

Form 1023 Checklist

(Revised June 2006)

Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code

Note. Retain a copy of the completed Form 1023 in your permanent records. Refer to the General Instructions regarding Public Inspection of approved applications.

Check each box to finish your application (Form 1023). Send this completed Checklist with your filled-in application. If you have not answered all the items below, your application may be returned to you as incomplete.

- Assemble the application and materials in this order:
- Form 1023 Checklist
 - Form 2848, *Power of Attorney and Declaration of Representative* (if filing)
 - Form 8821, *Tax Information Authorization* (if filing)
 - Expedite request (if requesting)
 - Application (Form 1023 and Schedules A through H, as required)
 - Articles of organization
 - Amendments to articles of organization in chronological order
 - Bylaws or other rules of operation and amendments
 - Documentation of nondiscriminatory policy for schools, as required by Schedule B
 - Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation* (if filing)
 - All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.
- User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.
- Employer Identification Number (EIN)
- Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.
- You must provide specific details about your past, present, and planned activities.
 - Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
 - Describe your purposes and proposed activities in specific easily understood terms.
 - Financial information should correspond with proposed activities.
- Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.
- | | | | |
|------------|---------------------|------------|---------------------|
| Schedule A | Yes ___ No <u>X</u> | Schedule E | Yes ___ No <u>X</u> |
| Schedule B | Yes ___ No <u>X</u> | Schedule F | Yes ___ No <u>X</u> |
| Schedule C | Yes ___ No <u>X</u> | Schedule G | Yes ___ No <u>X</u> |
| Schedule D | Yes ___ No <u>X</u> | Schedule H | Yes ___ No <u>X</u> |

The Creek Bed Foundation, a charitable trust

20-7523180

An exact copy of your complete articles of organization (creating document). Absence of the proper purpose and dissolution clauses is the number one reason for delays in the issuance of determination letters.

- Location of Purpose Clause from Part III, line 1 (Page, Article and Paragraph Number) Pg 1, Art 1, Para A
- Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law Pg 1, Art 1, Para B, C

Signature of an officer, director, trustee, or other official who is authorized to sign the application.
• Signature at Part XI of Form 1023.

Your name on the application must be the same as your legal name as it appears in your articles of organization.

Send completed Form 1023, user fee payment, and all other required information, to:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send Form 1023, user fee payment, and attachments to:

Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011

Form **2848**

(Rev. March 2004)

Department of the Treasury
Internal Revenue Service

Power of Attorney and Declaration of Representative

OMB No. 1545-0150

For IRS Use Only

Received by:

Name _____

Telephone _____

Function _____

Date ____/____/____

▶ Type or print. ▶ See the separate instructions.

Part I Power of Attorney

Caution: Form 2848 will not be honored for any purpose other than representation before the IRS.

1 Taxpayer information. Taxpayer(s) must sign and date this form on page 2, line 9.

Taxpayer name(s) and address The Creek Bed Foundation, a charitable trust TN		Social security number(s) _____	Employer identification number 20-7523180
		Daytime telephone number (931) 433-6470	Plan number (if applicable)

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

2 Representative(s) must sign and date this form on page 2, Part II.

Name and address Jeffrey S. Brown PO Box 2688 Decatur, AL 35602	CAF No. 5005-54185R Telephone No. (256) 340-8042 Fax No. (256) 340-8039 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

3 Tax matters

Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)
Income	1023	2007-08

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. Specific uses not recorded on CAF.

5 Acts authorized. The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.

Exceptions. An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See **Unenrolled Return Preparer** on page 2 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Circular 230. See the line 5 instructions for restrictions on tax matters partners.

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: _____


6 Receipt of refund checks. If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here _____ and list the name of that representative below.

Name of representative to receive refund check(s) ▶ _____

- 7 Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.
- a If you also want the second representative listed to receive a copy of notices and communications, check this box . . .
 - b If you do not want any notices or communications sent to your representative(s), check this box

8 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you **do not** want to revoke a prior power of attorney, check here
YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

9 Signature of taxpayer(s). If a tax matter concerns a joint return, **both** husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.
▶ IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.


 Signature _____ Date 8/21/2007 Title (if applicable) Trustee

 John A. Taylor, Jr. _____ The Creek Bed Foundation, a charitable trust
 Print Name PIN Number Print name of taxpayer from line 1 if other than individual

 Signature _____ Date _____ Title (if applicable) _____

 Print Name PIN Number

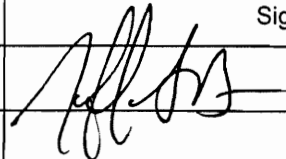
Part II Declaration of Representative

Caution: *Students with a special order to represent taxpayers in Qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program, see the instructions for Part II.*

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Treasury Department Circular No. 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
 - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c Enrolled Agent—enrolled as an agent under the requirements of Treasury Department Circular No. 230.
 - d Officer—a bona fide officer of the taxpayer's organization.
 - e Full-Time Employee—a full-time employee of the taxpayer.
 - f Family Member—a member of the taxpayer's immediate family (i.e., spouse, parent, child, brother, or sister).
 - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Service is limited by section 10.3(d) of Treasury Department Circular No. 230).
 - h Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Treasury Department Circular No. 230, section 10.7(c)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See **Unenrolled Return Preparer** on page 2 of the instructions.

▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED. See the Part II instructions.

Designation—Insert above letter (a-h)	Jurisdiction (state) or identification	Signature	Date
a	AL		8/21/2007

Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)
The Creek Bed Foundation, a charitable trust		John A. Taylor, Jr.
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)
119 Lees Creek Road		20-7523180
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)
Fayetteville TN 37334		12
6 Primary contact (officer, director, trustee, or authorized representative)		b Phone: (256) 340-8042
a Name: Jeffrey S. Brown		c Fax: (optional) (256) 340-8039
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Jeffrey S. Brown, PO Box 2688, Decatur, Alabama 35602-2688		
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9a Organization's website:		
b Organization's email: (optional)		
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)	08/21/2007	
12 Were you formed under the laws of a foreign country? If "Yes," state the country.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. Yes No
- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. Yes No
- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. Yes No
- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. Yes No
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. Yes No
- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. Yes No

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): Pg. 1, Art. I, Para. A
- 2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- 2b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. Pg. 1, Art. I, Para. B, C
- 2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state:

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past, present, and planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
John A. Taylor, Jr.	Trustee/Grant Committee Member	119 Lees Creek Road Fayetteville, TN 37334	none
Barbara A Molliston	Grant Committee Member	PO Box 1124 Talladega, AL 35161	none
Mary Elizabeth Taylor	Grant Committee Member	3007 Live Oak Lane Huntsville, AL 35802	none

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount \$ (annual actual or estimated)
none		-----	

c List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
none		-----	

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

2a Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship. Yes No

b Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. Yes No

c Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. Yes No

3a For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

b Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. Yes No

4 In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

a Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? Yes No

b Do you or will you approve compensation arrangements in advance of paying compensation? Yes No

c Do you or will you document in writing the date and terms of approved compensation arrangements? Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? Yes No
- e Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- f Do you or will you record in writing both the information on which you relied to base your decision and its source? Yes No
- g If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.

- 5a Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. Yes No
 - b What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation? Those set out in the pconflicts of interest policy.
 - c What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves? Those set out in the pconflicts of interest policy.
- Note:** A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.

