

STATE OF ALABAMA )  
SHELBY COUNTY )

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T R U S T A G R E E M E N T

THIS TRUST AGREEMENT is made on December 23, 1987, between Peggy J. McKinley, Patricia Ann Sanders, Panzy D. Cherry and Charles A. Donaldson (herein referred to as "settlers") and Charles A. Donaldson (herein referred to as "trustee").

W I T N E S S E T H:

In consideration of the mutual covenants and promises set forth herein, settlers and trustee agree as follows:

ARTICLE ONE

This trust may be known as the "Donaldson Descendants Trust."

ARTICLE TWO

Settlers have transferred and delivered to trustee all of the property described as Exhibit "A," attached hereto and incorporated herein by this reference, receipt of which property trustee hereby acknowledges. All such property and all property hereafter subject to this trust shall constitute the trust estate, and shall be held, managed, and distributed as hereinafter provided.

ARTICLE THREE

Trustee shall hold, manage, invest and reinvest the property of the trust, shall collect and receive the income therefrom, and after deducting all necessary expenses incident to the administration of the trust in the manner herein provided, shall dispose of the net income of the trust as follows:

- (a) Trustee shall pay over to or for the benefit of Peggy J. McKinley, Patricia Ann Sanders, Panzy D. Cherry and Charles A. Donaldson (herein referred to as

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*Charles A. Donaldson*

"beneficiaries"), in equal proportions, such amounts of the net income as the trustee, within his sole and absolute discretion, may consider necessary or desirable for their proper health, education, maintenance or support. The trustee may, with respect to any income not so distributed, accumulate such income and add it to the principal of this trust estate.

(b) The death of any settlor-beneficiary shall not terminate this trust or in any manner affect the power of trustee hereunder. If any one of such settlor-beneficiaries dies during the term of this trust, both principal and income, shall pass to the surviving lawful issue of said settlor-beneficiary, in equal shares, per stirpes; or, failing such issue, to the surviving settlor-beneficiary, or settlor-beneficiaries, in equal shares, per stirpes; or, if no settlor-beneficiary is then living, this trust shall terminate as provided in ARTICLE FIVE herein.

(c) In addition to any other payments provided for in this trust instrument, trustee may at any time, in his sole discretion, with or without effecting a termination of this trust, distribute in equal or unequal shares or amounts to or for the benefit of any one or more, or all of the beneficiaries such amounts as trustee may, in his absolute discretion, elect to pay from the principal of the trust estate; provided that any amount so distributed shall be charged against the proportionate share of the corpus held in trust for such beneficiary as if such proportionate share of corpus constituted a separate trust. The amounts distributed to any beneficiary pursuant to this provision shall in no event exceed the value of the proportionate share of trust corpus held in trust for such beneficiary.

#### ARTICLE FOUR

During the joint lives of settlors, this trust may be amended, altered, or revoked, in whole or in part, by an instrument in writing signed by three-fourths of all settlors and delivered to the trustee. After the death of any settlor,

the surviving settlors and the successors in interest of the deceased settlor, as determined under ARTICLE THREE (b) above (herein referred to as "succeeding beneficiaries"), may amend, alter, or revoke the trust by an instrument in writing signed by a three-fourths majority of all initial settlors with a simple majority of the signatures of the succeeding beneficiaries of each deceased settlor counting as that deceased settlor's signature, and said instrument being delivered to the trustee.

On any such revocation, the trust estate shall be paid to the settlors and succeeding beneficiaries as provided by ARTICLE FIVE hereof. The trust may not be amended to change the obligations, duties, or rights of trustee without the written consent of trustee to such amendment.

#### ARTICLE FIVE

This trust shall continue until the death of the last survivor among the settlor-beneficiaries subject to ARTICLE FOUR hereof. On termination or revocation of this trust as herein provided, all of the trust estate together with any accumulated or undistributed income shall be transferred, conveyed and distributed to the beneficiaries of the trust as determined under ARTICLE THREE hereof, in equal shares per stirpes; and the trustee and beneficiaries shall execute and deliver such instruments that are deemed necessary or appropriate by the trustee to release all interests of trustee in the trust.

#### ARTICLE SIX

The trustee shall hold and manage said property and such other property as he may subsequently acquire pursuant to the power and authority herein given to him (all of which for convenience will hereinafter be referred to as "trust estate"), with the following powers and authority:

- (a) To sell, exchange, transfer or convey, either before or after option granted, all or any part of said trust estate, upon such terms and conditions as he may see fit, to invest and reinvest said trust estate and the proceeds of sale or disposal of any portion thereof, in such loans, stocks, bonds, or other securities,

mortgages, common trust funds, or other property, real or personal, whether so-called "legal" investments of trust funds, or not, as to him may seem suitable, and to change investments and to make new investments from time to time as he may deem necessary or desirable.

