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## Last Will and Testament

of

Jacquelyn C. Gregan

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JACQUELYN C. GREGAN  
COUNTY CLERK  
HARRIS COUNTY, TEXAS

I, JACQUELYN C. GREGAN, a resident of Harris County, Texas, hereby revoke all my former wills and codicils and declare this to be my Last Will.

PART ONEIntroductory Provisions

1.1 Property Disposed Of. It is my intention to dispose by this Will of all of my property of every nature and description that I own at the time of my death, excluding any powers of appointment (herein sometimes referred to as "my Estate" or "my property"); provided that, if my husband, KEVIN T. GREGAN (herein sometimes referred to as "my husband") survives me, I do not intend to dispose of his interest in our community property.

1.2 Names of Children. My children are MATTHEW CUSTER GREGAN and NICOLE RACHEL HELMS.

PART TWODispositive Provisions

2.1 Outright Gift of Certain Personal Property. I devise to my husband, if he survives me, all of my interest in (a) all motor vehicles, boats and trailers used by my husband or me personally or for family purposes; (b) all household furnishings (including, but not limited to, furniture, silver, works of art and equipment commonly associated with home use); (c) all club memberships; (d) all other articles of personal use (including, but not limited to jewelry and clothing); (e) any retirement plan benefits which arise as a result of my husband's employment or are in the name of my husband; (f) any contracts or policies insuring the life of my husband or any property described above; and (g) any equitable or statutory rights of reimbursement which I may have under Texas law with respect to the expenditure of any of my funds which may have benefitted my husband's property. If my husband predeceases me, such property shall pass equally to my then surviving children to be divided among such children in such manner as they shall agree upon; or if they are unable to so agree, then such property shall be divided in such manner as my Executor shall

deem fair and equitable in which event such division shall be conclusive and binding upon such children; or all to the survivor of them if only one of them is then surviving.

In an effort to simplify my Will as much as possible, I may leave a letter or written memorandum ("memorandum") which sets forth my desires as to how the property above described in this Paragraph shall be divided. While it is not my intention that such a letter or any written memoranda, if any, be construed as a codicil (and I direct that it shall not be deemed to be such nor admitted to probate), I request that the beneficiaries of my estate respect my wishes as expressed in such letter or written memoranda in deciding how to divide such property. Any costs or expenses of transporting any such property to the recipient thereof shall be borne by that recipient, unless I otherwise specify in such memorandum.

2.2 Pecuniary Marital Deduction Trust for Benefit of Husband. If my husband survives me, I devise to the Trustee the marital deduction amount (as hereinafter defined and determined) if any, out of my property not otherwise disposed of under any preceding Paragraph diminished by the value for Federal Estate Tax purposes of all other items in my gross estate which qualify for the Federal Estate Tax Marital Deduction ("Marital Deduction") and which pass or have passed to my husband otherwise than by the terms of this Paragraph. The property passing in trust under this Paragraph shall be held in a separate Trust for the benefit of my husband on the following terms, as well as on all other applicable terms of trust in this Will:

(A) Payment of Income and Principal to Husband. The Trustee shall pay to or apply for the benefit of my husband (i) in convenient installments, not less often than quarterly and preferably monthly, all of the net income of the Trust, and (ii) if and to the extent such income is insufficient, such amounts out of the principal of the Trust as are necessary or advisable for the health, support, education or maintenance of my husband.

(B) Husband's Special Testamentary Power of Appointment. My husband shall have the right upon his death to appoint by Will any portion or all of the Trust Estate of the Trust to my issue, in shares determined on a per stirpes basis, in such manner (whether in trust or otherwise) as he may desire (including composing shares differently). Such appointment or appointments shall be made only by specific reference to the power hereby granted.

(C) Distribution Upon Death of Husband. Upon the death of my husband any undistributed income in the Trust shall be paid to the personal representative of the estate of my husband. Upon the death of my husband the unappointed principal of the Trust, if any, shall pass under, and as provided in, Paragraph 2.4 or 2.7 hereof, whichever may be applicable, applied as if my husband had predeceased me and I had then died disposing of same hereunder.

(D) Election by Executor. I direct that my Executor make the election provided for under Section 2056 of the Code for a qualified terminable interest in property with respect to the property passing under this Paragraph, unless or to the extent my husband (or his personal representative, if he is legally incompetent or deceased) requests in writing, prior to the due date of my Federal Estate Tax Return, that such election not be made. My Executor is hereby exonerated from any liability for making such election.

(E) Special Power Concerning Unproductive Property and Intent to Qualify for Marital Deduction. Within a reasonable period of time after receipt by the Trustee of a written demand from my husband to convert specified or all unproductive or nonproductive property in the Trust into productive property, the Trustee thereof shall convert such property into productive property. It is my intent that the property passing in trust under this Paragraph qualify for the Marital Deduction, and the provisions of this Paragraph and this Will shall be interpreted to effect this intent.

(F) Provision for Disclaimer. Notwithstanding the foregoing, my husband or his personal representative may disclaim, pursuant to Section 2518 of the Code and Section 112.010 of the Texas Trust Code, all or part of my husband's interest in the Trust created under this Paragraph in which event the property or interest so disclaimed shall be held in a separate and distinct Trust (herein referred to as "Disclaimer Trust") from the Trust above created on the same terms as provided in this Paragraph (excluding, however, the Subparagraphs captioned "Election by Executor", "Special Power Concerning Unproductive Property and Intent to Qualify for Marital Deduction" and "Husband's Special Testamentary Power of Appointment") as well as on all other applicable terms of trust in this Will, except that my husband, acting individually or as a fiduciary, or his personal representative, shall have no powers over this Trust which would result in such disclaimer failing to be a qualified disclaimer pursuant to Section 2518 of the Code.

2.3 Residuary Trust for Primary Benefit of Husband. If my husband survives me, I devise my residuary estate to the Trustee to be held in a separate trust (herein sometimes referred to as "Residuary Trust") for the primary benefit of my husband on the following terms, as well as on all other applicable terms of trust in this Will:

(A) Payment of Income and Principal to Husband. The Trustee shall pay to or apply for the benefit of my husband such amounts out of the net income and principal (if income is insufficient) of the Trust as are necessary or advisable for the health, support, education or maintenance of my husband.

(B) Husband's Special Power of Appointment. My husband shall have the right (i) at any time and from time to time during his lifetime to appoint by deed or (ii) upon his death to appoint by Will any portion or all of the Trust Estate of the Trust to my issue, in shares determined on a per stirpes basis, in such manner (whether in trust or otherwise) as he may desire (including composing shares differently); provided that, such appointment shall not be exercised in favor of my husband, my husband's creditors, my husband's estate or the creditors of my husband's estate or in favor of a child of mine in a manner which directly or indirectly discharges my husband's legal obligation, if any, to support such child. Such appointment or appointments shall be made only by specific reference to the power hereby granted.

(C) Distribution Upon Death of Husband. Upon the death of my husband, the then remaining Trust Estate, if any, shall pass under, and as provided in, Paragraph 2.4 or 2.7 hereof, whichever may be applicable, applied as if my husband had predeceased me and I had then died disposing of same hereunder.

2.4 Residuary Devise to Issue if Husband Deceased. If my husband predeceases me and any issue of mine survives me, I devise my residuary estate to my then surviving issue, per stirpes.

2.5 Trust for Child For Life. Any property which any child of mine is entitled to receive (a) from my Estate under the foregoing Paragraph or (b) from any Trust created hereunder upon termination of such Trust shall pass to the Trustee in a separate trust for the benefit of such child for such child's lifetime. Each Trust created hereunder for the benefit of any such child shall be held on the following terms, as well as on all other applicable terms of trust in this Will:

(A) Payment of Income and Principal to Child and Child's Issue. The Trustee shall pay to or apply for the benefit of such child such amounts out of the net income and principal (if income is insufficient) of the Trust held for such child as are necessary or advisable for the health, support, education or maintenance of such child. In addition, the Trustee may pay to or apply for the benefit of any issue of such child such amounts out of the net income (to the extent not distributed to such child) and principal (if income is insufficient) of the Trust held for such child as are necessary or advisable for the health, support, education or maintenance of any such issue; provided that, such child shall have the right to veto any such distribution.

