## **REVOCABLE TRUST AGREEMENT**

NAME: LeGRANDE AND BETTE LU SPILSBURY REVOCABLE TRUST TRUSTORS: LeGRANDE SPILSBURY BETTE LU SPILSBURY TRUSTEES: LeGRANDE SPILSBURY BETTE LU SPILSBURY DATE: - Dec 31, 1984

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# **REVOCABLE TRUST AGREEMENT**

This TRUST AGREEMENT is entered into by and between LeGRANDE SPILSBURY and BETTE LU SPILSBURY, husband and wife (referred to as the "Trustors") and LeGRANDE SPILSBURY and BETTE LU SPILSBURY, (referred to as the "Trustees").

# **ARTICLE I CREATION OF TRUST**

By this agreement, Trustors transfer and deliver to the Trustee, without any consideration on the part of the Trustee, the property described in the attached Schedule A, the receipt of which is hereby acknowledged by the Trustee. The property so described, together with any other property that may later become subject to this trust by the Wills of Trustors, by collection of life insurance proceeds, or otherwise, shall constitute the "trust estate," and shall be held IN TRUST and administered and distributed as provided below. During the joint lives of Trustors, this trust shall be known as the "LeGrande and Bette Lu Spilsbury Revocable Trust."

## **ARTICLE II STATEMENT REGARDING FAMILY**

Trustors declare that their only children are the following: REBECCA TITINE WINSOR, born August 31, 1941; VICTORIA S. SCHMUTZ, born October 22, 1943; EDWARD ARCH SPILSBURY, born August 7, 1948; TANYA JO GRAFF, born August 7, 1948; and PETER JON SPILSBURY, born November 3, 1956.

# ARTICLE III SEPARATE PROPERTY

Trustors declare that prior to creation of this trust, each of them owned certain assets in his or her own right, as the separate property of the respective spouse. It is the Trustors' intention that all separate property transferred to this trust by either spouse and the proceeds thereof (called the "separate estate"), shall retain its character during the joint lifetimes of the Trustor subject to all the terms and conditions of this instrument.

#### ARTICLE IV DISPOSITION OF TRUST ESTATE DURING JOINT LIFETIME OF TRUSTORS

#### A. DISTRIBUTION OF INCOME AND PRINCIPAL

During the joint lifetimes of the Trustors, the Trustee shall pay to a Trustor, or shall apply for his or her benefit, the entire net income of that Trustor's separate estate, quarterannually or in more frequent installments. At the written request of the Trustor who transferred the separate estate to the trust, the Trustee shall pay to that Trustor so much of the principal of his or her separate estate as the Trustor shall request.

### B. INVASION OF PRINCIPAL BY TRUSTEE

If either Trustor shall come under any physical or mental disability, in addition to the net income of the Trustor's separate estate, the Trustee may pay to or apply for the benefit of

either Trustor so much of the principal àf the disabled Trustor's separate estate as the Trustee shall deem necessary for the Trustor's proper support, health, and maintenance.

### ARTICLE V DISTRIBUTION OF INCOME AND PRINCIPAL UPON THE DEATH OF A TRUSTOR

Upon the death of the first Trustor to die (the "predeceased Trustor"), the trust estate shall be held, administered and distributed as follows:

### A. DIVISION OF TRUST ESTATE

The Trustee shall divide the trust estate (including any addition made to the trust estate as a result of the death of the predeceased Trustor) into two separate trusts, designated the Marital Trust and the Family Trust.

#### 1. Simultaneous Death

For the purpose of such division of the trust estate, if the Trustors die simultaneously or under such circumstances as to render it difficult or impossible to determine who predeceased the other, the wife shall be conclusively presumed to have survived the husband.

#### 2. Assets in the Marital Trust

The Marital Trust shall consist of the following:

#### a. Surviving Trustor's Separate Estate

The surviving Trustor's separate estate, if any, included in the trust estate.

#### **b. Designated Property**

Property received by the Trustee from any source and specifically designated as property of the Marital Trust, including property added to such trust under the predeceased Trustor's will.

#### c. Pecuniary Share

Additional property in an amount equal to the excess, if any, of (1) the sum of the predeceased Trustor's adjusted taxable gifts and of the predeceased Trustor's federal taxable estate (determined without regard to the application of the federal marital deduction) over (2) the maximum taxable estate in the year of the predeceased Trustor's death for which no federal estate tax will be payable after taking into consideration all credits available to the predeceased Trustor's estate. The amount so determined shall be reduced by the final federal estate tax values of all other property interests that pass or have passed to the surviving Trustor under other provisions of this instrument or otherwise and that qualify for the marital deduction. The Trustee shall satisfy the amount finally determined in cash or in kind, or partly in each, with assets eligible for the marital deduction; assets allocated in kind shall be deemed to satisfy the amount on the basis of their values at the date or dates of distribution to the Marital Trust. To the extent possible the Trustee shall not allocate to the Marital Trust any interest the predeceased Trustor

may have had in any policy of life insurance on the life of a person other than the predeceased Trustor which is includable in the trust estate.

