be secured. The Trustee may also loan money to any other person or entity. However, any loan to any other person or entity must bear a reasonable rate of interest and must be adequately secured.

10. The Trustee may purchase property at its fair market value as determined by the Trustee, in the Trustee's discretion, from the Grantor, the probate estate of the Grantor and The Todd Jaksick Family Trust.

11. The Trustee may loan or advance the Trustee's own funds to the trust estate, with interest at current rates; may receive security for such loans in the form of a mortgage, pledge, deed of trust, or other encumbrance of any assets of the trust estate; may purchase assets of the trust estate at their fair market value as determined by an independent appraisal of those assets; and may sell property to the trust at a price not in

excess of the fair market value of the property as determined by an independent appraisal.

12. The Trustee may release or restrict the scope of any power that the Trustee may hold in connection with the trust estate, whether such power is expressly granted in the Trust Agreement or implied by law. The Trustee is to exercise this power in a written instrument executed by the Trustee specifying the power to be released or restricted and the nature of the release or restriction. The release or restriction is to be binding on all successor Trustees unless otherwise stated in the written instrument.

13. The Trustee may take any action and make any election, in the Trustee's discretion, to minimize the tax liabilities of the trust estate and the beneficiaries. The Trustee may allocate the tax benefits among the various beneficiaries, and the Trustee may make adjustments in the rights of any beneficiaries, or between the income and principal accounts, to compensate for the consequences of any tax election or any investment or administrative decision that the Trustee believes has had the effect of directly or indirectly preferring one beneficiary or group of beneficiaries over others.

14. The Trustee may borrow money and encumber trust property by mortgage, deed of trust, pledge, or otherwise. The Trustee is authorized to purchase, sell, and trade securities of any nature, including short sales, on margin, and for such purposes may maintain and operate margin accounts with brokers and may pledge any securities held or purchased by the Trustee with such brokers as security for loans and advances made to the Trustee. The Trustee of each trust is also authorized to guarantee any loans made to any entity in which the trust owns an equity interest.

15. The Trustee may commence or defend, at the expense of the trust estate, such litigation with respect to the trust estate or any property of the trust estate as the Trustee may consider advisable and may compromise or otherwise adjust any claims or litigation against or in favor of the trust estate.

16. The Trustee may carry insurance of such kinds and in such amounts as the Trustee considers advisable, at the expense of the trust estate, to protect the trust estate and the Trustee personally against any hazard.

17. The Trustee may employ attorneys, accountants, investment advisors, managerial, clerical, and other assistants and agents, including management companies and resident managers of any real property operated by the trust. The expense of employment of such personnel is to be a proper expense of the trust and not of the Trustee personally.

18. The Trustee may withhold from distribution, in the Trustee's discretion, at the time for distribution of any property of the trust estate, without the payment of interest, all or any part of the property, as long as the Trustee determines, in the Trustee's discretion, that the property may be subject to conflicting claims, to tax deficiencies, or to liabilities, contingent or otherwise, properly incurred in the administration of the trust estate

or in the administration of the probate estate of the Grantor or the Todd Jaksick Family Trust.

19. The Trustee may partition, allot, and distribute the trust estate, on any division or periodic, partial, or final distribution of the trust estate, in undivided interests or in kind, or partly in money and partly in kind, at valuations determined by the Trustee, and may sell such property as the Trustee considers necessary to make any division or distribution. In making any division or periodic, partial, or final distribution of the trust estate, the Trustee is to be under no obligation to make a pro-rata division, or to distribute the same assets to beneficiaries similarly situated, but rather the Trustee may, in the Trustee's discretion, make a nonpro-rata division between trusts or shares and nonpro-rata distributions to beneficiaries, so long as the assets allocated to the separate trusts or shares, or distributed to the beneficiaries, have equivalent or proportionate fair market values.

20. Except as otherwise specifically provided in this Trust Agreement, the determination of all matters with respect to what is principal or income of the trust estate and the apportionment and allocation of receipts and expenses between these accounts are to be governed by the provisions of the Nevada Revised Uniform Principal and Income Act from time to time existing. Any such matter not provided for either in this Trust Agreement or in the Nevada Revised Uniform Principal and Income Act is to be determined by the Trustee, in the Trustee's discretion.

21. For trust accounting purposes, all items of prepaid, accrued, or undistributed income and all taxes and other current expenses are to be prorated on a daily basis over the period to which they relate. The prorations are to be calculated on the basis of a 360 day year and a 30 day month.

22. There need be no physical segregation or division of the various trusts or shares except as segregation or division may be required by the termination of any of the trusts or shares, but the Trustee must maintain separate accounts for the different undivided interests.

23. Other property acceptable to the Trustee may be added to the trust estate by any person, by the Will or codicil of the Grantor, the Todd Jaksick Family Trust, by the proceeds of any life insurance policy, or otherwise.

24. The Trustee may perform any environmental inspections of trust assets that the Trustee deems advisable before or after the assets are accepted by the Trustee, and the Trustee may refuse to accept any asset based upon the results of the inspection. The Trustee may undertake any remedial measures with respect to any trust asset that the Trustee deems necessary or advisable in order to comply with environmental laws and may compromise any environmental liability claims on terms deemed advisable by the Trustee. The Trustee may regularly inspect and monitor trust property for compliance with applicable environmental laws, rules, and regulations. All inspections,

remedial measures, settlements of environmental claims, and other actions taken by the Trustee pursuant to this subparagraph are to be at the expense of the trust estate and not at the expense of the Trustee personally. The Trustee may renounce or disclaim any power that might otherwise subject the Trustee to personal liability for environmental violations.

25. For investment purposes, the Trustee may, in the discretion of the Trustee, combine the assets of any of the trusts created under this Trust Agreement with the assets of any other trust established by the Grantor pursuant to this Trust Agreement, pursuant to the Will of the Grantor, pursuant to The Todd Jaksick Family Trust Agreement (As Restated), or otherwise. In such event, the Trustee must maintain separate records of the amounts allocable to each such trust. In addition, the Trustee may, in the Trustee's discretion, merge any trust created under the terms of this Trust Agreement with any other trust established by the Grantor pursuant to this Trust Agreement, pursuant to the Will of the Grantor, pursuant to The Todd Jaksick Family Trust Agreement (As Restated), or otherwise, so long as the beneficial interests under such merged trusts are substantially identical. In the event of any such merger, the Trustee need not maintain separate records of the amounts allocable to each merged trust.

26. Notwithstanding the preceding provisions, any individual who is appointed the Trustee or a Co-Trustee pursuant to paragraph A. above may not exercise or decide to not exercise any tax election or option under any federal, state, or local law if doing so (a) could increase, decrease, or shift to another beneficiary his or her beneficial interest in the trust estate, and (b) the increase, decrease, or shift would or could constitute income to or a transfer by the Trustee for federal, state, or local income or transfer tax purposes. If all the appointed Trustees are prohibited from exercising or from deciding to not exercise the tax election or option by the preceding sentence, then another individual, bank, or trust company (but not an individual who or bank or trust company which is related or subordinate to any acting Trustee under this Trust Agreement within the meaning of Code Section 672(c)) must be appointed by the Trustee or Co-Trustees then acting under this Trust Agreement, and the Trustee so appointed must alone exercise or decide to not exercise the tax election or option.

L. TRUSTEE STANDARD OF REVIEW. The Trustee is to be personally liable or subject to surcharge only if the Trustee should act without reason, in bad faith, or in intentional violation of specific material provisions of this Trust Agreement. Precatory language is merely suggestive and does not create an enforceable standard under which an act can be criticized or compelled. However, this standard of review is not intended to expand the standards of "health, education, support, and maintenance" for distributions into broader standards that are not "ascertainable standards" for transfer tax purposes.

The Trustee is entitled to indemnification against any claims, liabilities, and expenses, including attorneys' fees and amounts paid in settlement, resulting from the acts or omissions of the Trustee, so long as the Trustee's acts or omissions are not without reason, are not in bad faith, and are not in violation of specific provisions of this Trust

Agreement. The Grantors intend to provide the Trustee with indemnification to the maximum extent allowed by law. The expenses of the Trustee incurred in the defense any action, suit, or proceeding must be paid from the trust estate as they are incurred and in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Trustee to repay the amount if it is ultimately determined that the Trustee is not entitled to be indemnified.

M. PRESERVATION OF ATTORNEY-CLIENT PRIVILEGE. The Trustee (and if there is more than one (1) Trustee, each Trustee) may consult legal counsel chosen by the Trustee on any matter relating to the administration of the trust, including, but not limited to, the Trustee's fiduciary duties and responsibilities with respect to the trust. All of the fees and expenses incurred as a result of such consultations are to be charged as an expense of the trust and are not to reduce the Trustee's compensation. All consultations and communications between the Trustee and the Trustee's attorney in connection with trust matters are to be confidential and are not subject to disclosure to any beneficiary or to any successor Trustee. Any fees or expenses incurred by the Trustee to defend any challenge to such confidentiality are to also be charged as an expense of the trust and are not to reduce the Trustee's compensation.

N. TRUSTEE NOT RESPONSIBLE FOR DETERMINATION OF BIRTHS, DEATHS, AND OTHER EVENTS THAT AFFECT TRUSTS. Until the Trustee receives written notice of any birth, death, attainment of a specified age, or any other event that affects the administration of or rights to distributions from any trust being administered under this Trust Agreement, the Trustee is not to be liable for any distributions or other disbursements that are made from the trust in good faith prior to receipt of the notice.

V

RULES GOVERNING CERTAIN PROPERTY

A. LIFE INSURANCE PROVISIONS. If any trust or share created under the terms of this Trust Agreement is designated as the owner or beneficiary of any policy of life insurance, then the provisions of this paragraph A. are to apply with respect to such life insurance policy.

1. Assignment of Incidents of Ownership. The assignment of the ownership of any policy of life insurance to the trust estate is to constitute an irrevocable assignment of all rights, options, and privileges conferred on the owner by the terms of the policy, including, but not limited to, the right to change its beneficiary designation, to hypothecate the policy, and to borrow funds from the insurer.

2. Payment of Premiums. All of the premiums, assessments, or other charges on any life insurance policy of which the Trustee is the owner and beneficiary that are required to maintain its status as a binding insurance contract are to be paid as hereafter provided.

a. The Trustee may, in the Trustee's discretion, direct the insurance company to apply all dividends, interest, or other refunds of a similar nature on each policy to be used, to the extent permitted by the company, to pay or reduce the premiums, assessments, or other charges. All dividends, interest, or other refunds of a similar nature that are not so applied may either be reinvested within the policy or paid to the Trustee to be held as part of the principal of the trust estate.

b. If the dividends, interest, or other refunds of a similar nature on each policy that are applied to the payment of the premiums, assessments, or other charges pursuant to subparagraph A.2.a. above are insufficient to maintain the policy as a binding insurance contract, then the Trustee must apply the net income of the trust estate to pay such premiums, assessments, or other charges, and to the extent the net income is insufficient, the Trustee must apply the principal of the trust estate for such purposes.

c. If at any time the resources described in subparagraphs A.2.a. and A.2.b. above are insufficient for the payment of the premiums, assessments, or other charges required to maintain each policy as a binding insurance contract, the Trustee must notify the Grantor and the living beneficiaries of the trust who have attained the age of majority of the amount required to pay the necessary premiums, assessments, or other charges. Any funds transferred to the Trustee as a result of the notice must be applied by the Trustee to the payment of the required premiums, assessments, or other charges, and any excess amounts is to be held by the Trustee as principal of the trust estate.

d. If at any time all of the resources available to the Trustee pursuant to the provisions of subparagraphs A.2.a., A.2.b., and A.2.c. above are insufficient to permit the payment of the premiums, assessments, or other charges on each life insurance policy of which the Trustee is the owner and beneficiary that are required to maintain the status of the policy as a binding insurance contract, the Trustee is to have no obligation to make such payment, is not to be liable to the Grantor or to any beneficiary of the trust estate for the non-payment, and is to have no responsibility for determining whether the payment has been made. The Trustee may, but is not required to, borrow against any life insurance policy in the trust estate in an amount sufficient to pay the required premiums, assessments, or other charges. The Trustee may also, but is not required to, borrow against the cash value of any life insurance policy, surrender the policy for its cash surrender value, or convert the policy into a fully paid policy whenever the resources of the Trustee are insufficient to permit the payment of the required premiums, assessments, or other charges.

e. The Trustee may, in the Trustee's discretion, make any other reasonable arrangements for the payment of the premiums, assessments, or other charges that are required to maintain each policy as a binding insurance contract if the Trustee considers that such other arrangements would be more beneficial to the trust estate and the beneficiaries than the provisions of subparagraphs A.2.a. through A.2.d. above.

