

shall divide Trust B into as many separate equal trusts as shall be necessary to allot one such trust for each child of the Grantor then living and one such trust for the then living children, per stirpes, or each child then deceased. Such trusts shall be named for the Grantor's living and deceased children. The Grantor has one child now living, Kelly Diane Brannon. The respective trusts shall be administered and distributed in the following manner:

(a) The entire net income from each trust named for a living child shall be paid to or for the benefit of such child in convenient installments at least as often as quarter annually. After attaining the age twenty-one (21), such child may withdraw amounts, by delivering to the Trustee signed requests, not exceeding in the aggregate ten thousand dollars (\$10,000.00). After attaining age thirty (30), he or she may withdraw any part or all of such trust.

(b) Any right of withdrawal shall exist only when exercised voluntarily by such child upon his or her written request. Upon the death of such child, any balance of his or her trust not distributed shall be distributed to his or her then living children, per stirpes, or, if none, to the Grantor's children, per stirpes. But if some other trust as if it had been an original part thereof or, if no other trust is then held for a child who is under the age of twenty-one (21) years, it shall be vested, administered and distributed as provided in subparagraph (c) of this paragraph.

(c) Each trust named for a deceased child shall be distributed to the then living children of such child, per stirpes. Provided, however, that if any person otherwise entitled to distribution shall be under the age of twenty-one (21) years, his or her trust shall be vested in him or her indefeasibly, but distribution shall be postponed until he or she shall attain such age. In the meantime, the Trustee shall pay to or for the benefit of such person as much or all of the net income and principal of the retained trust as the Trustee considers necessary for his or her reasonable support, maintenance, and education. Any income not so expended may be added to the principal.

7.04 RIGHT TO NAME NEW TRUSTEE. I hereby give to my wife the same rights in relation to this Trust as I granted to her by paragraph 6.06 of Article Six of this Trust Indenture.

ARTICLE EIGHT

TRUSTEE'S POWERS

8.01 STATUTORY POWERS. Under the authority granted by North Carolina General Statute, Section 32-26, the Grantor hereby grants to the Trustee the powers set forth in North Carolina General Statute, Section 32-27, and these powers are hereby incorporated by reference and made a part of this instrument; and such powers are intended to be in addition to, and not in substitution of, the powers conferred by law.

8.02 SAFEGUARDING THE MARITAL DEDUCTION. Notwithstanding anything in this Article to the contrary, the Trustee shall not exercise any of the power, authority and discretion conferred upon it in such manner as to disqualify Trust A for the marital deduction allowed under the Federal estate tax law. And the Grantor's wife, during her lifetime, shall have the power in writing, to direct the Trustee to convert all or any part of the principal of Trust A, which may at any time be uninvested or, if invested, be unproductive of income, into income producing property selected by the Trustee in accordance with the powers of sale and of investment herein conferred upon it.

8.03 DISTRIBUTION OF TRUSTS. The Trustee may make any distribution of principal and income assets of the trust in cash or in kind or both, in a pro rata or non-pro rata manner, allocating different kinds