

STATE OF ALABAMA)

Inst # 1996-40303

SHELBY COUNTY)

12/06/1996-40303
02:47 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE

HARRISON QUALIFIED PERSONAL RESIDENCE TRUST

THIS AGREEMENT, made and entered into on this the 27th day of November, 1996, by and between ELIZABETH T. HARRISON, of Shelby County, Alabama (hereinafter sometimes referred to as the "Grantor"), and DONALD E. HARRISON, of Shelby County, Alabama, as Trustee (hereinafter sometimes referred to as the "Trustee"), as follows:

WITNESSETH:

WHEREAS, the Grantor desires to grant, out of present holdings and property, and create therewith a trust which shall be for the benefit of the Grantor and her children, DONITA H. HENDERSON, JOHNNIE HARRISON and HOLLY H. MOORE; and

WHEREAS, Grantor intends that the trust created under this instrument will constitute a Qualified Personal Residence Trust for purposes of the federal estate and gift tax laws; and

WHEREAS, the Trustee hereinabove named has agreed to accept said trusteeship, and all interest and property which may come to it by reason of this Agreement, for the benefit and use of said beneficiaries, all in accordance with the provisions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises, it is hereby understood and agreed by and between the parties hereto as follows:

I.

GRANT OF TRUST

The Grantor does hereby grant, assign, set over, transfer and deliver to the Trustee, its successors and assigns, the property listed on Exhibit "A" attached hereto (such property hereinafter referred to as the "trust estate"). The Trustee shall hold the trust property herein transferred, and such additional property as may be hereafter acquired by the Trustee under the terms and provisions of this trust, for the use and

benefit of the Grantor and the Grantor's children, DONITA H. HENDERSON, JOHNNIE HARRISON and HOLLY H. MOORE, as more specifically set out herein.

TO HAVE AND TO HOLD, all and singular, the above-described property and the interest, income and profits thereof, unto the said Trustee, its successors and assigns, for the following uses and purposes, and subject to the terms, conditions, powers and agreements hereinafter specified, namely:

II.

TRUST ESTATE

1. Use of Trust Property. Until the first to occur of (i) the expiration of ten (10) years from the first date of delivery by Grantor to Trustee of the property described in the attached Exhibit "A", or (ii) the death of Grantor (hereinafter called the "termination date"), Grantor shall be entitled to use the trust property, free of rent or other charge for occupancy. During such period, Grantor shall pay all expenses of the trust which are allocable under Alabama law to an income interest in the trust, including but not limited to, interest, taxes, ordinary repairs, and insurance. In addition, all income of the trust shall be distributed to Grantor not less frequently than annually.

2. Distributions to Others Prohibited. Until the termination date, the Trustee shall not distribute income or principal of the trust estate to anyone other than Grantor.

3. Restrictions on Trust Assets Held. Except as otherwise specifically provided herein, the Trustee shall hold no property other than a single residence which is to be used by Grantor as a "personal residence" within the meaning of I.R.C. Section 2702. The Trustee shall be permitted to receive, hold, and expend cash to the extent and for such purposes as a Qualified Personal Residence Trust is permitted by federal tax statutes and regulations to receive, hold and expend additions of cash. The Trustee shall be permitted to receive and hold in a separate account the proceeds of a sale of a residence held as part of the trust estate; provided, however, and notwithstanding anything herein to the contrary, the Trustee shall not sell or transfer any such residence, directly or indirectly, to the Grantor, the Grantor's spouse, or an entity controlled by the Grantor or the Grantor's spouse. The Trustee shall also be permitted to receive and hold

in a separate account the proceeds of insurance paid to the Trustee as a result of damage to or destruction of a residence held as part of the trust estate. Any cash in excess of that permitted to be held by the Trustee shall be distributed to Grantor, at least quarter-annually.

4. Commutation. Grantor's interest in the trust estate shall not be subject to commutation.

5. Trust ceases to be Qualified Personal Residence Trust.

(a) Except as otherwise provided in this paragraph 5, this trust shall cease to be a Qualified Personal Residence Trust within the meaning of I.R.C. Section 2702 if the residence held by the Trustee ceases to be a "personal residence" of the Grantor within the meaning of I.R.C. Section 2702. Upon the sale of the residence held as a part of the trust estate, the trust shall cease to be a Qualified Personal Residence Trust upon the earlier of (i) the date that is two years after the date of sale or (ii) the termination date, unless before such time a new residence is acquired by the trust. If damage or destruction renders the residence held as a part of the trust estate unusable as a "personal residence", the trust shall cease to be a Qualified Personal Residence Trust upon the earlier of (i) the date that is two years after the date of damage or destruction or (ii) the termination date, unless before such time the damaged residence is completely repaired or replaced or a new residence is acquired by the trust. Within thirty days after the trust ceases to be a Qualified Personal Residence Trust, the Trustee shall convert the trust assets and hold and administer the trust estate under those terms and conditions that would qualify the trust as a "Qualified Annuity Interest" within the meaning of I.R.C. Section 2702.