3. Collection of Proceeds. The Trustee is not responsible for determining whether the death of the insured has occurred. However, upon receipt of proof of death of the insured and upon receipt of the insurance policy, the Trustee must use reasonable efforts to collect all sums payable under the terms of the policy. The Trustee may require reasonable indemnification for all costs, expenses, and damages that may be incurred in the collection of the proceeds. All sums received are to become principal of the trust estate, except for interest paid by the insurer, which is to be income.

The Trustee may compromise, arbitrate, or otherwise adjust any claim, dispute, or controversy arising under any policy, and may initiate, defend, settle, and compromise any legal proceeding necessary in the Trustee's opinion to collect the proceeds of any policy.

The Trustee's receipt to any insurer is to be considered in full discharge, and the insurer is not to have any duty to inquire into the application by the Trustee of the policy proceeds. Upon collection of the life insurance proceeds, the Trustee must hold, administer, and distribute the proceeds pursuant to the terms and conditions of this Trust Agreement.

B. USE OF REAL PROPERTY. The Trustee, in the Trustee's discretion, may but is not required to, permit any issue of the Grantor to occupy, rent free, any residential real property (including any primary, secondary, or vacation residence) held in or acquired by the trust estate or an entity in which the trust has an interest. The Trustee, in the Trustee's discretion, may also, but is not required to, permit any issue of the Grantor to occupy or otherwise use, rent free, any nonresidential real property held in or acquired by the trust estate or an entity in which the trust has an interest. The Trustee may, however, require the beneficiary to pay all or any portion of the property taxes, assessments, insurance premiums, repair and maintenance expenses, utility expenses, and other expenses attributable to the property as a condition for the beneficiary's rent-free use of the property. The Trustee may also require the beneficiary to agree in writing to indemnify and hold the Trustee and the trust estate harmless from any liability resulting from the occupancy of the property by the beneficiary and his or her guests and invitees, including, but not limited to, any liability for personal injury or property damage sustained during the use and occupancy of the property. The Trustee is not to be liable to the other beneficiaries of the trust estate for any loss of or damage to the real property that results from the use and occupancy of the property by a beneficiary pursuant to this provision. In order for the Trustee to permit any issue of the Grantor to occupy or otherwise use, rent free, any real property held in an entity in which the trust has an interest, the Trustee will exercise its voting rights in that entity. The Trustee will not be responsible or liable to any beneficiary if the Trustee exercises its voting rights in the entity to permit any issue of the Grantor to occupy or otherwise use any real property owned by the entity, and the entity for any reason fails to permit the issue to use its property for any reason.

C. USE OF TANGIBLE PERSONAL PROPERTY. The Trustee, in the Trustee's discretion, may also, but is not required to, permit any issue of the Grantor to use, possess, and enjoy, rent free, any household furniture and furnishings, jewelry, clothing, paintings, artwork, automobiles, boats, and other items of tangible personal property that are to remain in or are acquired by the trust estate or an entity in which the trust has an interest. The Trustee may, however, require the beneficiary to pay all or any portion of the personal property taxes, license fees, insurance premiums, repair and maintenance expenses, and other expenses attributable to the tangible personal property and to take reasonable measures to safeguard, insure, and account for the property as a condition for the beneficiary's rent-free use, possession, and enjoyment of the property. The Trustee may also require the beneficiary to agree in writing to indemnify and hold the Trustee and the trust estate harmless from any liability resulting from the beneficiary's use, possession, and enjoyment of the property, including, but not limited to, any liability to any third persons or entities for personal injury or property damage resulting from the beneficiary's use of the property. The Trustee is not to be liable to the other beneficiaries of the trust estate for any loss of or damage to the tangible personal property that results from the use, possession, and enjoyment of the property by a beneficiary pursuant to this provision. In order for the Trustee to permit any issue of the Grantor to use, rent free, any tangible property held in an entity in which the trust has an interest, the Trustee will exercise its voting rights in that entity. The Trustee will not be responsible or liable to any beneficiary if the Trustee exercises its voting rights in the entity to permit any issue of the Grantor to occupy or otherwise use any tangible personal property owed by the entity, and the entity for any reason fails to permit the issue to use its property for any reason.

D. ALLOCATION, ADMINISTRATION, AND DISTRIBUTION OF "S CORPORATION" STOCK. If the trust estate consists of shares of stock of any corporation that is an "S corporation," as defined in Section 1361(a) of the Code, or any corresponding or substitute provision in effect from time to time, then the Trustee may, in the Trustee's discretion, take any action necessary or appropriate to preserve the S corporation election under Section 1362(a) of the Code, or any corresponding or substitute provision in effect from time to time. The Trustee is specifically empowered to distribute, free of trust, to any of the beneficiaries of the trust estate any of the shares of stock of the S corporation that are held in the trust estate. In addition, the Trustee may amend the terms of any trust under this Trust Agreement to qualify the trust as a "qualified subchapter S trust" within the meaning of Section 1361(d) of the Code, or as an "electing small business trust" within the meaning of Section 1361(e) of the Code, or any corresponding or substitute provisions in effect from time to time. In exercising these powers, the Trustee may divide any trust into more than one trust, with one such trust containing the stock of the S corporation, with amended terms for administration and distribution that qualify the trust as a "qualified subchapter S trust" or as a "electing small business trust," and with the other trust or trusts containing all other trust assets, which are to be administered pursuant to the terms and conditions contained in this Trust Agreement. However, the Trustee may not exercise this power in a manner that would increase the Trustee's individual benefits under this Trust Agreement or in any manner that would result in an outright distribution to any beneficiary

whom the Trustee is legally obligated to support, educate, and maintain. The Trustee is not to be liable for any good faith exercise of the powers conferred by this paragraph.

VI

GENERATION-SKIPPING TRANSFER TAX PROVISIONS

A. **DEFINITION OF GENERATION-SKIPPING.** The term (or any reference to) "generation-skipping" in this Trust Agreement refers to the federal generation-skipping transfer tax under Chapter 13 of the Code.

B. **TRUST TO INCLUDE SEPARATE SHARES.** References to a "trust" or to "trusts" refer also to arrangements that are treated as trusts for generation-skipping purposes and to separate shares of a trust if the context so indicates, if consistent with the Grantor's apparent objectives, and if the shares will be "substantially separate and independent shares of different beneficiaries" entitled to be treated as separate trusts for generation-skipping purposes under Code Section 2654(b).

C. **DEFINITION OF EXECUTOR FOR GENERATION-SKIPPING PURPOSES.** In this article, and in the generation-skipping context generally, the term "Executor" refers to the person or persons authorized by Code provisions or Treasury regulations to make the transferor election for qualified terminable interest property under Code Section 2652(a)(3) and to allocate the generation-skipping exemption under Code Section 2631(a).

D. **DEFINITIONS OF EXEMPT, NONEXEMPT, INCLUSION RATIO, AND APPLICABLE FRACTION.** In this article, and in the generation-skipping context generally, the term "Exempt" refers to property or a trust that has a generation-skipping "inclusion ratio" of zero (that is, an "applicable fraction" for generation-skipping purposes of one). Any reference made to an "Exempt Trust" or to the "Exempt Portion" of certain property or of a trust is a reference to or a special titling for property or a trust that has been or is to be established having an "inclusion ratio" of zero. The term "Nonexempt Portion" or the adjective "Nonexempt" indicates property or a trust that has a generation-skipping "inclusion ratio" of one (that is, an "applicable fraction" of zero). The terms "inclusion ratio" and "applicable fraction" have the meanings prescribed in Code Section 2642.

E. **EXECUTOR'S AND TRUSTEE'S GENERATION-SKIPPING AUTHORITY.**

1. In exercising the power to allocate the generation-skipping exemption of the Grantor or of any other transferor under Code Section 2631(a), or a counterpart exemption under any applicable state law, the Executor of the Grantor or other transferor may include in or exclude from that allocation any property of which the Grantor or other transferor is the transferor for generation-skipping purposes, including property transferred prior to the death of the Grantor or other transferor. These decisions may be based on transfers, gift tax returns, and other information known to the Executor, with a requirement of good faith but no requirement that allocations benefit the various transferees or

beneficiaries of such property equally, proportionately, or in any other particular manner. However, no person acting as Executor may make or participate in any generation-skipping election or allocation decision if the power to do so would result in the person being deemed to possess a general power of appointment for federal estate and gift tax purposes over property with respect to which he or she would (or might) not otherwise have such a general power. Should this prohibition leave no Executor able to make such an election or allocation, then the office of Executor is to be filled for this limited purpose by the Trustee under this Trust Agreement, and if the Trustee is also the Executor, then the office of Executor is to be filled for this limited purpose in the manner specified in this Trust Agreement for the appointment of successor Trustees.

2. During any period of time that the federal generation-skipping transfer tax or any corresponding or substitute tax provisions are in effect, no trust that is otherwise to be established under this Trust Agreement may include both Exempt property and Nonexempt property. To accomplish this result, the Trustee must divide each trust that is otherwise to be established under this Trust Agreement and that would otherwise include both Exempt property and Nonexempt property into two (2) separate trusts, an Exempt Trust and a Nonexempt Trust. The Nonexempt Trust is to be established by allocating to it the minimum fractional share of the trust property that is necessary to establish it with an "inclusion ratio" of one, while leaving the Exempt Trust with an "inclusion ratio" of zero.

3. Except as otherwise specifically provided in this Trust Agreement, when a trust otherwise to be established is divided under the foregoing provisions into Exempt and Nonexempt Trusts or otherwise into multiple trusts, (a) each trust is to have the same provisions as the original trust from which it is established, and (b) all references in this Trust Agreement to the original trust are to collectively refer to the separate trusts derived from it.

4. Upon termination, partial termination, subdivision, distribution, or partial distribution of any of the separate trusts created under this Trust Agreement, or upon the combination or merger of separate trusts, the Exempt and Nonexempt character of the property of each trust must be preserved. Accordingly, Nonexempt property from any trust may not be added to or merged with Exempt property from any other trust, even if this results in the establishment of additional separate trusts with the same terms and provisions.

5. The Trustee of each trust may, in the Trustee's sole discretion, combine any trust with any other trust or trusts having the same inclusion ratio, including trusts established by the Grantor pursuant to this Trust Agreement, pursuant to The Todd Jaksick Family Trust Agreement, pursuant to the Will of the Grantor, or otherwise, or by any of the issue of the Grantor; and the Trustee may establish separate shares in each combined trust if and as needed to preserve the rights and protect the interests of the various beneficiaries when the trusts being combined do not have identical terms or when separate shares are otherwise deemed desirable by the Trustee. Trusts with different inclusion ratios that are established pursuant to other trust instruments may also be

combined with each other or with trusts established under this Trust Agreement, provided their inclusion ratios are maintained unchanged through substantially separate and independent shares of different beneficiaries under Code Section 2654(b). Similarly, the Trustee may subdivide separate or separable shares of a single trust into separate trusts. These powers to combine and divide trusts may be exercised from time to time, and may be used to modify or reverse their prior exercise. In deciding whether and how to exercise this authority, the Trustee may consider efficiencies of administration, generation-skipping and other transfer tax considerations, income tax factors affecting the various trusts and their beneficiaries, present and future financial and other objectives of the trusts and their beneficiaries, the need or desirability of having the same or different Trustees for the various trusts or shares, and any other considerations the Trustee may deem appropriate to these decisions.

