

1. The Trustees shall divide the assets which from time to time become a part of the Trust Estate into three equal shares which they shall hold as a separate Trust Fund for the benefit of the Settlor's hereinafter named grandchildren, Kathy Dayne Watkins, Keith William Watkins and Roy Edgar Watkins, III, to hold, manage, invest and reinvest each such Trust Fund, and the income therefrom, for use and distribution as hereinafter set forth; provided, however, that any real estate which may from time to time become a part of the assets of the Trust Estate need not be divided in kind, but may be held intact and administered by the Trustees for the benefit of the respective beneficiaries in accordance with their interests therein, the net income from the management, use or sale to be equally divided and become a part of the separate Trust Funds for the beneficiaries named herein.

2. Upon the respective beneficiaries of this Trust reaching the age of eighteen (18) years, the Trustees shall thereafter apply so much or all of the principal and/or net income then constituting a part of each such Trust Fund as the Trustees in their sole and absolute discretion may determine necessary and proper, without regard to the duty of any person to support said beneficiary and without regard to any other funds which may be available for that purpose, to the support, maintenance, education and general welfare of the beneficiary of such Trust Fund. Any unapplied income may be invested and reinvested as a part of the principal.

3. In determining the amount or amounts to be paid by the Trustees to or for the benefit of any of the beneficiaries hereunder from the income or corpus of the respective Trust Funds, the Trustees may consider, and if in their sole and uncontrolled discretion the funds are adequate, purchase or make appropriate gifts or rewards for the beneficiaries on special occasions, such as upon their graduation from high

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