(B) Child's Special Testamentary Power of Appointment. Such child shall have the right upon such child's death to appoint by Will any portion or all of the Trust Estate of the Trust created for such child to any one or more of my issue and/or charities, in such amounts, proportions, estates and manner (whether in trust or otherwise) as such child may desire; provided that, except as otherwise provided in

the following Subparagraph, such appointment shall not be exercised in favor of such child, such child's estate, such child's creditors or the creditors of such child's estate or in favor of a grandchild of mine in a manner which directly or indirectly discharges such child's legal obligation, if any, to support such person. Such appointment or appointments shall be made only by specific reference to the power hereby granted.

(C) Distribution on Death of Such Child. If such child dies prior to distribution or appointment of all of such child's Trust Estate, then the remaining Trust Estate shall be held or disposed of as follows: (i) if any issue of such child is then surviving, such Trust Estate shall pass (subject to the provisions of Paragraph 2.6 hereof) to the issue of such child, per stirpes; (ii) if no issue of such child is then surviving, such Trust Estate shall pass (subject to the provisions of this Paragraph and Paragraph 2.6 hereof) to the heirs of such child determined as if such child had died and were not survived by any person related to such child other than my then surviving issue; or (iii) if no person specified in clause (i) or (ii) immediately preceding is then surviving, such Trust Estate shall pass and be delivered under, and as provided in, Paragraph 2.7 hereof, applied as if I had then died disposing of same hereunder.

Notwithstanding the foregoing provisions of this Subparagraph, if and to the extent that any portion of such Trust Estate would be subject to the Generation Skipping Transfer Tax imposed by the Code, then such child shall have the right with respect to the portion of the Trust Estate which would otherwise be subject to such Generation Skipping Transfer Tax to appoint such portion of the Trust Estate to such person or persons (including such child's estate, such child's creditors or creditors of such child's estate) in such amounts, proportions, estates and manner (whether in trust or otherwise) as such child may appoint by Will which specifically refers to the power hereby granted.

2.6 Trust for Issue of a Child. Any property which any issue of a child of mine is entitled to receive (a) from my Estate or (b) from any Trust created hereunder upon termination of such Trust shall pass to the Trustee in a separate trust for the benefit of such issue. Each Trust created hereunder for the benefit of any such issue (which such issue is herein sometimes called "such descendant") shall be held on the following terms, as well as on all other applicable terms of trust in this Will:

(A) Payment of Income and Principal to Descendant. The Trustee shall pay to or apply for the benefit of such descendant such amounts out of the net income and principal (if income is insufficient) of the Trust held for such descendant as are necessary or advisable for the health, support, education or maintenance of such descendant. In addition, the Trustee may pay to or apply for the benefit of any issue of such descendant such amounts out of the net income (to the extent not distributed to such descendant) and principal (if income is insufficient) of the Trust held for such

descendant as are necessary or advisable for the health, support, education or maintenance of any such issue; provided that, such descendant shall have the right to veto any such distribution.

(B) Descendant's Right of Withdrawal Upon Attaining Specified Age. After such descendant reaches the age of thirty-five (35) years, such descendant shall have the right to withdraw or appoint from time to time all of the then remaining Trust Estate of such Trust. Such appointment or appointments may be exercised in favor of one or more persons or charities as such descendant shall appoint by deed during such descendant's lifetime or by Will upon death and shall be made only by specific reference to the power hereby granted. If such descendant attains the age at which such descendant has the right of withdrawal or appointment as aforesaid prior to the creation of the Trust, then such descendant may exercise such right of withdrawal or appointment by delivering written notice of exercise of such withdrawal right or appointment to any fiduciary then in possession of such property; whereupon such fiduciary shall comply with such notice within a reasonable period of time after winding up the affairs of my Estate. Such right of withdrawal or appointment may be exercised only by such descendant of such descendant's own free volition and may not be exercised by a personal representative, agent or creditor of such descendant.

(C) Distribution on Death of Descendant. If such descendant dies prior to distribution, withdrawal or appointment of all of such descendant's Trust Estate, then the remaining Trust Estate of such Trust, if any, shall be held or disposed of as follows: (i) if any issue of such descendant is then surviving, such Trust Estate shall pass (subject to the provisions of this Paragraph) to the issue of such descendant, per stirpes; (ii) if no issue of such descendant is then surviving, such Trust Estate shall pass (subject to the provisions of this Paragraph and Paragraph 2.5 hereof) to the heirs of such descendant determined as if such descendant had died and were not survived by any person related to such descendant other than my then surviving issue; or (iii) if no person specified in clause (i) or (ii) immediately preceding is then surviving, such Trust Estate shall pass and be delivered under, and as provided in, Paragraph 2.7 hereof, applied as if I had then died disposing of same hereunder.

Notwithstanding the foregoing provisions of this Subparagraph, if and to the extent that any portion of such Trust Estate would be subject to the Generation Skipping Transfer Tax imposed by the Code, then such descendant shall have the right with respect to the portion of the Trust Estate which would otherwise be subject to such Generation Skipping Transfer Tax to appoint such portion of the Trust Estate to such person or persons (including such descendant's estate, such descendant's creditors or creditors of such descendant's estate) in such amounts, proportions, estates and manner (whether in trust or otherwise) as such descendant may appoint by Will which specifically refers to the power hereby granted.

2.7 Residuary Devise if Husband and Issue Deceased. If neither my husband nor any issue of mine survives me, I devise my residuary estate to my heirs.

### PART THREE

#### Administrative Provisions

3.1 Appointment of Executor. I appoint my husband, KEVIN T. GREGAN, as Sole Independent Executor of this Will and my Estate. If for any reason and at any time my husband is unable or unwilling so to act, then I appoint the following successively in the order named as Co-Independent Executors, or Sole Independent Executor, as the case may be, hereunder:

- (i) my son, MATTHEW CUSTER GREGAN, and my daughter, NICOLE RACHEL HELMS, or either of them who is able and willing so to act, and then
- (ii) THE FROST NATIONAL BANK, Houston, Texas.

Herein the term "Executor" shall refer to any duly appointed and qualified Sole or Co-Independent Executor then acting hereunder; provided that, Co-Independent Executors shall act jointly.

3.2 Powers of Executor. I direct that no action shall be had in any court of probate jurisdiction in the administration and settlement of my Estate other than the probate and recording of this Will (and any codicil hereto) and the return of an inventory and list of claims of my Estate as required by law. My Executor shall be independent of the supervision of the probate court to the full extent permitted by law. No bond or other security shall be required of any Executor acting hereunder. My Executor (including any ancillary Executor acting hereunder) shall have and may exercise, without first obtaining the approval of any court, all of the powers granted to executors under the laws of the State of Texas or the laws of any other State having jurisdiction over such Executor, and in addition thereto all the rights and powers conferred by this Will on the Trustee of any Trust created hereby (but shall not be deemed to be a trustee). My Executor, in such Executor's discretion, is authorized to (a) allocate the Federal Generation-Skipping Transfer Tax Exemption under Section 2631 of the Code among the assets of my Estate (whether or not such assets pass under this Will), (b) make the election under Section 2652(a)(3) of the Code, if applicable and appropriate, and (c) exercise or make any and all other elections which are permitted under the Code, if applicable or appropriate. Notwithstanding any law prohibiting a person from purchasing assets of an estate either directly or indirectly because such person is acting as an executor with respect to such estate, any Executor serving hereunder acting in such Executor's individual capacity or on behalf of any entity with whom such Executor might be associated (including, but not limited to, the capacity of shareholder, officer, director, partner or trustee)

shall have the right to purchase from my Estate any property at fair market value or pursuant to the terms of any agreement entered into by me prior to my death. I recognize that conflicts of interest may exist or arise between the personal interests of the persons I have named above as Independent Executor of my Estate and the interests of my Estate or other beneficiaries thereof. I have confidence in the persons I have so named and direct that any such conflicts or allegations thereof not be used to frustrate my intention that such persons so serve.

