

(12) In addition to the above enumerated powers, "Trust B" only shall have the following additional powers:

a. To consider and treat as corpus all stock dividends, options to receive stock, all dividends in liquidation and all "rights" issued on securities; and to consider and treat as income all other dividends received (except those declared and payable as of a "record date" preceding Settlor's death, which shall be considered and treated as corpus).

b. All proceeds realized from the sale of property or securities shall be credited to the principal account and not distributed as or deemed to be income, and capital gains or other taxes, if any, payable with respect thereto, shall be charged to principal, and any loss sustained on the sale of property or securities shall likewise be charged to the principal account and not charged to or amortized out of income.

c. To charge or credit to income or principal, or apportion between them any premiums or discounts on securities purchased at more or less than par.

d. To charge the services of accountants, attorneys, and other agents to income or principal or apportion the same between them as it may deem proper.

e. To charge its fees as Trustee solely against income.

f. To charge depreciation for tax purposes but Trustee shall not charge such depreciation against the income account of the Trust.

g. To invest and reinvest in common or preferred stocks, including stock in Capital Bank and Trust, bonds, real estate, and other securities and properties, whether productive or not as it may deem advisable including insurance contracts on the life of any beneficiaries, unsecured obligations, undivided interests, interests in investment trusts, mutual funds, leases and property which is outside of the Settlor's domicile, all without diversification as to kind or amount without being restricted in any way by any statute or court decision (now or hereafter existing) regulating or limiting investments by fiduciaries.

h. To hold property constituting any of the trusts hereunder or property held under any power in trust hereunder, in solido for convenience of investment and administration.

ARTICLE XIV. The terms "children", "issue", "descendant", or words of similar import shall include legally adopted children or their issue, as the case may be.

ARTICLE XV. In case the income or principal payment under any Trust created hereunder or any share thereof shall become payable to a person under the age of twenty-one (21) years, or to a person under legal disability, or to a person not adjudicated incompetent, but who, by reason of illness or mental or physical disability is, in the opinion of the Trustee, unable properly to administer such amounts, then such amounts shall be paid out by the Trustee in such of the following ways as the Trustee deems best:

- (1) Directly to such beneficiary.
- (2) To the legally appointed guardian of such beneficiary.
- (3) To some relative or friend for the care, support and education of such beneficiary.
- (4) By the Trustee using such amounts directly for such beneficiary's care, support and education.