(b) If upon the sale of the residence or upon its damage or destruction, fewer than all of the proceeds of the sale, damage or destruction are used within the two-year time period allowed by I.R.C. Section 2702 to purchase, build, repair or replace the personal residence held as a part of the trust estate, then the trust shall cease to be a Qualified Personal Residence Trust with respect to the proceeds not so reinvested or expended. Within thirty (30) days after the trust ceases to be a Qualified Personal Residence Trust with respect to the proceeds not so reinvested or expended,

the Trustee shall convert the proceeds not so reinvested or expended to a Qualified Annuity Interest within the meaning of I.R.C. Section 2702.

6. Conversion to Qualified Annuity Interest. If the trust, or a portion thereof, ceases to be a Qualified Personal Residence Trust and the Trustee converts and holds the trust estate, or a portion thereof, as a Qualified Annuity Interest, the Trustee shall pay to Grantor annually the smallest amount determined under Treasury Regulation Section 25.2702-5(c)(8)(ii)(C) in order to have the portion of the trust which ceases to be a Qualified Personal Residence Trust qualify under the applicable tax statutes and regulations as a Qualified Annuity Interest for the remainder of the trust term and until the termination date. If all or a part of the trust is converted to a Qualified Annuity Interest, the right of the Grantor to receive the annuity amount shall begin on the date of sale of the residence, the date of damage or destruction of the residence, or the date on which the residence ceases to be used or held for use as a personal residence, as the case may be (hereinafter called the "cessation date"). The Trustee may defer payment of any annuity amount otherwise payable after the cessation date until the date that is thirty days after the trust is converted to a Qualified Annuity Interest. If the Trustee defers payment of any annuity amount, interest shall be payable on the deferred amount at the rate prescribed in I.R.C. Section 7520 in effect on the cessation date. Any income actually distributed to the Grantor after the cessation date shall reduce the aggregate amount of annuity payments deferred after the cessation date. Annuity payments to the Grantor shall be paid first from income and then from principal. Any income not paid to Grantor shall be added to principal. If an incorrect payment is made to Grantor, the Trustee shall, as soon as reasonably practical after the error is discovered, pay to Grantor in the case of underpayment or collect from Grantor in the case of an overpayment an amount equal to the difference between the amount which the Trustee should have paid to Grantor and the amount the Trustee actually paid to Grantor. In the case of a taxable year which is for a period of less than 12 months (other than the taxable year in which the termination date occurs), the annuity amount shall be such amount multiplied by a fraction, the numerator of which is the number of days in the taxable year of the trust, and the denominator of which is 365 (366 if February 29 is a

day included in the numerator). In the case of the taxable year in which the termination date occurs, the annuity amount shall be such amount multiplied by a fraction, the numerator of which is the number of days in the period beginning on the first day of such taxable year and ending on the termination date, and the denominator of which is 365 (366 if February 29 is a day included in the numerator). No additions to the trust estate shall be permitted after the trust becomes a "Qualified Annuity Interest". Notwithstanding anything herein to the contrary, the provisions of this paragraph shall not apply if the Trustee intends to use proceeds of a sale or from insurance to purchase a new residence or to repair, improve, or replace an existing residence for use as Grantor's personal residence and does so use those proceeds within the time which a Qualified Personal Residence Trust is permitted by federal tax statutes and regulations to hold such proceeds.

7. Mandatory Termination. Upon the first to occur of (i) the expiration of ten (10) years from the first date of delivery by Grantor to Trustee of the property described in the attached Exhibit "A", or (ii) the death of the Grantor, this trust shall terminate and the Trustee shall distribute any cash then a part of the trust estate to the Grantor or to the Grantor's estate, as the case may be (unless the trust shall have been converted into a qualified annuity interest prior to Grantor's death, in which case the Trustee shall distribute all accrued but unpaid annuity obligations to the Grantor or to the Grantor's estate, as the case may be), and shall distribute the remaining trust estate as herein provided. If this trust terminates upon the expiration of ten (10) years from the first date of delivery by Grantor to Trustee of the property described in the attached Exhibit "A", the Trustee shall distribute the remaining trust estate pursuant to the provisions of paragraph 8 below. If this trust terminates upon the death of the Grantor, the Trustee shall distribute the remaining trust estate pursuant to the provisions of paragraph 9 below.

