

DECLARATION OF TRUST OF  
JERRY EDSON ISENHART

**COPY**

JERALD EDSON ISENHART (Trustor), of Chelan, Washington, declares on this 21<sup>st</sup> day of May, 1996, that:

ARTICLE I  
DECLARATIONS

A. Conveyance to Trustee. He has conveyed and transferred, without consideration, to the Trustee named in this Declaration of Trust all the property described in an inventory hereto attached marked Exhibit A.

B. Identity of Trust Estate. All property described in the inventory hereto attached marked Exhibit A, and any other property that may hereafter be transferred or conveyed to and received by the Trustee to be held pursuant to the terms of this instrument, is herein called the "Trust Estate" and shall be held, administered and distributed by the Trustee as provided in this Declaration of Trust known as "THE JERALD EDSON ISENHART TRUST DATED MAY 31, 1996".

C. Identity of Trustor. As used in the Declaration of Trust the term "Trustor" shall mean JERALD EDSON ISENHART.

D. Designation of Trustee:

1. Trustor, JERALD EDSON ISENHART, is hereby designated as Trustee of all trusts created or to be created pursuant to this Declaration of Trust and all assets transferred to this Trust.
2. a. Should Trustor become physically incapacitated and desire a Co-Trustee to assist in the management and administration of this trust, then in such event, Trustor's brother, THOMAS BOYD ISENHART, shall forthwith become Co-Trustee, to serve with Trustor. In the event that THOMAS BOYD ISENHART shall become unable, for any reason, to serve as such Co-Trustee, then Trustor may name an alternate person

Declaration of Trust

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or entity as Co-Trustee, to serve with Trustor.

- b. Should Trustor become unable because of incompetency, death or other cause to serve as Sole Trustee, before the natural termination of all trusts provided for in this Declaration, Trustor's brother, THOMAS BOYD ISENHART, shall forthwith become Successor Trustee of the trusts provided for in this Declaration. Should THOMAS BOYD ISENHART become unable, for any reason, to serve as Successor Trustee of the trusts provided for in this Declaration, then Trustor's brother, DON ROBERT ISENHART, shall serve as Successor Trustee.
- c. Any Successor Trustee or Co-Trustee shall succeed to all title of the Trustee to the Trust Estate, and shall have all the powers, rights, discretions and obligations originally conferred on such Trustee by this Declaration of Trust.

3. Trustor agrees that no court proceeding shall be necessary to declare his incompetency, but instead he agrees to an adjudication of incompetency by two certifying physicians, neither of whom are beneficiaries hereunder nor related to any beneficiary under this trust.

E. Additions to Trust. The Trustor may from time to time add other property acceptable to the Trustee to the Trust Estate by conveyance, assignment, transfer or Will. Such property when received and accepted by the Trustee shall become part of the Trust Estate and be subject to all the terms and provisions of this Declaration of Trust.

F. Revocation of Trust. At any time from time to time during the life of the Trustor, Trustor may, by serving written notice on the Trustee, revoke the trusts created by this Declaration of Trust in whole or in part. Any property withdrawn from the Trust Estate by reason of any such revocation shall be delivered by the Trustee to the Trustor.

G. Modification of Trust. At any time and from time to time during the life of the Trustor, Trustor may, by serving written

Declaration of Trust

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notice on the Trustee, alter, modify or amend the terms of the trusts created by this Declaration of Trust in any respect.

**ARTICLE II**  
**DISTRIBUTION DURING LIFE OF TRUSTOR**

A. Net Income to Trustor. During the life of the Trustor, Trustee shall at least annually, unless otherwise directed by Trustor in writing, pay to or apply for the benefit of Trustor all of the net income from the Trust Estate.