#### 3. Assets in Family Trust

The Family Trust shall consist of the balance of the trust estate.

#### 4. Payment of Expenses and Taxes Relating to Predeceased Trustor

Upon the death of the predeceased Trustor, the Trustee in the Trustee's discretion may pay out of the trust estate the last illness and funeral expenses, attorney's fees and other costs incurred in administering the predeceased Trustor's probate estate, other obligations incurred for the predeceased Trustor's support, and any inheritance and estate taxes (including interest and penalties) arising by reason of the predeceased Trustor's death. All such expenses shall be charged against the Family Trust.

#### 5. Apportionment of Taxes

Except as otherwise specifically provided in this instrument or in the Will of the predeceased Trustor, any inheritance, estate or other death taxes that are paid by the Trustee by reason of the death of the predeceased Trustor, and which are attributable to any portion of this trust estate or to the predeceased Trustor's probate estate, shall be charged against the Family Trust without adjustment among the trust beneficiaries or probate estate beneficiaries, and shall not be charged against or collected from any beneficiary of the trust estate or probate estate. Any other such taxes that are paid by the Trustee shall be apportioned as provided by the applicable proration statute.

### B. DISPOSITION DURING SURVIVING TRUSTOR'S LIFETIME

#### 1. Income of Marital Trust

The entire net income from the Marital Trust shall be paid to or applied for the benefit of the surviving Trustor during the surviving Trustor's lifetime, quarter—annually or at more frequent intervals.

#### 2. Invasion of Principal (Marital Trust)

If the Trustee shall deem such income payments to be insufficient, the Trustee shall from time to time pay to or apply for the benefit of the surviving Trustor such sums out of the principal of the Marital Trust as the Trustee, in the Trustee's discretion, shall deem necessary for the surviving Trustor's proper support, health, and maintenance. In making any payments of principal to or for the surviving Trustor, the Trustee shall take into consideration, to the extent the Trustee shall deem advisable, any income or other resources of the surviving Trustor, outside the Marital and Family Trusts, known to the Trustee and reasonably available for these purposes; provided, however, that the personal residence of the surviving Trustor shall not be considered by the Trustee to be available for these purposes.

#### 3. Right of Surviving Trustor To Withdraw Principal of Marital Trust

At any time, and from time to time, after the predeceased Trustor's death, the surviving Trustor shall have the right to direct the Trustee, in writing, to pay or distribute to the surviving Trustor sums or assets from the principal of the Marital Trust, up to the whole thereof, for such purposes and such uses as the surviving Trustor may deem desirable. The Trustee shall have no responsibility to inquire into or determine for what purpose any 'of such withdrawals are made.

#### 4. Income and Principal of Family Trust

The Trustee shall pay to or apply for the benefit of the surviving Trustor and Trustors' issue, including those who are age twenty-one (21) or older, as much of the net income and principal of the Family Trust as the Trustee, in the Trustee's discretion, shall deem necessary for their proper support, health, maintenance and education, after taking into consideration, to the extent the Trustee shall deem advisable, any other income or resources of the surviving Trustor or of Trustors' issue, known to the Trustee and reasonably available for these purposes; provided, however, that the personal residence of a beneficiary shall not be considered by the Trustee to be available for these purposes. In addition, the Trustee may, if the Trustee shall deem advisable, apply net income and principal of the trust for the support of the surviving spouse of any deceased issue of Trustors. Any net income not distributed shall be accumulated and added to principal. In exercising the discretions conferred by this subpara graph, the Truàtee 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 if the Trustee shall deem this necessary or appropriate in the light of the circumstances, the size of the trust estate, and the probable future needs of the beneficiaries. The Trustee shall be mindful of the fact that Trustors' primary concern in establishing this trust is the surviving Trustor's welfare, and that the interests of others in the trust are to be subordinate. Any payment or application of benefits pursuant to this subparagraph shall be charged against the Family Trust as a whole rather than against the ultimate distributive share of the beneficiary to whom or for whose benefit the payment is made.

#### 5. Right of Surviving Trustor to Appoint Principal of Family Trust

At any time, and from time to time, after the predeceased Trustor's death, the surviving Trustor shall have the right to direct the Trustee to distribute all or part of the Family Trust to such one or more of the issue of Trustors, and on such terms and conditions, either outright or in trust, as the surviving Trustor shall appoint by writing delivered to the Trustee, pecifically referring to and exercising this power of appointment.

