

TRUST AGREEMENT

between

JANE A. SMITH

Grantor

and

JANE A. SMITH

Trustee

An irrevocable trust  
known as the

**JANE A. SMITH**  
**QUALIFIED PERSONAL RESIDENCE TRUST I**

Prepared By

McDonald & Kanyuk, PLLC  
Attorneys at Law  
Concord, New Hampshire  
(603) 228-9900

**JANE A. SMITH  
QUALIFIED PERSONAL RESIDENCE TRUST I**

This Trust Agreement is dated this 27th day of December, 2006, by and between JANE A. SMITH of Salem, New Hampshire, as Grantor, who is referred to in this Trust Agreement in the first person, and the said JANE A. SMITH as Trustee (the "Trustee").

Recitals

1. Simultaneously with or immediately following my execution of this Trust Agreement, I am transferring to the Trustee an undivided one-half (1/2) interest in certain real property (with improvements thereon) located at Salem, New Hampshire, and shown on Schedule A attached hereto, which such property is used by me as a "personal residence" as defined in §2702 (a)(3)(A)(ii) of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations (the "Regulations") thereunder. Such fractional interest in the residence, including all appurtenant structures and real estate, and any residence and real estate or fractional interest therein purchased by the Trust to replace such residence and real estate, shall hereinafter be referred to as "the Residence".

2. I have retained an interest in the Residence in the form of certain rights to the use, enjoyment and occupancy of the Residence. The maximum term of my retained interest is a period of Ten (10) years beginning with the date of the transfer of the undivided interest in the Residence to the Trustee (the "QPRT Term"). I have also retained a reversionary interest in such undivided interest which will vest if I die before the QPRT Term expires, in which case all of the Trust's property is to be distributed to my revocable trust as hereinafter provided.

3. I have executed a revocable trust agreement of even date herewith, and such agreement, as it may in the future be amended, shall hereinafter be referred to as “my revocable trust”.

ARTICLE I.  
MY FAMILY

I am married to JOHN B. SMITH (“my husband”). I have three children: AARON C. SMITH (“Aaron”), MARY D. SMITH (“Mary”), and ADAM E. SMITH (“Adam”).

ARTICLE II.  
TRANSFERS TO THE TRUST

I hold as the initial Trustee the undivided interest in the Residence and any additional property transferred hereto on the terms and conditions as set forth in this instrument.

ARTICLE III.  
IRREVOCABILITY

This trust is irrevocable, and I cannot alter, amend, revoke, or terminate the Trust in any way, except as expressly provided later in this instrument.

ARTICLE IV.  
RESERVED USE OF THE RESIDENCE

During the Residence Term, defined below, and for as long as the Trust is a qualified personal residence trust (“QPRT”), as defined in the regulations under §2702 of the Code, the Trustee shall hold the Residence for my personal use. I shall have the right to use the Residence without rent or other charge, but I may pay all “carrying charges” associated with the Residence, including, without limitation, property taxes, property and casualty insurance premiums, ordinary maintenance and repairs, utility charges, and any other expenses customarily borne by life tenants of residential real estate under New Hampshire law.

A. Residence Term. The Residence Term begins on the commencement of this Trust and continues until the earlier of (i) my death; and (2) the expiration of the QPRT Term.

B. The Residence. The Residence is the undivided interest in my primary residence transferred by me to the Trust.

ARTICLE V.  
END OF THE RESIDENCE TERM

A. On My Death. If I shall die before the expiration of the QPRT Term, upon my death my retained reversionary interest will best, the Trust property will be includible in my “gross estate” for federal estate tax purposes, and the Trustee shall distribute the Trust assets to the then trustee or trustees of my revocable trust.