8. Distribution Upon Expiration of Term of Years. If this trust shall terminate upon the expiration of ten (10) years from the first date of delivery by Grantor to Trustee of the property described in the attached Exhibit "A", the Trustee shall distribute the remaining trust estate, outright and free of trust, in equal shares, to

Grantor's children, DONITA H. HENDERSON, JOHNNIE HARRISON and HOLLY H. MOORE. If any of Grantor's children are not then living, such child's share of the trust estate shall be distributed to his or her then living lineal descendants, per stirpes, if any, but, if none, to Grantor's other then living children, or to the lineal descendants of Grantor's other children, per stirpes, if any such other child of Grantor shall not then be living. If any such beneficiary has not then attained the age of twenty-one (21) years, such beneficiary's share of the trust estate shall be held by Grantor's other children as custodian for such beneficiary under the Alabama Uniform Transfers to Minors Act.

9. Distribution upon Death of Grantor. If this trust shall terminate upon the death of the Grantor, then the Trustee shall transfer and pay over all assets remaining in said trust estate to Grantor's Personal Representative to be distributed in the manner directed by Grantor's Last Will and Testament, or if Grantor has no Will, to the Personal Representative of Grantor's estate to be distributed under the law of intestate descent and distribution applicable to the assets remaining in said trust estate.

III.

DUTIES AND POWERS

In the management and control of the trust created herein, the Trustee, in its sole judgment and discretion, may do and have done with respect to the trust estate, all things which, in the judgment and discretion of the Trustee, may seem necessary, desirable and proper to promote, protect and conserve the interests of the trust estate, and of the beneficiaries thereof, in like manner as if the Trustee were entitled to said property beneficially; provided, however, that, so long as the residence transferred to the trust constitutes a "personal residence" of Grantor within the meaning of I.R.C. Section 2702, the Trustee shall have no power or authority to do anything which would disqualify the trust from being a Qualified Personal Residence Trust. Every determination of the Trustee in the construction of the powers conferred upon the Trustee or in any manner committed to the discretion of the Trustee, or with respect to which the Trustee may be empowered to act hereunder, whether made upon a question formally or actually raised or implied in relation of the premises, shall be binding upon all persons interested in the trust and shall not be objected to or questioned on any grounds whatsoever. In order

to define with particularity certain of the powers herein vested in the Trustee, the Trustee shall have and may in its judgment and discretion, and except as specifically hereinafter provided, without notice to anyone or order of court, exercise, among others, the following powers, but only to the extent such powers may be exercised without disqualifying the trust as a Qualified Personal Residence Trust:

1. 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 it sees 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, shares of investment companies or investment securities of management-type investment companies such as mutual funds, or other property, real or personal, whether so-called "legal" investments of trust funds or not, as to it may seem suitable, and to change investments and to make new investments from time to time as to it may seem necessary or desirable. The Trustee may delegate all or any part of the above powers to such investment counselors, consultants or managers as it deems appropriate.
2. 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, real estate constituting a part of said trust estate.
3. To determine in a reasonable manner consistent with the Income and Principal Act of the State of Alabama, whether any money or property coming into its 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 it may seem just and equitable, and to set up reserves out of income to meet such items of depreciation, obsolescence, future repairs or amortization of indebtedness deemed by the Trustee to be a proper charge against income. Any capital gains shall be allocated in their entirety to the corpus of said trust estate. Under no circumstances shall the Trustee make any allocation between income and principal that is inconsistent with the Income and Principal Act of the State of Alabama.
4. To keep any property constituting a part of said trust estate properly insured against fire and tornado, and other hazards, 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 it which, in its judgment, may be proper or necessary.
5. At any time or from time to time, to advance money to the trust estate from its funds for any purpose or purposes of the trust, and may reimburse itself for the money advanced

and interest thereon from the trust property, or from any funds belonging to the trust thereafter coming into its custody from any source.

6. 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 expense 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.

7. To execute and deliver any and all contracts, conveyances, transfers or other instruments, and to do any acts necessary or desirable in the execution of the powers herein vested in it.

8. To borrow money for such time and upon such terms as it sees fit, without security or on mortgage of any real estate or upon pledge of any personal property held by it hereunder, and to execute mortgages or pledge agreements therefor.