#### 6. Surviving Trustor Authorized to Use Residence

The surviving Trustor shall have the right to continue to occupy all real property in the trust estate that Trustors were using for residential purposes at the time of the predeceased Trustor's death (whether on a full or part-time basis, including resort property); provided, however, that the surviving Trustor, in his or her discretion, may direct the Trustee to sell any such property and replace it with or rent or lease another residence selected by the surviving Trustor of comparable or lower value. The Trustee shall pay such portion of any mortgage or trust deed payments, and such portion of any

property taxes, assessments, insurance, maintenance, and repairs on all such property, or such portion of any rent or lease payments, out of the principal or income of the Family Trust, as represents the Family Trust's proportionate interest in any such property. The remaining portion of such payments and expenses shall be paid by the surviving Trustor personally or, pursuant to the surviving Trustor's instructions, may be paid from the Marital Trust.

#### ARTICLE VI DISPOSITION ON DEATH OF SURVIVING TRUSTOR

#### A. SURVIVING TRUSTOR'S TESTAMENTARY POWER OVER MARITAL TRUST

On the death of the surviving Trustor, the Trustee shall distribute the balance then remaining, if any, of the Marital Trust (including both principal and any accrued or undistributed income) to such one or more persons and entities, including the surviving Trustor's own estate, and on such terms and conditions, either outright or in trust, as the surviving Trustor shall appoint by Will specifically referring to and exercising this power of appointment (whether the Will is executed before or after the predeceased Trustor's death). Any of the Marital Trust not effectively appointed by the surviving Trustor in this manner shall be added to the Family Trust, and be disposed of as part of the Family Trust in all respects as provided below. The Trustee in that event may, in the Trustee's discretion, first pay out of the principal of the Marital Trust not so appointed by the surviving Trustor's support, and shall pay any estate or inheritance taxes attributable to the Marital Trust by reason of the surviving Trustor's death.

#### **B. DISTRIBUTION OF FAMILY TRUST**

On the death of the surviving Trustor, the Trustee shall distribute the Family Trust as then constituted, to such one or more of the issue of Trustors, and on such terms and conditions, either outright or in trust, as the surviving Trustor shall appoint by Will specifically referring to and exercising this power of appointment (whether the Will is executed before or after the death of the predeceased Trustor). Any of the Family Trust not effectively appointed in this manner shall be divided by the Trustee into as many equal shares as there are children of Trustors then living and children of Trustors then deceased leaving issue then living; provided, however, that any assets re from a Trustor by a child of Trustors, a child's spouse, or a child's child as an advancement shall be considered a part of the trust estate for the purposes of division and distribution of the trust estate among Trustors' issue, and shall be included as part of the share of the trust estate allocated to the child or child's issue, as the case may be. For this purpose, Trustors declare that they have already made advancements of \$50,000.00 to each of their children other than Victoria. S. Schmutz, and each of such children other than Victoria shall be deemed to have received such amount as an advancement. Further, Trustors have on the same date this instrument is executed, made gifts of limited partnership interests in Spilsbury Land and Livestock to their children, children's spouses, and grandchildren, and expect to make additional such gifts in the future; all such gifts shall be treated as

advancements. If the amount of the advancements received by a child and his spouse and issue exceeds the share allocable to the child or his issue, such child or issue shall be excluded from any further portion in the division and distribution of the trust estate, but no person shall be required to refund any part of such property. If the amount so received by the child, spouse, and issue by way of advancement is less than an equal share, such child or issue shall be entitled to so much more as will give him his full share upon division of the trust estate. The Trustee shall allocate one such equal share to each living child of Trustors and one such equal share to each group composed of the living issue of a deceased child of Trustors. Each such share shall be distributed, or retained in trust, as provided below.

#### 1. Child's Share Outright

Each share allocated to a living child of Trustors shall be distributed to such child free of trust.

#### 2. Share for Issue of Deceased Child

Each share allocated to a group composed of the living issue of a deceased child of Trustors shall be distribute to such issue by representation; provided, however, that any portion distributable to a beneficiary who has not yet then attained the age of twenty-one (21) shall be continued in trust as a separate trust for the benefit of such person in accordance with the following terms: The Trustee shall pay to or apply for the benefit of the beneficiary so much of the net income and principal of such trust as the Trustee in the Trustee's discretion shall deem necessary for the person's proper support, health, maintenance and education, after taking into consideration, to the extent the Trustee shall deem advisable, any income or other resources of the beneficiary, outside the trust, known to the Trustee. Any income not so distributed or applied shall be accumulated and added to principal. When the beneficiary attains the age of twenty-one (21), the Trustee shall distribute to him the undistributed balance of the trust, and in case of the beneficiary's death prior thereto, the Trustee shall distribute the undistributed balance of his trust to his estate.