B. Expiration of QPRT Term. If I am alive on the date the QPRT Term expires, then within thirty (30) days of that date, the Trustee (meaning my successor Trust as hereinafter provided) shall distribute to me or my estate any cash held by the Trust that is not needed to pay trust expenses. Subject to the provisions of subparagraph D.(2) of ARTICLE X, the Trustee shall hold the remaining Trust fund IN FURTHER TRUST (the “continuing trust”) upon the following terms and conditions:

(1) The Trustee may pay out of the net income or principal, or both, such amount or amounts (whether equal or unequal and whether the whole or a lesser amount) as the Trustee, in its sole and absolute discretion, determines to or for the benefit of such one (1) or more persons then living as the Trustee, in its sole and absolute discretion, may select out of a class composed of John and my then living issue; provided, however, that while any such beneficiary is serving as Trustee, the Trustee/beneficiary (i) may distribute net income or principal, or both, to himself or herself only at such times and in such amounts as is necessary for the Trustee/beneficiary’s health, maintenance, support and education, and (ii) shall not exercise any discretion to make distributions to any person included among the class of eligible beneficiary to the extent that such distribution will have the effect of relieving any legal obligation of the Trustee/beneficiary to support such person. Any net income not so paid shall be added to principal. In exercising this discretion, it is my wish, but not direction, that the Trustee will consider other resources of the beneficiaries, and will give primary consideration to the John’s needs and desires.

(2) During John’s lifetime, he shall have the right to occupy all real property, or a fractional interest in any real property, owned by the continuing trust, which has the nature of a personal residence, and if John is not also serving as Trustee, he may direct the Trustee to sell any such property and replace it with, rent, or lease another residence John may select. If there are available in the Trust sufficient liquid assets to pay carrying charges, the Trustee shall pay a pro rata part of the mortgage payments, property taxes, assessments, insurance premiums, maintenance and ordinary repairs on any such real estate equal to the Trustee’s pro rata interest in the property, such payments being made out of the income or principal of the Trust as the Trustee can in its sole and absolute discretion, shall determine. If there are insufficient liquid assets to apply to such carrying charges, then John, as a condition to the exercise of his right of occupancy, shall pay such portion (or all) of such charges which can not be funded internally.

(3) The Trustee may also lease to me any residence owned by the continuing trust upon such terms and conditions as the Trustee determines, in its uncontrolled discretion, are commercially reasonable, provided that any such leasing arrangement shall be evidenced by a written lease agreement and shall provide for my payment of fair rental value and contain other terms and conditions as the Trustee determines, in its uncontrolled judgment, would be included in a negotiated lease agreement between a landlord and tenant who are unrelated to each other and are acting in their economic self interests.

(4) The continuing trust shall terminate upon the later of John's and my deaths. Upon such termination, the Trustee shall distribute all of the property then belonging to the income and principal of the continuing trust to or for the benefit of such person or persons as John may select out of a class composed of my issue (of whatever degree and whenever born) and their spouses, and in such estates, interests and proportions as John may appoint by a provision in his will specifically referring to this Paragraph of this Trust Agreement. In no event shall such power of appointment be exercisable in favor of John himself, his estate, his creditors or the creditors of his estate. To the extent that John does not fully or effectively exercise such power of appointment, the Trustee shall hold, manage, administer and distribute the remaining continuing trust property as provided in those provisions of my revocable trust agreement applicable from and after the death of the survivor of me and John, as such provisions exist on the date of this Trust Agreement, and not as I may amend them in the future, except for those provisions of Section I of ARTICLE III of my revocable trust agreement requiring distributions of my revocable trust's assets to pay any estate taxes, debts and expenses due from the Trustee of my revocable trust or payable to my estate. For these purposes, and such purposes alone, such provisions of my revocable trust agreement are incorporated herein by this reference.

#### ARTICLE VI. THE TRUSTEES

A. Named Trustees. I am the initial Trustee of this Trust. I may appoint a successor or co-Trustee, including any "independent Trustee" who may serve in my place as Trustee or together with me as a co-Trustee as provided in subparagraph H(5) of ARTICLE VII hereof.

(1) If I shall be unable or unwilling to continue serving as Trustee, John shall be eligible to serve as such Trustee or designate his alternate or successor, and if he is unable or unwilling to do so, a successor Trustee shall be appointed by a majority of my adult, competent children. Any successor Trustee shall signify his or her acceptance by a writing signed by such successor Trustee.

(2) No Trustee named in this instrument or by the Trustee shall be required to provide surety or other security on a bond.

(3) No Trustee shall be responsible for or need inquire into any acts or omissions of a prior Trustee.

B. Additional Trustees.

(1) During the Residence Term, my Trustee may appoint any person as additional Trustee to serve at the pleasure of the appointing Trustee, and may appoint an “independent Trustee” as provided in Paragraph H(5) of ARTICLE VII hereof.

