

ARTICLE V

TRUSTEE'S POWERS AND RESTRICTIONS

The Trustees shall have and exercise the following rights, powers, and privileges and shall be subject to the following conditions, duties, provisions and limitations in the administration of the Trust.

5.1. Settlors' Expressions of Intent Regarding Trustees' Powers. The purpose of this Article is to specifically outline various fiduciary powers which should facilitate the administration of the Trust. It is impossible, of course, for Settlers to anticipate every problem or contingency that may arise in the course of administering the Trust. Accordingly, Settlers hereby direct that all questions or doubts with regard to whether the Trustees of the Trust possess sufficient authority or power shall be resolved conclusively in favor of the Trustees.

As evidenced by the care and attention which Settlers have devoted to this Trust Agreement and to their Estate Planning, in general, Settlers have attempted to take advantage of the maximum tax and non-tax benefits incident to establishing this Trust based upon the current state of the law. Settlers recognize, however, that tax laws change or are interpreted in different ways by the courts. This is particularly true insofar as Trustee's powers are concerned. Accordingly, Settlers hereby specifically provide that this Trust Agreement shall always be interpreted and construed in such a way as to ensure Settlers the tax objectives for which this Trust has been designed to achieve, such as the marital deduction tax benefits previously outlined. In addition, the fiduciary powers of all Related Trustees shall be interpreted, construed and, if necessary, limited in such a way as to insulate such individuals and their respective Estates from

Trustees power  
restrictions - Re:  
Marital Deduction Tax  
Benefits

all adverse income, gift and estate tax consequences, such as causing any of the Trust Estate to be unintentionally included in their Estates for estate or inheritance tax purposes.

5.2. Trustee Powers Over Partitions, Divisions and Distributions. The Independent Trustee shall have the exclusive powers to make all partitions, divisions and distributions contemplated by this Trust Agreement and its decisions and actions shall be binding and conclusive upon all interested parties.

(a) General Powers. The Independent Trustee may, in its discretion, make these partitions, divisions, or distributions by allocating assets and properties proportionately in kind (including undivided interests in properties), or partly in money and partly in kind. The amount of a distribution in kind shall be deemed to be the value of the property on the date or dates distributed. A distribution made to any distributee may be composed of property like or different from that transferred to any other distributee.

(b) Distributions of Property to Beneficiaries. The Independent Trustee is specifically authorized and encouraged to distribute the income of any Trust to a Beneficiary by distributing assets in kind, irrespective of such property's income tax basis or the income tax consequences to that respective Beneficiary. The trustee shall not be required to take basis considerations into account exercising its discretion over partitions, divisions, or distributions, but may do so if, in its discretion, it so chooses.

5.3. General Investment Powers. The Trustee shall have the following additional investment powers, broadly construed, subject, however, to the unproductive property rules applicable to the Trust B Estate:

(a) Power to Retain Any Property Transferred to the Trust. Any property transferred to the Trust, whether from anyone's Estate or otherwise, shall be deemed to be a proper investment. The Trustee is expressly authorized to retain all of such property with no duty or obligation to dispose of or convert any of these properties.

(b) General Investment Guidelines and Powers. The Trustee shall have as wide a latitude in the sale, selection, retention, or making of investments as an individual would have in selling, retaining, or investing his or her own funds.



Accordingly, the Trustee shall not be limited to nor bound by the provisions of the Texas Trust Code (or any successor statute), or by any other statutes or regulations respecting investments by trustees except to the extent that such statutes or regulations cannot be waived for any corporate Trustee and there are no individual Trustees then serving. Investments need not be diversified, may be of a wasting nature, and may be made or retained with solely a view towards a possible increase in value. The Trustee is expressly authorized to retain or invest in non-income-producing property if, in its discretion, the best interests of the Trust and its Beneficiaries will be better served by that investment.