#### 3. Distribution in Event of No Other Distribution

If at the time of the surviving Trustor's death, or at any later time before full distribution of the trust estate, all of Trustors' issue are deceased and no other disposition of the property is directed by this instrument, the trust estate or the portion of it then remaining shall thereupon be distributed one—half (1/2) to those persons who would then be Trustor-husband's heirs and one—half (1/2) to those persons who would then be Trustor wife's heirs, the identities and respective shares of the heirs of each of the Trustors to be determined as though the death of each Trustor had then occurred and according to the laws of the State of Utah in effect at the date of the execution of this instrument.

# **ARTICLE VII POWERS OF TRUSTEE**

To carry out the purposes of any trust created under this instrument and subject to any limitations stated elsewhere in this instrument, 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:

## A. STATUTORY POWERS

All powers enumerated in §75-7-402 of the Utah Uniform Probate Code as it exists on the date of this instrument, as though such powers were herein set forth in full, without necessity for petition to the court having jurisdiction over this Trust.

## B. POWER TO RETAIN PROPERTY OR BUSINESS IN TRUST

To continue to hold any property, including shares of the stock of any Trustee under this instrument, and to operate at the risk of the trust estate any business received or acquired under the trust by the Trustee as long as the Trustee shall deem advisable; provided, however, that except as to a residence or other property held for the personal use of the surviving Trustor, unproductive or underproductive property shall not be held as an asset of the trusts established hereunder for more than a reasonable time during the lifetime of the surviving Trustor without such Trustor's written consent.

## C. POWER OF SALE, EXCHANGE AND REPAIR

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

## D. POWER TO INSURE

To carry, at the expense of the trust, insurance of such kinds and in such amounts as the Trustee shall deem advisable to protect the trust estate and Trustee against any hazard.

## E. POWER TO COMMENCE OR DEFEND LITIGATION

To commence or defend litigation with respect to the trust or any property or the trust estate as the Trustee may deem advisable, at the expense of the trust.

# F. INVESTMENT POWERS

To invest and reinvest all or any part of the trust estate in such common or preferred stock, shares of investment trusts, and investment companies, bonds, municipal bonds or other obligations of political subdivisions, debentures, mortgages, deeds of trust, notes, real estate, or other property as the Trustee in the Trustee's absolute discretion may select, including any common trust fund administered by any Trustee under this instrmnent, and the Trustee may continue to hold in the form in which received (or the form to which changed by reorganization, stock split, stock dividend, or other like occurrence) any securities or other property the Trustee may acguire at any time under this trust, it being Trustors' express desire and intention that, the Trustee shall have full power to invest and reinvest the trust funds without being restricted to and forms of investment that the Trustee otherwise may be permitted to make by law; and the investments need not be diversified.

## G. DETERMINATION OF PRINCIPAL AND INCOME

Except as otherwise specifically provided in this instrument, the determination of all matters with respect to what is principal and income of the trust estate and the apportionment and allocation of receipts and expenses between these accounts shall be governed by the provisions of the Utah Principal and Income Act (Utah Code Annotated

§22-2-1 et seq.) from time to time existing. Any such matter not provided for either in this instrument or in the Principal and Income Act shall be determined by the Trustee in the Trustee's discretion. Provided, however, that if any beneficiary of this trust is a Trustee, the following requirements shall be observed by the Trustee:

#### 1. Depreciable or Depletable Assets

The Trustee need not set aside out of income any reserve for depreciation, obsolescence, repair, replacement or improvement of any capital assets contributed to this trust during a Trustor's lifetime or by will upon the death of a Trustor. If the Trustee thereafter acquires any property subject to depreciation, amortization or depletion, the Trustee shall set aside out of income, from time to time, a reasonable reserve for depreciation of all income-producing depreciable real and personal property, for capital improvements and extraordinary repairs on income- producing property, and for depletion of all depletable natural resources, including but not limited to oil, gas, mineral and timber property.

#### 2. Premiums and Discounts on Bonds

All premiums paid and all discounts received in connection with the purchase of any bond or other obligation shall be amortized by making an appropriate charge or credit to income.