(2) With respect to any continuing trust created after the expiration of the Residence Term, any Trustee/beneficiary of such trust may appoint a disinterested Trustee to exercise the “tax sensitive” powers and discretions described in Paragraph B. of ARTICLE V hereof, and such disinterested Trustee shall serve under such terms and conditions as are described in the writing appointing the disinterested Trustee. Any disinterested Trustee must be (i) an individual who is not a beneficiary of the continuing trust, and is not related or subordinate to any such beneficiary as defined in Code §672(c), or (ii) a corporate Trustee, meaning a corporation or other legal entity possessing trust powers under the laws of the State of New Hampshire.

C. Delegation. Any Trustee may delegate any powers and authorities to another Trustee for any period that the delegating Trustee deems appropriate. A person dealing in good faith with any Trustee may rely without inquiry upon that Trustee’s representation that a particular power or authority has been delegated and not rescinded.

D. Resignation. Any Trustee may resign by giving written notice specifying the effective date of the resignation to the successor designated as provided in Paragraph A.(1) of this ARTICLE.

E. Compensation. Each person who serves as a Trustee shall be entitled to receive (but may choose not to receive) reasonable compensation for services rendered. In the case of a corporate Trustee, reasonable compensation is based upon its published fee schedule in effect at the time its services are rendered or as otherwise agreed, and its compensation may vary from time to time based on that schedule.

F. Management Powers. I grant the Trustee the following powers, exercisable in a fiduciary capacity and subject to the specific limitations contained elsewhere in this instrument.

(1) While the trust is a QPRT, the Trustee shall hold the Residence and any cash expressly permitted under this instrument, with no requirement of further diversification. If the trust is converted into a grantor retained annuity trust (“GRAT”), as described below, the Trustee may invest and reinvest the Trust (or leave it temporarily uninvested) in any type of property and every kind of investment, in the same manner as a prudent investor would invest his or her own assets.

(2) The Trustee may sell or exchange any real or personal property contained in the trust, for cash or credit, at public or private sale, and with such warranties or indemnifications as the Trustee may deem advisable.

(3) The Trustee may borrow money (even from the Trustee and from any beneficiary of the trust) for the benefit of the trust and secure these debts with assets of the trust.

(4) The Trustee may grant security interests and execute all instruments creating such interests upon such terms as the Trustee may deem appropriate.

(5) The Trustee may compromise and adjust claims against or on behalf of the trust on such terms as the Trustee may deem appropriate.

(6) If the trust is converted into a GRAT, the Trustee may take title to any securities in the name of any custodian or nominee, without disclosing this relationship.

(7) The Trustee may determine whether receipts are income or principal and whether disbursements are to be charged against income or principal, to the extent not established clearly by state law. Determinations made by the Trustee in good faith shall not require equitable adjustments.

(8) The Trustee may make all tax elections and allocations the Trustee may consider appropriate; however, this authority is exercisable only in a fiduciary capacity and may not be used to enlarge or shift any beneficial interest except as an incidental consequence of the discharge of fiduciary duties. No tax elections or allocations made by the Trustee in good faith shall require equitable adjustments.

(9) The Trustee may employ such lawyers, accountants, and other advisers as the Trustee may deem useful and appropriate for the administration of the trust. The Trustee may employ a professional investment adviser in managing the investments of the trust (including any investment in mutual funds, investment trusts, or managed accounts), delegate to this adviser any discretionary investment authorities, and rely on the adviser's investment recommendations without liability to any beneficiary.

(10) The Trustee may divide and distribute the Trust in kind, in money, or partly in each, without regard to the income tax basis of any asset and without the consent of any beneficiary. The decision of the Trustee in dividing any portion of the trust between or among two (2) or more beneficiaries shall be binding on all persons.

ARTICLE VII.  
MANDATORY QPRT PROVISIONS

This ARTICLE shall apply only during the Residence Term, unless the Trust converts to a GRAT, as defined below.

A. Expenses. The Trustee shall notify me of any expenses incurred for maintenance of the Residence in excess of the Trust's cash assets. I shall be entitled to no reimbursement for any of these expenses paid by me.

B. Rental. The Trustee may not rent the Residence without my written consent.

C. Distribution of Income. All Trust net income shall be distributed to me not less frequently than annually.

D. No Distributions to Others. The Trustee may not distribute income or corpus of the Trust to anyone other than me.

E. Limitation on Trust Assets. The Trustee may hold in this Trust the Residence and any improvements to it that do not change its status as a residence of mine. The Trustee also may hold cash or cash equivalents in the Trust, as limited by this paragraph.