6. The Grantor intends to encourage the Trustee to administer separate trusts under this Trust Agreement in ways that, in the long run, are likely to reduce income and transfer taxes on the trusts and their beneficiaries and that are likely to make efficient utilization of available tax privileges, such as generation-skipping exemptions. Consistent with these objectives, the Trustee of any trust may consult with other trustees and may in reasonable ways coordinate decisions and actions of the trust with those of other trusts under this Trust Agreement, under other dispositions made by the Grantor, and under Wills and trusts of others when those other trusts have, in whole or in part, similar beneficiaries. Without limiting the foregoing, the Grantor specifically authorizes (but does not require) the Trustee, in administering different trusts wholly or in part for the benefit of a particular beneficiary or group of beneficiaries, to adopt different investment patterns and objectives for different trusts based on their generation-skipping ratios and to prefer making distributions from Nonexempt Trusts to beneficiaries who are "non-skip persons" for generation-skipping purposes and from Exempt Trusts to those who are "skip persons," as those terms are defined in Code Section 2613.

F. GRANT OF GENERAL POWER OF APPOINTMENT. If all or any portion of the assets held in a Nonexempt Trust under this Trust Agreement would otherwise be subject to the generation-skipping tax on the death of any beneficiary, and if the possession of a general power of appointment by that beneficiary would prevent the imposition of the generation-skipping tax on the assets subject to the power, then that beneficiary is hereby granted a general power of appointment exercisable on his or her death. The general power of appointment is to be exercisable with respect to the lesser of (a) that portion of the assets of the Nonexempt Trust under this Trust Agreement that would otherwise be subject to the generation-skipping tax on the death of the beneficiary, or (b) the amount, if any, needed to increase the beneficiary's taxable estate for federal estate tax purposes to the smallest amount subject to federal estate taxation at the "maximum federal estate tax rate" (as defined in Code Section 2641), after taking into consideration the beneficiary's adjusted taxable gifts (as defined in Code Section 2001(b)). If this or a similar limitation is imposed on the amount subject to a general power of appointment under one or more other Nonexempt Trusts, regardless of the source of the trust or the identity of the grantor, then the limitation described in clause (b) above is to be

reduced to that fraction of the amount described therein, the numerator of which is the amount described in clause (a) above, and the denominator of which is the total value of the assets of all of the Nonexempt Trusts (including the Nonexempt Trust under this Trust Agreement) that would otherwise be subject to the generation-skipping tax on the death of the beneficiary and that grant such general powers of appointment to the beneficiary with similar limitations. The general power of appointment may be exercised in favor of any one or more of the beneficiary's creditors, and on such terms and conditions, either outright or in trust, as the beneficiary may appoint by a Will or a written and acknowledged instrument specifically referring to and exercising this general power of appointment. Any of the assets of the Nonexempt Trust that are not effectively appointed by the beneficiary in this manner are to be distributed, or retained in trust, pursuant to the dispositive provisions of this Trust Agreement that would apply if the general power of appointment were not granted to the beneficiary.

G. OVERALL OBJECTIVE OF SPECIAL GENERATION-SKIPPING PROVISIONS. All provisions of this Trust Agreement are to be construed to provide for or at least to permit divisions, distributions, and administration of trusts and other dispositions in a timely manner consistent with the Grantor's objectives of efficiently using available generation-skipping exemptions and (to the extent possible) of establishing and maintaining only trusts (or substantially separate and independent shares) that have inclusion ratios either of zero or of one and are thus either entirely Exempt or entirely Nonexempt.

H. EFFECT OF REPEAL OF GENERATION-SKIPPING TRANSFER TAX. If the federal generation-skipping transfer tax under Chapter 13 of the Code has been repealed as of the date of establishment of any trust under this Trust Agreement, and if there is no corresponding or substitute transfer tax then in effect, then for the purposes of this Trust Agreement the entire trust is to be considered "Exempt." Similarly, if any trust under this Trust Agreement is divided into Exempt and Nonexempt Trusts pursuant to the preceding paragraphs, and if the federal generation-skipping transfer tax under Chapter 13 of the Code is thereafter repealed without the enactment of a corresponding or substitute transfer tax that is applicable to such trusts, then, unless otherwise provided in this Trust Agreement, the Nonexempt Trust is to be merged into the Exempt Trust, and both trusts are to thereafter be considered a single Exempt Trust for purposes of this Trust Agreement.

VII

TAX APPORTIONMENT

A. APPORTIONMENT ON DEATHS OF GRANTOR AND BENEFICIARIES. Except as otherwise specifically provided in this Trust Agreement, in the Will of the Grantor, in The Todd Jaksick Family Trust Agreement, or in the Will of any beneficiary whose death taxes are affected by the assets of the trust estate, all federal, state, and foreign estate, inheritance, death, or other transfer taxes (hereafter referred to collectively

as "death taxes") resulting from the death of the Grantor or of any beneficiary of the trust estate that are attributable to any property that passes or has passed under this Trust Agreement are, in the case of an inheritance tax, to be paid by the person upon whom or from the property upon which the inheritance tax is specifically imposed, and, in the case of an estate, death, or other transfer tax (including generation-skipping transfer taxes), are to be apportioned in accordance with applicable state law.

B. APPORTIONMENT OF TAX BENEFITS. The death tax benefits of any credits, deductions, exclusions, exemptions, elections, and similar items are to be apportioned as follows:

1. The credit granted by Code Section 2001(b)(2) for gift taxes that were paid by an individual recipient of a taxable gift is to inure to the benefit of that recipient.

2. The credit granted by Code Section 2001(b)(2) for gift taxes that were not paid by an individual recipient, the applicable credit amount granted by Code Section 2010, the credit for gift taxes granted by Code Section 2012, the credit for property previously taxed granted by Code Section 2013 (but only to the extent attributable to property that cannot be identified specifically as includible in the estate), and any other credit the benefit of which is not allocated by subparagraph B.3. below because it is not possible to identify the property passing to a recipient that produces the credit are to inure to the benefit of all recipients of property includible in the estate for death tax purposes.

3. The benefit of any other credit is to inure to the recipient of the property that produces the credit. For example, (a) the recipient of property that generates a state death tax is to receive the benefit of the credit granted by Code Section 2011 with respect to payment of that tax, (b) the recipient of property subject to foreign death tax is to receive the benefit of the credit granted by Code Section 2014 with respect to the taxation of that property, and (c) the recipient of specifically identifiable property that is includible in the estate and that previously was taxed is to receive the benefit of any credit granted by Code Section 2013 with respect to that property.

4. Any reduction in tax attributable to an election under Code Section 2032A or any similar provision enacted in the future is to inure to the benefit of the qualified heir who receives the property that is the subject of the election. Any recapture tax, including interest and penalties thereon, resulting from the disposition or cessation of qualified use of the property or any other event that causes a recapture tax is to be charged against and collected from the qualified heir who owns the property at the time of the event that results in the recapture tax.

5. Any reduction in tax attributable to property qualifying for the marital or charitable deduction is to inure to the benefit of the recipient of the property.

6. The benefit of any tax rate differential in computing a state death tax that is attributable to the relationship of the recipient to the transferor is to inure to the recipient.

7. The benefit of any deferral of death tax under Code Sections 6161, 6163, 6166, any corresponding provisions of state law, and any similar provisions enacted in the future is to inure to the recipient of the property that qualifies for the deferral and who assumes the deferred tax liability. The recipient is to be liable for the interest that accrues with respect to the deferred tax liability and for payment of the entire amount of the tax, together with accrued interest thereon, upon the occurrence of any event that accelerates the payment of the tax.

8. Any other tax benefit that is directly attributable to identifiable property is to inure to the recipient of the property that produces the tax benefit.

9. Any tax benefit attributable to a deductible expense that is charged directly to a beneficiary is to inure to that beneficiary. For example, any tax benefit attributable to interest expense deductible under Code Section 2053 that is paid by and charged to a beneficiary is to inure to that beneficiary.

C. GOVERNING APPORTIONMENT LAW. Except as otherwise provided in the preceding paragraphs, the amounts of death taxes attributable to the various portions of the trust estate that are described in the preceding paragraphs are to be determined in accordance with the principles of the Federal Estate Tax Apportionment Law as in effect in the State of Nevada on the date of execution of this Trust Agreement, and the amounts so determined are to be apportioned in the manner specified in those paragraphs. In addition, if there is no applicable state law governing the apportionment of any death taxes that are to be apportioned in accordance with applicable state law, then the death taxes are to be apportioned in accordance with the principles of the Federal Estate Tax Apportionment Law as in effect in the State of Nevada on the date of execution of this Trust Agreement. However, all references in the Federal Estate Tax Apportionment Law to "exemptions" and "deductions" also include "exclusions."

VIII

DEFINITIONS AND OPERATIVE RULES

A. DEFINITION OF TRUSTEE. As used in this Trust Agreement, the term "Trustee" refers to Samuel S. Jaksick, Jr., as Trustee, and to any successor Trustee or successor Co-Trustees who are named or appointed pursuant to paragraph A. of article IV or in an instrument exercising a power of appointment granted by this Trust Agreement. The successor in interest to a corporate Trustee is to replace its predecessor.

B. DEFINITION OF EDUCATION. Whenever any provision is made in this Trust Agreement for payments for the "education" of a beneficiary, the term "education" is to be construed to include public or private elementary and secondary education, including formal or informal instruction or training in music, drama, art, athletics, and other subjects conducted either before or after the regular school day, vocational training, special training for the mentally or physically handicapped, and undergraduate, graduate, and post-graduate study, so long as pursued to advantage by the beneficiary, at an institution of the beneficiary's choice; and the payments to be made for such education are to include tuition and fees, books, supplies, tutors, and reasonable living and travel expenses.

C. POWERS OF APPOINTMENT. Except as otherwise specifically provided in the Trust Agreement, the holder of any power of appointment (general or special) that is granted pursuant to the terms of the Trust Agreement may appoint outright or in trust, in present or future interests, or in any combination of these, and may impose any terms, conditions, and restrictions with respect to the appointed property. Each power of appointment (both general and special) also includes the power of the holder to grant new powers of appointment (general or special) to or in favor of any of the objects of the power. Except as otherwise specifically provided in the instrument exercising the power of appointment, any distributions from the trust pursuant to the exercise of the power are to be charged against the trust as a whole, rather than against the ultimate distributive share of the beneficiary to whom or for whose benefit the distribution is made. In the case of special powers of appointment, if the holder of the power is legally obligated to support, educate, and maintain any of the objects of the power, then the holder of the power may not exercise the power in such a manner as to discharge that legal obligation, from time to time existing. If two (2) or more instruments purport to exercise the same power of appointment in an inconsistent or conflicting manner, then the last validly executed instrument is to control.

If all of the holders of any power of appointment granted by this Trust Agreement should die or become incapacitated, then the power of appointment is to lapse unless, in the case of incapacity, one or more of the holders of the power regain capacity, or if the Trust Agreement authorizes the appointment of successor holders of the power, a successor holder of the power is appointed.

D. DETERMINATION OF INCAPACITY. For the purposes of this Trust Agreement, a person is to be considered to be incapacitated or incompetent if either (1) the person at any time, as certified in writing by two (2) licensed physicians, becomes physically or mentally incapacitated such that the person is unable to manage the person's financial affairs, whether or not a court of competent jurisdiction has declared the person to be incompetent, mentally ill, or in need of a conservator or guardian of the estate, or (2) a court of competent jurisdiction has declared the person to be incompetent, mentally ill, or in need of a conservator or guardian of the estate. However, in the event of a certification under clause (1) above, the person is to have the right to petition a court for a determination that no incapacity exists. The person is to be considered to have regained capacity or competence as soon as either (1) the condition causing the physical or mental

incapacity no longer exists, as certified in writing by two (2) licensed physicians, who need not be the same two physicians who previously certified that the person had become physically or mentally incapacitated, or (2) a court of competent jurisdiction has declared that the person is no longer incompetent, mentally ill, or in need of a conservator or guardian of the estate. By accepting his or her appointment as the Trustee or as a Co-Trustee under this Trust Agreement, the person agrees that the person's physicians may release to the Grantor, any beneficiary of the trust estate (or to the beneficiary's attorney, guardian or conservator of the beneficiary's estate, or the beneficiary's attorney-in-fact under a valid and enforceable power of attorney), or to any person or entity named as a successor Trustee any medical information reasonably necessary to determine the person's competency pursuant to this paragraph D., and the physicians are authorized to issue the written certifications described above if they conclude that the Trustee or Co-Trustee has become incapacitated. The person's appointment as the Trustee or as a Co-Trustee may be made contingent upon his or her execution of any written releases reasonably required to ensure the enforceability of the authorization described in the preceding sentence under applicable federal or state law, and the authorization is to remain in effect for as long as the person serves as Trustee or as a Co-Trustee.