3.3 Payment of Debts, Funeral Expenses, Administration Expenses and Death Taxes. Any taxes (including any interest and penalties thereon) imposed by reason of my death or of the transfer of any property (other than an Outright Gift or Special Gift, as above titled or as otherwise provided herein) in that event and expenses reasonably incurred in determining the amount, apportionment or collection of taxes shall be allocated and apportioned as provided in Section 322A of the Texas Probate Code, as amended, including amendments after the date hereof; provided that, it is my desire that no such taxes shall be paid out of any Roth IRA. Except as otherwise provided herein, my Executor shall pay such of my debts, funeral expenses and expenses incurred in the administration of my Estate, as my Executor determines should be paid, out of my residuary estate. As used in this Paragraph, reference to the term "taxes", however used, shall not include (i) any tax (a) on a transfer which is includible in my gross estate by reason of Section 2036 (or 2044, if my Executor elects to seek recovery of taxes as provided for therein) of the Code or (b) on generation-skipping transfers imposed by Chapter 13 of the Code (other than on direct skips which do not arise as a result of a disclaimer), or (ii) any additional or recapture tax imposed by Section 2032A of the Code; and no such taxes set forth above shall be paid under this Paragraph, except as otherwise specifically provided by the Code. My Executor, in such Executor's discretion, may seek recovery for any taxes incurred as a result of Section 2044 of the Code.

3.4 Designation of Trustee. The appointment of the original Trustee and any substitute or successor Trustee of any Trust created hereunder is as follows:

(A) Appointment of Trustee of Trust Created for the Benefit of My Husband. I appoint my husband, KEVIN T. GREGAN, as Sole Trustee of any Trust created hereunder for the benefit of my husband. If for any reason and at any time my husband is unable or unwilling so to act, then I appoint the following successively in the order named as Co-Trustees or Sole Trustee, as the case may be, of any such Trust:

- (i) my son, MATTHEW CUSTER GREGAN, and my daughter, NICOLE RACHEL HELMS, or either of them who is able and willing so to act, and then
- (ii) THE FROST NATIONAL BANK, Houston, Texas.



(B) Appointment of Trustee of Trust Created for the Benefit of a Child of Mine. With respect to any Trust created hereunder for the benefit of a child of mine, I appoint such child as Sole Trustee of any such Trust. If for any reason and at any time such child is unable or unwilling so to act, then I appoint whomever of my son, MATTHEW CUSTER GREGAN, or my daughter, NICOLE RACHEL HELMS, as is able and willing so to act, as Sole Trustee of any such Trust. If for any reason and at any time no child of mine is able and willing so to act, then I appoint THE FROST NATIONAL BANK, Houston, Texas, as Sole Trustee of any such Trust.

Notwithstanding the foregoing provisions of this Subparagraph, I authorize such child (whether or not then the beneficiary of a Trust hereunder) to appoint by a written instrument filed in the probate proceedings where this Will is probated one or more individuals or corporate fiduciaries to act as successor Sole or Co-Trustee, as the case may be, of such Trust, which Trustees so appointed shall act in lieu of the Trustees above appointed so long as such Trustees, or any of them, appointed by such child are able and willing so to act. In addition, such child may appoint in the same manner successor Trustees of the Trust created for any issue of such child, which Trustees so appointed shall act in lieu of the Trustees appointed in any of the following Subparagraphs so long as such Trustees, or any of them, appointed by such child are able and willing so to act. Such child may also appoint successors thereto. Such appointment may be revoked or changed prior to the appointment becoming effective. An appointment with respect to such child's Trust shall take effect only if such child is unable or unwilling to act or to continue to act as Sole Trustee hereunder. An appointment with respect to a Trust for such child's issue shall take effect at such time as a Trust is created for such issue hereunder. Any such appointment shall not affect the right of any such issue to act as a Co-Trustee or Sole Trustee of any such Trust at the age(s) specified in any of the following Subparagraphs. The successor Trustee appointed pursuant to the provisions of this Subparagraph shall accept such appointment by an executed and acknowledged instrument filed in the probate proceedings where this Will is probated.

(C) Appointment of Trustee of Trust for a Grandchild of Mine. With respect to any Trust created hereunder for the benefit of an issue of a child of mine, I appoint the one or more individuals or corporate fiduciaries appointed in the foregoing Subparagraph by the child who is the ancestor of the issue who is the beneficiary of such Trust as Sole or Co-Trustee, as the case may be, of any such Trust. If a Trustee has not been so appointed or if for any reason and at any time such Trustee so appointed is unable or unwilling so to act, then I appoint whomever of my son, MATTHEW CUSTER GREGAN, or my daughter, NICOLE RACHEL HELMS, as is able and willing so to act, as Sole Trustee of any such Trust. If for any reason and at any time no child of mine is able and willing so to act, then I appoint

THE FROST NATIONAL BANK, Houston, Texas, as Sole Trustee of any such Trust.

Notwithstanding the foregoing provisions of this Subparagraph, (i) if and at such time as such issue has attained twenty-five (25) years of age, then such issue has the right to act as Co-Trustee with the Trustee hereinabove named or acting, and (ii) if and at such time as such issue has attained thirty-five (35) years of age, then such issue has the right to act as Sole Trustee of such issue's Trust. If for any reason and at any time such issue becomes unable or unwilling to continue to act, then I appoint the Co-Trustee then acting, if any, otherwise the Trustee(s) above named as Sole Trustee of any such Trust.

Notwithstanding the foregoing provisions of this Subparagraph, I authorize such issue (whether or not then the beneficiary of a Trust hereunder) to appoint by a written instrument filed in the probate proceedings where this Will is probated one or more individuals or corporate fiduciaries to act as successor Sole or Co-Trustee, as the case may be, of such Trust, which Trustees so appointed shall act in lieu of the Trustees above appointed so long as such Trustees, or any of them, appointed by such issue are able and willing so to act. In addition, such issue may appoint in the same manner successor Trustees of the Trust created for any child of such issue, which Trustees so appointed shall act in lieu of the Trustees appointed above in this Subparagraph so long as such Trustees appointed by such issue, or any of them, are able and willing so to act. Such issue may also appoint successors thereto. Such appointment may be revoked or changed prior to the appointment becoming effective. An appointment with respect to such issue's Trust shall take effect only if such issue is unable or unwilling to act or to continue to act as Sole Trustee hereunder. An appointment with respect to a Trust for such issue's child shall take effect at such time as a Trust is created for such child hereunder. Any such appointment shall not affect the right of any such issue's child to act as a Co-Trustee or Sole Trustee of any such Trust at the age(s) specified in any of this Subparagraph. The successor Trustee appointed pursuant to the provisions of this Subparagraph shall accept such appointment by an executed and acknowledged instrument filed in the probate proceedings where this Will is probated.

(D) Removal and Substitution of Trustee. Any income beneficiary of a Trust or the guardian of the person thereof shall have the right at any time to remove the corporate fiduciary then acting as Trustee hereunder of such beneficiary's Trust by giving thirty (30) days' written notice to such Trustee; and (i) upon such removal such beneficiary or guardian shall appoint or (ii) upon refusal to act or resignation (except a refusal or resignation pursuant to the immediately following Subparagraph) of such corporate fiduciary, such beneficiary (if able to do so) or guardian shall appoint a corporate fiduciary as successor or substitute Trustee.