(1) The Trustee shall hold only that cash or cash equivalents that (when added to amounts already held in such account) does not exceed the amount reasonably required to:

(a) Pay Trust expenses (including mortgage payments) already incurred or reasonably expected to be incurred within the next six (6) months following the date on which such addition of cash is made;

(b) Make any improvements to the Residence to be paid within the next six (6) months following the date on which such addition of cash is made; and

(c) Purchase property to replace the Residence, within three (3) months of the date of the addition to the Trust of the cash for such purchase, but only if the Trustee has entered into a contract to acquire such Residence before the receipt of such cash.

(2) The Trustee shall determine at least quarterly the amount of cash that may be held under this paragraph and shall immediately distribute any excess cash to me.

(3) The Trustee shall hold all cash and cash equivalents in a separate account.

F. Sale of the Residence. The Trustee may sell the Residence, except as provided later in this Paragraph F. If the Trustee sells the Residence, the Trustee shall hold any proceeds from the sale of the Residence (including any income or gains thereon) in a separate account for up to two (2) years after the date of sale. The Trustee may use these proceeds (and all gains on these proceeds) to buy another residence to be used as my personal residence (also “the Residence”). The Trustee may not sell or otherwise transfer the Residence, directly or indirectly, to me, my spouse (if I am married), any of my issue or any other family member as defined in applicable Treasury Regulations, to any entity controlled (within the meaning of §25.2701-20(b)(5)(ii) and (iii) of the Regulations) by me or by any such family member or to any grantor trust deemed to be owned by me or any such family member during the Residence Term or at any time thereafter if the Trust holding the Residence is then a grantor trust deemed owned by me or by any such family member under §671 through 678 of the Code, except that a transfer to the

continuing trust, which will be a grantor trust, after the expiration of the Residence Term as hereinabove provided shall not be a prohibited transfer.

G. Insurance Proceeds. The Trustee shall hold adequate policies of casualty insurance on the Residence.

(1) The Trustee shall hold in a separate account the proceeds of any insurance paid to the Trust as a result of damage to or destruction of the Residence (including any amount received as a result of the involuntary conversion of the Residence within the meaning of §1033 of the Code) for up to two (2) years.

(2) The Trustee shall expend the amounts in this separate account to buy, construct, reconstruct, or repair the property to be held by the Trust as a replacement for the Residence (also “the Residence”). These expenditures must be made within two (2) years of the date on which the Trustee receives the proceeds of insurance or involuntary conversion.

H. Cessation as QPRT.

(1) The Trust ceases to be a QPRT if the Residence ceases to be used or held for use as my personal residence.

(2) The Trust ceases to be a QPRT with respect to the proceeds of the sale of the Residence (except proceeds that have been reinvested in a new residence), on the earlier of (i) the date that is two (2) years after the date on which the Trust sells the Residence, (ii) the end of the Residence Term, and (iii) the date a new residence is acquired by the Trustee.

(3) The Trust ceases to be a QPRT with respect to the proceeds of insurance or the involuntary conversion of the Residence (except proceeds that have been reinvested in the repair or replacement of the Residence), on the earlier of (i) the date that is two (2) years after the date of the involuntary conversion, (ii) the end of the Residence Term, and (iii) the date a new residence is acquired by the Trustee.

(4) The Trust ceases to be a QPRT on the date that is two (2) years after the date that damage or destruction renders the Residence unusable as a residence, unless replacement of or repairs to the Residence are completed or a new Residence is acquired by the Trustee before that date.

(5) Upon cessation of QPRT status, if an independent Trustee is serving on the date of such cessation, such Trustee may, in its uncontrolled discretion, within thirty (30) days of the date, either (i) distribute to me any property which is not qualified QPRT property, or (ii) convert such property to a GRAT as provided in ARTICLE VIII hereof. For these purposes, an “indepdnt Trustee” shall be co-Trustee other than me, my husband, any of my issue or their spouses, or any other person who is not “related or subordinate to” me as those terms are defined in Code §672(c).