B. Incompetency of Trustor. During the life of the Trustor, should Trustor be adjudged by a court of competent jurisdiction or according to the provisions of ARTICLE I, Paragraph D, Section 3, incompetent or unable to manage his own affairs, the Trustee may, in the Trustee's discretion:

1. Apply such portion of the net income, up to the whole thereof, of the Trust Estate as the Trustee may deem in his absolute discretion reasonable and proper for the benefit of the Trustor as adjudged to be incompetent or unable to manage his own affairs. Any amount not so applied may be accumulated and added to principal.

C. Invasion of Principal. During the life of the Trustor, should the net income of the Trust Estate be insufficient to provide for the care, maintenance or support of the Trustor, his wife and/or children as herein defined, the Trustee may, pay to or apply to for the benefit of the Trustor, his wife and/or children, such amounts from the principal of the Trust Estate as the Trustee may, in the Trustee's absolute discretion, from time to time deem necessary or advisable for the care, maintenance or support of the Trustor. As used in this section, the term "care, maintenance or support of the Trustor, his wife and/or children" shall mean:

1. The providing of proper care, maintenance and support for the Trustor during any period of illness, or other want or necessity;
2. The maintenance of the Trustor in the manner of living to which he is accustomed on the date of this Declaration; and

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3. The support and maintenance in the manner in which they are accustomed on the date of this Declaration of any person, whether adult or minor, dependent on the Trustor for such support and maintenance, including specifically, Trustor's spouse and children (children until age twenty-one (21)).

**ARTICLE III**  
**TAX TREATMENT OF REVOCABLE GRANTOR TRUSTS**

Pursuant to the Trustor's powers of this Trust, the Trustor has the right to amend this Trust in whole or in part and, therefore, while the Trustor is alive, for income tax purposes, the Trust shall be treated as a revocable "Grantor Trust" pursuant to IRC Sec. 675. All items of income and expense related to the assets of the Trust or its operation shall be reported by the Trustor as if owned by him on his personal form 1040 tax return.

**ARTICLE V**  
**POWERS OF TRUSTEE**

A. To carry out the purposes of this trust, and subject to any limitations stated elsewhere in this trust, the Trustee is vested with the following powers, in addition to those now or hereafter conferred by law, affecting the trust and the real and personal property of the Trust Estate:

1. The Trustee is authorized to retain in the trust for such time as he may deem advisable any property received by him from the Trustor, whether or not such property is of the character permitted by law for the investment of trust funds, and to operate at the risk of the Trust Estate any business or property received by him from the Trustor.
2. The Trustee is authorized to buy, sell and trade in securities of any nature (including "short" sales) on margin, and for such purpose may maintain and operate margin accounts with brokers, and may pledge any securities held or purchased by him as security for loans and advances made to the Trustee.
3. The Trustee is authorized to invest trust assets in securities of every kind, including debt and equity securities, commodities of every nature, including precious metals, and contracts for the future de-

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livery of commodities of every nature, to buy and sell securities, including buying on margin options on recognized options exchanges, to buy back covered and uncovered securities options, listed on such exchanges, to buy and sell listed securities options, individually and in combination, employing recognized investment techniques, such as to buy not limited to spreads, straddles and strips, and to execute such agreements and such documents, including margin and option agreements which may be required by securities brokerage firms in connection with the opening of accounts in which option and/or margin transaction will be affected.

4. The Trustee is authorized to manage, control, sell, convey, exchange, partition, divide, subdivide, improve, repair, to grant options and to sell upon deferred payments; to lease for terms within or extending beyond the duration for this trust for any purpose including exploration for and removal of gas, oil or other minerals; to enter into community oil leases.
5. The Trustee is authorized to borrow, to place, replace, renew or extend any encumbrance upon any real property; to institute, compromise and defend actions and proceedings.
6. The Trustee is authorized to carry insurance of such kinds and in such amounts at the expense of the trust provided for in this declaration of Trust as the Trustee may deem advisable.
7. The Trustee is authorized to invest and reinvest the trust funds in such property as the Trustee may deem advisable, whether or not of the character permitted by law for the investment of trust funds.
8. The Trustee is authorized to borrow money from any person, firm or corporation, for any trust purposes on such terms and conditions as the Trustee may deem proper and to obligate the trust to repay such borrowed money.
9. The Trustee is authorized upon any division or partial or final distribution of the Trust Estate, to partition, allot and distribute to the Trust Estate in undivided interests or in kind, or partly in money and partly in kind, at valuations determined by the Trustee, and to sell such property as the Trustee may deem necessary to make division or distribution.

