

This paragraph (c) shall not be construed as in any way limiting, however, the third party reliance provisions outlined immediately above in paragraph (b) of this Section.

(d) Delegation of Duties by a Trustee. Any Trustee may, with the written consent of the remaining Trustees be relieved of any or all powers authority duties and discretion vested in or imposed upon that Trustee by this Trust Agreement by delivering to the remaining then serving Trustees a written statement delegating these powers, authority, duties and discretion to the remaining then serving Trustees. Any act done pursuant to such written statement shall be binding upon all persons interested in this Trust.

(e) Disclaimer of Powers, Duties and Responsibilities. Any Trustee may disclaim (in whole or in part) any specific or general power duty, or responsibility imposed by law or by the terms of this Trust Agreement. Thereafter, and solely in regard to such disclaimed powers, duties, or responsibilities, the remaining Co-Trustees shall exercise sole power, duty, or responsibility over such matters. Such disclaimer shall not, however, affect the remaining non-disclaimed powers, duties, and responsibilities of such Trustee.

ARTICLE III

TRUST B AND MARITAL DEDUCTION PROVISIONS

3.1. General Statement Regarding Purposes of Article. The purposes of this Article are to supplement the provisions of the primary portion of the Trust Agreement regarding the computation of the pecuniary formula marital deduction bequest as well as the administration of Trust B. Settlers hereby direct the Trustee to follow the terms, provisions and conditions specified by this Article in not only funding Trust B (if at all) but in administering the Trust B Estate.

3.2. Marital Deduction Bequest Provisions. Trustee shall compute the pecuniary formula marital deduction bequest, and shall allocate assets to Trust B (if at all), pursuant to the following provisions:

The Settlor's Intent

(a) Statement of Settlor's Intent. Settlor's sole and exclusive purpose in providing for a marital deduction bequest is to reduce the taxable estate of the first Settlor to die to the extent that either no federal estate taxes will be due and payable from the applicable Settlor's Estate, or the least possible amount of federal estate taxes. To achieve this objective, Settlor's are utilizing a formula clause since the nature and value of the property in the applicable Settlor's Estate cannot be accurately predicted. The Trustee shall not, therefore, allocate any property to Trust B pursuant to this pecuniary formula marital deduction if the computations pursuant to this Section produce a zero value.

(b) Marital Deduction Computation. The Trustee shall allocate to Trust B (if established) a pecuniary legacy in an amount equal in value to the lesser of the following amounts: (1) the excess of the maximum estate tax marital deduction (allowable to the predeceasing Settlor's Estate in determining the federal estate tax payable by reason of his or her death) over the value of other qualifying assets; or (2) the excess of the value of the predeceasing Settlor's Estate over the sum of (i) that Settlor's exemption equivalent plus (ii) the value of other qualifying assets. The Trustee shall, in determining the pecuniary amount, take into account the credit for state death taxes only to the extent that those taxes are not thereby incurred or increased.

(c) Marital Deduction Satisfaction. The Trustee shall utilize values as finally determined for federal estate taxes in making the computations necessary to determine the amount of this pecuniary legacy. This pecuniary legacy shall be free and clear of all federal estate and state inheritance taxes.

The Trustee is authorized to satisfy this pecuniary legacy by making distributions in cash, in kind, or partly in cash and partly in kind, subject to the following conditions: (1) The Trustee shall not satisfy this legacy with any property or interest in property which does not qualify for the federal estate tax marital deduction or which is subject to foreign death taxes, or with income in respect of a decedent, or with the right to income in respect of a decedent. (2) In making distributions in kind, assets are to be valued at their value as finally determined for federal estate tax purposes; provided however, that the Trustee shall distribute assets, including cash, having an aggregate fair market value at the date or dates of distribution amounting to no less than the amount of this pecuniary legacy, as finally determined for federal estate tax purposes.

