

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

App. 286
INGEBORG E. STATON CHARITABLE TRUST

THIS TRUST AGREEMENT, dated the 8th day of Dec., 1993, at Winston-Salem, Forsyth County, North Carolina, between Ingeborg E. Staton, as Grantor, desiring to establish a charitable lead unitrust under which a unitrust amount will be paid which will be deductible under Section 2522(c)(2)(B) of the Code and the Regulations thereunder, and Centura Bank, as Trustee, is in five (5) parts. Part 1 contains the provisions dealing with the composition and distribution of the property forming the corpus of the trust. Part 2 sets forth special provisions relating to the charitable lead unitrust. Part 3 names the persons or institutions which will administer the trust. Part 4 sets forth the provisions governing that administration. Part 5 defines certain terms used in the rest of the Agreement.

PART 1 - COMPOSITION AND DISTRIBUTION

1.1 Trust Name. This trust shall be known and designated as the "Ingeborg E. Staton Charitable Trust", and it shall be sufficient that it be referred to as such in any deed, assignment, bequest, or devise.

1.2 Trust Corpus. The Grantor transfers and assigns to the Trustee certain property, described on Schedule A, it being the Grantor's intent to vest immediately and irrevocably in the Trustee all title to and incidents of ownership in such property, and the Trustee accepts such property and agrees to hold, manage, administer, and distribute such trust property under the terms set forth in this Agreement.

1.3 Irrevocability. This trust shall be irrevocable, and the Grantor expressly acknowledges that she shall have no right or power, whether alone or in conjunction with others, in whatever capacity, to alter, amend, revoke, or terminate this trust, or any of the terms of this trust, in whole or in part, or, other than the limited right to direct certain additional charitable distributions retained under Subparagraph 1.4.E, below, to designate the beneficiaries who shall possess or enjoy the trust property or the income therefrom.

1.4 Payment of Unitrust Amount During Trust Term. Notwithstanding any other provisions of this Agreement, the Trustee shall pay over and distribute the unitrust amount on the following terms and conditions:

A. In each taxable year of the trust for a period of Twenty (20) Years from the date hereof (hereinafter referred to as the "Trust Term"), the Trustee shall pay to the Staton Foundation, a North Carolina charitable trust (hereinafter referred to as the "Recipient"), to be used for its general charitable purposes, a unitrust amount equal to five percent (5%) of the net fair market value of the assets of the trust valued as of the first business day of each taxable year of the trust (hereinafter referred to as the "Valuation Date"). If the Recipient is not an organization described in Sections 170(c), 2055(a), and 2522(a) of the Code at the time when any payment of the unitrust amount is to be made to the Recipient, then the Trustee shall pay such unitrust amount to one or more organizations that, at such time, are described in Sections 170(c), 2055(a), and 2522(a) of the Code as the Trustee, in its discretion, shall select.

B. The unitrust amount shall be paid in equal quarterly installments (on the last day of the quarter) from income and, to the extent that income is not sufficient, from principal. Any income of the trust for a taxable year in excess of the unitrust amount shall be added to principal.

C. If for any year the net fair market value of the trust assets is incorrectly determined, then within a reasonable period after the value is finally determined for federal tax purposes, the Trustee shall pay to the Recipient (in the case of an undervaluation) or receive from the Recipient (in the case of an overvaluation) an amount equal to the difference between the unitrust amount properly payable and the unitrust amount actually paid.

D. In determining the unitrust amount, the Trustee shall prorate the unitrust amount on a daily basis for a short taxable year and for the taxable year ending with the end of the Trust Term.

E. In addition to the unitrust amount payable to the Recipient under the preceding subparagraphs of this Paragraph 1.4, and not in limitation thereof, the Trustee, upon written instructions signed and delivered by the Grantor, shall pay over and distribute to the Recipient, if the Recipient is, at such time, an organization described in Sections 170(c), 2055(a), and 2522(a) of the Code, such additional amounts of the principal and income of this trust as the Grantor shall direct. No such additional distribution, however, if any, directed by the Grantor shall be deemed a prepayment or commutation of the unitrust amount due the Recipient under the preceding subparagraphs of this Paragraph 1.4.