E. NINETY (90) DAY SURVIVORSHIP REQUIREMENT. If any beneficiary under this Trust Agreement to whom or for whose benefit a distribution or allocation from the trust estate (either outright or in trust) is to be made upon the death of another person fails to survive that other person for 90 days, then the beneficiary is to be conclusively deemed to have predeceased the other person.

F. LIMITATION ON TRUSTEE'S DISCRETIONARY POWERS. If the Trustee is legally obligated, in the Trustee's individual capacity, to support, educate, and maintain any of the beneficiaries of any trust being administered under this Trust Agreement, then the Trustee may not exercise any of the Trustee's discretionary powers, as Trustee, in such a manner as to discharge that legal obligation, from time to time existing.

G. DEFINITION OF ISSUE AND CHILDREN. As used in this Trust Agreement, the term "issue" refers to lineal descendants of all degrees. The terms "child," "children," "issue," "descendants," and other class terminology in this Trust Agreement include claimants whose membership in the class is based on birth out of wedlock or adoption, provided the person so born or adopted lived for a significant time during minority (before or after adoption, in the case of adoption) as a member of the household of the relevant natural or adoptive parent or the household of that parent's parent, brother, sister, or surviving spouse. The rights of a person who would be included in a class gift on this basis, or on the basis of birth in wedlock, are not affected by subsequent adoption of that person (or of one through whom he or she claims) by another, whether within or outside the family.

The names of the Grantor's children who are living on the date of this Trust Agreement are as follows:

Benjamin Jaksick
Amanda Jaksick

Both Grantor's children are minors.

H. DISTRIBUTION BY RIGHT OF REPRESENTATION. Unless otherwise specified in this Trust Agreement, distribution or allocation to or among "issue by right of representation" is to be made by dividing the property into as many equal shares as there are (1) living descendants of the designated ancestor in the generation nearest to the ancestor in which there are one (1) or more descendants living at that time and (2) descendants of the designated ancestor in that same generation who are then deceased who leave one (1) or more descendants then living. One (1) such equal share is to then be distributed or allocated to each living descendant in that generation, and one (1) such equal share is to be distributed or allocated in the same manner among the then living descendants of each deceased descendant in that generation.

I. DEFINITION OF SURVIVING SPOUSE. As used in this Trust Agreement, the term "surviving spouse" means the person who was the legally married spouse of the other designated individual at the time of the death of the other individual, if (1) the spouse was then living and (2) the spouse and the other individual had not been living separate and apart from each other as a result of marital disharmony for more than 30 days immediately preceding the death of the other individual. An individual who qualifies as a "surviving spouse" under this definition is to retain that status even if he or she subsequently remarries.

J. NAMES OF TRUSTS. The trust created during the lifetime of the Grantor pursuant to the terms of this Trust Agreement is to be referred to as The TBJ's Issue Trust. Each separate trust created under the terms of this Trust Agreement following the death of the Grantor may be referred to by the name of the primary beneficiary of the trust, if there is a primary beneficiary, or by the name of any ancestor of the beneficiaries of the trust, as determined by the Trustee, in the Trustee's discretion, if there is no primary beneficiary of the trust.

K. SPENDTHRIFT PROVISION. No interest in the principal or income of any trust or share created under this Trust Agreement may be anticipated, assigned, or encumbered by any beneficiary, or subjected to any creditor's claim or to legal process, prior to its actual receipt by the beneficiary.

L. PERPETUITIES SAVINGS CLAUSE. Unless sooner terminated in accordance with other provisions of this Trust Agreement, all trusts or shares created under this Trust Agreement (or by the exercise of a power of appointment granted by this Trust Agreement, other than an appointed trust in which some or all of the appointed

interests are allowed a new perpetuities period because of a new power of appointment or power of withdrawal conferred by the exercise of the original power) must terminate at the expiration of the longest period allowed for the vesting or termination of all interests in the trusts or shares under the "Rule Against Perpetuities" (if any) of the state specified in paragraph M. below. If the longest period allowed for the vesting or termination of all interests is measured with reference to the last survivor of a group of individuals who are living on the date the trust or share is created or the date on which it becomes irrevocable, then the group is to consist of the Grantor and all of the issue of the Grantor who are living on the measuring date. If any trust being administered pursuant to paragraph B. of article II above is terminated pursuant to this provision during the lifetime of the "Beneficiary" (as that term is defined in paragraph B. of article II above), then all of the remaining assets of the trust are to be distributed to that Beneficiary. If any other trust is terminated pursuant to this provision, then the Trustee is to distribute the remaining trust assets to the trust beneficiaries, both income beneficiaries and then living remaindermen. The identities of the remaindermen are to be determined as if the event that would otherwise cause the final distribution of the trust, such as the attainment by the income beneficiary of a specified age or the death of the last living income beneficiary, had then occurred. Except as otherwise specifically provided in this Trust Agreement, distribution among the income beneficiaries and remaindermen is to be in accordance with sound actuarial principles.

M. CHOICE OF LAW. The validity of this Trust Agreement and the construction of its beneficial provisions are to be governed by the laws of the State of Nevada as in effect from time to time. In the event the Trustee changes the situs of the trust pursuant to paragraph N. below, the law of the situs of the trust shall govern the validity of this Trust Agreement and the construction of its beneficial provisions unless the Trustee, in exercise of reasonable discretion, chooses to have Nevada law continue to apply, notwithstanding the change of situs of the trust.

N. SITUS OF TRUSTS. The Trustee may remove trust assets from the State of Nevada and change the place of administration and situs of any trust being administered under this Trust Agreement to other locations if the Trustee considers the change to be advisable and in the best interests of the trust estate and its beneficiaries.

O. INCONTESTABILITY. If any beneficiary under this Trust Agreement, singularly or in conjunction with any other person, contests in any court the validity of this Trust Agreement, the Will of the Grantor, or The Todd Jaksick Family Trust Agreement (As Restated), or seeks to obtain an adjudication in any proceeding in any court that this Trust Agreement, the Will of the Grantor, or The Todd Jaksick Family Trust Agreement (As Restated), or any of the provisions of those documents are void, or seeks otherwise to void, nullify, or set aside this Trust Agreement or any of its provisions, then the right of the beneficiary to take any interest given to the beneficiary under this Trust Agreement is to be determined as it would have been determined had the beneficiary died prior to the date of execution of this Trust Agreement.

The Trustee is hereby authorized to defend, at the expense of the trust estate, any contest of or other attack of any nature on the trust estate or of any of the provisions of this Trust Agreement.

P. SEVERABILITY. The unenforceability, invalidity, or illegality of any provision of this Trust Agreement is not to render any other provisions unenforceable, invalid, or illegal.

Q. GENDER AND NUMBER CLAUSE. As used in this Trust Agreement, the masculine, feminine, or neuter gender, and the singular or plural number, are to each be considered to include the others whenever the context so indicates.

EXECUTED at Reno, Nevada, on _____, 2006.

Todd B. Jaksick

4005 Quail Rock Lane
Reno, Nevada 89511

GRANTOR

Samuel S. Jaksick, Jr. certifies that he has read the foregoing Trust Agreement, and he agrees to serve as Trustee under the terms and conditions stated therein.

Samuel S. Jaksick, Jr.

4005 Quail Rock Lane
Reno, Nevada 89511

TRUSTEE

Approved:

Maupin, Cox & LeGoy

By _____
L. Robert LeGoy, Jr., Esq.

4785 Caughlin Parkway
P. O. Box 30000
Reno, Nevada 89520
(775) 827-2000

ATTORNEYS FOR THE GRANTOR

STATE OF NEVADA)
)
COUNTY OF WASHOE)

_____ The TBJ's Issue Trust Agreement was acknowledged before me on
_____, 2006, by Todd B. Jaksick.

Notary Public

STATE OF NEVADA)
)
COUNTY OF WASHOE)

_____ The TBJ's Issue Trust Agreement was acknowledged before me on
_____, 2006, by Samuel S. Jaksick, Jr.

Notary Public

SAMUELS JAKSICK JR FAMILY TRUST
Settlements of Samuel S. Jaksick Jr Family Trust's obligations
 1/27/2017

ref	Amounts	Third party Secured Claims	Related party secured Claims	Related party unsecured Claims
Samuel S Jaksick Jr Family trust	2,000,000			
Stan's subtrust	400,000			
Todd's subtrust	290,000			
	2,690,000			
Net available cash today	(1,232,000)			
Less: funding towards AgCredit debt payment account	1,458,000			
Net after funding AgCredit debt payment account	(600,000)			
Less: funding of Grandchildren trusts	858,000			
Net after funding grandchildren trusts	758,000			
Expected fundings from bronco billy's May 2017 *				

* there is an uncertain tax obligation on these proceeds which may be substantial

Net remaining cash after remaining funds from bronco billy's	1,416,000
Deferred debts (to be settled from cash or other assets at a later date)	(1,202,173)
Net cash after theoretical payment of remaining creditors	413,827

Debts to be paid from Asset Sales:

To be paid from Sale of Quail Rock Lane

Note Payable - Chase Mortgage	292,000	292,000	
Note payable - SSJ's Issue Trust	150,000		150,000
Note payable - SSJ's Issue Trust	115,000		115,000

To be paid from Sale of of ALSB lots

Note Payable - FIB/Western Alliance

Debts to be paid from asset sales:

557,000	292,000	265,000	-
---------	---------	---------	---

AGCREDIT COMPLEX (SECURED THIRD PARTY CROSSCOLLATERIZED DEBTS):

Funds Designated to be set aside:

Note Payable - American AgCredit (49% of DIRECT obligation + 51% of Todd obligation)	862,000	862,000	
Note payable - American AgCredit (SJ Ranch)	173,000	173,000	
Note payable - American AgCredit (White Pine Lumber Co)	425,000	425,000	
Agcredit prepayment account (existing balance)	(228,000)	(228,000)	
Total Minimum set aside funding (debt payment account)	1,232,000	1,232,000	

Deferred Debts:

Note Payable - Wendy Jaksick (from life insurance trust)	303,715		303,715
Note Payable - Todd Jaksick (from life insurance trust)	303,715		303,715
Note Payable - Stan Jaksick (from life insurance trust)	303,715		303,715
Payable - Duck Flat Ranch LLC	85,446		85,446
Note payable - Stan Jaksick	61,188		61,188
Note Payable - Montreux Development Group LLC	60,000		60,000
Note Payable - Lakeridge Golf Course Ltd #3	34,083		34,083
Note Payable - Lakeridge Golf Course Ltd #6	21,931		21,931
Note Payable - Lakeridge Golf Course Ltd #4	17,142		17,142
Note Payable - Lakeridge Golf Course Ltd #5	9,065		9,065
Basecamp, LLC, (assumed debt from Lakecrest Realty, Inc. liquidation)	1,423		1,423
Toiyabe Investment Company, (assumed debt from Lakecrest Realty, Inc. liquidation)	750		750

Total net deferred debts to be settled at a later date

2	1,202,173	-	-	1,202,173
---	-----------	---	---	-----------

W/ 1/27/17 email from Kevin Riley as

"hypothetical liquidation of remaining cash"