### H. DIVISION OR DISTRIBUTION OF ASSETS

Whenever this instrument requires the Trustee to divide any trust property into parts or shares for the purpose of creating separate subtrusts, for distribution, or otherwise, the Trustee is authorized, in the Trustee's absolute discretion, to make the division or distribution on a non-pro rata basis, and in kind, including any undivided interests in any property, or partly in kind and partly in money, and for this purpose to make such sales of the trust property as the Trustee may deem necessary, on such terms and conditions as the Trustee shall see fit.

### I. DECISIONS AFFECTING TAXES

If no Personal Representative of a Trustor's estate is appointed following a Trustor's death, the Trustee acting under this instrument shall, in determining federal estate and income tax liabilities, have discretion to select the valuation date, to determine whether any or all of the allowable expenses shall be used as federal estate tax deductions or as federal income tax deductions (with like discretion as to any applicable state taxes), to select the redemption date of any United States obligations that are eligible for redemption at par in payment of taxes, to make all other elections, and to take all other appropriate actions with respect to taxation of Trustors or the trust estate.

### J. ADJUSTMENT TO COMPENSATE FOR TAX DECISIONS

Except as otherwise provided in this instrument, the Trustee shall have absolute discretion, but shall not be required, to make adjustments in the rights of any beneficiaries or among the principal and income accounts, to compensate for the consequences of any tax decision or election that the Trustee believes has had the effect, directly or indirectly, of preferring one beneficiary or group of beneficiaries over another.

### K. DEALINGS WITH PERSONAL REPRESENTATIVE

The Trustee, in the Trustee's discretion, may make loans at the prevailing rates of interest to the Personal Representative of a Trustor's estate on such terms and conditions that the Trustee shall determine, and may purchase at the fair market value thereof, and retain as assets of the trust, any real and personal property held in a Trustor's estate.

### L. RIGHT TO RENOUNCE

If no Personal Representative of a Trustor's estate is appointed following a Trustor's death, the Trustee is authorized (except to the extent fundamentally inconsistent with the provisions of this instrument and the Trustor's estate plan) to renounce, in whole or in part, any devise or legacy or any interest in any trust for a Trustor's benefit (including a trust created under this instrument), at any time within nine (9) months after the date of the transfer which created the interest in the Trustor.

# **ARTICLE VIII PROVISIONS RESPECTING TRUSTEE**

## A. SUCCESSOR TRUSTEE

In case either individual Co-Trustee resigns or is unable -to act for any reason, both VICTORIA S. SCHMUTZ and EDWARD ARCH SPILSBURY shall act as Co-Trustee with the remaining original Co-Trustee, and if a Co-Trustee shall thereafter for any reason cease to act as Trustee, the others shall act as Co-Trustee.

## B. WAIVER OF BOND

No bond shall be required of any Trustee named in this instrument.

# C. LIMITATION UPON INDIVIDUAL TRUSTEE

Notwithstanding any other provision of this instrument to the contrary, no person acting as Trustee hereunder shall participate as Trustee in the exercise of any Trustee's power or discretion which would have the effect of discharging any of such person's legal obligations or which is exercisable in favor of such person, his estate, his creditors or the creditors of his estate, including (but without limitation thereto) any power or discretion of the Trustee to invade principal for the benefit of such person; and any such power or discretion shall reside solely in the disinterested Trustee. This limitation on such person shall apply only to any power or discretion exercisable by him as Trustee and shall not apply to any power or discretion herein conferred upon such person solely in his individual capacity.

In addition, no individual Trustee shall possess or exercise any incidents of ownership over any life insurance policies on such Trustee's life that are included in the trust estate, and the possession of and power tà exercise such incidents of ownership shall reside solely in the disin Trustee.

# ARTICLE IX NO CONTEST

In the event any beneficiary under this trust shall, singularly or in conjunction with any other person or persons, contest in any court the validity of this trust or of a Trustor's

Last Will or shall seek to obtain an adjudication in any proceeding in any court that this trust or any of its provisions or that such Will or any of its provisions is void, or seek otherwise to void, nullify, or set aside this trust or any of its provisions, then the right of that person to take any interest given to him by this trust shall be determined as it would have been determined had the person predeceased the execution of this. trust instrument without surviving issue.

The Trustee is hereby authorized to defend, at the expense of the trust estate, any contest or other attack of any nature on this trust or any of its provisions.

### ARTICLE X WITHDRAWAL, REVOCATION AND AMENDMENT

During the lifetime of both Trustors, any separate estate may be withdrawn in whole or in part by the Trustor who transferred it to this trust. The power of withdrawal shall be exercised by written notice delivered to the other Trustor and to the Trustee. In the event of such withdrawal the separate estate shall revert to the Trustor contributing it and shall constitute his or her separate property as if this trust had not been created.