The Trustee is expressly authorized to invest in high-income producing property, non-growth or marginally-appreciating property, options, commodities, short and/or long sales (as those terms are generally, although broadly interpreted), if, in its discretion, it determines that such investments are advisable for the Trust. To this end, Settlers hereby expressly relieve the Trustee from any and all duties, obligations, or responsibilities to invest any part of the Trust Estate in growth-type assets for the Trust or any current or future Beneficiaries. The Trustee shall not, therefore, be liable for any operating losses of the Trust, nor for any depreciation or decline in the value of the Trust Estate.

The Trustee is authorized to acquire or purchase assets from any person (including Settlers or any Beneficiary), trust, entity (whether corporate, unincorporated, or otherwise) in carrying out its investment powers.

(c) Power to Invest in Liquid and Illiquid Investments. The Trustee is specifically authorized, within its discretion, to retain or invest all or any part of the property of the Trust in savings accounts, certificates of deposit, bonds, notes, money market or cash accounts maintained or administered by banks, savings and loans, brokerage firms, and the like, or any other type of investment in any state or national institution (including its own), having similar characteristics.

The Trustee is further and specifically authorized (but not directed) to invest all or any part of the assets of the Trust in any one or more illiquid investment, including (but not limited to) insurance policies or any securities or stock of any one or more corporations, regardless of its location and further irrespective of such corporation's purposes, regardless of diversification, and further regardless of any relative banking or trust provisions, rules or regulations.

(d) Real Estate Investment Powers. The Trustee shall have the following non-exclusive powers relating to any real estate retentions or investments (broadly construed): to sell, exchange, partition, transfer, abandon, or otherwise dispose of any property, at public or private sale, with or without covenants, warranties, or guaranties, for any purposes, and upon any terms,

including sales on credit (with or without security), in any manner and at any prices; to grant options on the same; to lease any property, for any term or terms, upon any conditions and rentals, and in any manner, irrespective of whether the term of such lease shall exceed the period permitted by law or the probable period of administration of any Trust; to renew or modify any lease; to grant options to renew or modify any lease; to raise or erect any structure; to, make repairs, replacements, and improvements, whether structural or otherwise, for any property; to improve real property; to subdivide or plat real estate, to dedicate streets, alleys, and ways; and to donate sites for public, charitable, or educational facilities.

(e) Mineral Asset Investment Powers. The Trustee shall have the following non-exclusive powers relating to any mineral assets (broadly construed): to purchase, sell, convey, lease, operate, develop, unitize, pool, and otherwise deal in or with any oil, gas, coal, lignite, other minerals, timber, and rights, royalties, production payments, and interests in any of the same; to participate actively in the oil, gas, mining, and timber businesses; to make leases or assignments containing the right to unitize or pool; to make contracts for or in, respect of the installation or operation of absorption, repressuring, or other processing plants; to engage in primary, secondary and tertiary recovery operations; to make "bottom hole" or "dry hole" contributions; and to do, contract, or arrange for any other act or thing whether or not the same is now or hereafter recognized or contemplated as common or proper practice by and among those engaged in the businesses of prospecting for, developing, producing, processing, transporting, or marketing oil, gas, coal, lignite, other minerals or timber.

(f) Common Trust Fund Investments. The Trustee is further and specifically authorized to retain or invest in an undivided interest or interests in common with any other trust or trusts, any individuals, Or businesses, including investments in so-called "common trust funds," operated by any firm, trust, or corporation (including itself).

(g) Nominee Investments. The Trustee is authorized to make and maintain any investment or other action) in the name of a nominee, whether itself or another individual, business, or entity, with or without a power of attorney, or in the name of one or more Trustees without disclosing fiduciary capacity or to retain or make any investment in a form permitting transferability by delivery. At all times, however, the books and records of the Trust shall reflect all such investments as investments of the Trust, and further reflect whose name, custody, or possession such assets are placed.

(h) Acquisition of Assets Through Indebtedness. In exercising its powers over the acquisition or maintenance of investments and assets, Settlers



want to make it clear that the Trustee's decisions and actions shall be exercised exclusively and unquestionably. For example, the Trustee shall have the power and authority to purchase or acquire assets for the Trust by giving or issuing any form of instrument of indebtedness, as with a Trust note or mortgage, for any part of or all of the purchase price for such acquired assets and secured solely by the assets so acquired and/or the other assets of the Trust. The Trustee shall not be bound nor limited by any contrary trust, banking, or common law rules or regulations in this regard and the Trustee's decisions and actions shall be final and conclusive.