1.5 Additional Contributions. If any additional contributions are made to this trust after the initial contribution, the unitrust amount for the year in which the additional contribution is made shall be five percent (5%) of the sum of (a) the net fair market

value of the trust assets as of the Valuation Date (excluding the assets so added and any income from, or appreciation on, such assets) and (b) that proportion of the fair market value of the assets so added that was excluded under (a) that the number of days in the period that begins with the date of contribution and ends with the earlier of the last day of the taxable year or the last day of the Trust Term bears to the number of days in the period that begins on the first day of such taxable year and ends with the earlier of the last day of such taxable year or the last day of the Trust Term. In the case where there is no valuation date after the time of contribution, the assets so added shall be valued as of the time of contribution.

1.6 Distribution of Trust Property at End of Trust Term. At the end of the Trust Term, the Trustee shall distribute all of the then principal and income of the trust (other than any amount due to Recipient under Paragraph 1.4, above) to the then acting trustee or trustees of the Ingeborg E. Staton Revocable Trust created by an Agreement dated 11/03/____, 1993, by Ingeborg E. Staton, as Grantor, and by Philip A.R. Staton as Trustee, if the said trust is then in existence, and if not, to the Grantor, if the Grantor is then living, and if not, to the Grantor's estate.

PART 2 - SPECIAL PROVISIONS RELATING TO ADMINISTRATION
OF THE CHARITABLE LEAD UNITRUST

2.1 Prohibited Transactions. The Trustee shall make distributions at such time and in such manner as not to subject the trust to tax under Section 4942 of the Code. Except for the distribution of the trust property at the end of the Trust Term to the remainderman under Paragraph 1.6, above, the Trustee shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code, and shall not make any taxable expenditures, as defined in Section 4945(d) of the Code. The Trustee shall not make any investments that jeopardize the charitable purpose of the trust, within the meaning of Section 4944 of the Code, or retain any excess business holdings, within the meaning of Section 4943(c) of the Code.

2.2 Taxable Year. The taxable year of this trust shall be the calendar year.

2.3 Governing Law. The operation of this trust shall be governed by the laws of the State of North Carolina. The Trustee, however, is prohibited from exercising any power or discretion granted under the said laws or any provision of this Agreement that would be inconsistent with the qualification of the gift of the charitable interest in the trust to the Recipient for a charitable gift tax deduction under Section 2522(c)(2)(B) of the Code and the Regulations thereunder.

2.4 Limited Power of Amendment. This trust is irrevocable. However, the Trustee shall have the power, acting alone, to amend the trust in any manner required for the sole purpose of ensuring that the gift of the charitable interest in the trust to the Recipient qualifies and continues to qualify for a charitable gift tax deduction under Section 2522(c)(2)(B) the Code and the Regulations thereunder.

2.5 Investment of Trust Assets. Nothing in this Agreement shall be construed to restrict the Trustee from investing the trust assets in a manner that could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of trust assets.

2.6 Grantor Trust. The Grantor intends that this trust will be a grantor trust for federal income tax purposes under Sections 671 and 673(a) of the Code and the Regulations thereunder, and that she will be deemed to be the owner of the entire trust principal and income at all times during the Trust Term.

2.7 Death Taxes. No estate, inheritance, transfer, or other death taxes imposed by reason of the Grantor's death upon the trust property shall be allocated against or recoverable from this trust, notwithstanding any provisions in the Grantor's will or any other instrument to the contrary.

PART 3 - TRUSTEE

3.1 Trustee. Centura Bank, or its successor corporation, shall act as Trustee under this Agreement, without bond. The Trustee shall receive and be paid such commissions as are customarily charged by the bank under its regularly adopted schedule of compensation for like services at the time services hereunder are rendered. The Trustee's commissions shall be paid from income and, to the extent that income is not sufficient, from principal.

3.2 Resignation of Trustee. Any Trustee serving hereunder shall have the right to resign at any time by giving thirty (30) days' written notice to the Recipient and the Grantor. Thereafter, the Recipient shall have the right, within such thirty (30) day period, to nominate and appoint a successor corporate Trustee, and the Recipient shall notify the resigning Trustee in writing of such appointment; provided, however, that any successor corporate Trustee must be a corporation having managed assets under trust of not less than \$500,000,000. In the event that no successor corporate Trustee is appointed within such thirty (30) day period, the resigning Trustee may resign under the provisions of Chapter 36A of the General Statutes.