This instrument may not be amended or revoked during the lifetime of both Trustors without the written agreement of both of them. After the death of the predeceased Trustor, the surviving Trustor shall have the power to amend or revol the Marital Trust, but the Family Trust may not be amended or revoked by any person. After the death of the surviving Trustor, the Marital Trust may not be amended or revoked by any person. No amendment shall substantially change the duties and liabilities of the Trustee without the Trustee's written consent. The powers of the Trustors to revoke or amend this instrument are personal to them and shall not be exercisable on their behalf by any guardian, conservator, or other person, except that revocation or amendment may be authorized after notice to the Trustee, by the court that appointed the guardian or conservator.

# **ARTICLE XI GENERAL TRUST PROVISIONS**

### A. SPENDTHRIFT PROVISION

No interest in the principal or income of any trust created under this instrument shall be anticipated, assigned, or encumbered or subject to any creditor's claim or to legal process, prior to its actual receipt by the beneficiary.

#### B. MANNER OF MAKING PAYMENTS TO MINORS OR INCOMPETENTS

The Trustee, in the Trustee's discretion, may make payments to a minor or other beneficiary under disability by making payments to his guardian, or (except in the case of the surviving Trustor) to any suitable person with whont he resides, or to any qualified adult person or trust company as custodian for such minor under the Uniform Gifts to Minors Act as enacted by the state of such minor's residence, or the Trustee may apply payments directly for the beneficiary's benefit. The Trustee, in the Trustee's discretion, may make payments directly to a minor if, in the Trustee's judgment, he is of sufficient age and maturity to spend the money properly.

# C. NO PHYSICAL DIVISION OF TRUST PROPERTY REQUIRED

There need be no physical segregation or division of the assets of the various separate trusts -except as segregation or division may be required by the termination of any of the trusts, but the Trustee shall keep separate accounts therefore. The Trustee may merge the assets of any trust hereunder with those of any other trust maintained for the same beneficiaries upon substantially the same terms and having the same Trustee.

### D. PRESERVATION OF MARITAL DEDUCTION

The provisions of this instrument shall be so construed and applied that the property passing from the predeceased Trustor to the Marital Trust (to the extent not renounced) shall qualify for the federal estate tax marital deduction. -

### E. SIMULTANEOUS DEATH

In case any income beneficiary and any remainderman of any trust created hereunder die either simultaneously, or under such circumstances as to render it difficult or impossible to determine who predeceased the other, - the income beneficiary shall be deemed to have survived the reinainderman.

### F. PROHIBITION ON USE OF RETIREMENT BENEFITS

Notwithstanding anything in this instrument to the contrary, no portion of any funds received from qualified retirement plans that are excludable from a deceased Trustor's gross estate for f estate tax purposes under Section 2039 of the Internal Revenue Code or any successor statute shall be paid over to the deceased Trustor's personal representative or paid for the benefit of his estate for any purposes whatsoever, specifically including payment of any death taxes, last illness and funeral expenses, administration expenses or other obligations of a deceased Trustor or his estate.

## G. EDUCATION

Whenever provision is made in this instrument for payment for the "education" of a beneficiary, the term "education" includes college, postgraduate study and trade or vocational schools, so long as pursued to advantage by the beneficiary at any accredited institution of the beneficiary's choice; and in determining payments to be made for such college or postgraduate or vocational education, the Trustee shall take into consideration the beneficiary's related living expenses to the extent that they are reasonable. The term "education" also includes pre—elementary school training, elementary and secondary school study at either public or private institutions, and study or training in the fine arts, athletics, academics, and similar endeavors.

### H. TERMINATION CLAUSE REQUIRED BY LAW

Unless sooner terminated in accordance with other provisions of this instrument, each trust created under this instrument shall terminate twenty-one (21) years after the death of the last survivor of the surviving Trustors and Trustors' issue who are living at the time

of the predeceased Trustor's death, or living at such time as this trust might earlier become irrevocable. All principal and undistributed income of any trust so terminated shall be distributed to the then income beneficiaries of that trust in the proportions in which they are, at the time of termination, entitled to receive the income; provided, however, that if the rights to income are not then fixed by the terms of the trust, distribution under this clause shall be made, by representation, to such issue of Trustors as are then entitled or authorized in the Trustee's discretion to receive income payments, or, if there are no such issue of Trustors, in equal shares to those beneficiaries who are then entitled or authorized to receive income payments.

### I. DISCRETIONARY TERMINATION BY TRUSTEE

If, at any time, in the judgment of the Trustee, the aggregate fair market value of any trust established hereunder shall be sufficiently small that its administration is no longer economically advisable, the cost of administration is disproportionate to the value of the assets, or the continuation of the trust is no longer in the best interest of the beneficiaries, the Trustee, in the Trustee's absolute discretion, may terminate such trust and distribute the then remaining balance thereof as in the previous subparagraph relating to a termination required by law.