(d) Definition of Value of Settlor's Estate. The value of the applicable Settlor's Estate means the excess of the sum of (i) the value as finally determined for federal estate tax purposes of all items includable in the applicable Settlor's gross Estate, plus (ii) the value as finally determined for federal estate tax purposes of all adjusted taxable gifts (within the meaning of Section 2001 (b) of the Internal

Revenue Code, as the same may be amended from time to time), which are taxed in the applicable Settlor's Estate; over the sum of (i) the amount as finally determined for federal estate tax purposes of Section 2053 and 2054 deductions, as the same may be amended from time to time, allowed to the applicable Settlor's Estate, plus (ii) the value as finally determined for federal estate tax purposes of charitable deductions, as the same may be amended from time to time, allowed to the applicable Settlor's Estate, under Section 2055 of the Internal Revenue Code, as the same may be amended from time to time.

(e) Definition of Other Qualifying Assets. The value of other qualifying assets means the value as finally determined for federal estate tax purposes of all items includable in the applicable Settlor's gross Estate which qualify for the federal estate tax marital deduction and which passed or have passed in the form which qualifies for the estate tax marital deduction from the applicable Settlor to the Surviving Settlor (with the words "pass" or "have passed" having the same meaning as such words shall have under the provisions of the Internal Revenue Code in effect at the time of Settlor's death) otherwise than by the provisions of this Section.

3.3. Simultaneous Death Provisions. In the event both Settlers shall die under circumstances making it impossible to determine who died first, then the following applicable provisions shall be utilized by the Trustee to determine which Settlor shall be presumed to have survived in dividing the Trust Estate into separate Trusts:

(a) Preliminary Calculation of Estimated Estates. The Independent Trustee shall, as soon as is reasonably possible subsequent to Settlor's deaths, calculate the respective estimated taxable Estates for each Settlor for federal estate tax purposes, expressly excluding, however, any deduction for a marital deduction bequest. For purpose of this Article III, such computed amounts shall be referred to as the "Net Estate" or "Net Estates." Settlers hereby expressly provide that the Trustee shall in no event be held liable for any errors in making such computations, it being Settlor's intent that these computations are to serve as mere estimations of their net Estates in order to determine which Settlor died for marital deduction purposes.

(b) Presumption that Settlor Wife Survived. It shall be conclusively presumed that Settlor Wife survived Settlor Husband if either of the following conditions are applicable: (1) if the estimated Net Estates of both Settlers are within Twenty Thousand Dollars (\$20,000) of being equal in value; or (2) if the

estimated Net Estate for Settlor Husband is greater than Twenty Thousand Dollars (\$20,000) of the estimated Net Estate for Settlor Wife.

(c) Presumption that Settlor Husband Survived. It shall be conclusively presumed that Settlor Husband survived Settlor Wife if the estimated Net Estate of Settlor Wife is greater than Twenty Thousand Dollars (\$20,000) of the estimated Net Estate for Settlor Husband.

3.4. Special Income Provisions. In determining the income payable to the Surviving Settlor from Trust B and in the manner in which receipts are to be credited as between principal and income, or what shall constitute principal and income, the Trustee of Trust B shall make these determinations, distributions and allocations in a manner that complies with the provisions of Section 2056 of the Internal Revenue Code, as it may be amended from time to time, or the corresponding provisions of any subsequent United States Revenue Law.

3.5. General Powers and Duties of Trustee. The Trustee of Trust B shall have and exercise all of the rights, powers and privileges, and shall be subject to all of the duties, provisions, conditions and limitations specified in this Trust Agreement, subject, however, to any specific limitations or restrictions. In no event shall any Trustee have any power, right, duty or obligations which would or will result in the disallowance of a marital deduction to the applicable Settlor's Estate to the extent property is allocated to Trust B by the Trustee, irrespective of any other contrary provisions of this Trust Agreement.