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10. The Trustee is authorized to determine what is principal or income of the Trust Estate, and apportion and allocate in its discretion receipts and expenses as between these accounts. Except insofar as the Trustee shall exercise this discretion, and except as otherwise provided in this trust, matters relating to the rights of beneficiaries among themselves as to principal and income shall be governed by the provisions of the Principal and Income Law from time to time existing.

The enumeration of certain powers of the Trustee shall not limit his general powers, the Trustee, subject always to the discharge of his fiduciary obligations being vested with and having all the rights, powers and privileges which an absolute owner of the same property would have.

**ARTICLE V  
DISTRIBUTION ON DEATH OF TRUSTOR**

Distribution to Trustor's Heirs. After the death of the Trustor and payment of expenses of his last illness and funeral, all the Trust Estate shall then be held, transferred, invested and distributed as follows:

1. All of my assets, except my personal residence and its contents, shall be converted into investments providing the maximum amount of income consistent with fiscal prudence. My wife, CECILIA A. ISENHART, and my child, JERALD EDSON ISENHART, JR., shall be permitted to live in my said personal residence rent free.
2. After all expenses of the trust are paid the balance of the net income shall be paid as follows:
  - a. To my wife, CECILIA A. ISENHART, seventy percent (70%) of the net income for the benefit of my wife, my son, JERALD EDSON ISENHART, JR., and any child or children hereafter born to or adopted by my said wife and I subsequent to the date of this Trust.
  - b. To ROXANNE GIFFIN on behalf of my son, STELLAN E. GIPPIN, fifteen percent (15%) of the net income of the Trust during his minority or when in public school or col-

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FROM: JERRY ISENHART

lege.

- c. The remaining fifteen percent (15%) of the net income shall increase the principal of the trust from year to year.
3. When the youngest of my children reach the age of thirty-five (35) years my net estate shall be divided as follows:
  - a. Unto my spouse, CECILIA A. ISENHART, forty percent (40%). In the event my spouse does not survive me then this bequest shall be distributed to my then living children, share and share alike;
  - b. Unto my then living children forty percent (40%), share and share alike; and
  - c. Unto my brother, THOMAS BOYD ISENHART, twenty percent (20%).

#### ARTICLE VI ADMINISTRATION PROVISIONS

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

B. Except as otherwise expressly provided in this Declaration, no beneficiary of any trust provided for in this Declaration shall have any right, power or authority to alienate, encumber or hypothecate his or her interest in the principal or income of such trust in any manner, nor shall such interest of any beneficiary be subject to claims of his or her creditors or liable to attachment, execution or other process of law.

C. In any case where payment is to be made to an incompetent, the Trustee may make such payment to the guardian for the person or the conservator of the person of such incompetent.

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

Declaration of Trust

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FROM: JERRY ISENHART

IN WITNESS WHEREOF, the undersigned set his signature this  
31<sup>st</sup> day of May, 1996.

Witness:

Jack Doty  
[Signature]

Jerald Edson Isenhart  
JERALD EDSON ISENHART, Trustor

STATE OF WASHINGTON )  
COUNTY OF CHELAN ) ss

I hereby certify that I know or have satisfactory evidence  
that JERALD EDSON ISENHART signed this instrument and acknowledged  
it to be his free and voluntary act for the uses and purposes men-  
tioned in this instrument.

DATED: May 31, 1996.



Janet Doty  
Notary Public in and for the State of  
Washington, residing at Chelan  
My Commission Expires: 10-7-96

Declaration of Trust

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FROM: JERRY ISENHART

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