(i) Money-Market/Cash Funds. The Trustee is specifically authorized to invest all or any part of the assets of the Trust in money market/cash investment funds (and similarly referred to accounts) maintained by any institution, the activities of which may include (but are not limited to) tradings in options, commodities, stocks, bonds, or any other type of investment.

(j) Options, Commodities, Margin Accounts, or Other Investments. The Trustee is specifically authorized to directly invest all or any part of the assets of the Trust in options, commodities, margin accounts, tax-free accounts (whether total or partial), or any other type of investment fund or account managed by any type of institution.

(k) Power to Sell Assets. The Trustee shall have the specific power and authority to sell all or any part of the assets of any Trust upon such terms and conditions as the Trustee, in its discretion, shall determine. This power of sale shall be broadly construed in favor of the Trustee.

(l) Power to Purchase Annuities. The Trustee shall have the power to purchase annuities (whether private, commercial or otherwise) for the benefit of any Beneficiary of the Trust utilizing all or any part of the Trust Estate of that Trust, and to hold such annuity as an asset of that Trust or distribute such annuity contract directly to that Beneficiary. The Trustee's decisions and actions in this regard shall be binding and conclusive.

5.4. Protection of Third Parties Transacting Business or Dealings With the Trust. Settlers hereby direct that the Trustees shall have and exercise the broadest powers available in the investment of the Trust Estate and in managing the Trust Estate during the existence of any Trust created by this Agreement. Accordingly, no purchaser at any sale made by the Trustee, or persons dealing with the Trustees under this Trust Agreement, shall be

obligated or allowed to see to the application or use of any money or property paid or delivered to the Trustees, nor to inquire into the expediency or propriety of any transaction entered into and consummated by the Trustees upon the terms as they, in their discretion, may deem advisable. All individuals, entities, businesses, and other third parties dealing with the Trust or any Trustee shall be fully protected and insulated from all liabilities in transacting any business with the Trust.

5.5. Trustee's Power to Determine Income and Principal. The Independent Trustee shall have full power and authority to determine the manner in which expenses are to be treated, and in which receipts are to be credited, as between income and principal, and also to determine what shall constitute income or principal. The Independent Trustee is authorized (but not directed) to treat stock dividends and long-term and short-term capital gains as income, if, in its discretion, such treatment is in the best interest of either the Trust or any Beneficiary. The Trustee is authorized (but not directed) to withhold from income such reserves for depreciation or depletion as it deems fair and equitable.

5.6. Loans and Distributions for Beneficiaries. As indicative of the plenary powers expressly and impliedly granted to the Trustee, it shall have the following specific powers regarding the methods and procedures for making loans to and distributions to the Beneficiaries.

(a) Loans to Beneficiaries. The Independent Trustee (only) is authorized to make loans to any Beneficiary of the Trust on such terms and upon such conditions and secured by such collateral as the Independent Trustee, by its sole and absolute discretion, shall deem appropriate, including, but not limited to interest-free demand loans to any Beneficiary.

(b) Manner of Distributions to Beneficiaries. The authorized distributions of income or principal may be made by the Trustee to or for the benefit of a Beneficiary by any method, including, but not limited to, the



following methods: (1) directly to a Beneficiary; (2) to the parents or natural Guardian or person having custody of a Beneficiary; (3) directly for the health, maintenance, education, or support of a Beneficiary; (4) to a savings account (or other similar type of cash or investment fund) opened in the name of the Beneficiary; (5) to a custodian for a Beneficiary under the Uniform Gifts to Minors Act in the state in which such custodian resides; or (6) to the trustee of any other irrevocable trust established for the benefit of a Beneficiary.