3.6. Administration of Trust Subsequent to the Surviving Settlor's Death. Settlers have previously provided that Trust B will terminate upon the death of the Surviving Settlor, subject, however, to remaining in existence during the administration of his or her Estate. The following additional provisions shall be applicable to Trust B subsequent to the death of the Surviving Settlor during this period of administration of his or her Estate:

(a) Distributions During Administration. The Independent Trustee is authorized to make distributions of income and principal out of Trust B to Trust C and/or to or for the benefit of the Beneficiaries of Trust C pursuant to the standards and guidelines for Trust C distributions specified in the primary portion of the Trust Agreement.

(b) Obligations to Pay Share of Administrative Expenses, Estate Taxes and Interest. The Trustee shall establish a reserve out of the Trust B Estate, prior to making any interim or terminating distributions to Trust C and/or its Beneficiaries, in an amount which, in the sole opinion of the Trustee, will be sufficient to pay a pro rata portion of the estate and inheritance taxes of the Surviving Settlor's Estate, attributable to the includability of the Trust B Estate in his or her estate for federal and state estate and inheritance taxes. The Trust B share of such taxes shall be determined by multiplying the net estate taxes payable for the Surviving Settlor's Estate by a fraction, the numerator of which is the net value of the Trust B Estate and the denominator of which is the amount which for federal estate tax purposes is utilized to determine the tentative estate tax under Section 2001 (c) of the Internal Revenue Code in effect at the date of death of the Surviving Settlor. Values as utilized and finally determined for federal estate tax purposes shall be utilized by the Trustee for purposes of this formula.

The Trustee shall distribute its amount of such taxes to the executor or administrators of the Surviving Settlor's Estate on or before ten (10) days of the date or dates on which the Executor is required to make payment or payments (if payable in installments) to the Internal Revenue Service. To the extent the Surviving Settlor's Estate incurs interest obligations on its estate and/or inheritance taxes, then the Trustee shall increase its payment or payments for its share of such interest, calculated by the same formula specified above. Trust B shall not, however, be responsible for, nor shall it assume nor pay any share of any penalties imposed upon the Surviving Settlor's Estate.

The Trust B Estate shall also be obligated and shall pay its pro rata share (determined by the same formula specified above) of all administration expenses incurred by the Surviving Settlor's Estate specifically excluding, however, any funeral costs.

(c) Final Trust B Distributions. Once the Trustee is satisfied that it no longer has any liabilities with respect to such taxes, interest and administrative expenses, the Trustee shall distribute any remaining Trust B Estate in accordance with the applicable provisions pertaining to Trust B. No Trust B Beneficiary shall be entitled to reimbursement from the Surviving Settlor's Estate for these payments by the Trustee out of Trust B.

3.7. Limitation on Investments in Non-Productive Property. Any property transferred, allocated, or distributed to Trust B shall be deemed a proper Trust investment and the Trustee shall be under no obligation to dispose of or convert any of this property. If any property transferred, allocated, distributed to or acquired by Trust B is or becomes unproductive, however, as that term is defined under Texas law, the Trustee shall, within a reasonable time after notifying the Surviving Settlor, dispose of this unproductive property. The Surviving Settlor may, however, consent to the continued investment in any unproductive property and this consent shall nullify the above limitations on the Trustee with regard to the disposition or acquisition of unproductive property. This Section shall limit any general investment powers granted to the Trustee by law or by this Trust Agreement.

ARTICLE IV

GENERAL TRUST PROVISIONS

4.1. Accumulated Income Becomes Principal. Any income earned by the Trust that is not distributed or is not deemed to be distributed to a Beneficiary during the fiscal year in which earned, or within a period of time which, for federal income tax purposes, is deemed to have been made during the preceding fiscal year of the Trust, shall be added to and become a part of the principal of the Trust.

4.2. Location and Transfer of Location of Trust. The general location of this Trust shall be the State of Texas, and its administration shall be conducted within the State of Texas. Accordingly, the laws of the State of Texas shall apply in construing the terms of the Trust and the rights and duties of the Trustee, except to the extent the provisions of this Trust

Agreement override such laws, or to the extent the laws of another jurisdiction become applicable and the provisions of this Trust Agreement cannot override them.