I. Commutation. My interest in this Trust may not be commuted.

J. Construction. I intend that this Trust, during the Residence Term, be a qualified personal residence trust, according to the applicable Treasury Regulations promulgated under Code §2702, and all provisions of this instrument shall be construed consistent with this intent.

ARTICLE VIII.  
CONVERSION TO GRAT

To the extent that during the Residence Term an independent Trustee does not exercise its discretion described above to distribute any non-qualified QPRT assets to me, the Trustee shall convert such assets with respect to which the Trust ceases to be a QPRT to a grantor retained annuity trust (“GRAT”) within thirty (30) days after the date on which such cessation occurs. The date of this conversion to a GRAT is the “Conversion Date.”

A. The Annuity Amount. From the Conversion Date until the termination of the Residence Term, the Trust shall function exclusively as a GRAT. During such term, the Trustee shall pay to me, for each taxable year of the Residence Term, an “Annuity Amount” as follows:

(1) The Annuity Amount shall be determined by dividing the lesser of the value for federal gift tax purposes of all interests retained by me in property transferred to this trust (as of the date of such transfer) or the value of the Trust assets on the Conversion Date, by the annuity factor for the initial term of my interest in the Trust, determined under §7520 of the Code (as of the date of such transfer).

(2) If only a portion of the Trust terminates because a portion of the Trust continues to be a QPRT, then the Annuity Amount shall be a fraction of this figure.

(a) The numerator of this fraction shall be the excess of the fair market value of the Trust assets on the Conversion Date over the amount (including acquisition costs, if any) reinvested in the new residence or expended for repairs of the existing Residence.

(b) The denominator of that fraction shall be the fair market value of the Trust assets on the Conversion Date.

B. Payment of Annuity Amount. The Annuity Amount shall be paid in equal annual installments from income and, to the extent income is insufficient, from principal.

(1) The Trustee shall begin paying the Annuity Amount not later than thirty (30) days after the Conversion Date, but my entitlement to the Annuity Amount shall begin on the date of sale of the Residence, the date of damage to or destruction of the Residence or the date the Residence ceases to be used or held for use as my personal residence (the “Cessation Date”).

(2) Any Annuity Amount deferred until after the Cessation Date shall be paid together with interest from the Cessation Date, computed at a rate equal to the interest rate assumed for non-charitable interests under §7520 of the Code in effect on the Cessation Date, reduced by the amount of any income actually distributed by the trust to me during the deferral period between the Cessation Date and the date on which the Annuity Amount is paid.

C. Distributions to Others. The Trustee may not distribute income or corpus to anyone other than me while the trust is a GRAT.

D. Short Years. In determining the Annuity Amount, the Trustee shall prorate the Annuity Amount on a daily basis for short taxable years.

E. Incorrect Determinations. If the net fair market value of the Trust assets is incorrectly determined by the Trustee, then within a reasonable period after the final determination of the correct value, the Trustee shall pay to me (in the case of an undervaluation), or I shall pay to the Trustee (in the case of an overvaluation) an amount equal to the difference between the Annuity Amount properly payable and the Annuity Amount actually paid.

F. Commutation. My interest in this GRAT may not be commuted.

G. Investment Limitations. The investment limitations contained in the ARTICLE entitled "Mandatory QPRT Provisions" shall not apply when the Trust is a GRAT.

H. Construction. I intend that this ARTICLE create a Trust in which my interest is a "qualified annuity interest", under the Regulations promulgated with respect to §2702 of the Code, and all provisions of this instrument shall be construed consistent with this intent.

#### ARTICLE IX. OVERRIDING TAX PURPOSES

This ARTICLE states some of my purposes in creating this Trust, and all provisions of this trust shall be construed so as best to effect these purposes. No Trustee shall exercise any discretion in a manner that could reasonably be expected to frustrate the effectuation of these purposes.

A. Completed Gifts. The gift of a remainder interest in the Residence shall be a completed gift, subject only to the retained right to use the Residence for a term-for-years and my contingent reversionary interest.