5.7. Special Multiple Trust Powers. In the event the Trust is divided into two or more separate trusts, or in the event the Beneficiaries of this Trust are also beneficiaries of any other trust, whether or not administered by the same trustee or trustees, then the following additional powers shall be applicable:

(a) Commingling Trusts. The Independent Trustee may, in its sole discretion, commingle all or any part of the assets of the multiple Trust created by this Trust Agreement (only), and hold such assets as one fund with each separate Trust having proportionate undivided interests therein.

In no event, however, shall the Trustee be under any obligation or duty to conduct investments or business on an equal basis between such separate Trusts, it being Settlers' expressed intent and objective that each separate Trust be treated as totally distinct trust entities for all purposes.

(b) Termination and Merger of Trusts. If at any time any Trustee of this Trust shall also be acting as a Trustee of any other Trust for the benefit of the same Beneficiary or Beneficiaries and upon substantially (although, perhaps, not identically) the same terms, conditions and provisions, the Independent Trustee, in its discretion, is authorized to transfer and merge all of the assets held in this Trust to and with the other such trusts and thereupon terminate this Trust. The Independent Trustee is further authorized to accept and assets of the other such trusts and to administer and distribute such assets and properties so transferred in accordance with the provisions of this Trust Agreement. In no event, however, shall this discretionary power be construed as a power of amendment, modification, or appointment in the hands of the Trustee.

(c) Transactions Between Separate Trusts. Due to the probability that the separate Trusts will contain different investments and properties, as well as the probability that the relative needs of the respective Beneficiaries will vary, Settlers are concerned that one or more of the Trusts will not have sufficient cash with which to make its distributions or investments. Accordingly, the Independent

Trustee is specifically authorized (but not directed), to transact any business between the separate Trusts, including (but not limited to) the following: (1) to borrow or lend money between the separate Trusts on such terms and upon such collateral (if any) as the Trustee shall deem appropriate; (2) to purchase or sell assets or properties, or exchange assets or properties, between the separate Trusts on such terms and upon such conditions as the Trustee shall deem appropriate, provided, of course, that such purchase/sale transactions are for full and adequate consideration; or (3) to conduct any other business or transaction between the separate Trusts as the Trustee shall deem appropriate.

(d) Delegation of Powers Between Co-Trustees. In regard to any transactions between such separate trusts, the Independent Trustee shall be solely empowered to conduct such business or exercise the discretion granted.

5.8. Special Trustee Self-Dealing Provisions. Settlers are cognizant and aware of the potential problems that may arise in the administration of this Trust should a Trustee, in its discretion, find it advisable to transact business with itself, whether individually or as Trustee of any other Trust created by this Trust Agreement or a trustee under any other trust agreement. Settlers expressly relieve any and all Trustees and fiduciaries from any self-dealing restrictions and limitations, except, of course, to the extent such prohibitions cannot be waived.

Accordingly, Settlers hereby specifically waive such rules and prohibitions regarding self-dealing, conflict of interest, or any other rule or regulation regarding the transaction of business between a particular trust or fiduciary and such trustee or fiduciary. As an example, the Trustee may readily transact any business between the separate Trusts created by this Trust Agreement (therefore specifically abrogating Chapter 113 of the Texas Trust Code), between this Trust and any other trust, or between the Trustee, individually, and this Trust, subject, however, to the prohibitions applicable to any Related Trustee or the exclusive delegation of duties to a particular class (or classes) of Trustees of this Agreement.



5.9. Trustee Powers in Transacting or Dealing With Estates. The Trustees are specifically authorized to transact any business with any Estate, whether the Estates of Settlers or any Beneficiary. This power shall include, but shall not be limited to, the following provisions:

(a) Power to Lend Funds to Estates. The Independent Trustee is authorized (but not directed) to lend Trust funds to the executors or administrators of the Estates of Settlers or to the Estate of any Beneficiary or to the Estate of any individual related to Settlers or any Beneficiary, upon such security and for such time and at such rates of interest (if any) and upon such terms as the Independent Trustee, in its sole discretion, may deem proper.