If, in the opinion of the Trustee, it becomes advisable to change the location of the Trust, whether in Texas or in another state, or outside of the United States, for the purposes of economy, tax savings or other benefits to the Trust or to the Beneficiaries of the Trust, the location of this Trust may be changed by the Trustee giving notice of the proposed transfer of location to the following individuals, in the order specified: (a) to either Settlor, if living and competent, or if not; (b) to a majority of the then living and competent adult Beneficiaries, if any, or, if none; (c) then by giving such notice to a majority of the parents, natural custodians or natural Guardians of the minor and incompetent Beneficiaries who are then entitled to current income distributions from the Trust. Once the location is effectively changed, the duties, obligations, liabilities and powers of the Trustee shall be construed under the laws of the jurisdiction to which the change in location has been made.

4.3. Construction and Interpretation. It is Settlers' expressed intentions to avoid, to the maximum extent possible, any suits for construction, interpretation, or instructions involving this Trust. Accordingly, if a question or problem arises regarding the proper construction, interpretation, or operation of this agreement, or as to any matter involving the administration of any Trust created by this Agreement, or the rights of any Beneficiary, or the application, interpretation, or construction of the Texas Trust Code, as from time to time amended, the Trustee is authorized to resolve these questions or problems in the manner as it shall deem equitable and proper in accordance with, however, the tax and non-tax objectives of

Settlors. All such decisions and actions of the Trustee shall be conclusive on all persons ever interested in this Trust.

4.4. Additional Assets of Trust. The Trustee is expressly authorized to accept additional assets, including any assets which are subject to liens, from any person, entity, representative, executor, or administrator by any means of transfer or conveyance. For all purposes, the Trustee is also authorized and fully protected in accepting any additional assets, including any assets which are subject to liens, on behalf of any person by the act of such person's appointed or acting agent, representative, custodian, or guardian, without the necessity of any court intervention or action, and based solely upon the written representations of authority by the respective transferor (as, for example only, under any form of a power of attorney) or, if none, then by the written authority of all children of the respective transferor who are above the age of eighteen (18) years. In this manner, it is Settlor's expressed intent to avoid the necessity of any form of court action intervention, or direction to accomplish this transfer of property and liabilities.

4.5. Accountings From Estates or Other Transferors. In the event anyone transfers property to this Trust, whether by Will or otherwise, the Trustee is authorized to accept the assets and liabilities delivered by such transferor (or his or her personal representative) on the basis of the accounting or other means of identifying such property and liabilities as submitted by that transferor (or representative). The Trustee shall not have any duty, obligation, responsibility, or liability whatsoever for the acts or omissions of the transferor (or representative), or for its failure to seek redress or indemnification against or from such transferor (or representative).

4.6. Special Trust Provisions for Terminations and Continuations of Trusts.

The provisions of this Section shall be interpreted by the Trustee in conjunction with the provisions of the primary portion of this Trust Agreement regarding the termination and continuations of any separate Trusts which may be established for the benefit of Settlor's children or descendants.

(a) Death of a Beneficiary Before Final Distribution. Subject to the special provisions and conditions potentially applicable for Settlor's grandchildren specified by paragraph (b), below, if any Beneficiary of a separate Trust shall die before attaining the necessary age or level of competency to become entitled to actual distributions of all of the assets and properties of his or her separate Trust, that separate Trust shall terminate and the remaining assets and properties of such separate Trust shall be distributed pursuant to the following relevant provisions, in the order specified: (1) to his or her then living descendants, on a per stirpes basis, subject, however, to any applicable postponement provisions, if any, or, if no descendants; (2) to his or her then living brothers and sisters and the then living descendants of any then deceased brother and sister, on a per stirpes basis, subject, however, to any applicable postponement provisions applicable to such brothers, sisters or descendants.