PART 4 - ADMINISTRATIVE PROVISIONS

App. 290

4.1 Powers. The Trustee in the exercise of its discretion and without court order is authorized to do all things and to perform all acts that to it shall seem requisite and desirable in the businesslike administration of the trust. Without in any way limiting the generality of the foregoing, and in addition to any power conferred upon the Trustee under any other provision of this Agreement, and in addition to any inherent, implied, or statutory powers granted to trustees generally, and subject to the restriction on the exercise of any power or discretion under the provisions of Paragraph 2.3, above, the powers enumerated in General Statutes Section 32-27 are incorporated by reference and granted to the Trustee, subject to the restrictions of General Statutes Section 32-26(b). Notwithstanding any provisions of the trust to the contrary, no powers granted herein or accorded to the Trustee generally by law shall be construed to enable the Recipient, the Trustee or any other person to purchase, exchange or otherwise deal with or dispose of the principal or income of the trust for less than an adequate or full consideration in money or money's worth.

4.2 Trustee Accountings. The Trustee shall not be required to qualify or to file any periodic inventory or accounting with respect to any trust created under this Agreement with any court, even though otherwise required by law, but it shall file annual accounts of receipts and disbursements of cash and principal with the Grantor.

PART 5 - DEFINITIONS

5.1 Gender. The neuter gender shall include the masculine and the feminine, the masculine gender shall include the feminine, and the feminine gender shall include the masculine, as the context may require.

5.2 Number. The singular number shall include the plural and the plural number shall include the singular, as the context may require.

5.3 Trust Estate. The term "trust estate" shall mean the property subject to the trust at any given time.

5.4 Grantor. The term "Grantor" shall mean Ingeborg E. Staton.

5.5 Recipient. The term "Recipient" shall mean the Staton Foundation, a North Carolina nonprofit corporation.

5.6 Code, Regulations, General Statutes. The term "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, the term "Regulations" shall mean the Treasury Regulations promulgated thereunder, and the term "General Statutes" shall mean the General Statutes of North Carolina, as amended from time to time.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in duplicate the day hereinabove written, attaching their respective seals.

Tom Brane (SEAL)
Ingeborg E. Staton, Grantor,
by her duly authorized and acting
attorney in fact,

TOM BRANE

Centura Bank, Trustee

[CORPORATE SEAL]

By: Dennis K. Wilson
VICE Vice President

ATTEST:

Claudia B. Moore
Asst Secretary

STATE OF NORTH CAROLINA

COUNTY OF FORSYTH

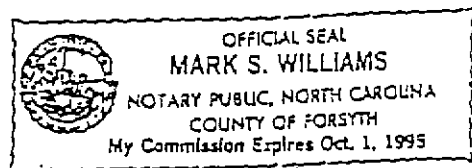
App. 292

I, MARK S. WILLIAMS, a Notary Public for said County and State, do hereby certify that TOM BRAME personally appeared before me this day and acknowledged the due execution of the foregoing instrument by and on behalf of Ingeborg E. Staton, as her duly authorized and acting attorney in fact.

Witness my hand and notarial seal this 8th day of DECEMBER, 1993.

Mark S. Williams
Notary Public

My Commission Expires: OCTOBER 1, 1995



STATE OF NORTH CAROLINA

COUNTY OF NASH

App. 293

This 10th day of DECEMBER, 1993, personally came before me PATSY B LANGSTON, a Notary Public for said County and State, DANNY H WARREN, who, being by me duly sworn, says HE is the _____ Vice President of Centura Bank, that the seal affixed to the foregoing instrument in writing is the corporate seal of the said bank; and that the said writing was signed and sealed by him in behalf of the said bank by its authority duly given. And the said _____ Vice President acknowledged the said writing to be the act and deed of the said bank.

PATSY B. LANGSTON
Notary Public
Nash County, N. C.

Patsy B Langston
Notary Public

My Commission Expires: 3-9-96