(b) Power to Purchase Assets from Estates. The Trustee is further authorized to purchase from the executors or administrators or these Estates any item of property for such sums and on such terms and conditions as the Trustee may deem appropriate or proper. The Trustees shall be free from any self-dealing restrictions in regard to such transactions as well, even if such Trustees are likewise serving in the fiduciary capacity of the executor or administrator of such state.

(c) Restrictions on Use of Employee Benefit Assets. To the extent such proceeds are exempt from federal estate taxation in the respective transferor's Estate, the Trustee is forbidden to use any portion of any funds it receives from any type of qualified deferred compensation plan of which the respective transferor or his or her spouse are participants for the benefit of their respective Estates. This restriction shall include the direct or indirect payment of estate taxes, debts, or expenses of administering such Estates, distribution of the proceeds for these purposes, lending such proceeds for such purpose, or in any other manner using these funds so that they might be interpreted as having been paid to or for the benefit of the executors or administrators of the respective Estate.

(d) Payment of Expenses and Taxes of Estate. To the extent the liquid assets of Settlers' private estate are insufficient to pay expenses and taxes of Settlers, the Trustee is authorized to pay such expenses and taxes from the Trust Estate.

5.10. Independent Trustee's Powers to Terminate Trusts. The Independent Trustee shall have the discretionary power to terminate the Trust (or any separate Trust created by this Trust Agreement) if, in its sole discretion the continued management of the Trust (or any

separate Trust) is not longer economical and/or advisable under the circumstances that may exist at that time.

The remaining property of the Trust so terminated shall be distributed to or for the benefit of the income Beneficiary or income Beneficiaries of each Trust. The Independent Trustee shall have the power to make such distributions in any manner authorized by the Trust Agreement. The Independent Trustee's decision and judgment shall be final, binding and conclusive upon all parties ever interested in the terminated Trust, and distribution of the Trust funds in the manner provided above shall relieve the Trustee of any further responsibility with respect to the funds or property of that terminated Trust.

5.11. Special Business Powers of Trustee. In addition to any and all powers granted to the Trustee by this Trust Agreement, the Trustee shall have the following additional powers with respect to any business interest which is or becomes a part of the Trust Estate, whether in the form of a sole proprietorship, joint venture, partnership, or corporation:

(a) to hold, retain and continue to operate such business solely at the risk of the Trust Estate without liability on the part of the Trustee for any losses resulting from operation of the business;

(b) to enlarge, diminish, or change the scope or the nature or the activities of any business;

(c) to use the general assets of the Trust for the purposes of the business; to invest additional capital in or make loans to such business regardless of the speculative nature or nonproductivity of such investment or loan, and without regard to diversification of investments;

(d) to endorse or guaranty on behalf of the Trust any loan or loans made to the business, and secure the loan or loans by pledge or mortgage not only of the Trust's property interest in any such business but also any other property of the Trust Estate that the Trustee may deem proper;



(e) to effectuate or to concur in the decision to accumulate surplus in the business or to pay dividends or otherwise distribute the profits of the business, as the Trustee in its discretion may deem advisable;

(f) to accept as correct financial or other statements rendered by the business from time to time as to its conditions and operations except where the Trustee has actual notice of information contained therein to the contrary;

(g) to regard the business as an entity separate from the Trust with no duty to account to any court as to its business or operation;

(h) to dissolve, liquidate, or sell any business interest at such time (and from time to time) and upon such terms and conditions as the Trustee may deem advisable;

(i) to incorporate any business and hold the stock as an asset of the Trust;

(j) to determine whether business distributions, are income or principal in accordance with the specific provisions of this Trust Agreement regarding such determinations;

(k) to authorize the participation and contribution of the business in any form of employee benefit plan, whether or not qualified as being tax deductible;

(l) to satisfy any liabilities of a business, whether contractual or tortuous in nature, arising out of the business, first out of the business, and secondly out of the Trust Estate; provided, however, that in no event shall the Trustee be individually or personally liable for any business activities or decisions, and if the Trustee shall be held liable it shall be entitled to indemnification from the business transactions involving ownership changes;

(m) to authorize and participate in any mergers, reorganizations, consolidations, exchanges, sales, private or commercial annuities, or any other form of business transactions involving ownership changes;

(n) to employ such officers, managers employees, or agents as it deems advisable and to pay such persons reasonable compensation for their services without regard to any fiduciary fees and expenses payable to the Trustee; and

(o) to exercise all other actions or powers which an individual competent adult would possess in operating such business.