In the event a separate Trust is (or will then be) established for the benefit of any of such individuals by the provisions of this Trust Agreement then the Trustee shall distribute that Beneficiary's respective share of such assets to such other Trust to be thereafter administered in accordance with its terms and provisions.

(b) Special Termination Provisions for Grandchildren. In the event the generation-skipping transfer ("GST") tax provisions of the Internal Revenue Code are in effect and are applicable to the Trust then the provisions and conditions of this paragraph (b) shall override the provisions of paragraph (a), above, regarding the distributions of any separate Trust established for Settlor's grandchildren.

In the event a separate Trust terminates in accordance with the provisions of paragraph (a) above, and the deceased Beneficiary of that separate Trust was a grandchild of Settlor, and if the Trust Estate of that Trust was held at any time in a Trust established by this Trust Agreement for the benefit of a child of Settlor (which was also the parent of that deceased grandchild of Settlor), that deceased grandchild shall have the power to appoint the remaining Trust Estate of that terminated Trust to any persons, entities, corporations, creditors, and/or to his or

her estate, pursuant to a clause in his or her Last Will and Testament which specifically makes reference to this paragraph (b) of Section 4.6. of Exhibit "A" of the Trust Agreement.

The assets and properties of such separate Trust shall be distributed in accordance with the applicable provisions of paragraph (a), above, in the event any of the following conditions or events occur: (1) if that Beneficiary fails to exercise his or her general testamentary power of appointment (with only the remaining assets to be so distributed if exercised in part); (2) if the assets of that separate Trust were not at any time held in a Trust for the benefit of that Beneficiary's own parent (who was also a child of Settlers); or (3) if the GST provisions are either repealed or are not applicable to this Trust.

(c) Distributions During Continuation of Trust. The Trustee may distribute the income and principal of the Trust to or for the benefit of the respective Beneficiaries in accordance with the provisions contained in the primary portion of this Trust Agreement regarding income and principal distributions.

4.7. Ultimate Disposition of Trust Property. In the event any property of any Trust created or to be created by this Trust Agreement is not otherwise disposed of by the relevant provisions of this Trust Agreement, such as may occur should all Beneficiaries be dead, then such undisposed of property shall be distributed pursuant to the following provisions, in the order specified, subject, of course, to any applicable postponement provisions: (a) to the then living descendants of the marriage of Settlers on a per stirpes basis, if any, or, if none; (b) then one-half (½) each unto the heirs at law of each Settlor, such heirs to be determined as of the time for such distribution under the then laws of descent and distribution of the State of Texas applicable to an intestate's separate personal property.

4.8. Contingent Interests and Separate Property Provisions. In construing and interpreting the dispositive provisions of this Trust Agreement or the rights of any Beneficiary, Settlers hereby direct that no Beneficiary shall have any vested interests or powers until the property of the Trust is actually delivered and distributed to that Beneficiary. In addition, all

income generated, received, produced, or earned by the Trust shall be, and remain the separate property of the respective Beneficiaries, irrespective of when (if ever) such income is distributed or accumulated (whether during or subsequent to the fiscal year in which it is generated, received, produced, or earned by the Trust.

4.9. Spendthrift Trust Provisions. Neither the principal nor the income of any Trust created or to be created by this Trust Agreement shall be liable for the debts or obligations of any Beneficiary, nor shall it be subject to seizure by a creditor or spouse of any Beneficiary under any writ or proceeding at law or equity. No Beneficiary shall have any right to sell, assign transfer, encumber, or in any other manner anticipate or dispose of his or her interest in the income or principal of the Trust.

4.10. Maximum Duration of Trust. Because of a particular rule of law, commonly referred to as the "Rule Against Perpetuities," it is necessary for Settlers to expressly provide for the maximum duration of the Trust. However, Settlers hereby direct that this Trust Agreement shall be construed and interpreted under another related doctrine referred to as the "Wait and See" rule in ascertaining whether or not this Trust, or any separate Trusts, are in violation of the referred to rule or law. If it is ultimately determined that any Trust is in violation of such rule of law, then, for such purposes, that Trust and this Trust Agreement shall not be construed as being void, but rather that Trust shall be deemed vested in the respective Beneficiary (or Beneficiaries) as of such time.