# J. SEVERABILITY

If any provision of this instrument is unenforceable, the remaining provisions shall nevertheless be carried into effect.

# K. "CHILDREN" AND "ISSUE"

As used in this instrument, the term "issue" refers to lineal descendants of all degrees, and the term "child," "children," "issue," "descendants," and "heirs" include adopted persons; provided, however, that with the exception of any adult adopted by a Trustor, and person adopted after attaining the age of majority, and such person's issue, are not included within such terms.

## L. GENDER AND NUMBER

As used in this instrument, the masculine, feminine, or neuter gender, and the singular or plural number, include the other whenever the context so indicates

## M. PARAGRAPH HEADINGS

The descriptive phrases at the head of various paragraphs as to their content are inserted only as a matter of convenience and reference, and in no way are intended to be part of this instrument or to define, limit or describe the scope or intent of the text of the particular paragraphs to which they refer.

# N. INCAPACITY

#### 1. Determination of Incapacity

If at any time the Trustee shall receive a written statement signed by a Trustor's personal physician (or a specialist approved by Trustor's personal physician, or any two other

licensed physicians) stating that he consider a Trustor to be so mentally or physically incapacitated as to be substantially unable to manage his financial resources and affairs effectively or to resist fraud or undue influence, and if the Trustee other than such Trustor shall concur in any such statement and shall file a similar statement in the records of the trust, then, whether or not such Trustor may have been adjudicated or certified an incapacitated or incompetent person and notwithstanding any contrary direction from such Trustor, such Trustor shall be considered to be incapacitated; provided, however, that if a court of competent jurisdiction has within a reasonable time made a finding on such matter, such judicial finding shall control.

#### 2. Effect of Determination of Incapacity

If a Trustor is determined to be incapacitated as provided above, then, during the period of such incapacity, (a) if such Trustor is then acting as a trustee hereunder, he shall be deemed to have resigned; (b) any attempt by such Trustor to exercise any of the powers reserved by him under this agreement shall be without force and effect; (c) notwithstanding any directions given by such Trustor in or under Article III-A, the Trustee shall distribute the income and principal of the trust estate as provided in Article III-B; (d) the Trustee shall have power and authority on such Trustor's behalf to exercise or perform any act, power, duty, right or obligation whatsoever that such Trustor may have, relating to any person, matter, transaction or property, real or personal, tangible or intangible, whether in the trust estate or owned by Trustor including, without limitation, power to transfer to himself as Trustee u the terms set forth in this agreement any property owned by Trustor. The power granted to the Trustee under (d) above shall be construed and interpreted as a general durable power of attorney to act as such Trustor's attorney in fact and agent in his name and for his benefit and shall be in addition to all other powers bestowed upon the Trustee by this agreement.

#### 3. Restoration of Capacity

If at any time after the determination of incapacity under subparagraph 3. the Trustee shall receive a written statement signed by such Trustor's personal physician (or a specialist approved by Trustor's personal physician, or any two other licensed physicians) that Trustor is no longer so mentally or physically incapacitated as to be substantially unable to manage his financial resources and affairs effectively or to resist fraud or undue influence, then such Trustor shall no longer be deemed to be incapacitated and the provisions of subparagraph 2 shall cease to apply. If the Trustee other than such Trustor shall object to such physician's statement, the Trustee may institute proceedings to determine capacity before any appropriate court and such Trustor shall no longer be deemed to be incapacitated unless and until a court having jurisdiction has determined that Trustor is in fact incapacitated. Restoration of capacity pursuant to this article or such a finding by a court having jurisdiction over such proceedings shall not automatically restore Trustor as a Trustee under this instrument.

#### **O. POWERS OF APPOINTMENT**

In the exercise of any power of appointment created by this instrument, the donee of the power may impose spendthrift restrictions and other lawful conditions upon any

appointment, make appointments outright or in trust, appoint life estates and remainders, create a general or special power of appointment, and create future interests, joint tenancies, or undivided interests, in such shares or proportions as the donee of the power shall designate in the exercise of the power. No donee may exercise any such power in a manner violating the rule against perpetuities; any attempt to do so shall be ineffectual and the gifts herein made in default of appointment shall take effect. In determining whether any donee has excercised the testamentary power of appointment under this instrument, the Trustee shall be entitled to rely upon an instrument admitted to probate in formal or informal proceedings in any jurisdiction as the Will of the donee, or to act on the assumption that the donee died intestate if the Trustee has received no notice of the existence of a Will within four (4) months of the donee's death.