1/30/17 - met w/ Todd & Stan Jaksick, Mike Himmel,

Todd Jaksick Trust under the Samuel S Jaksick Jr Family Trust
Stan Jaksick Trust under the Samuel S Jaksick Jr Family Trust
Summarized cash activity through 1/25/17

	Totals		Todd		Stan
<u>2015 Activity</u>					
2015 pioneer distributions	456,580.00		228,290.00		228,290.00
2015 tax payments	(258,556.00)		(129,278.00)		(129,278.00)
loan to Wendy's subtrust to pay taxes	(32,000.00)	9/11/2015	(16,000.00)	9/11/2015	(16,000.00)
Interest income	260.40		130.20		130.20
<u>2016 Activity</u>					
February 2016 pioneer distribution	25,366.00		12,683.00		12,683.00
April 2016 pioneer distribution	25,366.00		12,683.00		12,683.00
Legal fees paid by Pioneer Group and deducted from pioneer distribution on behalf of Samuel S Jaksick Jr Family Trust	(1,705.24)		(852.62)		(852.62)
Reimbursement from Samuel S Jaksick Jr Family Trust	1,705.24	12/15/2016	852.62	12/19/2016	852.62
loan to Wendy's subtrust to pay taxes	(6,000.00)	4/18/2016	(3,000.00)	4/18/2016	(3,000.00)
2016 pioneer sale distribution #1	5,326,798.00	6/1/2016	2,663,399.00	6/1/2016	2,663,399.00
Payment to ALSB for payment on George Brown loan. This was intended as a payment on behalf of the Samuel S Jaksick Jr Trust	(48,933.00)			6/1/2016	(48,933.00)
2016 pioneer sale distribution #2	367,802.00	8/12/2016	183,901.00	8/10/2016	183,901.00
Payment to Lakeridge Golf for payment on loan. This was intended as a payment on behalf of the Samuel S Jaksick Jr Trust on outstanding loans	(434,000.00)			9/28/2016	(434,000.00)
2016 tax payments for 2015	(409,856.44)		(206,110.44)		(203,746.00)
2016 estimated tax payments	(964,000.00)		(482,000.00)		(482,000.00)
accounting fees	(1,185.00)		(1,185.00)		
Wire fees	(40.00)				(40.00)
Interest earned	3,942.26		971.31		2,970.95
Transfer to Samuel S Jaksick Jr Family Trust	(48,933.00)	6/3/2016	(48,933.00)		
Transfer to Samuel S Jaksick Jr Family Trust	(434,558.00)	6/7/2016	(434,558.00)		
Transfer to Samuel S Jaksick Jr Family Trust	(1,490,507.00)	7/21/2016	(1,490,507.00)		
Transfer to Samuel S Jaksick Jr Family Trust	(1,387,390.00)			1/24/2017	(1,387,390.00)
Amount held back for taxes and subtrust expenses	690,156.22		290,486.07		399,670.15
Total deposits from Pioneer	6,201,912.00				
total taxes	(1,632,412.44)				

unaudited

Rec'd 1/27/17 w/ ledger email.

Are the tax payments just for PGT gross income?

MCL002853

WJ 001383

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01/26/17
Accrual Basis

Samuel S. Jaksick Family Trust
Profit & Loss
April 2016 through March 2017

	Apr '16 - Mar 17
Ordinary Income/Expense	
Income	
4015 • Interest Income	1,009.67
4100 • Interest Income - RBC	1,363.67
4103 • Interest income - AgCredit	326.70
4104 • Interest income - BHC	26,665.36
Total Income	29,365.40
Expense	
6002 • Legal-Wendy legal proceedings	8,637.50
6003 • Legal Expenses - Maupin. Trust	52,456.02
6005 • Legal Expense - Morris	7,200.00
6006 • Accounting Expense	
6006.01 • Accounting fees - wendy legal	1,815.00
6006 • Accounting Expense - Other	86,373.09
Total 6006 • Accounting Expense	88,188.09
6008 • Postage and Delivery	107.86
6020 • Bank Charges	98.00
6060 • Funeral Expenses	1,201.81
6200 • Income Tax Expense	45,432.71
6301 • Quail Rock Rental - Utilities	2,636.55
6302 • Quail Rock - Property Tax	2,888.53
6303 • Quail Rock - Landscaping	2,665.00
6304 • Quail Rock - HOA Fees	235.00
6306 • Quail Rock - Janitorial	260.00
6350 • Maintenance & Repairs Expense	800.00
6400 • Utilities Expense	686.82
6550 • Other Office Expenses	98.13
6950 • Insurance Expense	1,308.00
6951 • Licenses & Permits	2,344.80
6955 • Auto Expenses	715.50
6961 • Trustee Fees Expense	
6961.01 • Trustee fees - Wendy legal	825.00
6961 • Trustee Fees Expense - Other	5,052.50
Total 6961 • Trustee Fees Expense	5,877.50
7000 • Interest Expense	61,512.78
7001 • Interest Expense - NSB	551.65
7002 • Interest Expense - FIB (W All)	14,375.30
7003 • Interest - Ag Credit (49%)	60,355.77
7004 • Interest - Chase	10,421.00
Total Expense	371,054.32
Net Ordinary Income	-341,688.92
Other Income/Expense	
Other Income	
7100 • Gain/Loss - Sale of Asset Exp	1,616.82
7110 • Cancellation of debt income	-2,154.07
Total Other Income	-537.25
Net Other Income	-537.25
Net Income	-342,226.17

Rec'd w/ 1/27/17 email from Kevin
Nijm CPA

UNAUDITED

Page 1

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01/26/17

Accrual Basis

Samuel S. Jaksick Family Trust
Balance Sheet
As of March 31, 2017

	Mar 31, 17	Mar 31, 16	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
1020 - FIB	0.00	2,589.28	-2,589.28
1030 - RBC Wealth Management	1,774,611.27	379.95	1,774,231.32
1040 - Ag Credit Funds Held - SJ Trust	228,290.93	18,859.73	209,431.20
1050 - Chase Escrow Account	2,874.52	-3,666.81	6,541.33
Total Checking/Savings	2,005,776.72	18,162.15	1,987,614.57
Other Current Assets			
1511 - Advances - Luke Jaksick	241.88	0.00	241.88
Total Other Current Assets	241.88	0.00	241.88
Total Current Assets	2,006,018.60	18,162.15	1,987,856.45
Other Assets			
1110 - Stock - United Technologies	0.00	13,050.80	-13,050.80
1401 - Investment - Basecamp	23,000.00	23,000.00	0.00
1402 - Investment - Toiyabee	895,000.00	895,000.00	0.00
1404 - Investment - Buckhorn	329,614.66	319,614.66	10,000.00
1405 - Investment - BBB Investments	49,265.56	18,637.56	30,628.00
1407 - Investment - SJ Ranch	162,146.02	121,137.71	41,008.31
1409 - Investment - Duck Flat	109,318.50	109,147.00	171.50
1419 - Investment - Basecamp, LLC	37,441.43	33,441.43	4,000.00
1420 - Investment - Shakeys USA	64,400.00	64,400.00	0.00
1421 - Investment - Sam J IV, LLC	20,000.00	20,000.00	0.00
1422 - Investment - LRGC, LTD	8,000.00	8,000.00	0.00
1423 - Investment - Gerlach GE, LLC	3,000.00	3,000.00	0.00
1461 - N/R - Toiyabe Investments	28,417.17	28,417.17	0.00
1462 - N/R - White Pine Ranch	183,783.22	183,783.22	0.00
1464 - N/R - ALSB	114,405.11	65,164.45	49,240.66
1465 - N/R - Bright Holland Co.	0.00	152,335.51	-152,335.51
1466 - N/R - Duck Lake Ranch	100.00	100.00	0.00
1467 - N/R - Todd Jaksick	79,993.15	79,993.15	0.00
1468 - N/R - TBJ SC Trust	103,659.16	103,659.16	0.00
1469 - N/R - Todd Jaksick Fam Tr #3	90,568.60	90,568.60	0.00
1470 - N/R - Todd Jaksick Fam Tr #4	105,510.75	105,510.75	0.00
1472 - N/R - Wendy Jaksick 112514	59,260.29	59,260.29	0.00
1473 - N/R - Bright Holland #5	0.00	40,467.00	-40,467.00
1475 - N/R - Duck Flat Ranch	300.00	300.00	0.00
1478 - N/R - BBB Investments	0.00	11,021.42	-11,021.42
1479 - N/R - White Pine #2	76,170.66	76,170.66	0.00
1480 - N/R - White Pine #3	80,177.76	0.00	80,177.76
1481 - N/R - Todd Jaksick #5	105,510.75	0.00	105,510.75
1600 - Improvements - Quail Rock	632,368.93	632,368.93	0.00
1610 - Personal Property - Various	107,880.00	107,880.00	0.00
Total Other Assets	3,469,291.72	3,365,429.47	103,862.25
TOTAL ASSETS	5,475,310.32	3,383,591.62	2,091,718.70
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
2203 - Credit Card Payable - B of A	0.00	12,685.75	-12,685.75
2300 - N/P - Stan Jaksick	61,187.95	61,187.95	0.00
2301 - N/P - LGC, Ltd	0.00	78,183.66	-78,183.66
2302 - N/P - MGC, Ltd	0.00	8,150.99	-8,150.99
2303 - N/P - Wendy 1995 Life Ins.	269,665.91	269,665.91	0.00
2304 - N/P - Stan 1995 Life Ins.	269,665.91	269,665.91	0.00
2305 - N/P - Todd 1995 Life Ins.	269,665.91	269,665.91	0.00
2306 - N/P - NV Pronghorn	0.00	11,250.00	-11,250.00
2309 - N/P - Montreux Dev Group	0.00	41,299.97	-41,299.97
2310 - N/P - MXDG - Dilts/Kappler	60,000.00	60,000.00	0.00
2313 - N/P - FIB LOC	290,277.42	310,277.42	-20,000.00
2314 - N/P - NSB LOC	0.00	34,624.23	-34,624.23

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Accrual Basis

Samuel S. Jaksick Family Trust
Balance Sheet
As of March 31, 2017

	Mar 31, 17	Mar 31, 16	\$ Change
2318 · N/P - Duck Flat Ranch, LLC	85,446.07	85,446.07	0.00
2319 · N/P - AgCredit (49% Obligation)	422,143.91	688,010.45	-265,866.54
2320 · N/P - Chase	292,332.97	305,025.37	-12,692.40
2322 · N/P - Jaksick Family, LLC	0.00	34,000.00	-34,000.00
2324 · N/P - SSJ's Issue Trust	265,000.00	265,000.00	0.00
2326 · Estate Taxes Payable	0.00	540,964.00	-540,964.00
2327 · N/P - Toiyabe (assumed fm LCR)	750.00	750.00	0.00
2328 · N/P - WPR (assumed fm LCR)	18,315.00	18,315.00	0.00
2329 · N/P - Basecamp (assumed fm LCR)	1,422.63	1,422.63	0.00
2330 · N/P - Lakeridge GC #2	0.00	191,169.91	-191,169.91
2332 · N/P - Lakeridge GC #3	34,083.31	174,961.83	-140,878.52
2333 · N/P - Lakeridge GC #4	17,142.27	17,142.27	0.00
2334 · N/P - Lakeridge GC #5	9,064.83	9,064.83	0.00
2335 · N/P - Lakeridge GC #6	21,931.00	0.00	21,931.00
Total Other Current Liabilities	2,388,095.09	3,757,930.06	-1,369,834.97
Total Current Liabilities	2,388,095.09	3,757,930.06	-1,369,834.97
Total Liabilities	2,388,095.09	3,757,930.06	-1,369,834.97
Equity			
3250 · Funds received - Est of S Jaksi	8,391.84	0.00	8,391.84
3251 · Funds received - Todd Subtrust	1,973,998.00	0.00	1,973,998.00
3252 · Funds received - Stan Subtrust	1,821,390.00	0.00	1,821,390.00
3710 · Bequests - Todd Jaksick	-551,000.00	-551,000.00	0.00
3720 · Bequests - Stan Jaksick	-551,000.00	-551,000.00	0.00
3730 · Bequests - GC Tr # 2 (Luke)	-32,200.00	-32,200.00	0.00
3740 · Bequests - GC Tr # 3 (Lexi)	-32,200.00	-32,200.00	0.00
3810 · Distributions - TJ trust	-1,299,832.02	-1,299,832.02	0.00
3820 · Distributions - Stan Jaksick Tr	-1,299,832.03	-1,299,832.03	0.00
3830 · Distributions Wendy Jaksick Tr	-135,455.02	-135,455.02	0.00
3910 · Retained Earnings	-548,736.40	-631,084.58	82,348.18
3940 · Trust Corpus	4,075,917.03	4,075,917.03	0.00
Net Income	-342,226.17	82,348.18	-424,574.35
Total Equity	3,087,215.23	-374,338.44	3,461,553.67
TOTAL LIABILITIES & EQUITY	5,475,310.32	3,383,591.62	2,091,718.70

UNAUDITED

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MCL002856

WJ 001386

SAMUEL S JAKSICK JR FAMILY TRUST

FINANCIAL STATEMENTS

April 1, 2015 to March 31, 2016

MCL002857

WJ 001387

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ROSSMANN
MACDONALD &
BENETTI, INC.