(b) To improve, repair, lease, rent for improvement or otherwise, for a term beyond the possible termination of this trust, or for any less term, either with or without option of purchase, and to let, exchange, release, partition, vacate, dedicate, or adjust the boundaries of, any real estate constituting a part of said trust estate.

(c) To borrow money for such time and upon such terms as he may see fit, without security, on mortgages of any real estate or upon pledge of any personal property held by him hereunder, and to execute mortgages or pledge agreements therefor.

(d) To hold any property or securities originally received by him as a part of said trust estate so long as he shall consider the retention thereof for the best interests of said trust estate, regardless of whether such property or securities are a so-called "legal" investment of trust funds, without liability for depreciation or loss through error of judgment, and in disposing of any property constituting a part of said trust estate to acquire other property which is not a so-called "legal" investment of trust funds where such course is in their opinion for the best interests of said trust estate.

(e) To determine whether any money or property coming into his hands shall be treated as a part of the principal of said trust estate or a part of the income therefrom, to apportion between such principal and income any loss or expenditure in connection with said trust estate as to him may seem just and equitable, and to set up reserves out of income to meet such items of depreciation, obsolescence, future repairs or construction, or amortization of indebtedness deemed by the trustee to be a proper charge against income.

(f) To keep property constituting a part of said trust estate properly insured against fire and tornado, to pay all taxes or assessments, mortgages or other liens now or hereafter resting upon said property, and generally to pay all of the expenses of the trust incurred in the exercise of the powers herein vested in them which in his judgment may be proper or necessary.

(g) To make divisions and distributions hereunder provided for either in cash or in kind or partly in cash and partly in kind, and for that purpose to determine the values thereof, and to determine the identity of persons entitled to take hereunder.

(h) To hold any or all securities or other property in bearer form, in the name of the trustee, or in the name of his nominee, without disclosing any fiduciary relation.

(i) To continue any business or partnership in which the trust may be interested, for such time and under such management and conditions as in the discretion of the trustee may be expedient, or to liquidate or dissolve any such business or partnership at such time and upon such terms and conditions as in the judgment of the trustee is for the best interests of said trust

estate, or so far as may be necessary in his judgment to cause to be incorporated any such business or partnership in which the trust may be interested, or to protect any interest which the trust may have in the securities of any corporation.

(j) To vote in person or by proxy upon all stocks held by him, to unite with other owners of similar property in carrying out any plan for the reorganizing of any corporation or company whose securities form a portion of the trust estate, to exchange the securities of any corporation for other securities upon such terms as he shall deem proper, to assent to the consolidation or merger of any such corporation, to lease the property or any portion thereof by such corporation to any other corporation, to pay all assessments, expenses and sums of money as he may deem expedient for the protection of the interest of the trust estate as the holders of such stocks, bonds or other securities, and generally to exercise in respect to all securities held by him the same rights and powers as are or may be exercised by persons owning similar property in their own right.

(k) To institute and defend any and all suits or legal proceedings relating to the said trust estate, in any court, and to employ counsel and to compromise or submit to arbitration all matters of dispute in which said trust estate may be involved, as in his judgment may be necessary or proper.

(l) At any time or from time to time to advance money to the trust estate from his funds for any purpose or purposes of the trust, and to reimburse himself for the money advanced and interest thereon from the trust property or from funds belonging to the trust property thereafter coming into his custody from any source.

(m) To pay from and out of the income of the trust property any and all expenses reasonably necessary for the administration of the trust, including interest, taxes, insurance, including public liability insurance, and compensation to the trustee, as well as any other expenses incurred for the benefit of the trust estate, and in the event the income from the trust property is insufficient for the purpose of paying such expenses, to pay the same from the corpus of the trust estate.

(n) To execute and deliver any and all contracts, conveyances, transfers, deeds, mortgages, notes, or other instruments and to do any acts necessary or desirable in the execution of the powers herein vested in him.

(o) To employ agents, including counsel, and pay them reasonable compensation, and be entitled to reimbursement therefor and for all other reasonable expenses and charges of the trust out of principal or income, as trustee shall determine.

(p) Whenever in this instrument the word "trustee" or "trustees" is used, such word is to be construed as singular or plural, masculine, feminine, or neuter, whichever is proper in accordance with the context in which said word is used.

#### ARTICLE SEVEN

In the event of the death, incapacity or resignation of trustee, or if the trustee is otherwise unable to continue to

act as trustee, Panzy D. Cherry is hereby appointed as successor trustee. Any successor trustee shall succeed as trustee with like effect as if such successor were originally named as trustee herein, and all rights and powers conferred on trustee hereunder shall pass to any successor trustee.