- 6a Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- b Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No

- 7a Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. Yes No
- b Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. Yes No

- 8a Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. Yes No
- b Describe any written or oral arrangements that you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.

- 9a Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b Describe any written or oral arrangements you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past, present, and planned* activities. (See instructions.)

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. Yes No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. Yes No
- 2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. Yes No
- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. Yes No

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1 Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. Yes No
- 2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. Yes No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past, present, and planned* activities. (See instructions.)

- 1 Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. Yes No
- 2a Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. Yes No
- b Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. Yes No
- 3a Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. Yes No
- b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. Yes No
- c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

4a Do you or will you undertake fundraising? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.) [] Yes [X] No

- mail solicitations, phone solicitations, email solicitations, accept donations on your website, personal solicitations, receive donations from another organization's website, vehicle, boat, plane, or similar donations, government grant solicitations, foundation grant solicitations, Other

Attach a description of each fundraising program.

b Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. [] Yes [X] No

c Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. [] Yes [X] No

d List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

e Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. [] Yes [X] No

5 Are you affiliated with a governmental unit? If "Yes," explain. [] Yes [X] No

6a Do you or will you engage in economic development? If "Yes," describe your program. [] Yes [X] No

b Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

7a Do or will persons other than your employees or volunteers develop your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. [] Yes [X] No

b Do or will persons other than your employees or volunteers manage your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. [] Yes [X] No

c If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements. Not applicable

8 Do you or will you enter into joint ventures, including partnerships or limited liability companies treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. [] Yes [X] No

9a Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. [] Yes [X] No

b Do you provide child care so that parents or caretakers of children you care for can be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). [] Yes [] No

c Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). [] Yes [] No

d Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). [] Yes [] No

10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other intellectual property? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. [] Yes [X] No

Part VIII Your Specific Activities (Continued)

- 11 Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. Yes No
-
- 12a Do you or will you operate in a foreign country or countries? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. Yes No
- b Name the foreign countries and regions within the countries in which you operate.
- c Describe your operations in each country and region in which you operate.
- d Describe how your operations in each country and region further your exempt purposes.
-
- 13a Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. Yes No
- b Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. Yes No
- d Identify each recipient organization and any relationship between you and the recipient organization.
- e Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f Describe your selection process, including whether you do any of the following:
- (i) Do you require an application form? If "Yes," attach a copy of the form. Yes No
- (ii) Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. Yes No
- g Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources. See Attached
-
- 14a Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. Yes No
- b Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. Yes No
- d Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. Yes No
- e Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. Yes No
- f Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. Yes No

Part VIII Your Specific Activities (Continued)

- 15 Do you have a **close connection** with any organizations? If "Yes," explain. Yes No
- 16 Are you applying for exemption as a **cooperative hospital service organization** under section 501(e)? If "Yes," explain. Yes No
- 17 Are you applying for exemption as a **cooperative service organization of operating educational organizations** under section 501(f)? If "Yes," explain. Yes No
- 18 Are you applying for exemption as a **charitable risk pool** under section 501(n)? If "Yes," explain. Yes No
- 19 Do you or will you operate a **school**? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. Yes No
- 20 Is your main function to provide **hospital or medical care**? If "Yes," complete Schedule C. Yes No
- 21 Do you or will you provide **low-income housing** or housing for the **elderly** or **handicapped**? If "Yes," complete Schedule F. Yes No
- 22 Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. Yes No

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

Type of revenue or expense	3 prior tax years or 2 succeeding tax years				(e) Provide Total for (a) through (d)
	Current tax year				
	(a) From <u>8/21/2007</u> To <u>12/31/2007</u>	(b) From <u>1/1/2008</u> To <u>12/31/2008</u>	(c) From <u>1/1/2009</u> To <u>12/31/2009</u>	(d) From _____ To _____	
Revenues					
1 Gifts, grants, and contributions received (do not include unusual grants)	2,500,000				2,500,000
2 Membership fees received					0
3 Gross investment income	16,715	150,000	150,000		316,715
4 Net unrelated business income					0
5 Taxes levied for your benefit					0
6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)					0
7 Any revenue not otherwise listed above or in lines 9–12 below (attach an itemized list)					0
8 Total of lines 1 through 7	2,516,715	150,000	150,000	0	2,816,715
9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)					0
10 Total of lines 8 and 9	2,516,715	150,000	150,000	0	2,816,715
11 Net gain or loss on sale of capital assets (attach schedule and see instructions)					0
12 Unusual grants					0
13 Total Revenue Add lines 10 through 12	2,516,715	150,000	150,000	0	2,816,715
Expenses					
14 Fundraising expenses					
15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)	24,950	145,500	145,500		
16 Disbursements to or for the benefit of members (attach an itemized list)					
17 Compensation of officers, directors, and trustees					
18 Other salaries and wages					
19 Interest expense					
20 Occupancy (rent, utilities, etc.)					
21 Depreciation and depletion					
22 Professional fees	5,000	500	500		
23 Any expense not otherwise classified, such as program services (attach itemized list)					
24 Total Expenses Add lines 14 through 23	29,950	146,000	146,000	0	

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

Year End: 2007

(Whole dollars)

Table with columns for line number, description, and amount. Rows include Assets (Cash, Accounts receivable, Inventories, Bonds and notes receivable, Corporate stocks, Loans receivable, Other investments, Depreciable and depletable assets, Land, Other assets) and Liabilities (Accounts payable, Contributions, gifts, grants, etc. payable, Mortgages and notes payable, Other liabilities). Total Assets: 2,604,154; Total Liabilities: 5,000; Total fund balances or net assets: 2,599,154.

19 Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain. [] Yes [X] No

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a private foundation or a public charity. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a private operating foundation. (See instructions.)

1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions. [X] Yes [] No

b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2. [X] Pg 4, Art IV, Para B

2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. [] Yes [X] No

3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. [] Yes [] No

4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? [] Yes [] No

5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.

The organization is not a private foundation because it is:

- a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A. []
b 509(a)(1) and 170(b)(1)(A)(ii)—a school. Complete and attach Schedule B. []
c 509(a)(1) and 170(b)(1)(A)(iii)—a hospital, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C. []
d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D. []

Part X Public Charity Status (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross investment income and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a **Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

 (Signature of Officer, Director, Trustee, or other authorized official)

 (Type or print name of signer)

 (Date)

 (Type or print title or authority of signer)

For IRS Use Only

 IRS Director, Exempt Organizations

 (Date)

- b **Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).
- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. 0
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. Yes No

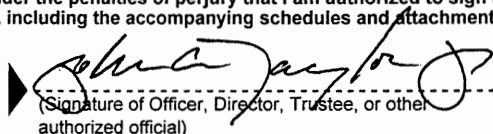
Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$750. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$300. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

- 1 Have your annual gross receipts averaged or are they expected to average not more than \$10,000? Yes No
If "Yes," check the box on line 2 and enclose a user fee payment of \$300 (Subject to change—see above).
If "No," check the box on line 3 and enclose a user fee payment of \$750 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$300 (Subject to change).
- 3 Check the box if you have enclosed the user fee payment of \$750 (Subject to change).

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here



(Signature of Officer, Director, Trustee, or other authorized official)

John A. Taylor, Jr.