To the trustees of
Samuel S Jaksick Jr Family Trust
Reno, Nevada

The trustees of the Samuel S Jaksick Jr Family Trust are responsible for the accompanying financial statements of the Samuel S Jaksick Jr Family Trust including related schedules, as of March, 31, 2016, and for the period April 1, 2015 to March 31, 2016. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The trustees have elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the trust's financial position, results of trust activities, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Samuel S Jaksick Jr Family Trust.

Rossmann MacDonald & Benetti, Inc.
ROSSMANN MacDONALD & BENETTI, INC.
Certified Public Accountant

January 12, 2017

SAMUEL S JAKSICK JR FAMILY TRUST
SUMMARY OF ACCOUNT
For the period beginning April 1, 2015 and ending March 31, 2016

	<u>Schedule</u>	<u>Amounts</u>	<u>Totals</u>
ASSETS ON HAND, BEGINNING OF YEAR	A		<u><u>\$ 3,754,982.15</u></u>
PRINCIPAL BALANCE ON HAND:			
Principal balance on hand, beginning of year	-	\$ 5,648,827.38	
Transfer to income	-	<u>(1,893,845.23)</u>	
Principal balance on hand, after transfer to income		3,754,982.15	
Receipts of principal	B	201,311.92	
Losses	C	(22,572.19)	
Less: deductions from principal	D	<u>(624,296.46)</u>	
Total principal balance before distributions from principal	-	3,309,425.42	
Distributions from principal	E	<u>\$ -</u>	
TOTAL PRINCIPAL BALANCE ON HAND			3,309,425.42
INCOME BALANCE ON HAND:			
Income balance on hand, beginning of year	-	\$ (1,893,845.23)	
Transfer from principal	-	<u>1,893,845.23</u>	
Income balance on hand, after transfer from principal	-	-	
Receipts of income	F	199,760.32	
Less: deductions from income	G	<u>(125,564.12)</u>	
Total income balance	-	<u>\$ 74,196.20</u>	
TOTAL INCOME BALANCE ON HAND			<u>74,196.20</u>
TOTAL ASSETS ON HAND, MARCH 31, 2016	H		<u><u>\$ 3,383,621.62</u></u>

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE A - ASSETS ON HAND, BEGINNING OF YEAR
As of April 1, 2015

	<u>Schedule</u>	<u>Fiduciary Acquisition Value</u>	<u>Estimated Value</u>
CASH:			
Checking account, First Independent Bank #772	1	\$ 5,462.52	\$ 5,462.52
RBC Wealth Management	2	273,745.77	273,745.77
American AgCredit	3	305,803.19	305,803.19
UNDEPOSITED CHECKS:	-	254.80	254.80
MARKETABLE SECURITIES:			
United Technologies Corporation (140 shares)	-	13,050.80	13,050.80
PERSONAL PROPERTY:			
Various	-	107,880.00	107,900.00
NOTES AND OTHER RECEIVABLES:	A1	914,280.83	914,287.00
REAL ESTATE:			
4005 Quail Rock Lane, Reno NV	-	540,000.00	540,000.00
CLOSELY HELD BUSINESSES:	A2	1,594,504.24	1,517,000.00
TOTAL ASSETS ON HAND, APRIL 1, 2015		<u><u>\$ 3,754,982.15</u></u>	<u><u>\$ 3,677,504.08</u></u>

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE A1 - NOTES AND OTHER RECEIVABLES, BEGINNING OF YEAR
As of April 1, 2015

	<u>Fiduciary Acquisition Value</u>	<u>Estimated Value</u>
NOTES AND OTHER RECEIVABLES:		
ALSB LTD Receivable, originally in the amount of \$408,611.88. No set repayment terms. Interest has historically been indexed to the annual federal blended rate prescribed by the IRS which was .28% at December 31, 2014 and changes every year.	\$ 189,456.84	\$ 189,457.00
Note receivable - White Pine Lumber Co Note receivable dated April 30, 2013 originating from a \$850.00 advance to White Pine Lumber Company. Interest is accrued at 1% per annum. Additional advances totaling \$399,206.34 from the trust have been attached to this note by agreement. Interest is payable annually and the principal and accrued interest is payable April 30, 2016. The April 30, 2015 interest payment has been extended to April 30, 2016.	183,813.22	183,814.00
Note receivable - Bright Holland Co (Note #2) Note receivable in the amount of \$127,380.06 dated July 24, 2013 originating from a \$127,380.06 loan payment to American AgCredit on behalf of Bright-Holland Company pursuant to an existing loan guarantee. Interest is accrued at 6.05% per annum which is the interest rate of the underlying loan. One additional payment totaling \$35,203 has been attached to this note by agreement. Interest is payable annually and the principal and accrued interest is payable July 24, 2016. The July 24, 2014 and July 24, 2015 interest payments have been extended to July 24, 2016.	149,753.06	149,754.00
Note receivable - Todd Jaksick Family Trust (Note #3) Note receivable in the amount of \$105,510.76 dated September 1, 2013. The advance originated from a payment to American AgCredit on behalf of Todd Jaksick pursuant to an existing loan guarantee. Principal and accrued interest at 1.5% is payable September 1, 2018.	105,510.76	105,511.00
Note receivable - TBJ SC Trust (including accrued interest of \$587.37) Note receivable, originally in the amount of \$349,129 dated August 17, 2004. Assumed by the TBJ SC Trust June 17, 2015. Interest only payments are payable annually at 4% until August 15, 2013 at which time the principal and accrued interest is payable in full. The note is in default. The Samuel S Jaksick Jr. Family trust directs the trustee to distribute the balance of the note to the TBJ SC Trust for the benefit of Ben and Amanda Jaksick upon the death of Samuel S Jaksick Jr.	103,659.16	103,660.00

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE A1 - NOTES AND OTHER RECEIVABLES, BEGINNING OF YEAR
As of April 1, 2015

	Fiduciary Acquisition Value	Estimated Value
NOTES AND OTHER RECEIVABLES (continued):		
Note receivable - Todd Jaksick Family Trust (Note #1 - including accrued interest of \$4,993.15)	79,993.15	79,994.00
Note receivable, originally in the amount of \$75,000 dated January 31, 2011. Interest only payments are payable annually at 3% per annum until January 31, 2015 at which time the principal and accrued interest is payable in full. The note has been extended to June 30, 2016 by agreement.		
Note receivable - Wendy Jaksick	59,260.29	59,261.00
Note receivable, originally in the amount of \$59,983.29 dated November 25, 2014. Interest only payments are payable annually at .4% per annum until November 25, 2017 at which time the principal and accrued interest is payable in full.		
Note receivable - Toiyabe Investment Co	28,417.17	28,418.00
Note receivable dated June 18, 2013 in the amount of \$1,745.00. Interest is accrued at 3% per annum. Originating from a \$1,745.00 advance to Toiyabe Investment Company. Additional advances totaling \$26,672.17 have been attached to this note by agreement. Interest is payable annually and the principal and accrued interest is payable June 18, 2016. The June 18, 2014 and June 18, 2015 interest payments have been extended by agreement.		
Note receivable - BBB Investments LLC	11,021.42	11,022.00
Note receivable in the amount of \$1,338.96 dated August 8, 2013. Interest is accrued at 3% per annum. Originating from a \$1,338.96 advance to BBB Investments, LLC. Additional advances totaling \$9,682.46 have been attached to this note by agreement. Interest is payable annually and the principal and accrued interest is payable August 8, 2016. The August 8, 2014 and August 8, 2015 interest payments have been extended by agreement.		
Note receivable - Bright Holland Co (Note #4)	2,520.76	2,521.00
Note receivable dated November 29, 2013 in the amount of \$2,500.00. Interest is accrued at 3% per annum. Originating from two \$2,500.00 payment on behalf of Bright-Holland Company dated 1/29/13 and 1/31/14. The note was repaid on 4/30/14. An additional advance was incorrectly applied to this note in the amount of \$2,582.45 and should have been applied to note #2.		

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE A1 - NOTES AND OTHER RECEIVABLES, BEGINNING OF YEAR
As of April 1, 2015

	Fiduciary Acquisition Value	Estimated Value
NOTES AND OTHER RECEIVABLES (continued):		
Jaksick Family LLC receivable	50.00	50.00
Duck Flat Ranch LLC receivable	300.00	300.00
Duck Lake Ranch LLC receivable	100.00	100.00
SST Westridge LLC receivable	425.00	425.00
TOTAL NOTES AND OTHER RECEIVABLES	<u>\$ 914,280.83</u>	<u>\$ 914,287.00</u>

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE A2 - CLOSELY HELD BUSINESSES, BEGINNING OF YEAR
As of April 1, 2015

	Fiduciary Acquisition Value	Estimated Value
CLOSELY HELD BUSINESSES:		
Toiyabe Investment Co (50% interest)	895,000.00	895,000.00
Buckhorn Land & Livestock, LLC (25% interest)	319,614.66	320,000.00
Shakey's USA Inc (40,000 shares)	64,400.00	65,000.00
Duck Flat Ranch LLC (49% interest)	109,000.00	109,000.00
Basecamp LLC (18.75% interest)	33,441.43	34,000.00
SST Westridge LLC (25% interest)	28,068.75	29,000.00
Montreux Golf Club Ltd (1% interest)	23,000.00	23,000.00
Samuel S Jaksick Jr IV LLC (100% interest)	20,000.00	20,000.00
BBB Investments (49% interest)	11,000.00	11,000.00
Lakeridge Golf Course Ltd (1% interest)	8,000.00	8,000.00
Gerlach Green Energy LLC (45% interest)	3,000.00	3,000.00
SJ Ranch LLC (100% interest)	79,979.40	-
ALSB LTD (100% interest)	-	-
Bent Arrow LLC (100% interest, in default by Nevada Secretary of State)	-	-
Lake-Ridge Corporation (100% interest)	-	-
Samuel S Jaksick Jr I LLC (100% interest)	-	-
Samuel S Jaksick Jr II LLC (100% interest)	-	-
Spring Mountain NV Development Co (25% interest)	-	-
TOTAL CLOSELY HELD BUSINESSES	\$ 1,594,504.24	\$ 1,517,000.00

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE B - RECEIPTS OF PRINCIPAL
For the period beginning April 1, 2015 and ending March 31, 2016

	<u>Schedule</u>	<u>Totals</u>
RECEIPTS OF PRINCIPAL:		
Loan proceeds received	1	\$ 201,168.93
Receipt of additional assets from liquidation of Etrade account	1	<u>142.99</u>
TOTAL RECEIPTS OF PRINCIPAL		<u>\$ 201,311.92</u>

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE C - LOSSES
For the period beginning April 1, 2015 and ending March 31, 2016