In the event of the death, incapacity or resignation of Charles A. Donaldson and Panzy D. Cherry, the persons then constituting a majority in interest of the beneficiaries as determined under ARTICLE THREE hereof (being a majority of all original beneficiaries, with a majority of the succeeding beneficiaries of any deceased beneficiary counting as that deceased beneficiary's vote) shall have the power to fill such vacancy by appointing a successor trustee. In case of a deadlock, where a majority vote is unable to be achieved, the deadlock will be resolved in favor of those beneficiaries having the highest cumulative ages (using the average age for succeeding beneficiaries of any deceased beneficiary). Such appointment shall be in writing, executed by the persons then making the appointment, and acknowledged in the form described by the laws of the State of Alabama.

#### ARTICLE EIGHT

The trustee named herein and all successor trustees shall be entitled to a reasonable compensation fixed by the trustee for the services as trustee not to exceed a sum representing 2-1/2 percent of all money and property which comes into the trust, and another 2-1/2 percent of all money and property which goes out of the trust, as well as reimbursement for actual expenses incurred therein.

#### ARTICLE NINE

Settlors, and any other person, may at any time, add other property acceptable to trustee to the trust estate by conveyance, assignment, will, or any other mode of transfer. Such property when received and accepted by trustee shall become part of the trust estate and be subject to all the terms and conditions of this trust instrument.

#### ARTICLE TEN

No trustee appointed under this trust instrument shall at

any time be held liable for any action or default of trustee, of trustee's agents, or of any other person in connection with the administration of the trust estate save for trustee's own bad faith, gross negligence or willful misconduct. Trustee shall not be liable for any depreciation in value or other losses occasioned by any investment made, provided trustee acts in good faith and according to the prudence of an ordinary man in making such investments. Trustee shall inform each settlor and weigh the advice of each settlor in any trust matter involving a sum of \$10,000 or more, the ultimate decisions, however, in these matters, remains with the trustee.

Trustee shall not be personally liable on or responsible for, any contract made in connection with his administration of this trust estate, and other parties to such contract must look solely to the trust estate for any remedy for breach of contract or otherwise. The trustee may, but need not, so stipulate in any such contract, although the trustee shall execute any such contracts in his capacity as trustee and not in his individual capacity. The trustee shall be required to make and deliver a financial report, constituting the activities and current balance sheets of said trust, to each settlor hereunder on or about the 30th day of April, annually, commencing with April 30, 1988. No trustee under this agreement shall be required to give any bond or other security.

#### ARTICLE ELEVEN

If at any time any beneficiary entitled to receive income or principal hereunder shall be a minor, or in the absolute judgment of trustee mentally or physically incompetent (irrespective of whether legally so adjudicated), trustee may make such payments, in his discretion, in any one or more of the following ways:

- (a) To such beneficiary directly.
- (b) To the natural guardian, or the legally appointed guardian of such beneficiary.

(c) To any person or organization furnishing care, support, maintenance, or education for such beneficiary.

(d) By making expenditures directly for the care, support, maintenance, education, or recreation of such beneficiary.

Trustee shall not be required to account for the application of any funds so paid or applied, and the receipt of such payee shall be a full and complete discharge of trustee. The decision of trustee is to direct payments or applications of funds shall be conclusive and binding on all parties concerned.

ARTICLE TWELVE

The trust created by this agreement has been accepted by trustee in the State of Alabama, and will be administered by trustee in such state, and the validity, construction, and all rights under this agreement shall be governed by the laws of such state.

In the event that any provision of this agreement is, or becomes, invalid or unenforceable, the remaining provisions of the agreement shall be, and continue to be, fully effective.

IN WITNESS WHEREOF, settlors and trustee have executed this agreement at Montevallo, Alabama the day and year first above written.

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Peggy J. McKinley  
Peggy J. McKinley  
As Settlor

Patricia Ann Sanders  
Patricia Ann Sanders  
As Settlor

Panzy D. Cherry  
Panzy D. Cherry  
As Settlor

Charles A. Donaldson  
Charles A. Donaldson  
As Settlor

Charles A. Donaldson  
Charles A. Donaldson  
As Trustee

STATE OF ALA. SHELBY CO.  
I CERTIFY THIS  
INSTRUMENT WAS FILED  
87 DEC 28 AM 8:56

Thomas A. Snowden, Jr.  
JUDGE OF PROBATE

RECORDING FEES  
Recording Fee \$ 20.00  
Index Fee 3.00  
TOTAL \$ 23.00