(Type or print name of signer)

(Date)

Trustee

(Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

The Creek Bed Foundation

(A Charitable Trust)

I, **John A. Taylor**, of Decatur, Alabama, as Settlor, hereby transfer to **John A. Taylor, Jr.**, as trustee (the “trustee”), the property described in the attached Schedule A, which shall constitute the initial principal of the “The Creek Bed Foundation” (hereinafter sometimes referred to as the “Charitable Trust”).

ARTICLE I DISPOSITION OF CHARITABLE TRUST

The Charitable Trust shall be administered and disposed of as follows:

A. *Payments to Charitable Organizations.* The trustee shall pay as much of the net income and principal of the trust, even to the extent of all or none, at any time and from time to time, as the Grant Committee shall direct for charitable, religious, research, educational and scientific purposes. The Grant Committee may direct the trustee to make payments to “charitable organizations” (as hereinafter defined).

B. *Final Distribution of Trust Property.* Upon dissolution or final liquidation of the trust at the direction of the Grant Committee, the trustee shall pay or make provision for the payment of all of the liabilities of the trust and the disposition of all of the trust property as follows:

1. All liabilities and obligations of the trust shall be paid, satisfied, and discharged or adequate provision shall be made therefor;
2. Trust property held upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements; and
3. All other trust property not disposed of above shall be transferred or conveyed to one or more charitable organizations, as the Grant Committee shall determine, to be used by such organizations exclusively for one or more purposes set forth in Section A of this Article. Any such trust property not so disposed of shall be disposed of by the Circuit Court of Morgan County, Alabama exclusively for one or more of the purposes set forth in Section A

of this Article or to such charitable organizations, as such court shall determine, that are organized and operated exclusively for such purposes.

C. This organization is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

1. Notwithstanding any other provision of this agreement, the organization shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future tax code).

2. As provided in Article I.B.3., upon the dissolution and winding up of this organization, after paying or adequately providing for the debts and obligations of the organization, the remaining assets shall be distributed to a non-profit fund, foundation or corporation organized and operated exclusively for the purposes specified in Section 501(c)(3) of the Internal Revenue Code and which has established its tax exempt status under that section.

ARTICLE II

SUCCESSOR AND ADDITIONAL TRUSTEES

A. *Plan of Trustees.*

1. *Successor Trustee Appointment.* John A. Taylor, Jr., may designate (or empower any person to designate) one or more persons or entities to serve as successor trustee, to begin serving upon the occurrence of a specified event or contingency. In no event shall more than one bank or trust company act as a general trustee of any trust at any one time.

2. *Trustees' Power to Designate Co-Trustees.* The trustee(s) of any trust hereunder may designate one or more persons or a corporate trustee, or any combination thereof, to serve as additional co-trustees of that trust either for limited or general purposes and with limited or broad responsibilities; provided, however, that a corporate trustee may not be designated if another corporate trustee is already serving as a trustee of that trust, and no additional co-trustees may be designated pursuant to this Section if more than three trustees would be serving at the same time with respect to any trust.

B. *Unfilled Vacancy in Trusteeship.* If at any time no trustee is acting with respect to the trust and no trustee designated pursuant to the provisions of this Article assumes office as trustee, and if a trustee is not otherwise appointed in accordance

with this Article II, then the Grant Committee (by unanimous vote) shall designate a Qualified Appointee to serve as successor trustee. If the Grant Committee shall fail to act in a timely manner to appoint a successor trustee, then Settlor's attorney, Jeffrey S. Brown, if available, and if not then a court of competent jurisdiction, shall appoint a Qualified Appointee to serve as successor trustee

1. A Qualified Appointee means any attorney or certified public accountant licensed and practicing in the State of Alabama and who is not related to any of Settlor's issue by blood or marriage, or any bank or trust company, within or outside the State of Alabama; provided, however, that only one attorney, accountant, bank or trust company shall act as a trustee of any trust at one time.

C. *Release of Powers to Designate Trustees.* The powers to establish a successor trustee may be released, revocably or irrevocably, at any time by a duly acknowledged instrument delivered to each person on the Hierarchy List and to the trustee.

D. *Trust as United States Person.* Subject to the Section titled "Governing Law" in the Article titled "Interpretive Rules", a person or corporate trustee shall not serve as trustee of a trust if such service would cause the trust to fail to be a "United States person," as defined in Section 7701(a)(30) of the *Code*.

ARTICLE III GRANT COMMITTEE

A. *Initial Grant Committee.* John A. Taylor, Jr., Barbara Anne Molliston and Mary Elizabeth Taylor shall assume office as the initial members of the Grant Committee of the Charitable Trust.

B. *Direction by Grant Committee.* Subject to the Section titled "Prohibited Transactions" in the Article titled "Administrative Provisions For Charitable Trust," the trustee shall pay trust property pursuant to Section A of Article I only upon the direction of the Grant Committee. During any time that no member of the Grant Committee is serving with respect to the trust, all of the rights and powers conferred upon the Grant Committee shall be exercised by the trustee. The trustee shall not be liable for any act or failure to act by the Grant Committee. The Grant Committee shall act in a fiduciary capacity and possess all of the duties, powers, immunities and liabilities of the trustee that relate to the office of the Grant Committee.

C. *Plan of Grant Committee Members.* Vacancies in the office of the Grant Committee members shall be filled by the remaining members of the Grant Committee.

D. *Grant Committee Members' Power to Designate Additional Grant Committee Members.* The Grant Committee may designate one or more persons to serve as additional Grant Committee members; provided, however, that no additional Grant Committee members may be designated pursuant to this Section if more than five (5) Grant Committee members would be serving at the same time.

E. *Release of Powers to Designate Grant Committee Members.* The powers to establish a plan of Grant Committee members may be released, revocably or irrevocably, at any time by a duly acknowledged instrument delivered to each person on the Hierarchy List and to the trustee.

ARTICLE IV ADMINISTRATIVE PROVISIONS FOR CHARITABLE TRUST

A. *Savings Clause.* It is intended that the Charitable Trust will qualify as a charitable trust within the meaning of Sections 501(c)(3), 2055, 2522 and 170(c) of the Code, and will qualify as an entity exempt from Federal income tax under Section 501(a) of the Code. It is also intended that contributors to the trust will obtain the full benefit of any income, gift and estate tax charitable contribution deductions to which they may be entitled under the Code. Accordingly, notwithstanding any provision herein to the contrary, the provisions of this Agreement shall be construed and the Charitable Trust administered and disposed of in accordance with this intention and in a manner consistent with such Code sections. No right, power or discretion granted to the trustee or any other person by this Agreement or by law shall be exercisable in a manner that would cause the Charitable Trust to fail to satisfy the requirements of a charitable trust within the meaning of such Code sections. Should the provisions of this Agreement be inconsistent or in conflict with such Code sections (or applicable regulations, revenue rulings, revenue procedures, notices or other administrative pronouncements), then such sections (or regulations, revenue rulings, revenue procedures, notices or administrative pronouncements) shall take precedence over the provisions that are set forth herein. The trustee may amend this Agreement in any manner for the sole purpose of complying with the requirements of the Code in order to qualify the Charitable Trust as a charitable trust within the meaning of the aforesaid Code sections.

B. *Prohibited Transactions.* The Grant Committee and the trustee shall make distributions at such time and in such manner as not to subject the Charitable Trust to tax under Section 4942 of the Code. Notwithstanding any provision herein to the contrary, the trustee and the Grant Committee 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 Charitable Trust, within the meaning of Section 4944 of the Code and the regulations

thereunder, or retain any excess business holdings, within the meaning of Section 4943(c) of the *Code*.