5.12. Protection of Trustee for Acts of Agents. The Trustee shall not be held liable or otherwise responsible for neglect, omission, or wrongdoing of any agent employed by the Trustee on behalf of the Trust provided, however, that reasonable care is used by the Trustee in the employment of the agent.

5.13. Accounting Responsibilities of Trustee. The Trustee shall keep and maintain exact and proper books and records reflecting the assets, liabilities, investments, income, disbursements, principal and transactions of each Trust. These books and records shall be maintained consistent with generally recognized principles of accounting, and shall be available for inspection during regular business hours by each Beneficiary (or a beneficiary's representative). Settlers specifically provide, however, that the Trustee shall not be required to conform to the provisions of the Uniform Trustee's Accounting Act or any similar act. It is Settlor's intention that all Trustees shall be free of any court accounting or supervision of any Trust.

5.14. Ultimate Termination of Trustee's Responsibilities and Duties. The Trustee's responsibilities and duties under this Trust Agreement shall cease upon final distribution of all of the income and principal of any terminated trust and the completion of any miscellaneous work incident to the termination of the Trust and the distribution of its remaining assets.

5.15. Trustee Powers Regarding Settlers' Residence. The Trustee is specifically authorized to accept, retain and administer as a Trust asset any residence which Settlers may transfer to the Trust. In addition to the general powers of the Trustee with regard to Trust



investments, the following special provisions shall be applicable to the administration of such residence:

(a) Sale of Residence. If either Settlor shall advise the Trustee in writing that he or she no longer desires to occupy the residence as a home, then the Trustee is authorized to sell the home upon such terms and conditions as the Trustee may deem advisable.

(b) Purchase of Another Residence. If either Settlor shall advise the Trustee of his or her desire to use and occupy another residence as a home, then the Trustee shall be authorized to purchase and hold in the Trust any property that the Surviving Settlor desires to so use and occupy. The Trustee is authorized to retain the former residence as an investment of the Trust.

(c) Expenses and Maintenance of Residence. Settlers shall be permitted to use and occupy the residence free of rent. All taxes, insurance, assessments, repairs and other charges necessary to maintain the property shall be paid out of the respective Trust Estates in the same proportion as is represented by ownership by each Trust.

(d) No Bond. No bond shall be required of the Trustee or of either Settlor in regard to any matter pertaining to this property.

(e) Abrogation of Common Law Rules. Any and all contrary common law rules incident to the duties of a life tenant in regard to this property, including, but not limited to, waste, repair, injury, or damage, are expressly abrogated by this Trust Agreement. The Trustee or Settlers shall not be responsible or otherwise liable to any remainderman for carrying out the provisions of this Section.

5.16. Special Residence Investment Power. Settlers are concerned that the Beneficiaries will be unable to purchase or otherwise acquire the residence and/or vacation home or homes of their choice particularly considering the expected costs of such facilities in the future. Settlers are likewise concerned that the Trustee may be hesitant in acquiring this type of property for fear of violating some general investment standard. Settlers have hopefully made it clear throughout this Trust Agreement that the Trustee is to have the broadest investment and management powers available in the administration of this Trust.

Without intending to control the Trustee's discretion or to give the impression that this is indicative of any other investments, the Trustee is specifically authorized to acquire, through purchase or otherwise, any home residence or recreational type of accommodations or the benefit of any Beneficiary, and to hold such investments as assets of this Trust, and to manage such property for the Beneficiary, if the Trustee, in its sole discretion and within previously defined powers and guidelines, determines that such will be in the best interests of, first, that Beneficiary, and next, the respective Trust. In addition, the Independent Trustee is specifically authorized (but not directed) to lend money to a Beneficiary or guaranty and loan for a Beneficiary to enable he or she to acquire such a home, residence, or recreation type of accommodations.