9. Subject to the provisions of Paragraph 3 of Article II hereof, to hold any property or securities received by it as a part of said trust estate, including any stock or obligations of any corporate Trustee serving hereunder from time to time, or of any holding company or similar corporation which owns stock of such corporate Trustee, so long as it shall consider the retention thereof in the best interests of said trust estate, irrespective 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, including any stock or obligations of any corporate Trustee serving hereunder from time to time, or of any holding company or similar corporation which owns stock of such corporate Trustee, where such course is, in its opinion, in the best interests of said trust estate.

10. To make divisions and distributions hereunder provided for either in cash or in kind, or partly in cash and partly in kind, whether such distributions in kind be of a fee interest in its entirety or an undivided interest therein, a life interest, an interest for a term of years, or a remainder interest in the asset being distributed, and for that purpose to determine the values thereof, and to determine the identity of persons entitled to take hereunder.

11. To hold any or all securities or other property in bearer form, in the name of the Trustee or in the name of some other person, partnership or corporation without disclosing any fiduciary relationship.

12. To vote in person or by proxy upon all stock held by it, to unite with other owners of similar property in carrying out any plan for the reorganization 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 it shall deem proper, to assent to the consolidation, merger, dissolution or reorganization of any such corporation, to lease the property or any portion thereof of such corporation to any other corporation, to pay all assessments, expenses and sums of money as it may deem expedient for the protection of the interest of the trust estate as the holder of such stocks, bonds or other securities, and generally, to exercise, in respect to all securities held by it, the same rights and powers as are or may be exercised by persons owning similar property in their own right; provided, however, that if, at any time a corporate Trustee is serving hereunder, it shall purchase or retain stock or obligations of itself or of any holding company, or similar corporation which owns stock of such corporate Trustee, then in the election of directors and other matters in which said corporate Trustee is prohibited from voting its own stock or stock of any holding company or similar corporation which owns stock of a corporate Trustee, such stock shall be voted by the eldest adult beneficiary hereunder."

13. 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 its judgement may be necessary or proper.

14. To make loans, secured or unsecured, at any interest rate, to any person, without responsibility or liability for any loss resulting to the trust estate from any such loan.

15. To buy, sell and trade in securities of any nature, including short sales, on margin, and for such purposes may maintain and operate margin accounts with brokers, and may pledge any securities held or purchased by them with such brokers as security for loans and advances made to the Trustees.

IV.

MISCELLANEOUS PROVISIONS

1. Distributions. Except as otherwise specifically provided above, in the distribution of this trust herein created, made in accordance with the terms hereof, the Trustee, in its uncontrolled discretion, may pay over the shares or amounts to be distributed either in cash or in property, or partly in cash and partly in property, and at such valuations as to it may seem proper, and the determination of the Trustee of the

value of any property for the purpose of distributing any share or amount hereunder shall be final, conclusive and binding upon all parties interested in such distribution.

2. Invalidity of Gifts. The invalidity of any gift, or any limitation over or interest intended, as to any property or as to any beneficiary shall not be considered materially to disturb the plan of distribution herein created or to affect the validity of any other gift or bequest or limitation over, or interest in, or trust herein given or created.

3. Transfer of Trust Interest. Each of the beneficiaries of this trust, including Grantor, shall have the right to transfer all or any part of his or her beneficial interest in this trust.

V.

LIABILITY OF TRUSTEE

Grantor specifically releases the Trustee from any liability under the terms hereof, except for conduct involving gross negligence or fraud. Grantor further releases the Trustee from the necessity of making bond of any nature or description. Grantor also releases the Trustee from filing any accounting in any court, but directs that the Trustee shall make available to any interested party records showing all income and disbursements of said trust.

VI.

SUCCESSOR TRUSTEE

1. Successor to Original Trustee. In the event of the death, incapacity, inability or unwillingness to serve as Trustee hereunder of DONALD E. HARRISON, then ELIZABETH T. HARRISON shall serve and act as Trustee of the trust created in this Trust Agreement with all the powers, duties and discretion vested in the original Trustee. In the event of the death, incapacity, inability or unwillingness to serve as Trustee hereunder of ELIZABETH T. HARRISON, either prior to or during the continuance of any said trust, then DONITA H. HENDERSON, JOHNNIE HARRISON, and HOLLY H. MOORE, or the other(s) or survivor(s) of them, shall serve and act as Trustee of the trust created in this Trust Agreement with all the powers, duties and discretion vested in the original Trustee. The Trustee acting on behalf of the remainder beneficiaries may approve the accounts of any resigning Trustee and such approval shall be binding upon all persons

whomsoever and shall be a full and complete discharge and acquittance of such Trustee. Upon any such change in the trusteeship, the title to any trust estate shall vest forthwith in any successor Trustee acting pursuant to the foregoing provisions hereof without the necessity of any court order or of any conveyance or transfer of trust assets.