Accordingly, all Trusts created by this Trust Agreement shall in all events terminate not later than twenty-one (21) years from and after the death of the survivor of the

following persons: Settlers, all Beneficiaries and their descendants living on the date the respective Trust is effective or deemed created.

Should any Trust be terminated pursuant to this Section only, then the remaining assets and properties of that Trust shall be delivered and distributed unto those persons, or such persons' representatives, who, at the deemed termination date, constituted the Beneficiaries to that respective Trust in proportion to their respective presumptive interest in the Trust.

4.11. Distributions to Custodians, Guardians and Other Trusts. It is possible that due to a Beneficiary's age or incapacity he or she will be within the care and custody of a custodian or guardian, whether appointed or designated. It is likewise possible that the Trustee, in the exercise of its discretion, may find it advisable to make income and/or principal distributions to the trustees of any other trust of which a Beneficiary is a current beneficiary. Under these circumstances, and provided of course that such Beneficiary is a current income Beneficiary of this Trust at that time, the Trustee is authorized (but not directed) to make that Beneficiary's distributions of income and principal to the respective custodian or guardian on behalf of the Beneficiary. So also, the Independent Trustee (only) is authorized (but not directed) to distribute the income and principal for a respective Beneficiary to the trustees of any other trust which has been established for the benefit of that respective Beneficiary.

4.12. Special Disability and Incapacity Provisions. In the event any Beneficiary shall become, in the sole discretion of the Independent Trustee, disabled or incapacitated, then the following special provisions shall apply notwithstanding any other provision of this Trust Agreement:

(a) Determination of Disability or Incapacity. The Independent Trustee shall be the sole judge of whether or not a Beneficiary has become disabled or incapacitated. It is Settlor's expressed purpose to not impose upon the Trustee any duty or requirement to obtain a Doctor's determination or a court adjudication of disability or incapacity.

(b) General Definitional Guidelines. As a guide to the Independent Trustee, but without intending to limit or control its discretion, the terms "disability" or "incapacity" should be broadly construed by the Trustee to include any type of mental and/or physical circumstance which impairs the ability of the Beneficiary to manage his or her own affairs.

(c) Effect Upon Distributions and Terminations. For so long as the Independent Trustee determines that a Beneficiary is disabled or incapacitated, the Independent Trustee is authorized (but not directed) to make distributions on the Beneficiary's behalf as opposed to directly to that Beneficiary. In addition, the Independent Trustee is authorized to postpone the termination of any Trust for that Beneficiary as if, during such period, he or she is under that age required for actual distribution and termination of the Trust.

(d) Trustee Exoneration. The Trustee's good faith decision and judgment shall be binding and conclusive on all persons ever interested in this Trust, and the Trustee shall have no liability whatsoever for carrying out Settlor's objectives in this matter.

4.13. Restrictions on Income Distributions of Support or Contractual Obligations. The Trustee is specifically and expressly prohibited from utilizing and/or distributing any part of the income and/or principal of the Trust during the lifetimes of either Settlor for their legal or contractual obligation to support any lawful dependent.

4.14. Special Postponement Provision. The Independent Trustee (only) is authorized (but not directed) to postpone for a reasonable time any part (or all) of a final or interim distribution for any Trust of its income and/or principal as the Independent Trustee, in its sole discretion, may determine to be necessary in view of tax audits, lawsuits, disputed claims, or similar matters which are unresolved at the appropriate time.