5.17. General Borrowing and Lending Powers of Trustee. The Trustee is specifically authorized to borrow and/or lend any amount of funds from time to time and at any time from or to any individual, business, or entity (whether or not a Beneficiary of the Trust) when, in its discretion, such action is necessary or advisable for any reason, and to pledge all or any portion of the assets of this Trust as collateral. The terms of any indebtedness or loan shall be those that the Trustee, in its sole and absolute discretion, may deem advisable, even if the expected period of the loan extends beyond the term of any Trust.

## ARTICLE VI

### DEFINITIONS AND MISCELLANEOUS TRUST PROVISIONS

6.1. Definitions for Children and Descendants. The following definitions of "children" and "descendants" shall be utilized in interpreting this Trust Agreement unless a contrary intent is clearly stated or shown by its context:



(a) Children. The term "children" or "child" shall mean the lineal descendants in the first degree of the marriage of Settlers or of another person specifically named or indicated by the context of the Trust Agreement.

(b) Descendants. The term "descendants" or "descendant" shall mean all those persons who shall be in a direct line of descent from the marriage of Settlers or from another person specifically named or indicated by the context of the Trust Agreement, and which are lawfully related to such persons by consanguinity or adoption (as provided below).

(c) Child or Descendant In Being. A child or descendant (who is later born alive) shall be treated as a child or descendant during the actual period of gestation for the purposes of determining: (1) whether any person has died without surviving children or descendants; and (2) whether a person is entitled to share in a distribution of principal.

All other rights or purposes of such child or descendant shall commence as of the date of birth, provided such child or descendant in gestation is born alive.

(d) Births Out of Wedlock. Any child or descendant who is born to persons out of wedlock shall not be considered as a "child" or "descendant" of such persons for purposes of this Trust Agreement, subject, however, to the following exceptions: (1) any child or descendant who is born to persons that are openly living together as husband and wife after the performance of a marriage ceremony between them shall be considered as a "child" or "descendant," regardless of the fact that a purported divorce of one or both of such persons with reference to a prior marriage is invalid; and (2) any child or descendant, who would otherwise be excluded from benefiting as a "child" or "descendant" if, and only if, his or her natural parents become husband and wife pursuant to the performance of a marriage ceremony between them subsequent to that child's birth (or during gestation, or if any child or descendant of Settlers adopts such child or descendant, as provided below).

(e) Adopted Children or Descendants. The term "children" or "descendants" shall include, for all purposes, any person legally adopted prior to their attainment of the age of twenty-one (21) years.

(f) Persons of the Half-Blood. Persons of the half-blood shall be treated as persons of the whole-blood for all purposes of this Trust Agreement.

6.2. Interpretation of Standards for Health and Educational Distributions. The

Trustee shall be broadly guided by the following definitions (broadly construed) in distributing the income and principal of the Trust pursuant to the above standards.

(a) Health. The term "health" shall include (but shall not necessarily be limited to) any and all forms of care, therapy, nursing, medication, insurance, or hospitalization incident to any physical, mental or nervous illness, injury or disorder.

(b) Education. The term "education" shall be broadly construed to encompass any form of educationally beneficial studies (whether at home or abroad), including post-graduate studies, services, classes, business ventures, or experiences, and may include, as an example only, the travels of a Beneficiary inasmuch as most travels generally provide for a unique form of education which is not obtainable in an ordinary classroom.

6.3. Divorce of Settlers. In the event of the divorce of Settlers from each other during their joint lifetimes, any and all bequests and provisions to and between Settlers shall be void and of no effect. If however, Settlers are divorced from each other thereafter remarry and remain so as of the date of death of either Settlor, then all bequests and provisions for Surviving Settlor shall be reinstated and fulfilled.

6.4. Special Disclaimer Provisions. The following provisions shall govern the disposition of any disclaimed property or property interests. All disclaimers must be in writing and must, of course, be executed within any time periods required by law.