	<u>Date</u>	<u>Amounts</u>
LOSSES FROM LIQUIDATIONS OF INVESTMENTS		
<u>Loss from liquidation of Lakecrest Realty, Inc.</u>		
Payments to IRS on old payroll tax liabilities	5/13/15	\$ (29.06)
Payments to IRS on old payroll tax liabilities	11/24/15	(237.45)
Payments to IRS on old payroll tax liabilities	11/24/15	(396.68)
Payments to IRS on old payroll tax liabilities	3/17/16	<u>(263.30)</u>
Net loss from liquidation of Lakecrest Realty, Inc.		<u>(926.49)</u>
<u>Loss from liquidation of SST Westridge, LLC</u>		
Liquidation proceeds	11/17/2015	6,748.05
Less: carrying value of note receivable		(325.00)
Less: carrying value of investment		<u>(28,068.75)</u>
Net loss from liquidation of SST Westridge, LLC		<u>(21,645.70)</u>
TOTAL LOSSES		<u><u>\$ (22,572.19)</u></u>

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE D - DEDUCTIONS FROM PRINCIPAL
For the period beginning April 1, 2015 and ending March 31, 2016

	<u>Schedule</u>	<u>Amounts</u>	<u>Totals</u>
DEDUCTIONS FROM PRINCIPAL:			
<u>Expenses:</u>			
First Independent Bank #772	1	\$ 259,424.25	
RBC	2	<u>6,500.00</u>	
Total expenses			\$ 265,924.25
<u>Payment of trust debts:</u>			
First Independent Bank #772	1	91,786.36	
RBC	2	85,245.97	
American AgCredit	3	56,339.88	
Non-cash payments of trust debts	K	<u>125,000.00</u>	
Total payment of trust debts			<u>358,372.21</u>
TOTAL DEDUCTIONS FROM PRINCIPAL			<u>\$ 624,296.46</u>

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE E - DISTRIBUTIONS FROM PRINCIPAL
For the period beginning April 1, 2015 and ending March 31, 2016

Totals

DISTRIBUTIONS FROM PRINCIPAL:

Residuary bequests

Transfer of 50% of Samuel S Jaksick Jr I LLC to the Stanley S Jaksick Trust created by the Samuel S Jaksick Jr Family Trust Agreement on June 4, 2014 on November 11, 2015.

(NOTE: It was the intent of the co-trustees to distribute a proportionate share of the holdings to the Wendy Jaksick Trust created by the Samuel S Jaksick Jr Family Trust Agreement on June 4, 2014 and the Samuel S Jaksick Jr Irrevocable Grandchild Trust No 2 dated June 30, 2012. However, a necessary income certification was requested from Wendy to proceed with a potential sale of the holdings but the trustees were refused by Wendy Jaksick who represents the beneficiaries of both of these trusts. One third of the holdings are being held by Stanley Jaksick on behalf of the Wendy Jaksick Trust created by the Samuel S Jaksick Jr Family Trust Agreement on June 4, 2014 and the Samuel S Jaksick Jr Irrevocable Grandchild Trust No 2 dated June 30, 2012)

\$ -

Transfer of 50% of Samuel S Jaksick Jr I LLC to the Todd B Jaksick Trust created by the Samuel S Jaksick Jr Family Trust Agreement on June 4, 2014 on November 11, 2015.

(NOTE: It was the intent of the co-trustees to distribute a proportionate share of the holdings to the Wendy Jaksick Trust created by the Samuel S Jaksick Jr Family Trust Agreement on June 4, 2014 and the Samuel S Jaksick Jr Irrevocable Grandchild Trust No 2 dated June 30, 2012. However, a necessary income certification was requested from Wendy to proceed with a potential sale of the holdings but the trustees were refused by Wendy Jaksick who represents the beneficiaries of both of these trusts.)

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Transfer of 130,000 shares of White Pine Lumber Co. (representing 2/3 of the voting shares of the interest) to the Stanley S Jaksick Trust created by the Samuel S Jaksick Jr Family Trust Agreement on June 4, 2014 on January 14, 2016. (NOTE: 65,000 shares are being held by Stanley Jaksick on behalf of the Wendy Jaksick Trust created by the Samuel S Jaksick Jr Family Trust Agreement on June 4, 2014 and the Samuel S Jaksick Jr Irrevocable Grandchild Trust No 2 dated June 30, 2012). The shares were transferred to qualify White Pine Lumber Co. for a potential land sale. The land sale did not go through, accordingly the shares were assigned back to the Samuel S Jaksick Jr Family Trust on November 7, 2016.

-

Transfer of 65,000 shares of White Pine Lumber Co. (representing 1/3 of the voting shares of the interest) to the Todd B Jaksick Trust created by the Samuel S Jaksick Jr Family Trust Agreement on June 4, 2014 on January 14, 2016. The shares were transferred to qualify White Pine Lumber Co. for a potential land sale. The land sale did not go through, accordingly the shares were assigned back to the Samuel S Jaksick Jr Family Trust on November 7, 2016.

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TOTAL DISTRIBUTIONS FROM PRINCIPAL

\$ -

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE F - RECEIPTS OF INCOME
For the period beginning April 1, 2015 and ending March 31, 2016

	<u>Schedule</u>	<u>Totals</u>
RECEIPTS OF INCOME:		
First Independent Bank #772	1	\$ 88,987.26
RBC Wealth Management	2	100,369.08
American AgCredit	3	9,634.68
Non-cash receipts	I	<u>769.30</u>
TOTAL RECEIPTS OF INCOME		<u>\$ 199,760.32</u>

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE G - DEDUCTIONS FROM INCOME
For the period beginning April 1, 2015 and ending March 31, 2016

	<u>Schedule</u>	<u>Amounts</u>	<u>Totals</u>
DEDUCTIONS FROM INCOME:			
<u>Expenses</u>			
First Independent Bank #772	1	\$ 19,622.78	
RBC	2	13,508.07	
Chase mortgage escrow account	4	<u>10,697.31</u>	
Total expenses			\$ 43,828.16
 <u>Deductions to pay interest</u>			
First Independent Bank #772	1	22,680.91	
RBC	2	14,021.86	
American AgCredit	3	<u>45,033.19</u>	
Total deductions to pay interest			<u>81,735.96</u>
 TOTAL DEDUCTIONS FROM INCOME			<u>\$ 125,564.12</u>

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE H - ASSETS ON HAND, END OF YEAR
As of March 31, 2016

	<u>Schedule</u>	<u>Fiduciary Acquisition Value</u>	<u>Estimated Value</u>
CASH:			
Checking account, First Independent Bank #772	1	\$ 2,589.28	\$ 2,589.28
RBC Wealth Management	2	379.95	379.95
American AgCredit	3	18,859.73	18,859.73
Chase Mortgage escrow account	4	(3,666.81)	(3,666.81)
MARKETABLE SECURITIES:			
United Technologies Corporation (140 shares)	-	13,050.80	14,668.00
PERSONAL PROPERTY:			
Various	-	107,880.00	107,880.00
NOTES AND OTHER RECEIVABLES:	H1	996,781.38	996,800.00
REAL ESTATE:			
4005 Quail Rock Lane, Reno NV	-	632,368.93	700,000.00
CLOSELY HELD BUSINESSES:	H2	1,615,378.36	1,497,000.00
TOTAL ASSETS ON HAND, MARCH 31, 2016		<u><u>\$ 3,383,621.62</u></u>	<u><u>\$ 3,334,510.15</u></u>

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE H1 - NOTES AND OTHER RECEIVABLES, END OF YEAR
As of March 31, 2016

	Fiduciary Acquisition Value	Estimated Value
NOTES AND OTHER RECEIVABLES:		
ALSB LTD	\$ 65,164.45	\$ 65,165.00
Receivable, originally in the amount of \$408,611.88. No set repayment terms. Interest has historically been indexed to the annual federal blended rate prescribed by the IRS which was .45% at December 31, 2015 and changes every year.		
Note receivable - White Pine Lumber Co	183,813.22	183,814.00
Note receivable dated April 30, 2013 originating from a \$850.00 advance to White Pine Lumber Company. Interest is accrued at 1% per annum. Additional advances totaling \$399,206.34 from the trust have been attached to this note by agreement. Interest is payable annually and the principal and accrued interest is payable April 30, 2016. On April 20, 2016, the maturity date was extended to December 31, 2017.		
Note receivable - Bright Holland Co (Note #2)	152,335.51	152,336.00
Note receivable in the amount of \$127,380.06 dated July 24, 2013 originating from a \$127,380.06 loan payment to American AgCredit on behalf of Bright-Holland Company pursuant to an existing loan guarantee. Interest is accrued at 6.05% per annum which is the interest rate of the underlying loan. Two additional payments totaling \$37,785.45 have been attached to this note by agreement. Interest is payable annually and the principal and accrued interest is payable July 24, 2016. On March 31, 2015, the maturity date of the note was extended to December 31, 2017. The note was repaid during June 2016.		
Note receivable - Todd Jaksick Family Trust (Note #3)	90,568.60	90,569.00
Note receivable in the amount of \$105,510.76 dated September 1, 2013. The advance originated from a payment to American AgCredit on behalf of Todd Jaksick pursuant to an existing loan guarantee. Principal and accrued interest at 1.5% is payable September 1, 2018. The note is conditionally repayable depending on the effects of the indemnification agreement with Samuel S Jaksick Jr dated January 1, 2008.		

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE H1 - NOTES AND OTHER RECEIVABLES, END OF YEAR
As of March 31, 2016

	Fiduciary Acquisition Value	Estimated Value
NOTES AND OTHER RECEIVABLES (continued):		
<p>Receivable - Todd Jaksick Family Trust (Note #4)</p> <p>Note receivable in the amount of \$105,510.75 dated September 1, 2015. The advance originated from a payment to American AgCredit on behalf of Todd Jaksick pursuant to an existing loan guarantee. Principal and accrued interest at 1.5% is payable December 31, 2017. The note is conditionally repayable depending on the effects of the indemnification agreement with Samuel S Jaksick Jr dated January 1, 2008.</p>	105,510.75	105,511.00
<p>Note receivable - TBJ SC Trust (including accrued interest of \$587.37)</p> <p>Note receivable, originally in the amount of \$349,129 dated August 17, 2004. Assumed by the TBJ SC Trust June 17, 2015. Interest only payments are payable annually at 4% until August 15, 2013 at which time the principal and accrued interest is payable in full. The note is in default. The Samuel S Jaksick Jr. Family trust directs the trustee to distribute the balance of the note back to the TBJ SC Trust for the benefit of Ben and Amanda Jaksick upon the death of Samuel S Jaksick Jr.</p>	103,659.16	103,660.00
<p>Note receivable - Todd Jaksick Family Trust (Note #1 - including accrued interest of \$4,993.15)</p> <p>Note receivable, originally in the amount of \$75,000 dated January 31, 2011. Interest only payments are payable annually at 3% per annum until January 31, 2015 at which time the principal and accrued interest is payable in full. On April 20, 2016, the maturity date of the note was extended to December 31, 2017 by agreement.</p>	79,993.15	79,994.00
<p>Note receivable - White Pine Lumber Co #2</p> <p>Note receivable dated April 1, 2015 originating from a \$6,681.48 advance to White Pine Lumber Company. Interest is accrued at 1% per annum. Additional advances totaling \$76,073.24 from the trust have been attached to this note by agreement. Interest is payable annually and the principal and accrued interest is payable December 31, 2017.</p>	76,170.66	76,171.00
<p>Note receivable - Wendy Jaksick</p> <p>Note receivable, originally in the amount of \$59,983.29 dated November 25, 2014. Interest only payments are payable annually at .4% per annum until November 25, 2017 at which time the principal and accrued interest is payable in full.</p>	59,260.29	59,261.00

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE H1 - NOTES AND OTHER RECEIVABLES, END OF YEAR
As of March 31, 2016