(E) Provision for Uneconomical Trust. If it should be or become uneconomical for a corporate fiduciary which is appointed or acting as Trustee hereunder to act or to continue to act as Trustee of any Trust created by this Will because of the value of the Trust Estate of such Trust, such Trustee may, after giving the notice hereafter provided for in this Paragraph, (i) refuse to act or resign as Trustee and allow the then acting Co-Trustee, if any, to act as Sole Trustee; (ii) if a Co-Trustee is not then acting hereunder, refuse to act or resign as Trustee and appoint an individual as successor Trustee in which event it is my desire, if the income beneficiary of such Trust is under a disability of minority, that a person acting as Guardian of the person of such beneficiary be so appointed; or (iii) if a Co-Trustee is not then acting hereunder, terminate such Trust by complete distribution to the income beneficiary of such Trust, if such income beneficiary is not under a legal disability.

(F) Addition of Co-Trustee or Appointment of Successor Trustee if No Successor Trustee Appointed Hereunder. With respect to any Trust created hereunder, the last Trustee of such Trust who is acting as Sole Trustee of such Trust may at any time add one or more individuals and/or a corporate fiduciary to act as Co-Trustee(s) with such appointing Trustee by a written instrument filed in the probate proceedings where this Will is probated. With respect to any Trust created hereunder, if no Trustee above named is able and willing to so act or to continue to so act, then the last Trustee acting as Trustee of such Trust may appoint one or more individuals and/or a corporate fiduciary to act as successor Sole or Co-Trustee, as the case may be, of such Trust by a written instrument filed in the probate proceedings where this Will is probated. If no Trustee is otherwise appointed pursuant to the provisions hereof, then a majority of the income beneficiaries (including a beneficiary's natural or legal guardian or legal representative, in the case of a beneficiary under a legal disability) may appoint one or more individuals and/or a corporate fiduciary to act as successor Sole or Co-Trustee, as the case may be, of such Trust by a written instrument filed in the probate proceedings where this Will is probated.

(G) Definition of "Trustee". Throughout this Will, wherever appropriate, the term "Trustee" shall refer to any Sole or Co-Trustee then acting hereunder; provided that, Co-Trustees shall act jointly. Any successor or substitute Trustee appointed hereunder shall have the same powers, rights and responsibilities as the Trustee originally named. No bond or other security shall be required of any Trustee acting hereunder even though not named herein.

(H) Resignation of Trustee. Any Trustee may resign without court action by giving at least thirty (30) days written notice (unless waived by the person receiving the notice) to each income beneficiary of a Trust created hereunder; provided that, if any such beneficiary is then under a legal disability, such notice may

be given to the guardian of such beneficiary's estate, or if there is no such guardian, to the person having the care or custody of such beneficiary.

(I) Appointment of Corporate Fiduciary as a Co-Trustee. Any individual or individuals acting as Sole or Co-Trustee of any Trust created hereunder may at any time appoint a corporate fiduciary as a Co-Trustee of any such Trust by filing a written appointment to such effect in the probate records of my Estate. Any corporate fiduciary so appointed may be removed at any time by the then acting individual Trustee(s), and a successor corporate fiduciary may be so appointed if such Trustee(s) so decide. If at any time any individual Trustee ceases to so act and pursuant to the foregoing provisions of this Paragraph 3.4 a corporate fiduciary would then act as a successor Sole or Co-Trustee of such Trust, then any corporate fiduciary acting pursuant to this Subparagraph shall act in lieu of the corporate fiduciary above named, but all rights to remove any such corporate fiduciary shall be governed by the foregoing provisions of this Paragraph 3.4 (other than this Subparagraph). In the event that the individual Trustee(s) direct that the investment authority for the assets of the Trust is to be vested exclusively in any such corporate fiduciary, then the individual Trustee(s) then acting hereunder may rely upon the investment advice of such corporate fiduciary and shall not be liable for any losses resulting from management of the Trust's investments by such corporate fiduciary. In addition, no individual Trustee shall have any liability whatsoever with respect to the decision to appoint or not appoint a corporate fiduciary or to remove or not remove a corporate fiduciary previously appointed or with respect to the selection of the corporate fiduciary. All fees and expenses charged by such corporate fiduciary shall be paid by the assets of the Trust. In the event of such appointment the Co-Trustees shall act (i) jointly if two (2) Trustees are then acting and (ii) by a majority if more than two (2) Trustees are then acting, except as to investment decisions if the individual Trustees have elected to vest investment decisions exclusively with the corporate fiduciary so appointed.

3.5 Compensation and Reimbursement of Executor or Trustee. Any Executor or Trustee hereunder shall be entitled to receive for such Executor's or Trustee's services in that capacity reasonable compensation not to exceed such compensation as is then customary and usual where such services are performed. Any Executor or Trustee shall be entitled to reimbursement from my Estate or the Trust Estates for all expenses, including, but not limited to, compensation to agents and fees for professional services incurred in the administration thereof.

3.6 Exculpatory Provisions. No Executor or Trustee hereunder shall be held liable for any act or omission of such Executor or Trustee (or of any agent of such Executor or Trustee) which is performed in good faith without gross negligence. Any Executor or Trustee may rely upon (i) (and shall not be held liable for following the advice of) an attorney, accountant or investment advisor or (ii) any facts stated in any instrument in writing

and believed true or any other evidence deemed sufficient. No Executor or Trustee shall be held liable for any act or omission of any Trustee or Custodian appointed by any such Executor or Trustee. Any successor Executor or Trustee is relieved of any duty to examine the acts of any prior fiduciary, or to require an accounting therefrom, and shall be responsible only for those assets actually delivered to such Executor or Trustee.

3.7 Powers. Each Trust created hereunder shall be held and administered subject to the following terms and conditions:

(A) General Powers of Trustee. Specifically, and not by way of limitation, the Trustee may convey, lease (including a lease for a period extending beyond the administration of the Trust Estate), pool, unitize, mortgage, pledge or otherwise encumber, partition, sell, retain, dispose of, invest and reinvest any property of the Trust, whether such property is real, personal or mixed, segregated or undivided (including, but not limited to, mineral fee, leasehold, royalty or any other interest in oil, gas and other minerals, or any of them), publicly or privately, for cash, credit or exchange for any other property, or for any two or more of said considerations, without an order of court, upon such terms and conditions as the Trustee may deem appropriate (including a purchase or sale directly or indirectly with a person or entity listed in Section 113.053(a) of the Texas Trust Code). Except as otherwise provided herein, the Trustee may retain, hold or acquire unproductive property if such Trustee determines such action to be in the best interests of the income beneficiary. The Trustee may purchase securities or other property from my Executor, without responsibility or liability for any loss resulting to the Trust from any such purchase. The Trustee may from time to time employ employees and agents (including investment advisors) and may delegate such authority thereto, including discretionary authority, as such Trustee deems appropriate; provided that, even if a corporate fiduciary is then serving as a Co-Trustee, any individual Trustee may employ an investment advisor at the expense of the Trust. Except as hereafter provided, the Trustee may loan (including loans to (i) the Executor of my Estate or (ii) a person or entity listed in Section 113.052(a) of the Texas Trust Code or (iii) a beneficiary of the Trust, except that, if such beneficiary is also a Trustee of the Trust, then any such loan shall be adequately secured and at a reasonable interest rate) or borrow money in any manner, with or without security, upon such terms and conditions as the Trustee may deem appropriate. The Trustee (other than the Trustee of a Trust qualifying for the Federal Estate Tax Marital Deduction, if such a power would result in loss of such Marital Deduction) may purchase a life insurance policy or policies (including term insurance) on the life of one or more of the beneficiaries of the Trust, or on the life of any person or persons in whom one or more of the beneficiaries of the Trust has an insurable interest. Any corporate fiduciary at any time acting hereunder may deposit all or any portion of the Trust with itself or an affiliated institution as a temporary or permanent investment pursuant to Section 113.057 of the Texas Trust Code. The Trustee may continue the operation of and contributions to

any business or investment entity, including, but not limited to, corporations, limited liability companies and partnerships, and may participate as a partner, member, shareholder or in any other capacity in the formation, dissolution, liquidation or reorganization of any such business. In addition to the foregoing powers, the Trustee shall have all of the powers now or hereafter granted to trustees under the Texas Trust Code (and in addition thereto in the case of any ancillary Trust, the trust law of any other State having jurisdiction over the administration of the Trust), except such as conflict with the terms of this Will.