2. Removal or Redesignation of Trustee. Notwithstanding anything hereinabove to the contrary, Grantor's husband, DONALD E. HARRISON, shall have the right to remove or redesignate any successor Trustee of the trust created by this Trust Agreement, with or without cause, whether such Trustee has begun serving or not, and to appoint or name one or more successor Trustees upon giving at least sixty (60) days written notice to the Trustee if such Trustee is then serving (unless a lesser period of time is agreed to in writing by the Trustee). If the Trustee so removed has begun serving, such Trustee, upon receiving written acceptance of the trust from the successor Trustee, shall transfer all trust assets to such successor Trustee. If such Trustee so redesignated has not then begun serving, such redesignation and naming of successor Trustees shall be by written statement of Grantor's husband, which shall be notarized and attached to this Trust instrument. If Grantor's husband is unable for any reason to exercise the foregoing right of removal or redesignation, then the Grantor shall be possessed with those rights which shall be exercised on the same terms and conditions set forth above.

3. Capacity of Trustee. Any person acting or named to act in a fiduciary capacity hereunder or required to be legally competent in order to act hereunder shall be considered to have ceased or failed to act or be legally competent to act when a physician whom such person has consulted within the prior three years has certified as to such consultation and also as to the present lack of the physical or mental capacity of such person to manage his or her financial affairs.

VII.

TRUST IRREVOCABLE

Grantor specifically directs that the trust herein created is irrevocable and that, except as otherwise specifically provided herein, there are no conditions or reservations of power in Grantor to revoke, alter, or amend this Agreement, in whole or in part, or to free any or all of the property constituting said trust estate from the terms

of said trust. Grantor intends that this trust qualify as a Qualified Personal Residence Trust for purposes of the federal estate and gift tax laws and directs that the terms of this Agreement may be amended by the Trustee solely for the purpose and to the extent necessary to qualify this trust as a Qualified Personal Residence Trust for purposes of the federal estate and gift tax laws.

VIII.


DEFINITION OF TERMS

Where the context so permits, the term "Trustee" and words of reference to the Trustee shall mean any person or entity serving in that capacity without regard to gender or number, whether original or successor. The term "Qualified Personal Residence Trust" shall have the meaning given to such term under the federal estate and gift tax laws and regulations thereunder. The term "I.R.C. Section" shall refer to such Section of the Internal Revenue Code of 1986, as amended, and the Treasury regulations pertaining to such Section.

IN WITNESS WHEREOF, the Grantor and the Trustee have set their hands and seals, on the day and year first above written, and their signatures indicate, on the part of the Trustee, its acceptance of the terms of the trusts hereunder.

 (SEAL)
ELIZABETH T. HARRISON

(GRANTOR)

 (SEAL)
DONALD E. HARRISON

(TRUSTEE)


STATE OF ALABAMA)

SHELBY COUNTY)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that ELIZABETH T. HARRISON, whose name as Grantor aforesaid is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, she executed the same voluntarily on the date indicated therein.

Given under my hand and seal this 27th day of November,

1996.



Notary Public
My Commission Expires: 5/2/97

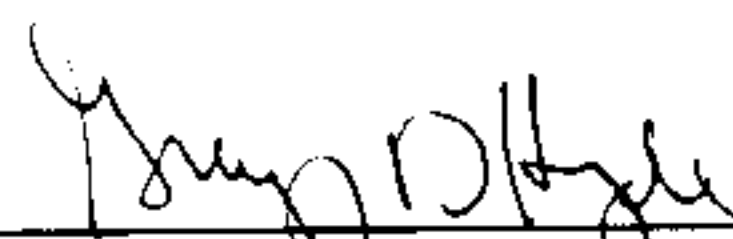
STATE OF ALABAMA)

SHELBY COUNTY)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that DONALD E. HARRISON, whose name as Trustee aforesaid is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he executed the same voluntarily on the date indicated therein.

Given under my hand and seal this 27th day of November,

1996.



Notary Public
My Commission Expires: 5/2/97

EXHIBIT "A"