	Fiduciary Acquisition Value	Estimated Value
NOTES AND OTHER RECEIVABLES (continued):		
Note receivable - Bright Holland Co (Note #5)	40,467.00	40,467.00
<p>Note receivable in the amount of \$40,467 dated June 29, 2015 originating from a \$40,467 loan payment to American AgCredit on behalf of Bright-Holland Company pursuant to an existing loan guarantee. Interest is accrued at 6.05% per annum which is the interest rate of the underlying loan. Interest is payable annually on March 31 and the principal and accrued interest is payable December 31, 2018. The note was repaid during June 2016.</p>		
Note receivable - Toiyabe Investment Co	28,417.17	28,418.00
<p>Note receivable dated June 18, 2013 in the amount of \$1,745.00. Interest is accrued at 3% per annum. Originating from a \$1,745.00 advance to Toiyabe Investment Company. Additional advances totaling \$26,672.17 have been attached to this note by agreement. Interest is payable annually and the principal and accrued interest is payable June 18, 2016. On May 23, 2016 the maturity date of the note was extended to December 31, 2017 by agreement.</p>		
Note receivable - BBB Investments LLC	11,021.42	11,022.00
<p>Note receivable in the amount of \$1,338.96 dated August 8, 2013. Interest is accrued at 3% per annum. Originating from a \$1,338.96 advance to BBB Investments, LLC. Additional advances totaling \$9,682.46 have been attached to this note by agreement. Interest is payable annually and the principal and accrued interest is payable August 8, 2016. The August 8, 2014 and August 8, 2015 interest payments have been extended by agreement. This note was repaid in January 2017.</p>		
Duck Flat Ranch LLC receivable	300.00	300.00
Duck Lake Ranch LLC receivable	100.00	100.00
TOTAL NOTES AND OTHER RECEIVABLES	\$ 996,781.38	\$ 996,788.00

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE H2 - CLOSELY HELD BUSINESSES, END OF YEAR
As of March 31, 2016

	<u>Fiduciary Acquisition Value</u>	<u>Estimated Value</u>
CLOSELY HELD BUSINESSES:		
Toiyabe Investment Co (50% interest)	\$ 895,000.00	\$ 895,000.00
Buckhorn Land & Livestock, LLC (25% interest)	319,614.66	320,000.00
Shakey's USA Inc (40,000 shares)	64,400.00	65,000.00
Duck Flat Ranch LLC (49% interest)	109,147.00	110,000.00
Basecamp LLC (18.75% interest)	33,441.43	34,000.00
Montreux Golf Club Ltd (1% interest)	23,000.00	23,000.00
Samuel S Jaksick Jr IV LLC (100% interest)	20,000.00	20,000.00
BBB Investments (49% interest)	18,637.56	19,000.00
Lakeridge Golf Course Ltd (1% interest)	8,000.00	8,000.00
Gerlach Green Energy LLC (45% interest)	3,000.00	3,000.00
SJ Ranch LLC	121,137.71	-
ALSB LTD (100% interest)	-	-
Bent Arrow LLC (100% interest)	-	-
Lake-Ridge Corporation (100% interest)	-	-
Samuel S Jaksick Jr II LLC (100% interest)	-	-
Spring Mountain NV Development Co (25% interest)	-	-
TOTAL CLOSELY HELD BUSINESSES	<u>\$ 1,615,378.36</u>	<u>\$ 1,497,000.00</u>

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE I - NON-CASH TRANSACTIONS
For the period beginning April 1, 2015 and ending March 31, 2016

<u>Date</u>	<u>Descriptions</u>	<u>Principal</u>	<u>Income</u>
NON-CASH RECEIPTS:			
4/1/2015	Correction of assessment of interest related to Bright Holland note #4 on 4/30/14	\$ -	\$ 61.69
4/20/2015	ALSB Ltd. (a 100% trust owned entity) made a payment to Western Alliance Bank dba First Independent Bank of Nevada from a lot sale in the amount of \$125,000 on behalf the Samuel S Jaksick Jr. Family Trust. The amount was applied to unpaid balance on an existing note receivable from ALSB Ltd. The total payment of \$125,000 was applied to the principal balance of the ALSB LTD note receivable in the amount of \$124,292.39 and accrued interest of \$707.61.	124,292.39	707.61
TOTAL NON-CASH RECEIPTS		\$ 124,292.39	\$ 769.30
NON-CASH PAYMENTS OF TRUST DEBTS:			
4/20/2015	ALSB Ltd. (a 100% trust owned entity) made a payment to Western Alliance Bank dba First Independent Bank of Nevada from a lot sale in the amount of \$125,000 on behalf the Samuel S Jaksick Jr. Family Trust. The total payment of \$125,000 was applied to the principal balance loan.	125,000.00	-
TOTAL NON-CASH PAYMENTS OF TRUST DEBTS		\$ 125,000.00	\$ -

See accountant's compilation report

SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE J - NOTES AND OTHER RECEIVABLES ACTIVITY
For the period beginning April 1, 2015 and ending March 31, 2016

<u>Date</u>	<u>Description</u>	<u>Amounts</u>	<u>Totals</u>
NOTES AND OTHER RECEIVABLES ACTIVITY:			
<u>Receivable Jaksick Family LLC #2</u>			
4/1/2015	Balance		\$ 50.00
11/2/2015	Payment	(50.00)	(50.00)
	Balance, Jaksick Family LLC		\$ -
<u>Note receivable Bright Holland (Note #2)</u>			
4/1/2015	Balance		\$ 149,753.06
4/1/2015	4/1/14 Advance misapplied to note #4 and should be note #2	2,582.45	2,582.45
	Balance, Bright Holland Co		\$ 152,335.51
<u>Note receivable Bright Holland (Note #4)</u>			
4/1/2015	Balance		\$ 2,520.76
4/1/2015	4/1/14 Advance misapplied to note #4 and should be note #2	(2,582.45)	
4/1/2015	Interest charged incorrectly to note #4	61.69	(2,520.76)
	Balance, Bright Holland Co		\$ -
<u>Note receivable Bright Holland (Note #5)</u>			
4/1/2015	Balance		\$ -
6/29/2015	Payment to American AgCredit on behalf of Bright-Holland	40,467.00	40,467.00
	Balance, Bright Holland Co		\$ 40,467.00
<u>Receivable ALSB Ltd</u>			
4/1/2015	Balance		\$ 189,456.84
	ALSB Ltd. (a 100% trust owned entity) made a payment to Western Alliance Bank dba First Independent Bank of Nevada from a lot sale in the amount of \$125,000 on behalf the Samuel S Jaksick Jr. Family Trust. The amount was applied to unpaid balance on an existing note receivable from ALSB Ltd. The total payment of \$125,000 was applied to the principal balance of the ALSB LTD note receivable in the amount of		
4/20/2015	\$124,292.39 and accrued interest of \$707.61.	(124,292.39)	(124,292.39)
	Balance, ALSB Ltd		\$ 65,164.45
<u>Receivable SST Westridge, LLC</u>			
4/1/15	Balance		\$ 425.00
11/17/15	SST Westridge, LLC	(100.00)	
11/17/15	loss on liquidation of SST Westridge, LLC	(325.00)	(425.00)
	Balance, SST Westridge LLC		\$ -

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SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE J - NOTES AND OTHER RECEIVABLES ACTIVITY
For the period beginning April 1, 2015 and ending March 31, 2016

<u>Date</u>	<u>Description</u>	<u>Amounts</u>	<u>Totals</u>
NOTES RECEIVABLE ACTIVITY (continued):			
<u>Note receivable, Todd Jaksick #3</u>			
4/1/2015	Balance		\$ 105,510.76
5/8/15	loan repayment	(3,457.16)	
8/31/15	loan repayment	(6,617.69)	
3/21/16	loan repayment	(4,867.31)	(14,942.16)
	Balance, Todd Jaksick		<u>\$ 90,568.60</u>
<u>Receivable, Todd Jaksick #4</u>			
4/1/2015	Balance		\$ -
9/1/15	American AgCredit for Todd Jaksick	105,510.75	105,510.75
	Balance, Todd Jaksick		<u>\$ 105,510.75</u>
<u>Note receivable White Pine Lumber Co #2</u>			
4/1/2015	Balance		\$ -
4/1/15	American AgCredit for White Pine	6,681.48	
5/1/15	American AgCredit for White Pine	6,681.48	
5/8/15	loan repayment	(4,096.39)	
6/1/15	American AgCredit for White Pine	6,681.48	
6/30/15	American AgCredit for White Pine	6,681.48	
8/1/15	American AgCredit for White Pine	6,681.48	
9/1/15	American AgCredit for White Pine	6,681.48	
9/28/15	loan repayment	(6,592.19)	
10/1/15	American AgCredit for White Pine	6,681.48	
10/7/15	American AgCredit for White Pine	6,681.48	
11/1/15	American AgCredit for White Pine	6,681.48	
12/1/15	American AgCredit for White Pine	6,681.48	
1/7/16	American AgCredit for White Pine	6,681.48	
1/13/16	American AgCredit for White Pine	6,681.48	
2/24/16	American AgCredit for White Pine	6,681.48	76,170.66
	Balance, White Pine Lumber Co		<u>\$ 76,170.66</u>

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SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE K - INVESTMENT ACTIVITY
For the period beginning April 1, 2015 and ending March 31, 2016

<u>Date</u>	<u>Descriptions</u>	<u>Amounts</u>	<u>Totals</u>
INVESTMENT ACTIVITY:			
<u>4005 Quail Rock Lane, Reno NV</u>			\$ 540,000.00
8/11/15	Realm Construction	17,142.27	
8/18/15	Realm Construction	9,064.83	
9/3/15	Realm Construction	20,749.14	
10/28/15	Realm Construction	40,259.77	
12/14/15	Realm Construction	5,152.92	92,368.93
Balance, 4005 Quail Rock Lane, Reno NV			<u>\$ 632,368.93</u>
<u>Lakecrest Realty Inc. (liquidated)</u>			
4/1/2015	Fiduciary acquisition value		\$ -
5/13/15	Payments to US Treasury for prior payroll taxes	29.06	
11/24/15	Payments to US Treasury for prior payroll taxes	237.45	
11/24/15	Payments to US Treasury for prior payroll taxes	396.68	
3/17/16	Payments to US Treasury for prior payroll taxes	263.30	
3/17/16	Loss recognized for nonrecoverable payments	(926.49)	-
Balance, Lakecrest Realty Inc.			<u>\$ -</u>
<u>SJ Ranch, LLC</u>			
4/1/2015	Fiduciary acquisition value		\$ 79,979.40
4/7/15	Additional investment	150.00	
6/29/2015	Additional investment	41,008.31	41,158.31
Balance, SJ Ranch, LLC			<u>\$ 121,137.71</u>
<u>Duck Flat Ranch, LLC</u>			
4/1/2015	Fiduciary acquisition value		\$ 109,000.00
10/23/15	Additional investment	147.00	147.00
Balance, Duck Flat Ranch, LLC			<u>\$ 109,147.00</u>
<u>SST Westridge LLC</u>			
4/1/2015	Fiduciary acquisition value		\$ 28,000.00
11/11/2014	Investment	68.75	
11/17/15	Loss on liquidation of SST Westridge, LLC	(28,068.75)	(28,000.00)
Balance, SST Westridge LLC			<u>\$ -</u>

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SAMUEL S JAKSICK JR FAMILY TRUST
SCHEDULE K - INVESTMENT ACTIVITY
For the period beginning April 1, 2015 and ending March 31, 2016

<u>Date</u>	<u>Descriptions</u>	<u>Amounts</u>	<u>Totals</u>
INVESTMENT ACTIVITY (continued):			
<u>BBB Investments, LLC</u>			
4/1/2015	Fiduciary acquisition value		\$ 11,000.00
5/12/15	Additional investment	686.00	
6/8/15	Additional investment	686.00	
7/9/15	Additional investment	710.50	
8/1/15	Additional investment	686.00	
9/2/15	Additional investment	686.00	
10/8/15	Additional investment	686.00	
11/12/15	Additional investment	714.00	
12/8/15	Additional investment	1,321.04	
12/15/15	Additional investment	171.50	
1/27/16	Additional investment	660.52	
3/2/16	Additional investment	630.00	7,637.56
	Balance, BBB Investments, LLC		<u>\$ 18,637.56</u>

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