C. *Other Restrictions.* No part of the net earnings of the trust shall inure to the benefit of, or be distributable to, the members of the Grant Committee, trustees, or other private persons, except that the trustee shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No part of the activities of the trust shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the trust shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision to the contrary, the trust shall not carry on any activities not permitted to be carried on (a) by a trust exempt from Federal income tax under section 501(a) of the Code, or (b) by a trust, contributions to which are deductible under section 170(c)(2) of the *Code*.

D. *Prohibition of Payment of Estate and Death Taxes.* No estate, death or inheritance taxes (hereinafter collectively referred to as "death taxes") payable as a result of the inclusion of any portion of the property of the Charitable Trust in any person's gross estate shall be paid by or recoverable from the Charitable Trust.

E. *Taxable Year.* The taxable year of the Charitable Trust shall be the calendar year.

ARTICLE V NON-GRANTOR TRUST PROVISION

Notwithstanding any provision of this Agreement to the contrary, the trustee shall not, nor shall any person be appointed as trustee who would, have any power that would cause any person to be treated as the owner of any portion of the trust created hereunder under Sections 671 through 679 of the Code.

ARTICLE VI GENERAL PROVISIONS

A. *Additions.* Except as may be expressly provided herein to the contrary, with the consent of the trustee, any person may add property of any kind to the trust hereunder.

B. *Addition of Income to Principal.* Any part of the net income of the trust that is not paid to charitable organizations shall be accumulated and, at least annually, added to the trust principal.

C. *Irrevocability.* Except as may be expressly provided herein to the contrary, none of the trustee, me or any other person may revoke, alter or amend this Agreement.

D. *Powers of My Attorney-In-Fact.* All the rights and powers I have reserved under this Agreement may be exercised or released by my duly authorized attorney-in-fact under a power of attorney that expressly refers to this Agreement, and shall not be exercised or released by any guardian, conservator or other person on my behalf unless such person was nominated or appointed in writing by me.

E. *Additional Instruments.* A copy of any instrument created pursuant to this Agreement shall be filed with the trust records.

ARTICLE VII

POWERS, RIGHTS AND DUTIES OF TRUSTEES AND OTHER FIDUCIARIES

A. *General Trustee Powers.* In addition to the powers now or hereafter conferred by applicable law, the trustee of each trust hereunder may:

1. make payments or distributions of income or principal in kind or in money, or partly in each, in shares of differing composition, without regard to the income tax basis of specific property allocated to any beneficiary (including any trust);
2. hold, manage, insure, coinsure, reinsure, improve, repair and control all trust property, real or personal;
3. sell for cash or credit, or on installments, at public or private sale, grant options to purchase, and convey or exchange any and all of the trust property, or any life estate, term of years, remainder or reversion therein, for such price, including property of equivalent value (whether of like kind or similar use, and including life estates, terms of years, remainders or reversions), and upon such terms, as the trustee determines;

4. lease or license the use of any tangible or intangible personal property at any time forming a part of the trust property upon such terms as the trustee determines;

5. borrow money from any source (including from any other fiduciary hereunder), extend or renew any existing indebtedness; mortgage or pledge any trust property;

6. release, assign, settle, compromise, contest, participate in mediation, agree to arbitrate and be bound thereby, extend the time for payment of, or abandon, claims or demands in favor of or against the trust property or any part thereof;

7. sell, convey, exchange, release, mortgage, encumber, lease, partition, improve, manage, protect and subdivide any real estate interests or parts thereof; dedicate roads or other portions of the property for public use, adjust boundary lines, vacate any subdivisions or parts thereto, grant options to purchase; lease such property, or any part thereof from time to time in possession or reversion, by leases to commence currently or in the future, and upon any terms and for any period or periods of time including a period beyond the term of the trust (including, if permissible under applicable law, beyond the term of the rule against perpetuities); renew or extend leases, amend, change or modify the terms and provisions of any lease, and consent to the assignment of leases, contract to make leases and grant options to lease and options to renew leases and options to purchase the whole or any part of any reversion; grant easements or charges of any kind; release, convey or assign any right, title or interest in or about an easement appurtenant to such property or any part thereof; construct and reconstruct, remodel, alter, repair, add to or take from buildings on such premises; purchase or hold real estate, improved or unimproved, or any reversion in real estate subject to lease; direct the trustee of any land trust of which the trust is a beneficiary to convey title to the real estate subject to such land trust, execute and deliver deeds, mortgages, notes, and any and all documents pertaining to the property subject to such land trust and in all matters regarding such trust and/or execute assignments of all or any part of the beneficial interest in such land trust;

8. abandon any trust property that the trustee deems to be worthless or not of sufficient value to warrant keeping or protecting; abstain from the payment of taxes, water, rents, assessments, repairs, maintenance and upkeep of any such property; permit any such property to be lost by tax sale or other proceedings, or convey any such property for nominal or no consideration; permit the expiration of any renewal, sale, exchange or purchase option with respect to any property or lease thereof;

9. invest in, purchase, retain or sell any type of property (regardless of whether a security is listed on any stock exchange or other public market, registered with any securities commissions or similar bodies or subject to contractual, legal or other restrictions, including "investment letter" restrictions), including ~~(without~~ (without limitation) common stock, bonds, notes, debentures, mortgages, preferred stocks, puts or calls, voting trust certificates, options, derivative instruments, beneficial interests in land trusts, interests in common trust funds, mutual funds (including mutual funds managed or advised by a fiduciary hereunder), "open-end" or "closed-end" investment funds or trusts, real estate investment trusts, savings and loan or building and loan associations, motion picture, radio, television or cable access television production programming and licenses, livestock or other animals, commodities, commodity pools, commodity options, commodity partnerships, swaps, caps and collars and any and all derivations thereof, managed futures, managed stock accounts, foreign exchange, insurance or endowment policies, annuities, variable annuities or other property or undivided interests in property, real or personal, foreign or domestic;

10. purchase securities on margin and engage in short sales, sales against the box and other investment strategies, whether covered or uncovered;

11. purchase or otherwise acquire, for cash, credit or installments, or invest in, reinvest in, retain or continue for an indefinite term, any "Business Entity" (as hereinafter defined) located within or without the United States, regardless of the form of participation or ownership and even though it may be closely or privately held or may constitute all or a large portion of the trust property of a trust, and even though the trustee is employed by or has an interest in such Business Entity; have and exercise all the powers necessary and incidental to ownership in such Business Entity, including authorizing or voting to authorize the making of charitable contributions by such Business Entity; participate in the conduct of such Business Entity or rely upon others to do so, and take or delegate to others discretionary power to take any action with respect to its management and affairs that a person could take as owner of such Business Entity, including the voting of stock, and the determination of all questions of policy; take possession of the assets of such Business Entity and exercise complete control and management of such Business Entity, and in connection therewith, enter into and perform contracts, commitments, orders, and engagements; incur expenses and debts in connection with the conduct and operation of such Business Entity, and pay and discharge such expenses and debts; join in and execute operating agreements, partnership agreements and amendments thereto; participate in any incorporation, reorganization, merger, consolidation, recapitalization, liquidation or dissolution of such Business Entity or any change in its nature and retain and continue such changed or successor Business Entity; invest additional capital in, subscribe to or buy additional stock or securities of or make or guarantee new or increased secured, unsecured or subordinated loans

to any Business Entity with trust funds; rely upon the reports of certified public accountants, appraisers, consultants and other professional advisors, without independent investigation and without obligation to file any report with any court in any jurisdiction; elect, employ and compensate directors, officers, employees or agents of any Business Entity, who may include the trustee or a director, officer or agent of the trustee; show in summary form in the trustee's accountings, if any, only the financial position of a Business Entity and not include in detail all the business transactions; deal with and act for such Business Entity in any capacity, including any banking or trust capacity and the loaning of money out of a trustee's own funds, and be compensated therefor; sell, pledge or liquidate any interest in such Business Entity;