(B) Self-Dealing Provisions. The Trustee shall not be disqualified to enter into any transaction on behalf of the Trust for the reason only that another party to such transaction is: (i) a trust (including another Trust created hereunder) of which a Trustee is trustee; (ii) a business controlled directly or indirectly by a Trustee, an Executor or a beneficiary of any Trust created hereunder; (iii) a Trustee or a beneficiary of any Trust created hereunder acting in such party's own behalf; (iv) an estate (including my Estate) of which an Executor hereunder is acting in any fiduciary capacity; or (v) an Executor, or a beneficiary of my Estate, acting in such party's own behalf.

(C) Allocations Between Income and Principal. In determining income for distribution from the Trust, the entire net proceeds of (i) any production run to the credit of royalties, working interests, overriding royalties, production payments, net profits interests and other interests in oil, gas and other natural resources, (ii) all bonuses for entering into, and any delay rentals pursuant to, oil, gas and other natural resource leases and (iii) the receipts from sale of timber, shall constitute income without apportionment to principal of any part of such net proceeds. All rent received from rental property shall be deemed to be income, and the Trustee shall not establish any reserve for depreciation with respect to such rental property. Notwithstanding the provisions of Section 113.106 of the Texas Trust Code, if a Trustee of the Trust uses part of the principal of the Trust to continue a business of which I was a sole proprietor or a partner, any loss during any annual accounting period shall be chargeable against any other income of the Trust from all other sources, to the full extent thereof, and to the extent that income is insufficient, such losses shall be chargeable, in the following order, against (i) accumulated trust income for prior years; (ii) future trust income; and finally (iii) the principal of the Trust upon termination. Subject to the foregoing provisions, the Trustee, in such Trustee's sole, reasonable discretion, shall allocate or apportion the revenues, receipts or proceeds of the Trust as to principal and income and shall allocate or apportion the charge of disbursements, expenses, depreciation, depletion, amortization, obsolescence, and similar or related charges and accruals or losses of the Trust as to principal or income, and the Trustee's determination need not necessarily be according to the provisions of the Texas Trust Code. When such discretion is not exercised by the Trustee, the provisions of the Texas Trust Code shall control, except as otherwise provided herein.

3.8 Trustee's Payment of Beneficiary's Taxes. Except if such beneficiary's Will specifically provides for a lesser reimbursement, upon the death of the beneficiary of any Trust created hereunder or in the event of a distribution, directly or indirectly, to any such beneficiary, the Trustee is authorized to withhold distribution of an amount of property out of the Trust Estate set aside for the benefit of such beneficiary (or the portion which would have been set aside if such beneficiary were living upon termination of such Trust) sufficient to cover any liability that may be imposed on the Trustee or Trust for the Federal Unified Transfer Tax or Generation-Skipping Transfer Tax (including, but not limited to, taxes due pursuant to the provisions of Chapter 11 and 13 of the Code), the Federal Income Tax or any other estate, inheritance, succession, income or other taxes until such liability is finally determined and satisfied and the Trustee is hereby authorized to pay any such taxes or to reimburse such beneficiary or the personal representative of such beneficiary's estate for having paid same if such personal representative has paid any such taxes. Except if such beneficiary's Will specifically provides for a lesser reimbursement, the amount of such reimbursement shall be the difference between the amount of such taxes payable by reason of the death of such beneficiary and the amount of such taxes otherwise payable had the Trust Estate of the Trust not been included in the gross estate of such beneficiary for purposes of calculating such taxes. The payment of such taxes shall be allocated among the subsequent beneficiaries of such Trust in the same manner as provided in Paragraph 3.3 hereof, applied as if I had then died disposing of such property and owing such taxes. Notwithstanding any provision of this Paragraph to the contrary, if Exempt and Nonexempt Trusts are created hereunder for such beneficiary for Generation-Skipping Transfer Tax purposes, then I direct that such taxes (or any reimbursement paid as a result thereof) be paid out of the Trust Estate of the Nonexempt Trust. The Trustee is authorized to make distributions to the beneficiary of a Trust to reimburse such beneficiary for any such taxes (including interest and penalties thereon or taxes on the distribution by the Trust to such beneficiary to pay such taxes) which such beneficiary incurs with respect to income earned by the Trust which is taxed to such beneficiary but which may or may not have been distributed thereto.

3.9 Disposition of Proceeds of Retirement Plan Benefits or Life Insurance Payable to Trustee. The proceeds of any retirement plan benefits or insurance policy payable to the Trustee (other than proceeds payable to the Trustee as Trustee of a specific Trust or of a Trust for a specific beneficiary which such proceeds shall pass and be administered as so provided) (i) shall, if my husband survives me, be allocated by the Trustee (in the same manner as though they were specific bequests under my Will) to the Marital Deduction Trust if provided for hereunder, except to the extent that any excess shall exist, then such proceeds to such extent shall be allocated to the Residuary Trust; and (ii) shall, if my husband predeceases me, pass to my Trustee, and such proceeds shall be distributed in the same manner as provided in Part Two hereof as if such proceeds were a part of my Estate passing hereunder notwithstanding that such proceeds are payable to the Trustee hereunder and are not a part of my Estate passing hereunder; provided, however, that any such proceeds to the



extent owned by my husband and not otherwise paid thereto shall be paid to my husband. Life insurance proceeds and retirement plan benefits payable to the Trustee shall not be liable for or used for the payment of (but may be loaned for the purpose of paying) any taxes (other than Federal Estate or state inheritance or estate taxes or Federal or state income taxes assessed under the Code or pursuant to Section 322A of the Texas Probate Code with respect to such benefits or proceeds), liabilities, debts or any other claims or charges against my Estate. Notwithstanding any other provision of this Will to the contrary, in the event a Trust (of which the Trustee is designated as the recipient of any such proceeds) is not created at my death, my Executor shall serve as Trustee without bond for the sole purpose of receiving and distributing such proceeds in accordance with the provisions of this Paragraph. It is my intention that the designation of a Trust created hereunder as the beneficiary of any retirement plan benefits and/or the payment of any such benefits to such Trust (the "Benefits Trust") not cause a beneficiary of such benefits [who would otherwise qualify as a "designated beneficiary" under Section 401(a)(9)(E) of the Code, and the regulations thereunder (if such benefits were paid outright to such beneficiary)] not to so qualify, and this Will shall be so construed. Notwithstanding any provision of this Will to the contrary, each of the following provisions apply to any Benefits Trust, except if the absence of any such provision would not prevent a beneficiary of such Trust from qualifying as a "designated beneficiary" under Section 401(a)(9)(E) of the Code, and the regulations thereunder:

(A) No power of appointment granted to a beneficiary of such Benefits Trust shall be exercisable inter vivos with respect to any retirement plan benefits payable to such Trust or to any proceeds held by the Trustee of such Trust as a result of payments made thereto from any such retirement plan ("accumulated retirement plan proceeds") held by such Trust.

(B) No testamentary power of appointment granted to a beneficiary of such Benefits Trust shall be exercisable by such beneficiary with respect to any accumulated retirement plan proceeds held by such Trust to a charity, to a person older than the oldest designated beneficiary of the retirement plan benefits payable to the Trust (or to a trust for such person's benefit) or to a person who is not identifiable pursuant to the provisions of this Will within the meaning of Section 401(a)(9)(E) of the Code, and the regulations thereunder (or to a trust for such person's benefit).

(C) No testamentary general power of appointment granted to a beneficiary of a Benefits Trust which is a Nonexempt Trust, as hereafter defined, shall be exercisable by such beneficiary with respect to any accumulated retirement plan proceeds held by such Trust.