(a) Disclaimers by Surviving Settlor of Marital Deduction Bequest. The Surviving Settlor shall have the power to disclaim all or any part of the assets and properties which would otherwise be allocated to Trust B pursuant to the marital deduction bequest provisions. Any property so disclaimed by the Surviving Settlor shall be allocated to Trust C.

(b) Disclaimer of Trust C or Trust B Property. Any Beneficiary of Trust C (at the death of the Surviving Settlor) and/or of Trust B may disclaim any part of the assets or income of that respective Trust. In that event, such disclaimed



property will pass in the following order: (1) if the Surviving Settlor disclaims all or any part of the Trust C Estate, then such property shall pass to the then living Children of the marriage of Settlor or unto the then living descendants of any then deceased child on a per stirpes basis; or (2) if any child of the marriage of Settlor disclaims, then such property shall pass to that child's then living issue or descendants on a per stirpes basis (subject to any postponement provisions of this Trust Agreement), if any, or, if none, then to the remaining Beneficiaries of that Trust in accordance with this Trust Agreement.

(c) Disclaimers by Representatives. Any disclaimer may be made by or for the benefit of any beneficiary by such Beneficiary's agent, executor administrator or other representative.

(d) Remaining Rights of Disclaimant. The disclaimer by any Beneficiary shall not abrogate that Beneficiary's other rights or interests in property not disclaimed, nor shall such disclaimer be interpreted as creating a presumption that such Beneficiary predeceased Settlor (or either Settlor) for any other purpose.

6.5. Attainment of Specified Ages. A person shall be deemed to have attained a specified age (for example, age 21) at the beginning of the first day of the coordinate birthday commemoration (for example, the 21st birthday). Any person whose birthday falls on February 29 shall be deemed to have a birthday of February 28 for all purposes of this Trust Agreement.

6.6. Interpretation of Trust Agreement. The singular shall be interpreted as the plural, or vice versa, if such treatment is necessary to interpret this Trust Agreement in accordance with Settlor's manifest intentions. So also, if either the feminine, masculine, or neuter gender should be one of the other genders, it shall be so construed. This Trust Agreement has been divided into Articles, Sections, Paragraphs, and Subparagraphs. The interpretation of this Trust Agreement shall be determined from this Agreement in its entirety and without regard to its divisions and headings.

6.7. Definition of Trust Estate. The term "Trust Estate" shall be interpreted to mean all of the assets, properties and liabilities of a Trust, whether real, personal, or mixed, and whether tangible, intangible or inchoate.

6.8. Execution in Counterparts. This Trust Agreement may be executed in a number of counterparts, each of which will be deemed an original. A copy of the executed Trust Agreement (whether conformed or photocopied) may be used for any purpose without the necessity of producing the original counterpart.

6.9. Cross Incorporation by Reference. The terms, provisions and conditions of this Exhibit "A" (STANDARD TRUST PROVISIONS), containing 42 pages, shall be incorporated by reference for all purposes into THE HAMILTON FAMILY TRUST as though originally included as part of the primary portion of the Agreement.

DATES

October 4, 2001

October 4, 2001

SIGNATURES

Alfred Hamilton  
ALFRED HAMILTON,  
SETTLOR HUSBAND AND TRUSTEE

Maurine P. Hamilton  
MAURINE P. HAMILTON,  
SETTLOR WIFE AND TRUSTEE



EXHIBIT "B"

INITIAL ASSETS OF  
THE HAMILTON FAMILY TRUST

All assets, including but not limited to, real estate (including all mineral interests of every type), vehicles, personal property, securities, notes, accounts receivables, and cash and its equivalents.



\* The assets shown on this Exhibit "B" are listed merely for identification purposes only. It is understood and agreed that Settlor may retain possession of these assets and the Trustee is to have no responsibility over these assets.

Alfred Hamilton  
ALFRED HAMILTON,  
SETTLOR HUSBAND AND TRUSTEE

Maurine P. Hamilton  
MAURINE P. HAMILTON,  
SETTLOR WIFE AND TRUSTEE