12. invest and reinvest the trust property wholly or partially in any interests in oil, gas or other mineral resources received from any source, such investments to be made either directly or through entities intended to protect the trust property; retain any interests in oil, gas or other mineral resources; execute as to those interests any agreements, assignments, contracts, deeds, grants, leases for any term (even though the term may extend beyond the termination of such trust) and any other instruments or documents; manage, control, operate, explore, mine, develop or take any action for the production, recovery, sale, treatment, storage or transportation of any interest in oil, gas or other mineral resources; drill, rework or recomplete wells of any type; conduct or participate in secondary recovery operations; enter into agreements for pooling or unitization; install, operate or participate in the operation of any plant, mine or other facilities; and interests in oil, gas and other mineral resources may be retained and acquired without liability for any loss and without application to any court;

13. acquire or retain any farm, ranch or forest property; engage in farm, ranch and forestry operations and the production, harvesting and marketing of farm, ranch and forest products, including livestock breeding and feeding and poultry and dairy farming, either by operating directly with hired labor, by retaining farm managers or management agencies, by renting on shares or for cash, by entering into logging contracts or selling standing timber, or in any other manner; enter into farm programs; purchase or rent farm, ranch and forest machinery and equipment, livestock, poultry, seed and feed; improve farm, ranch and forest property and repair, improve and construct farm buildings, fences and drainage facilities; and in general to do all things customary or desirable in farm, ranch and forest operations;

14. except as may be otherwise provided herein, determine whether and to what extent receipts and expenditures should be allocated to or charged against income or principal; and except as may be otherwise provided herein, the trustee is not required to adhere to the provisions of the applicable Principal and Income Act (but in no event shall any such allocation fundamentally depart from state law);

establish out of income and credit to principal reasonable reserves for the depreciation or depletion of tangible personal properties; amortize premiums paid on the purchase of securities or other property; provided, however, that any capital gain dividends from investments in mutual funds, common trust funds or real estate investment trusts shall be deemed to constitute principal;

15. employ and pay reasonable compensation to such agents, brokers, advisors, trustees, custodians, depositories, title holders, escrowees, accountants, attorneys, investment counsel, appraisers, insurers and others (who may be the trustee himself in such other capacity or any firm or corporation with which the trustee is associated), and execute any general or limited direction or power of attorney for any such employment or agency relationship; and such expenses shall not be charged against the compensation of the trustee;

16. vote, or refrain from voting, any corporate stock, equity or any other ownership interest in any corporation or other entity, either in person or by general or limited proxy, for any purpose, including (without limitation), the election of any trustee or Grant Committee member as a director of any such entity; exercise or sell any conversion privilege, warrant, option or subscription right with respect to any security; consent to take any action in connection with, and receive and retain any securities resulting from, any reorganization, consolidation, merger, readjustment of the financial structure, sale, lease or other disposition of the assets of any corporation or other entity, the securities of which may at any time form a part of the trust property; deposit any securities with or under the direction of a committee formed to protect such securities and consent to or participate in any action taken or recommended by such committee; pay all assessments, subscriptions and other sums of money that may seem expedient for the protection of the interest of the trust as the holder of such stocks, bonds or other securities; enter into an agreement making the trust liable for a pro rata share of the liabilities of any corporation that is being dissolved and in which stock is held, when, in the opinion of the trustee, such action is necessary or otherwise advisable to the plan of liquidation and dissolution of any such corporation; join in and vote for participation in or modification or cancellation of any restrictive purchase or retirement agreement relating to any partnership interest, corporate stock or any other interest in any type of entity held as a part of the trust property; join in the formation, amendment, extension or cancellation of any voting trust, voting agreement or any type of shareholder agreement;

17. cause any securities or other trust property to be issued, held or registered in any trustee's individual name, or in the name of a nominee, with or without disclosure of any fiduciary capacity, or in a form such that title will pass by delivery;

18. open margin accounts, discretionary accounts or any other type of account with brokerage firms, banks or others, and invest the trust property in, and

conduct, maintain and operate, these accounts for the purchase, sale and exchange of stocks, bonds and other securities, and in connection therewith, borrow money, obtain guarantees, and engage in all other activities necessary or incidental to conducting, maintaining and operating these accounts;

19. transfer the situs of the administration of the trust and/or the location of any trust property to another jurisdiction within or without the United States as often as the trustee deems it advantageous; and the trustee may take whatever action is necessary or desirable (including, without limitation, the commencement of an appropriate judicial proceeding) in order to effectuate such a transfer of trust situs administration or of the location of trust property; and if necessary for the transfer of the situs of the administration of a trust, the trustee may designate a person or corporate trustee to assume office as a co-trustee of that trust, and thereafter may act as adviser to such substitute trustee and may receive reasonable compensation for so acting;

20. open and maintain one or more savings accounts or checking accounts and rent safety deposit boxes or vaults, wherever located, within or without the United States, even if the bank or trust company at which the safety deposit box or vault is located is acting as trustee of such trust; deposit to the credit of such account or accounts all or any part of the trust property, irrespective of whether such property may earn interest; add to or remove some or all of the items placed in any safety deposit box or vault; withdraw a portion or all of such funds so deposited by check or other instrument signed by the trustee, or by such other person or persons as the trustee may authorize, and any such bank, company or association may allow such person or persons access to such safety deposit box or vault and to pay such check or other instrument and also to receive the same for deposit to the credit of any holder thereof when so signed and properly endorsed, without inquiry of any kind; and access when so allowed, and payments when so made by such bank, company or association, shall not be subject to objection by any person concerned or interested in any way in the trust;

21. register or qualify any securities under the Securities Act of 1933, or any similar or applicable federal law, and register or qualify any such securities under any state securities law; enter into such agreements with underwriters and the corporation that issued any such securities as the trustee deems proper; make such representations and warranties, assume such obligations, and engage in such undertakings of indemnity and make such other arrangements concerning undertakings of indemnity, including the purchase of any insurance policies, as the trustee deems proper; create escrows, enter into custody agreements, and execute powers of attorney and any other instruments delegating authority and discretion to others; and do any and all other acts and things that the trustee deems necessary or advisable for the purpose of the sale, exchange, transfer, or other disposition of any securities;

22. retain, sell (in a public or private sale), hypothecate or otherwise dispose of any paintings, drawings, prints, pictures, photographs, statues, porcelain, silver, books, furniture and furnishings, and other art objects, antiques or collectibles received by the trustee; pay any storage charges, insurance premiums and costs of maintenance and preservation in connection therewith; and lend any such art objects, antiques or collectibles to any charitable organization, or exhibit them for or without rent or other consideration, on such terms as the trustee deems advisable;