B. Income Taxation; Grantor Trust Status. The QPRT and any GRAT shall be a grantor trust for federal income tax purposes, and with respect to any continuing trust being administered hereunder, during my lifetime I reserve the power, acting in a non-fiduciary capacity, to substitute my own assets for assets held in the continuing trust, so long as the exchanged assets have an equivalent value. I may waive this power under such terms and conditions as are described in an instrument of waiver which I may deliver to the Trustee of the

continuing trust. My intention in reserving this non-fiduciary power of substitution is that any continuing trust being administered during my lifetime will be a grantor trust, except to the extent that I waive such power and the waiver negates grantor trust status. I waive any right I may have under state law to be reimbursed for any state or federal income taxes I may pay with respect to the QPRT, GRAT or continuing trust's income tax attributes as a result of the application of Code §671 et seq.

C. Reserved Use. My reserved right to use the Residence during the Residence Term shall give me those rights ordinarily associated with ownership of an asset for a term-for-years, a contingent reversionary interest, a contingent GRAT interest, and no rights inconsistent therewith.

D. Qualified Interest. During the Residence Term, this Trust shall constitute a QPRT or a GRAT under Code §2702 and the Regulations thereunder, and all terms used herein shall have the same meaning in this instrument as they do in the Code and the Regulations.

#### ARTICLE X. TRUST ADMINISTRATION

A. Accountings. During the Residence Term, the Trustee shall not be required to file annual accounts with any court or court official in any jurisdiction, or render an accounting to any beneficiary of the QPRT. After the expiration of the QPRT term, with respect to any continuing trust being administered hereunder, the Trustee shall render an accounting to John, or his legal guardian if he is incapacitated, upon the Trustee's receipt of a written notice from John or his legal guardian that an accounting is required, and if John is not living, the Trustee shall render an accounting to all of those persons then living who are eligible to receive distributions of the continuing trust's net income, and the parent or legal guardian of any minor or incapacitated income beneficiary, upon the written request of any such accountee.

B. Disabled Beneficiaries. The Trustee may distribute income, principal, or both to a minor or disabled beneficiary to his or her parent, guardian, personal representative, or the person with whom the beneficiary resides, without looking to the proper application of those payments.

C. Change of Situs. Any independent or disinterested Trustee may change the situs of any Trust (and to the extent necessary or appropriate, the Trust assets) to a state or country other than the one in which the Trust is then administered, if such Trustee believe it to be in the best interests of the Trust or the beneficiaries. The disinterested or independent Trustee may elect that the law of such other jurisdiction shall govern the Trust to the extent necessary or appropriate under the circumstances.

D. Additional Transfers.

(1) In General. Except when this trust is a GRAT, and subject to the express limitations contained elsewhere in this instrument, any person or Trustee of any other trust may transfer property to the Trustee at any time. The Trustee may refuse to accept a transfer if the

Trustee determines, in its uncontrolled judgment, that acceptance is not in the Trust's best interests. The Trustee may accept a gift subject to one or more conditions imposed by the donor or the Trustee if the Trustee determines, in the uncontrolled judgment, that it is in the best interests of the Trust and the beneficiaries and if the condition does not change the rights of a beneficiary with respect to any prior gift.

(2) Beneficiaries Withdrawal Rights With Respect to My Gift Contributions to the Continuing Trust. If I or any other person make any contribution to the continuing trust which would be treated as a gift for federal gift tax purposes, each of the persons then living who are hereinbelow defined as the "beneficiaries" shall have the right, upon notice from such Trustee as provided herein, to withdraw such contribution or part thereof under certain terms and conditions as are hereinbelow provided.

(a) Powerholders. Subject to the limitations described in this Paragraph D., each person included among my issue who are then living (collectively, and for purposes of this Section only, the "beneficiaries") shall have the right to withdraw an amount equal to the total value of the contribution divided by the number of such issue who are then living.

(b) Withdrawal Limitation Amount. Notwithstanding the foregoing, but subject to the following subparagraph, the maximum amount withdrawable in any year by any beneficiary hereunder shall not exceed a "withdrawal limitation amount" equal to the maximum amount excludable from the contributor's taxable gifts for such year in respect to gifts to the beneficiary under Code §2503(b), taking into account for a married individual Code §2513.

(3) Right to Modify Withdrawal Rights. Notwithstanding the foregoing, with respect to any contribution to the continuing trust, the individual who makes or is deemed to make the contribution (the "contributor") shall have the right by a written instrument filed with the Trustee to (i) exclude any beneficiary who would otherwise have a withdrawal right, (ii) increase or decrease the amount subject to any beneficiary's withdrawal right (except that the amount subject to all withdrawal rights granted hereunder shall not exceed the amount of the contribution), or (iii) change the period during which any beneficiary may exercise a power of withdrawal.