## P. ACCRUED INCOME ON TERMINATION OF INTEREST

Income, other than income payable to the surviving Trustor from the Marital Trust, accrued or in the hands of the Trustee for payment to an income beneficiary at the termination of the beneficiary's interest shall go to the beneficiaries entitled to the next succeeding interest in the proportions in which they take such interest.

## Q. TANGIBLE PERSONAL PROPERTY

The Trustee shall have no responsibility for any tangible personal property transferred to the Trustee under the terms of this instrument for so long as either Trustor shall retain the use and possession of such property. The Trustee shall be responsible only for such property as may be physically delivered to it.

## R. ADMINISTRATION WITHOUT COURT SUPERVISION

Each trust created by this instrument shall be administered free from the continuing supervision of the court having jurisdiction over the trust; provided, however, that the Trustee or any beneficiary may petition the court for judicial settlement of an accounting or for any other proper purpose.

## S. REPORTS TO BENEFICIARIES

Periodic reports shall be rendered by the Trustee to each beneficiary eligible to receive the current income, showing the assets then held as the principal of the trust estate and all of the receipts, disbursements, and distributions during the period. Such reports shall be rendered not less frequently than annually. Reports to any beneficiary who is under a disability may be rendered directly to such beneficiary or to any parent, guardian, or conservator, or to any adult person with whom the beneficiary resides.

# T. NOTICE OF EVENTS

Until the Trustee receives written notice of any birth, death, marriage or other event upon which the right to receive payments from the trust estate may depend, the Trustee shall incur no liability for disbursements of principal or income made in good faith to any person whose interest may have been affected by that event.

#### **U. ADVANCEMENTS**

Property given to a descendant of Trustors during the lifetime of a Trustor shall be treated as an advancement against the share of the issue of Trustors only if declared in a writing by Trustor or acknowledged in writing by the descendant of Trustors to be an advancement, except as otherwise specifically provided in this instrument. The property advanced is valued as of the time the beneficiary came into possession or enjoyment of the property.

### ARTICLE XII PROVISIONS REGARDING LIFE INSURANCE POLICIES

#### A. PAYMENT OF PREMIUMS

During the joint lives of Trustors, the Trustee shall be under no obligation to pay any premiums or other charges necessary to keep in force any insurance policy in the trust estate or in which the Trustee is named beneficiary, nor to determine whether the same have been paid or to notify anyone of the non-payment thereof. Following the death of the predeceased Trustor, the Trustee shall have the responsibility to pay premiums and other charges on any life insurance policy owned by the Family Trust, but shall have no such responsibility for any policy owned by the Marital Trust. The Trustee shall keep safely each insurance policy assigned to or deposited with the Trustee.

#### **B. COLLECTION OF INSURANCE PROCEEDS**

Upon the death of either Trustor, the Trustee shall use reasonable efforts to collect the proceeds of any insurance on the life of the Trustor and any other benefits payable by reason of the Trustor's death. The Trustee shall have full authority to take any action it deems advisable in regard to collection, and shall pay the expenses of collection, including the expense of any litigation, out of the principal of the trust estate. The Trustee shall have full authority to make any compromise or settlement with respect to the policies and benefits and, if it elects, may exercise any settlement options under any policy. The Trustee may give all necessary and proper releases of liabilities; the receipt of the Trustee to the insurer shall be a full discharge and the insurer is not required to see to the application of any proceeds. The proceeds of any policy shall be come principal of the trust estate, except interest paid by the Insurer, which shall become income.

# **ARTICLE XIII GOVERNING LAW**

This trust has been accepted by the Trustee in the State of Utah and, unless otherwise provided in this instrument, its validity, construction, and all rights under it shall be governed by the laws of that State.

Executed in triplicate at St. George, Utah, on the 31 day of December, 1984

LeGrande Spilsbury

Bette Lu Spilsbury

Accepted on the 31 day of December 1984

LeGrande Spilsbury Bette Lu Spilsbury Approved as to form: GALLIAN, DRAKE & WESTFALL STATE OF UTAH ) COUNTY OF WASHINGTON )

# SCHEDULE A

General partnership interest in Spilsbury Land and Livestock, a Utah limited partnership.
3572.5 units of limited partnership interest in Spilsbury Land and Livestock.
Real property commonly known as 422 East 100 South, St. George, Utah.
Real property interest evidenced by attached deeds.
Life insurance policies insuring the life of LeGrande Spilsbury.
Note receivable from Dennis R. Nosdell.
Note receivable from Edward A. Spilsbury.
Note receivable from Clark E. Graff.