23. allocate different kinds or disproportionate shares of trust property or undivided interests in trust property among beneficiaries of separate trusts and determine the value thereof; except as otherwise provided herein, make joint investments with other trusts and hold such joint investments as a common fund for purposes of administration, dividing the net income therefrom in the same proportions as the respective interests of such trusts;

24. to the extent permitted by applicable law, at any time and from time to time, and subject to revocation at any time, delegate any of the authorities, discretions and powers to any persons and/or entities, such delegation and all revocations thereof to be evidenced by a duly acknowledged instrument delivered to the persons or entities to whom the delegation is made and filed with the trust records;

25. divide the trust property equally or unequally into two or more separate shares or trusts for any purpose, each of which shall be administered and disposed of as a separate trust having terms identical to those of the trust from which it is created;

26. invest trust property in, and sell or otherwise dispose of, remainder interests, income interests, life estates, annuity interests and other terminable, term or future interests or similar types of limited interests in property; and make joint purchases and sales of any property or interests therein with any entity or person. In connection with transactions described in this paragraph, the trustee may, but need not, rely upon appraisals or representations of value as the trustee in its discretion may deem appropriate, including, without limitation, appraisals rendered by professional appraisers, actuaries, accountants or opinions of counsel;

27. make or refrain from making any tax election; and

28. make any payment, receive any money, take any action and make, execute, deliver and receive any contract, deed, instrument or document, that the trustee may deem necessary or advisable to exercise any of the trustee's powers or to carry out any provisions contained herein; and in addition to the powers enumerated hereinabove, do all other acts that in the judgment of the trustee are necessary or desirable for the proper administration of the trust.

B. *Fiduciary Compensation and Expenses.* Any fiduciary shall be entitled to such compensation as is allowed under applicable law. To the extent a plan of Grant Committee Members is inconsistent with any of the foregoing (except with respect to a written agreement executed by me and the fiduciary), the provisions of the plan shall control. The assumption of office by any successor individual fiduciary shall be conditioned on his acceptance of such compensation instead of the commissions or other compensation to which that fiduciary would otherwise be entitled. In addition to his compensation, a fiduciary shall be entitled to reimbursement for reasonable expenses incurred in connection with his services as a fiduciary.

C. *Third Parties.* No person dealing with the trustee shall be obliged to inquire as to the powers of the trustee, or to see to the application of money or property delivered to the trustee, and the certificate of the trustee that he is acting in compliance with this Agreement shall fully protect all persons dealing with him.

D. *Exculpation from Bond.* The trustee shall not be required to furnish a bond for the proper performance of the duties of the trustee as trustee of the trust, but if any such bond is nevertheless required by any law, statute or rule of court, no surety shall be required thereon, and I request that such bond be accepted in the lowest amount possible.

E. *No Court Approval.* The trustee shall not be required to obtain authority from or approval of any court in the exercise of any power conferred upon the trustee.

F. *Powers, Duties, Limitations, Immunities and Liabilities of Successor Trustees.* Wherever reference is made herein to the trustee, such reference shall include any and all successor trustees at any time acting as the trustee of a trust, and unless expressly provided in a plan, this Agreement or otherwise, each successor trustee shall be vested with all powers, duties, limitations and immunities as if originally named as trustee. Successor trustees shall not be liable or responsible in any way for the acts or defaults of any predecessor trustee, nor for any loss or expense occasioned by any act by or omission of a predecessor trustee, and shall be liable only for his own acts and omissions with respect to trust property, and a successor trustee may accept the account rendered and the assets and property delivered to him by the predecessor trustee, and shall incur no liability to any person beneficially interested in the trust by reason of so doing.

G. *"Prudent Investor Rule" Waived.* In exercising the investment powers conferred above, the trustee may (but is not directed to) acquire or continue to hold any property received by the trustee, even though not of a kind usually considered suitable for trustees to acquire or hold (including investments that would be forbidden by the "prudent investor rule" or the "prudent person rule," as may be

applicable (such rules are hereinafter collectively referred to as the "prudent investor rule")), or even though an investment may constitute a larger proportion of the trust than, but for this provision, would be appropriate, and irrespective of any risk, nonproductiveness, or lack of diversification. I intend to grant the trustee the broadest possible discretion in determining what constitutes an appropriate investment, acceptable level of risk and proper investment strategy, consistent with his fiduciary duties.

H. *Merger of Corporate Fiduciary.* If any corporate fiduciary is merged into or consolidated with or sells or transfers all or substantially all of its assets and business to another corporate fiduciary, or is in any manner reorganized or reincorporated, the surviving corporate fiduciary shall thereupon become the corporate fiduciary without any further act on the part of such corporate fiduciary.

I. *Resignation of Fiduciary.* Any person or entity acting in any fiduciary capacity hereunder with respect to the trust may resign at any time for any reason by duly acknowledged instrument delivered to the Grant Committee and to each trustee of the trust, if any, and judicial approval shall not be required.

J. *Incapacitated Fiduciary.* If any person acting in any fiduciary capacity hereunder is or becomes incapacitated, then said person shall be deemed to have resigned in every capacity in which said person is acting as a fiduciary hereunder.

K. *Multiple Fiduciaries.* If more than one person or entity is acting in the same fiduciary capacity with respect to a trust:

1. *Majority Vote to Govern.* A decision made by a majority of the co-fiduciaries who are qualified to vote on such decision shall control, without liability to any co-fiduciary who dissents in writing. For purposes of this paragraph, if only two (2) co-fiduciaries are qualified to vote on a decision, such decision shall control only if both fiduciaries vote in favor of the decision.

2. *Single Signatory.* Unless a co-fiduciary elects otherwise in writing, any one co-fiduciary may sign any checks, agreements or other documents on behalf of the trust and such signature shall bind the trust in the same manner as though said check, agreement or other document had been signed by all of the co-fiduciaries acting in the same capacity, and no person dealing with the signing fiduciary shall be obliged to inquire as to the other co-fiduciary's acquiescence to such action.

3. *Temporary Delegation.* With respect to any matter as to which two or more trustees have joint authority, a trustee, by written notice, may temporarily delegate any or all of that trustee's rights, powers, duties, and discretion as trustee to any other trustee sharing that authority, with the consent of the latter;

4. *Real Estate, Title Matters.* Any trustee alone may perform on behalf of the trustees all acts necessary for the acquisition, sale and transfer of personal and real property, including the giving of directions and the signing and endorsing of checks and other negotiable instruments, stock and bond certificates and powers, deeds of real estate and related transfer documents, applications, tax forms and other forms or documents; and no person dealing with the trustees need inquire into the propriety of any such act if such trustee certifies in writing to that person that the trustees have approved that act;

5. *Presumption of Assent.* A trustee shall be presumed to have approved a proposed act or decision to refrain from acting if that trustee fails to indicate approval or disapproval thereof within fifteen days after a written request for approval, and a trustee shall not be required to continue to make a proposal which has been disapproved on at least two occasions if that trustee has informed each disapproving co-trustee that continued disapproval will be assumed until notice to the contrary has been received; and

6. *Corporate Fiduciary.* The corporate trustee, if any, shall have custody of the trust property and of the books and records of the trustees.

L. *Releases of Fiduciary Powers.* A fiduciary of the trust may release or renounce, revocably or irrevocably, any or all powers granted hereunder at any time by a duly acknowledged instrument filed with the trust records, and, if so specified, that release or renunciation shall bind all successors acting in that fiduciary capacity.