(4) Trustee's Notice to Beneficiaries. Whenever a contribution subject to a beneficiary's withdrawal right is made to the continuing trust, the Trustee shall promptly give notice of the contribution and withdrawal right to the beneficiary, or, if the beneficiary is then under a legal disability, to the beneficiary's legal guardian, or, if no legal guardian has been appointed for such beneficiary, to his or her then living parent or, if there is no such living parent, to his or her nearest adult relative. Any such notice given by the Trustee may by its terms be effective as to the beneficiary's withdrawal rights with respect to subsequent transfers hereto by the contributor unless and until the Trustee delivers notice to the contrary to the beneficiary, or until such notice is revoked by the Trustee. Notice shall be deemed delivered when mailed.

(5) Beneficiary's Exercise of Withdrawal Rights. Except as otherwise provided in any written notice described in subparagraph (3) of this Paragraph D., each beneficiary may exercise his or her withdrawal right only during the "withdrawal period" starting on the date of the contribution to the continuing trust and ending (i) thirty (30) days after the date of delivery of the Trustee's notice referred to above, or (ii) on a date specified by the contributor in accordance with subparagraph (3) above. The beneficiary must exercise his or her withdrawal right by means of a written instrument executed by the beneficiary, which such instrument shall be deemed delivered when mailed. If such beneficiary is legally incapacitated, such instrument may be executed by such beneficiary's legal guardian, or, if no legal guardian has been appointed for such beneficiary, by such beneficiary's living parent, or if none, by such beneficiary's nearest adult relative, in any case acting solely on behalf of such legally incapacitated beneficiary in exercising such right and receiving the withdrawal for the beneficiary's sole benefit.

(6) Lapse of Unexercised Withdrawal Rights. If the beneficiary does not exercise his or her withdrawal right within the withdrawal period (or within such shorter or longer period provided in any written notice described in subparagraph (3) above), the beneficiary's withdrawal right with respect to the contribution shall lapse and the beneficiary shall no longer have the right to withdraw the contribution or portion thereof, but only to the extent of the maximum amount over which the beneficiary may have a power of appointment without its lapse being treated as a release of such power under Code §2041(b)(2) and §2514(e), which maximum shall be determined after consideration of any other lapses of powers of appointment held by the beneficiary which have previously occurred during the calendar year in which the lapse would otherwise occur, and the excess shall be continued into the next succeeding calendar year. Solely for the purpose of determining the lapse date of the beneficiary's withdrawal right with respect to such excess, such excess amount shall be treated as a contribution to the continuing trust made on January 1 of such next calendar year for the benefit of such beneficiary only.

(7) Satisfaction of Exercised Withdrawal Rights. When the Trustee receives a properly executed instrument of withdrawal, it shall be honored forthwith. The Trustee shall at all times while such withdrawal right is outstanding and exercisable retain sufficient liquid funds or transferable assets in the continuing trust to satisfy such right. If there are no or insufficient liquid assets available for this purpose, the Trustee may satisfy such withdrawal right by making distributions in kind of specific property, real or personal, or an undivided interest therein, without regard to the income tax basis of specific property allocated to any beneficiary. Any distribution of funds made hereunder from the continuing trust to a beneficiary shall be made, in the Trustee's sole and absolute discretion, (i) from the liquid assets comprising the principal, even if completely exhausting such assets (including from loans taken by the Trustee against such principal), (ii) from the illiquid assets comprising such principal, including an in-kind distribution of such assets, where such assets or an undivided fractional interest in such assets are capable of being severed from the whole principal and distributed to the beneficiary, or (iii) from income that has been accumulated during the existence of the continuing trust.

(8) Forfeiture of Withdrawal Rights. Any beneficiary having a withdrawal right hereunder shall immediately forfeit such right upon making an assignment for the benefit of his or her creditors, filing of a voluntary petition in bankruptcy, being adjudicated a bankrupt or insolvent, or consenting to or acquiescing in the appointment of a trustee or receiver of all or any substantial part of his or her assets or properties.