(D) If at any time after the end of the calendar year immediately following the year of my death only one Benefits Trust is in existence hereunder and any beneficiary of such Trust (i) is the "designated beneficiary" for purposes Section 401(a)(9)(E) of the Code, and the regulations thereunder, and (ii) is my last surviving issue, then such beneficiary shall have the right to withdraw any accumulated retirement plan proceeds then or thereafter held in such Trust upon attaining seventy (70) years of age, unless such beneficiary has a withdrawal right at an earlier age hereunder. Such right of withdrawal may be exercised only by such beneficiary of such beneficiary's own free volition (and may not be exercised by a personal representative, agent or creditor of such beneficiary) by the delivery of written notice of withdrawal to the Trustee of such Trust.

If for any reason any provision of this Will (as modified by this Paragraph) has granted (or failed to deny) any beneficiary of a Benefits Trust any power which causes such beneficiary not to qualify as a "designated beneficiary" under Section 401(a)(9)(E) of the Code, and the regulations thereunder, then the Trustee of such Trust is directed to take such action as is required to cause this Will to be amended to the extent necessary to carry out my intent as expressed above.

3.10 Spendthrift Provision. Each Trust created hereunder shall be a spendthrift Trust; provided that, the foregoing shall not be construed to prevent a beneficiary hereunder from exercising a power of appointment provided for hereunder. Any rights under a Trust created for a beneficiary hereof are personal to such beneficiary; hence, it is my intention that such rights cannot be exercisable by his agent, guardian, personal representative nor through any court order. This provision shall not prohibit a beneficiary from disclaiming all or any portion of an interest hereunder. Any distributions (including distributions of income) to a beneficiary of a Trust shall be such beneficiary's separate property and shall not be construed to be community property, if such beneficiary is married.

3.11 Distributions of Income and Principal by Trustee. In making any discretionary payments to a beneficiary hereunder, it is my desire that the Trustee consider (i) the standard of living to which such beneficiary may have been accustomed, including the natural progression of such lifestyle throughout the life of such beneficiary based upon reasonable expectations associated with the lifestyle of such beneficiary upon my death; (ii) any known resources of such beneficiary, including the ability of such beneficiary to earn funds for such beneficiary's own support and maintenance, except while obtaining an education; (iii) the ability of any person who is legally obligated to support such beneficiary to do so; (iv) the availability to such beneficiary of governmental and educational assistance and the effect distributions from such trust might have upon the qualification of such beneficiary to receive such assistance; (v) the opinions of counselors, physicians, educators and other professionals familiar with such beneficiary; (vi) the availability and potential value to the beneficiary's education or personal development of travel opportunities whether or not associated with study leading to the attainment of a recognized certificate or degree; (vii) the advisability of

such beneficiary refraining from employment in order to provide care or attention for such beneficiary's issue; and, (viii) such factors as the Trustee in its sole discretion considers reasonable under the circumstances, including any suggestions provided by me outside this Will. An Executor or Trustee shall not make a payment to such fiduciary's spouse or child which directly or indirectly discharges such fiduciary's personal legal obligation to such person (including a legal obligation of support). It is my desire that no amounts of principal be paid to my husband or an issue of mine from any Trust created hereunder for the benefit of my husband or such issue which does not qualify for the Marital Deduction or which is exempt from the Generation-Skipping Transfer Tax unless and until the liquid assets of any other Trust in existence therefor hereunder are exhausted.

3.12        Executor's and Trustee's Discretionary Power Concerning Distributions. Except as otherwise provided herein, my Executor or Trustee may make divisions (including, creating several identical Trusts) or distributions (including the distribution of property to a custodian under the Uniform Transfers to Minors Act with respect to the devise of any property hereunder to a person who is under a disability of minority which was not otherwise directed to pass in trust hereunder), including partial or disproportionate distributions (including, distributions with respect to any community property or retirement plan benefits), and the decision of my Executor or Trustee, in such fiduciary capacity, as to the timing, division (whether with or without regard to the income tax basis thereof), composition (whether in cash or in any other property, or both, or in undivided interests or otherwise including composing shares differently) and valuation of any distribution of all or any portion of my Estate or of any Trust created hereunder and as to the proper persons, Trust or Trusts entitled to receive a distribution hereunder shall be final and binding on all parties concerned insofar as any liability or responsibility of such Executor or Trustee is concerned; provided, however, that the final distribution of my Estate shall not be delayed beyond the time reasonably required for distribution of my Estate. My Executor may make distributions from my Estate immediately upon my death in accordance with the provisions of any Trust created hereunder, whether or not such Trust has actually come into existence or received any distribution from my Estate. My Trustee may make distributions from any Trust immediately upon receipt of any property as Trustee of such Trust, whether or not the administration of my Estate is complete.

3.13        Generation-Skipping Transfer Tax Provision. Notwithstanding any provision hereof to the contrary, if any Trust established hereunder would but for the provisions of this Paragraph consist of assets having an inclusion ratio for generation-skipping transfer tax purposes of greater than zero (0), but less than one (1), then the Trustee of such Trust shall (unless such Trustee determines that it would be in the best interest of such Trust not to make such division) divide it into two (2) Trusts (both having the same identical provisions as such initial Trust and being separate Trusts for tax and state law purposes), one of which would have an inclusion ratio of zero (0) for generation-skipping transfer tax purposes and the other having an inclusion ratio of one (1) for generation-skipping transfer tax purposes. The assets which would otherwise have passed into the initial Trust shall be allocated between the new

Trust having an inclusion ratio of zero (0) (the "Exempt Trust") and the new Trust having an inclusion ratio of one (1) (the "Nonexempt Trust"). The Exempt Trust is to receive the fractional part of the initial Trust based upon (a) the numerator of the fraction being the portion of the GST exemption of the transferor of such Trust (for purposes of Section 2652 of the Code) which such transferor's personal representative elects to allocate to the Exempt Trust and (b) the denominator being the aggregate value for federal estate tax purposes of the property to be allocated to the Exempt Trust and Nonexempt Trust. The balance of the property which would otherwise have passed into such initial Trust shall be allocated to the Nonexempt Trust. Both the Exempt Trust and Nonexempt Trust shall receive property fairly representative of the net appreciation or depreciation in value of all assets which would otherwise have passed into the initial Trust. If Exempt and Nonexempt Trusts are created hereunder and if such Trusts provide for distributions to skip persons (as defined in Section 2613 of the Code) and to non-skip persons (as defined in Section 2613 of the Code), then the Trustee has the authority to allocate (i) distributions to skip persons from the Trust Estate of the Exempt Trust before making distributions to non-skip persons and (ii) distributions to non-skip persons from the Trust Estate of the Nonexempt Trust before making distributions to skip persons. The Trustee in making discretionary distributions shall first utilize any accumulated retirement plan proceeds held by a Nonexempt Trust before using any other portions of the Trust Estate of such Trust or any other Trust held for the benefit of such beneficiary. With respect to the provisions of any Trust created hereunder granting any non-skip person a right of withdrawal with respect to the Trust Estate of such Trust, if Exempt and Nonexempt Trusts are created hereunder for such non-skip person and such person exercises such person's withdrawal right under such Trust, the Trustee in satisfying any such withdrawal right may deliver up to all of the Trust Estate of the Nonexempt Trust (but not more than an amount equal to the aggregate value of such withdrawal right taking into account the values of the Trust Estates of both the Exempt and Nonexempt Trusts) to such non-skip person, and then satisfy the remainder of such withdrawal right out of the Exempt Trust until such non-skip person has received in the aggregate the total value of such withdrawal right taking into account the values of the Trust Estates of both such Trusts.

3.14 Maximum Term of Trust. Notwithstanding any other provision of this Will, if the law of the state having jurisdiction over any Trust created hereunder or pursuant to a power of appointment granted hereunder provides for a maximum limitation on the term of a trust, then such Trust shall terminate, if not sooner terminated, under the applicable Rule Against Perpetuities (determined, if appropriate, using the lives of all of the descendants of my parents, the lives of all of the descendants of my husband's parents and all persons who are identifiable as beneficiaries of any Trust created hereunder or to be created hereunder pursuant to the terms hereof [regardless of when created] who are in being at the time of the first to die of my husband and me). The property comprising the Trust Estate of any Trust which shall terminate by reason of this Paragraph shall pass and be delivered, free of trust, to the income beneficiary thereof.