M. *Trustee Rights and Powers With Respect to Environmental Matters.* The trustee shall possess the broadest possible rights and powers regarding trust property that presents or may present environmental concerns. To that end, the trustee may (1) maintain any real property in compliance with any environmental, health, or safety laws or regulations; (2) conduct environmental assessments, audits, inspections, and site monitoring; (3) take all appropriate remedial action to contain, clean up or remove any environmental condition including a spill, release, discharge or contamination; (4) institute legal proceedings concerning environmental conditions or contest or settle legal proceedings brought by any government agency concerned with environmental compliance, or by a private litigant; and (5) employ and pay reasonable compensation to agents, consultants and legal counsel to assist or perform the powers granted in this Section. The trustee shall not be liable to any beneficiary, or to any other party interested in the trust, for any loss or depreciation in value of the trust property as a result of the trustee retaining any property on which there is discovered to be hazardous materials or substances requiring remedial action pursuant to any environmental law, unless the trustee contributed to that loss or depreciation through willful default or misconduct or gross negligence.

ARTICLE VIII

SEVERABLE AND UNENFORCEABLE PROVISIONS

If any provision of this Agreement or the application of any such provision to any person or circumstance is determined to be invalid, illegal or unenforceable to any extent, the remainder of this Agreement or the application of such provision to persons or circumstances other than those for which it is determined to be invalid, illegal or unenforceable shall not be affected thereby and each other provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law. To the extent permitted by applicable law, the trustee and I waive all provisions of law that render any provision hereof invalid, illegal or unenforceable in any respect. The trustee may modify any provision determined to be invalid, illegal or unenforceable to the extent necessary to remedy such provision.

ARTICLE IX

INTERPRETIVE RULES

A. *Governing Law.* This Agreement shall be construed and administered, and the validity of each trust hereunder shall be determined, in accordance with the laws of the State of Alabama, without giving effect to its conflicts of law principles. The trustee may amend this Section and take any other action in order to change the jurisdiction whose law shall govern the construction, administration and validity of the trust, and to amend any other provision of this Agreement (including the Section titled "Trust as United States Person") solely for such purposes. The jurisdiction whose law governs the construction, administration and validity of the trust may, but need not, be the same as the situs of the administration of the trust.

B. *Pronouns.* As used herein, the pronouns "he," "she," "his," "hers," "him," "her", "it" and "its" shall include the masculine, feminine, neuter and plural thereof.

C. *Singular and Plural.* As used herein, the singular shall include the plural, and the plural shall include the singular, wherever the context and facts require such construction.

D. *Headings.* The headings, titles and subtitles herein are for convenience of reference only and are to be ignored in any construction of the provisions hereof.

E. *Counterparts.* This Agreement may be executed in two or more counterparts, each to be deemed an original for all purposes and all together to constitute one and the same Agreement.

F. *Duly Acknowledged.* For purposes of this Agreement, an instrument shall be considered “duly acknowledged” if it is signed by its creator and, if required by applicable law for any purpose, acknowledged before a notary public as the creator’s free act and deed.

ARTICLE X DEFINITIONS

A. *Beneficiary.* As used herein, the term “beneficiary” shall mean the persons or charitable organizations to whom the trustee is currently authorized to pay income or principal as directed by the Grant Committee.

B. *Business Entity.* As used herein, the term “Business Entity” shall include a corporation, partnership (general or limited), limited liability company, joint venture, sole proprietorship or other entity under the laws of any state or other jurisdiction.

C. *Charitable Organizations.* As used herein, the term “charitable organizations” shall mean those organizations described in Section 170(c), 170(b)(1)(A), 2055(a)(2), 2522(a)(2) and 501(c)(3) of the Code.

D. *Code.* As used herein, the term “Code” shall mean the United States Internal Revenue Code of 1986, as amended, the regulations thereunder, or the corresponding provision of any subsequent federal tax law.

E. *Corporate Fiduciaries and Non-Corporate Fiduciaries.*

1. As used herein, the term “corporate trustee” shall refer to any bank, trust company or other legal entity (other than a person) authorized or not prohibited from serving as a trustee (by law or otherwise), regardless of the legal form of such entity. The term “non-corporate trustee” shall refer to a trustee of a trust that is a natural person.

2. As used herein, the term “corporate fiduciary” shall refer to any corporate trustee.

F. *Descendants.* As used herein, the “descendants” of a person shall mean a descendant in any degree of consanguinity, including any descendants born at any time after the person’s death.

G. *Incapacitated.* For purposes of this Agreement, a person shall be considered "incapacitated" if (1) such person is under a legal disability (under the laws of such person's domicile), (2) such person has been certified in writing to be unable to manage his financial affairs by the principal physician attending to such person's care, and the trustee may rely upon written notice of that determination, or (3) such person's whereabouts are unknown and a current beneficiary or remainderman of the trust has not been able to locate him for at least ninety (90) days.

H. *Person.* As used herein, the term "person" shall only mean a natural person.

I. *Plan.* Except where the context indicates otherwise, as used herein, the term "plan" shall refer to a plan of trustees, or a plan of Grant Committee members.

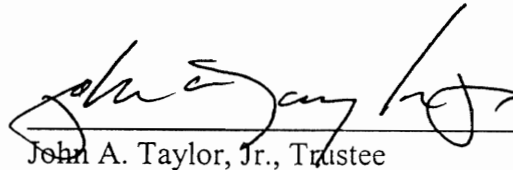
J. *Trust Property.* All references herein to "trust property" or "property of a trust" shall include the net income and principal of such trust, real and personal, which includes all the property received initially by the trustee with respect to any trust, all additions thereto received by the trustee from any other source, all investments and reinvestments of such property or such additions thereto, and all accrued or unpaid income of such trust.

IN WITNESS WHEREOF, I have hereunto set my hand on this the 21st day of August, 2007.



John A. Taylor, Settlor

The undersigned hereby accepts the foregoing trust and the property listed in the attached Schedule A as of the day and year last above written.



John A. Taylor, Jr., Trustee

STATE OF ALABAMA)
) ss
COUNTY OF MORGAN)

Subscribed, sworn to and acknowledged before me by John A. Taylor, the settlor, on the 21st day of August, 2007.

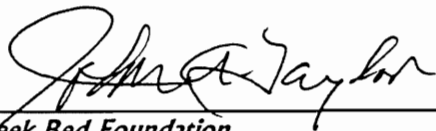


Notary Public

JEFFREY S. BROWN
Notary Public, AL State at Large
My commission expires Sept. 16, 2009

**Schedule A to
The Creek Bed Foundation**

37,000 Shares of the Common Stock of Compass Bancshares, Inc.



THE CREEK BED TRUST CONFLICT OF INTEREST POLICY

Article I Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (herein the "Organization") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a trustee of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II Definitions

1. Interested Person

Any trustee, director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article I, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe a member

has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

5. If at any time there is no disinterested person or committee member eligible to make decisions regarding matters related to this policy, then a special trustee who is a disinterested person or entity shall be appointed, as provided by the trust, and such special trustee shall make such investigation as required hereunder and shall further determine the action to be taken.

Article IV Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VI Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VI Use of Outside Experts

When conducting the periodic reviews as provided for in Article VI, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are

conducted.