(9) Precedence of Withdrawal Rights. It is my intention that the withdrawal rights granted hereunder be “present interests” so as to qualify for the annual federal gift tax exclusion provided under Code §2503 all or a portion of any property contributed to the continuing trust. The provisions of this Paragraph D. shall take precedence over and control any other provisions of this Agreement, and all other such provisions shall be limited and qualified so as not to diminish the rights of the beneficiaries hereunder.

## ARTICLE XI DEFINITIONS AND MISCELLANEOUS

A. Children; Issue; Descendants. Children, issue, descendants and words of similar import shall exclude any person bearing such relationship to me or a child of the mine by reason of legal adoption such that only naturally born lineal descendants my naturally born descendants or a child of mine shall be considered my or such child’s children, issue or descendants.

B. Disabled. A Trustee is disabled or under a disability if the next successor Trustee receives written certification from two physicians, both of whom have personally examined the disabled Trustee and at least one of whom is board certified in the specialty most closely associated with the alleged disability.

(1) The certification must state that the disabled Trustee is physically or mentally incapable of managing the trust’s finances, regardless of cause and regardless of whether there is an adjudication of incompetence, mental illness, or need for a committee, conservator, guardian, or other personal representative.

(2) No person is liable to anyone for actions taken in reliance on this certification or for dealing with a Trustee other than the one removed for disability based on these certifications.

C. Shall and May. A direction that a Trustee “shall” take an action means that such Trustee shall have no discretion in deciding whether or not to take such action. A statement that the Trustee “may” do something shall give the Trustee absolute and uncontrolled discretion whether or not to do such thing, exercisable by the Trustee or other person alone and subject to correction by a court only if the statement is directed towards a Trustee and such Trustee should act in bad faith, in violation of specific provisions of this Trust, or in violation with the Trustee’s fiduciary duties.

D. Tax-Related Terms. All tax-related terms shall have the same meaning in the trust that they have in the Code and the Regulations.

E. Trustee. The “Trustee” shall include each Trustee individually, multiple Trustees, and any successor. An “independent Trustee” of the QPRT shall have the meaning described in subparagraph H(5) or ARTICLE VII hereof. A “disinterested Trustee” of any continuing trust shall have the meaning set forth in Paragraph B. of ARTICLE VI hereof.

F. Trustee’s Powers. With respect to any continuing trust, in addition to any Trustee powers hereinafter described, the Trustee shall have all powers conferred by the statutory and common law of the governing law state.

G. Generation-Skipping Provisions. If I survive the QPRT Term, I expect that I or my executor or other personal representative will allocate a portion of my federal generation-skipping transfer tax (“GSTT”) exemption to the value of the continuing trust’s property determined as of the date of the filing of my gift tax return in the year following the year during which the QPRT Term expires. I expect that the Trustee(s) of the continuing trust will manage and administer any zero inclusion ratio property held in the continuing trust as a result of such allocation in accordance with the provisions of Section VI of ARTICLE III of my revocable trust as they exist on the date of this Trust Agreement, and not as they may be amended in the future, and for those purposes, and those purposes alone, such Section VI is incorporated herein by this reference.

H. Copies. There is only one signed original of this Trust Agreement. Anyone may rely on a copy of this trust certified by a notary public or similar official to be a true copy of the signed original (and of any amendments) as if that copy were the signed original. Anyone may rely upon any statement of fact certified by the person who appears, from the original document or a certified copy, to be a Trustee.

I. Number. Whenever the context requires, the singular number includes the plural and the plural the singular.

J. Applicable Law. Except to the extent that the independent Trustee changes the situs or governing law of a Trust as provided in Paragraph C. of ARTICLE X. hereof, all Trusts created hereunder shall be governed by and construed according to the laws of the State of New Hampshire.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, JANE A. SMITH, as Grantor and as the Trustee, has hereunto set his hand, on the day and year first above written.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Jane A. Smith, Grantor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Jane A. Smith, Trustee

STATE NEW HAMPSHIRE  
COUNTY OF MERRIMACK

On this the 27th day of December, 2006, before me, the undersigned officer, personally appeared JANE A. SMITH, known to me (or satisfactorily proved) to be the person whose name is twice subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public/Justice of the Peace

**SCHEDULE A**

**JANE A. SMITH  
QUALIFIED PERSONAL RESIDENCE TRUST I**

An undivided one-half (1/2) fractional interest in certain property located at Salem, New Hampshire and described in more detail in the deed attached hereto.