4.15. Special Generation-Skipping Tax Provisions. In light of the provisions of the Internal Revenue Code relating to taxes imposed upon certain deemed generation-skipping distributions, Settlers want to give the Independent Trustee some additional guidance and powers:

(a) Statement of Intent. Settlers are mindful of the generation-skipping transfer ("GST") tax provisions imposed by the Tax Reform Act of 1986, and are concerned with its potential impact upon the dispositive provisions of this Trust Agreement should the GST tax be imposed upon any share of the Trust. It is Settlers' specific desire and intent that the impact of the GST tax on this Trust be reduced or otherwise minimized to the maximum extent possible, although the exact circumstances or conditions upon which such tax may be imposed cannot, of course, be predicted at this time.

(b) Grant of General GST Powers. The Independent Trustee shall have the special discretionary power to take any and all actions necessary to reduce or minimize the impact of such tax upon the respective Trust Estate and its respective Beneficiaries. This special discretionary power includes, but is not limited to, the power and authority to modify (except the Trustee shall not have any power that will cause the loss of the marital deduction) in whole or in part any provision of this Trust Agreement in order to take advantage of any deductions or credits that are available by the Internal Revenue Code, as the same may be amended from time to time, who is a Beneficiary or descendant of a deceased Beneficiary of this Trust.

(c) Grant of Specific GST Powers. In the event the Independent Trustee determines that a GST tax will be imposed, then the Independent Trustee is specifically authorized (but not directed) and empowered to do the following: (1) to augment any taxable distribution by an amount which the Independent Trustee estimates will be sufficient to pay such tax and to charge such distribution to the respective Trust or share with or without adjustment of the relative interests of the Beneficiaries; (2) to pay any GST tax upon a taxable termination out of the respective Trust to the extent the assets and properties of that Trust are subject to the GST tax, taking into consideration any allowable deductions, exemptions, credits, or other factors, again without the need to make any adjustments to Beneficiaries' shares; and (3) to postpone final termination of any (or a portion of any) distribution of any respective Trust until the Independent Trust, in its sole discretion, is satisfied that neither itself nor the respective Trust Estate will incur any additional liabilities for the GST tax.

(d) Administrative Provision. If a trust hereunder would be partially exempt from generation-skipping tax by reason of an allocation of generation-

skipping tax exemption to it, before the allocation the trustee in its discretion may divide the trust into two separate trusts of equal or unequal value, to permit allocation of the exemption solely to one trust which will be entirely exempt from generation-skipping tax. In addition, if a trust hereunder is entirely exempt or nonexempt from generation-skipping tax and adding property to the trust would partially subject it to generation-skipping tax, the trustee in its discretion may hold that property as a separate trust in lieu of making the addition. Except as otherwise provided in this Trust Agreement, the two trusts shall have the same terms and conditions, but the trustee shall not make discretionary distributions from the income or principal of the exempt trust to beneficiaries who are non-skip persons so long as any readily marketable assets remain in the nonexempt trust.

Upon division or distribution of an exempt trust and a nonexempt trust held hereunder, the trustee in its discretion may allocate property from the exempt trust first to a share from which a generation-skipping transfer is more likely to occur.

If the trustee considers that any distribution from a trust hereunder other than pursuant to a power to withdraw or appoint is a taxable distribution subject to a generation-skipping tax payable by the distributee, the trustee shall augment the distribution by an amount which the trustee estimates to be sufficient to pay the tax and shall charge the same against the trust to which the tax relates.

If the trustee considers that any termination of an interest in trust property hereunder is a taxable termination subject to a generation-skipping tax, the trustee shall pay the tax from the portion of the trust property to which the tax relates, without adjustment of the relative interests of the beneficiaries.

(e) Exoneration of Trustee. In any event, however, the Trustee's decision, judgment and discretion shall be final, conclusive and binding on all persons ever interested in the Trust. It is the expressed intent of Settlers that the Trustee shall not be held liable or otherwise responsible, nor shall any Beneficiary or any descendant be entitled to contribution or any adjustment in its share or shares of the property of this Trust, by virtue of the exercise of or the lack of exercise of these special GST powers.