3.15 Residence Held in Trust. If the residential property and/or any recreation residential property in which my husband and I are living at the time of my death passes into trust hereunder, then except as otherwise provided herein, during the life of my husband the Trustee shall not sell such residential property without my husband's written consent. My husband shall be permitted to occupy such residential property without paying any rental thereon and to rent such residential property. It is my desire that the Trustee of any Trust created for the benefit of my husband make such payments to my husband out of the income and principal (to the extent income is insufficient) of any such Trust as are necessary to pay all taxes, insurance, repairs, maintenance and installment payments on the indebtedness (including interest thereon) on such residential property to the extent the net income of my husband is inadequate to make such payments. While using such residential property my husband shall be obligated to pay such spouse's proportionate part of major repairs and indebtedness, to make all minor repairs and to generally maintain same in a good state of repair and to maintain adequate fire and extended casualty insurance in effect. The Trustee shall, if my husband shall so request, sell the interest in such residential property held in trust hereunder and invest the proceeds in other residential property selected by my husband (and in which my husband may also acquire an interest), in which event the provisions of this Paragraph shall be applicable to the residential property so acquired. If my husband ceases to occupy or utilize such residential property or if my husband becomes incompetent to consent to the sale of such property and the Trustee determines that it is in my husband's best interest to reside elsewhere, the Trustee may sell or dispose of the Trust's interest in such property upon the same terms and provisions as any property in trust hereunder could be transferred. Unless written notice of the objection of my husband to any action authorized by this Paragraph is filed in the office of the county clerk of the county in which such property is located, any party acquiring an interest in such property from the Trustee shall not be required to ascertain whether the Trustee has complied with this Paragraph relating to the sale of such property or the application of the proceeds of such sale. Notwithstanding any provision of this Paragraph to the contrary, no payment shall be made hereunder which shall in any way cause my Estate to lose or result in reduction of all or any portion of the Marital Deduction to the extent provided for hereunder. In the event any such residential property passes into trust hereunder for a beneficiary hereof other than my husband, then so long as such rights do not conflict with the rights of my husband hereunder, such beneficiary shall have all of the rights and obligations above provided in this Paragraph with respect to such property as if such beneficiary were substituted for my husband for purposes of this Paragraph.

#### PART FOUR

##### Miscellaneous Provisions

4.1 Miscellaneous Provisions. For purposes of this Will and any Trust created hereunder:

(A) Presumptions on Survival. A beneficiary hereunder shall not be considered to survive and shall be considered to predecease another person if such beneficiary shall die within ninety (90) days of the death of such other person; provided that, this Subparagraph shall not apply to any devise to my husband in trust hereunder.

(B) Definition of "Education". The term "education" shall include, but is not limited to, education and maintenance while attending under-graduate, graduate, vocational schools and special schools for the handicapped.

(C) Definition of "Child", "Issue" and "Heirs". Subject to the provisions of Subparagraph 1.2 hereof, the term "child" or "children" shall refer only to legitimate sons and daughters of the person in question. Subject to the provisions of Subparagraph 1.2 hereof, the term "issue" shall refer only to legitimate lineal descendants of the first, second or any other degree of the person in question. A child or issue of the person in question shall be deemed to be "legitimate" if such child or issue was either: (i) born or conceived prior to or during a legal, ceremonial marriage of the parents of such person; (ii) legally adopted by such person in a statutory proceeding; (iii) born to such person, if such person is a female; (iv) voluntarily or involuntarily legitimated by such person while under the age of eighteen (18) years by a court decree entered prior to the death of such person; or (v) acknowledged while under the age of eighteen (18) years by such person in a statement of paternity as provided in the Texas Family Code, or a like statement properly executed in another jurisdiction; provided that, notwithstanding the foregoing provisions of this sentence, a child of a person shall not be deemed to be "legitimate" if such child has been legally adopted by another individual of the same gender as is the person in question, unless such child is specifically named herein. The term "heirs" shall refer to those persons who would inherit the property in question from the person in question, assuming that the person in question had died intestate owning such property under the Texas laws of descent and distribution in effect at the time of such person's death, and when such term is used, the shares and proportions of taking shall be determined by said laws. Subject to the provisions of Subparagraph 1.2 hereof, the terms defined in this Subparagraph shall refer, wherever appropriate, to those who are adopted [if under eighteen (18) years of age at the time of adoption], and shall not refer to step-children, unless legally adopted.

(D) Definition of "Devise". The term "devise" when used as a noun includes the disposition of real or personal property, or both, and when used as a verb, the term "devise" means to dispose of real or personal property, or both.

(E) Definition of "Net Income", "Income Beneficiary", "Trust" and "Trust Estate". The income of a Trust less the charges to such income shall constitute the "net income" of such Trust. The term "income beneficiary" shall refer not only to a beneficiary who is presently entitled to receive the income of a Trust but also to a beneficiary to whom income of a Trust could then be paid in the sole, reasonable discretion of the Trustee. Whenever the term "Trust" or "Trust Estate" is used it shall include the original principal and all other properties of the Trust or Trusts, real, personal or mixed, however and whenever acquired, which may be included in or belong to the Trust or Trusts, and any income therefrom, including any accumulated income, so long as same shall remain in trust hereunder.

(F) Definition of "Code". Reference herein to the "Code" shall refer to the Internal Revenue Code of 1986 as amended, together with all regulations and rulings issued thereunder and reference to a specific chapter, section or provisions of the Code shall be construed to refer to any corresponding provision of the Code or any Federal tax law applicable to my Estate.

(G) Additions to Trust. Any person or entity shall have the right from time to time to transfer or convey, either inter vivos or by Will, to the Trustee of any Trust created hereunder such additional property as such person or entity shall desire to become a part of such Trust, subject to acceptance thereof by the Trustee. Any such donor of an inter vivos gift may by the instrument transferring property into the Trust provided that the beneficiary (or beneficiaries) of such Trust has the right for a limited period of time to withdraw the property so transferred into the Trust by such donor by a withdrawal notice meeting the requirements specified in such instrument so that any such gift qualifies as a gift of a present interest in property for U.S. Gift tax purposes.

(H) Definition of "Unable or Unwilling". An Executor or Trustee appointed hereunder shall be deemed to be "unable or unwilling" so to act if (i) such fiduciary in writing has resigned or admitted such fiduciary's inability to so act, or such fiduciary's duly appointed and acting attorney-in-fact has resigned on behalf of such fiduciary, (ii) at least one (1) physician who is duly licensed to practice medicine and has treated or examined such fiduciary has determined that such fiduciary is unable, in such physician's opinion, to adequately manage such fiduciary's own affairs or to act as fiduciary, or (iii) a court having jurisdiction of my Estate or the Trust has so determined.

(I) Definition of "Retirement Plan". The term "retirement plan" shall refer to any individual retirement account maintained by any person for such person and any plan, fund or program established or maintained by an employer or by an employee organization, or both, which provides retirement income to employees or results in a deferral of income by employees for periods extending to the termination

of employment or beyond or which provides death benefits to beneficiaries of employees, including, but not limited to, pension plans, profit sharing plans, cash or deferred arrangements [401(k) plans], trust plans, stock bonus plans, annuity plans, individual retirement accounts, including Roth IRA accounts, and HR-10 plans, qualified under the provisions of Subtitle A, Chapter 1, Subchapter D of the Code, and any deferred compensation agreements or plans arising out of service or employment which are not qualified under the provisions of Subtitle A, Chapter 1, Subchapter D of the Code.

(J) Division or Merger of Trust(s). In the event any person is the beneficiary of an existing Trust created hereunder at a time when pursuant to a provision hereof it is directed that any property be held in a separate trust hereunder having provisions which are then substantially similar and such Trusts have the same inclusion ratio for purposes of the Federal Generation-Skipping Transfer Tax (or if such Tax has been permanently repealed), then, if no adverse tax consequences result therefrom other than an acceptable increase in income taxes, notwithstanding any direction herein to the contrary, such property shall be added to the Trust Estate of such previously existing Trust and shall be held and administered as a part thereof; provided that, if my husband is then deceased and the Trustee under my husband's Will is administering a Trust for the benefit of any person who is the beneficiary of a Trust created hereunder and both such Trusts have provisions which are then substantially similar and such Trusts have the same inclusion ratio for purposes of the Federal Generation-Skipping Transfer Tax (or if such Tax has been permanently repealed), then, if no adverse tax consequences result therefrom other than an acceptable increase in income taxes, the Trustee may (i) receive the Trust Estate from the Trust created under my husband's Will and in such event shall administer same in accordance with and as a part of the Trust created for such beneficiary hereunder or (ii) deliver the Trust Estate of the Trust created hereunder for the benefit of such beneficiary to the Trustee of the Trust created under my husband's Will for the benefit of such beneficiary to be administered in accordance with and as a part of the Trust created for such beneficiary under my husband's Will. The Trustee may divide a Trust into two or more separate Trusts if the Trustee determines that the division of the Trust could result in a savings in taxes or in administrative savings or convenience or if the Trustee otherwise determines that such division is in the best interest of the Trust or its beneficiaries. If the Federal Estate Tax has been permanently repealed, then if my husband or his personal representative so consents, my Trustee may combine any Trust created hereunder which qualifies for the Marital Deduction with any other Trust created hereunder composed of my property. The foregoing sentence shall be void and of no force if its existence or application would result in loss of the Marital Deduction otherwise provided for hereunder.

(K) Definition of "Marital Deduction Amount". The "marital deduction amount" devised hereunder shall be a pecuniary amount equal to the maximum marital deduction (allowable in determining the Federal Estate Tax on my gross estate); provided, however, that this amount shall be reduced by an amount, if any, needed to increase my taxable estate as determined for Federal Estate Tax purposes to the largest amount possible without incurring any Federal Estate Tax on my Estate. In making the computations necessary to determine the marital deduction amount, the final determinations of the Federal Estate Tax proceedings shall control. If the Federal Estate Tax does not then exist, then the marital deduction amount shall be zero for purposes hereof. My Executor shall consider all credits against the Federal Estate Tax allowed by the Code and any exclusion allowed under Section 2033A of the Code. Any disclaimer pursuant to Section 2518 of the Code made by my husband or my husband's personal representative shall be disregarded for purposes of calculating the marital deduction amount. My Executor shall assign, convey and distribute in satisfaction of said devise only those properties in my gross estate which qualify for the marital deduction, except that, I hereby direct that, in the same manner as though they were specific bequests under my Will, the right to any income in respect of a decedent under Section 691 of the Code shall be allocated first as a matter of right in satisfaction of the marital deduction amount. The property so distributed to satisfy the marital deduction amount shall be valued for that purpose at its fair market value determined as of the date of such distribution. Any marital deduction amount shall (a) exclude any asset not qualifying for the Marital Deduction, and (b) abate to the extent that it cannot be satisfied in the manner herein provided.

(L) Definition of "Corporate Fiduciary". The term "corporate fiduciary" shall refer to any state or national bank, trust association or private trust company (i) originally appointed or acting hereunder as an Executor or Trustee, or (ii) having trust powers and having trust assets with a value, at the time of its appointment as a successor or substitute Trustee hereunder, in excess of One Hundred Million Dollars (\$100,000,000.00). The designation of any corporate fiduciary hereunder and any reference thereto shall extend to any successor institution under whatever name (i) which is carrying on the activities of the corporate fiduciary originally appointed or acting hereunder, whether through conversion, reorganization, consolidation or merger, or (ii) which has acquired the assets and succeeded to the trust functions of the corporate fiduciary originally appointed or acting hereunder.

(M) Construction of Will. All captions used herein are inserted for convenience of reference only and shall not be deemed a part hereof and shall not control or affect the meaning, construction, interpretation or effect of this Will or any Codicil hereto or be deemed indicative of my intent. Wherever appropriate, the masculine gender may include the feminine or neuter, and the singular may include the plural, and vice versa.



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(N) Situs of Trusts. The situs of the administration of a Trust is, except as otherwise provided herein, to the extent possible fixed in Texas. The administration, construction and validity of a Trust shall be controlled whenever possible by the laws of the State of Texas unless and until the corporate fiduciary then acting as Trustee (or if one is not then acting, then the remaining Trustee(s) then acting) shall, by written notice to each income beneficiary of a Trust created hereunder (provided that, if any such beneficiary is then a minor or is under any other legal disability, such notice may be given to the guardian of such beneficiary's estate, or if there is no such guardian, to the person having the care or custody of such beneficiary), designate the laws of any other state within the United States of America as the controlling law with respect to the administration of the Trust, in which event the laws so designated shall so apply to the Trust as if designated herein until the laws of some other state are so designated, except that, notwithstanding any such designation, the laws of the State of Texas shall continue to apply to the extent that the powers of the Trustee are broader under the laws of the State of Texas than under such other designated laws.

I, JACQUELYN C. GREGAN, hereby declare this to be my Last Will (typewritten on twenty-seven (27) pages, including the attestation clause, signatures of witnesses and my self-proving acknowledgment and the affidavits of the attesting witnesses) and herewith sign my name to same, in the presence of the undersigned attesting witnesses, all present at the same time, each of whom signs this Will at my request, in my presence and in the presence of each other, all done this 21<sup>st</sup> day of October, 2002, at Houston, Texas.

Jacquelyn C. Gregan  
JACQUELYN C. GREGAN

The undersigned, each being over eighteen (18) years of age hereby declare that JACQUELYN C. GREGAN, declared to us that the foregoing instrument is her Last Will and she requested us to act as witnesses to same and to her signature thereon. She thereupon signed said Will in our presence, all of us being present at the same time. And we now, at her request, in her presence, and in the presence of each other, do hereunto sign our names as attesting witnesses, all done this 21 day of October, 2002, at Houston, Texas. We and each of us declare that we believe the said Testatrix to be of sound mind and memory.

Sandra Reynolds

Address 12727 FEATHERWOOD

HOUSTON, TX 77034

J. Alan Kelly

Address 12727 FEATHERWOOD, STE 100

HOUSTON, TX 77034

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

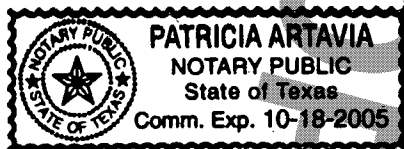
BEFORE ME, the undersigned authority, on this day personally appeared JACQUELYN C. GREGAN, SANDRA REYES and L. Todd Kelly, known to me to be the Testatrix and witnesses, respectively, whose names are subscribed to the annexed or foregoing instrument in their respective capacities, and, all of said persons being by me duly sworn, the said JACQUELYN C. GREGAN, Testatrix, declared to me and to the said witnesses in my presence that said instrument is her Last Will and Testament, and that she had willingly made and executed it as her free act and deed; and the said witnesses, each on her oath stated to me, in the presence and hearing of the said Testatrix, that the said Testatrix had declared to them that said instrument is her Last Will and Testament, and that she executed the same as such and wanted each of them to sign it as a witness; and upon their oaths each witness stated further that they did sign the same as witnesses in the presence of the said Testatrix and at her request; that she was at that time eighteen (18) years of age or over and was of sound mind; and that each of said witnesses was then at least fourteen (14) years of age.

Jacquelyn C. Gregan  
JACQUELYN C. GREGAN

Sandra Reyes  
Witness

L. Todd Kelly  
Witness

SUBSCRIBED AND SWORN TO before me by the said JACQUELYN C. GREGAN, Testatrix, and by the said SANDRA REYES and L. Todd Kelly, witnesses, on this 21<sup>st</sup> day of OCTOBER, 2002.



Patricia Artavia  
Notary Public in and for  
The State of Texas