Part IV

The activities of the Creek Bed Foundation will be focused on investing the assets of the entity and, from the income and principal of such assets, providing grants, loans and other funds to other charitable organizations as selected by the Grant Committee. The Grant Committee will meet at least quarterly to review the performance of the Trust investments and determine the amount of Trust income and/or principal to be disbursed. The Grant Committee will review any grant or loan requests received by the Trust since the last meeting of the Committee. The Grant Committee members may also suggest organizations and projects for consideration by the Committee. The Committee, acting by a majority, shall approve the amount to be disbursed and the award of grants and/or loans. All disbursements shall be in accordance with the Trust Agreement and also the Conflicts of Interest Policy. Grants and/or loans shall only be made to organizations which themselves qualify as §501(c)(3) entities.

In considering recipient organizations, the Committee has broad discretion as to the award of any funds. However, the Committee members intend, at present, to give priority to projects in the areas of nature preservation, environmental conservation and also to projects benefitting persons with disabilities.

It is not anticipated that the organization will actually undertake charitable projects, but instead that it will provide funds for projects to be undertaken by other charitable entities.

SPECIFIC ACTIVITY:

Investment of Assets. The Trustee is responsible for the investment of the Trust assets. Presently, the Trust assets are held in a brokerage account managed by Evans, Watts & Schrimsher Wealth Management Group, Huntsville, Alabama. The Trust assets are conservatively invested. It is anticipated that net income from investments will be distributed by the Trust at least as frequently as annually.

This activity is conducted primarily by the Trustee in consultation and on the advice of the broker agent. This activity is ongoing.

This activity furthers the exempt purposes of the Trust in that the income is awarded to charitable organizations in furtherance of the Trust's charitable, religious, research, educational and scientific purposes.

Proposal Review. Inquiries for grants by donee organizations are initially reviewed by the Trustee. The Trustee may request additional information regarding a proposed project, including budget information, organization background, etc. The completed proposals are then submitted to the Grant Committee for review. Members of the Grant Committee may also suggest organizations and projects for consideration by the Committee.

This activity is conducted primarily by the Trustee, however, the Grant Committee members may conduct their own review and investigation. In addition, Grant Committee members may seek out projects for investment by the Trust on their own initiative. This activity is ongoing, though typically it is anticipated that grants will be made at year-end.

This activity furthers the exempt purposes of the Trust in that the Committee seeks out specific projects and organizations in need of the Trust's financial support. Through such support the Trust's charitable, religious, research, educational and scientific purposes are achieved.

Award of Grants. The Trustee, on the direction of the Grant Committee, makes all grants and disbursements of the Trust. The Grant Committee, acting by a majority, shall approve the amount to be disbursed and the award of grants and/or loans. All disbursements shall be in accordance with the Trust Agreement and also the Conflicts of Interest Policy. Grants and/or loans shall only be made to organizations which themselves qualify as §501(c)(3) entities.

Payment of grants is made by the Trustee, however, the Grant Committee must first approve all grants and awards. This activity is ongoing, though typically it is anticipated that grants will be made at year-end.

This activity furthers the exempt purposes of the Trust in that the Committee seeks out specific projects and organizations in need of the Trust's financial support. Through such support the Trust's charitable, religious, research, educational and scientific purposes are achieved.

Part V. Question 2a.

The Trustee and the members of the Grant Committee are related to each other through familial relationships. Each are brothers and sisters to one another.

Part V. Question 5b-c.

It is not anticipated that the current fiduciaries of the trust will receive any compensation for their services as such. Reasonable expenses will be reimbursed. Pursuant to the Conflicts of Interest Policy, any conflicts are required to be disclosed. Due to the familial relationships of the Trustee and Grant Committee members, payment of any compensation or the trust's otherwise engaging in any action where a conflict of interest exists would require the approval of a specially appointed independent trustee.

Part VI. Question 1b.

The Creek Bed Foundation will provide grants, loans and other funds to other charitable organizations, as selected by the Grant Committee. The Committee, acting by a majority, shall approve the amount to be disbursed and the award of grants and or loans. All disbursements shall be in accordance with the Trust Agreement and also the Conflicts of Interest Policy. Grants and/or loans shall only be made to organizations which themselves qualify as §501(c)(3) entities.

Part VIII. Question 13b.

The trust's making of grants, loans and other distributions to other organizations further's the exempt purpose of the trust in that such distributions are made only to organizations which themselves qualify as §501(c)(3) entities. By providing such entities with funds with which to undertake charitable projects, including the provision of aid and assistance to persons in need, the conservation and preservation of natural resources, and other similar projects, the trust's charitable, religious, research, educational and scientific purposes are furthered. If the trust were to undertake such projects itself, an unnecessary duplication of efforts would exist. By focus on the provision of funds for such projects, the trust objectives can be realized with the least possible expense.

In addition, by allowing the recipients to be selected at regular meetings of the Grant Committee, the Trustee and the grant committee are able to address developing needs and projects, as well as monitor and assist with particular projects over a period of years. Again, this furthers the Trust's objectives while allowing the Trust to evolve and adapt to the changing world in which we live. The Trust funds can be invested for many years, allowing the benefits to flow to a broad variety of projects and causes, rather than risking that the funds would be utilized on a single lump sum.

Part VIII. Question 13d.

In the initial year of the Trust, the following grants were awarded:

-The Nature Conservancy, restricted gift in the amount of \$15,000.

-Rainbow Omega, Eastaboga, Alabama, restricted gift in the amount of \$4,950.

-The Marianna Greene Henry Foundation, Talladega, Alabama, restricted gift in the amount of \$5,000.

There is no relationship between the Trustee, the Trust and any of the recipient organizations other than that of donor and donee.

Part VIII. Question 13e.

Written records of all grants, loans and other distributions are maintained by the Trust. These records include the identification of all projects considered by the Grant Committee, the action taken following such consideration (including the vote, if any, in favor of or against such distribution), any restrictions imposed on such grant or loan, and any other matter related thereto. Organizations seeking consideration of a grant or loan may submit to the Trust a grant proposal (including budget and 501(c)(3) status certification), though this is not required for an award.

Part VIII. Question 13f.

The Grant Committee will meet at least quarterly to review the performance of the Trust investments and determine the amount of Trust income and/or principal to be disbursed. The Grant Committee will review any grant or loan requests received by the Trust since the last meeting of

the Committee. The Grant Committee members may also suggest organizations and projects for consideration by the Committee. The Committee, acting by a majority, shall approve the amount to be disbursed and the award of grants and/or loans. All disbursements shall be in accordance with the Trust Agreement and also the Conflicts of Interest Policy. Grants and/or loans shall only be made to organizations which themselves qualify as §501(c)(3) entities.

In considering recipient organizations, the Committee has broad discretion as to the award of any funds. However, the Committee members intend, at present, to give priority to projects in the areas of nature preservation, environmental conservation and also to projects benefitting persons with disabilities.

It is not anticipated that the organization will actually undertake charitable projects, but instead that it will provide funds for projects to be undertaken by other charitable entities.

Part VIII. Question 13g.

For larger charitable organizations with sufficient safeguards in place, and for smaller unrestricted gifts, it is not anticipated that there will be need for much follow-up or oversight of expenditures of donated funds by the recipient organization. However, in the case of large grants (if made), grants for a specific project, and grants to smaller charitable entities, the Trust will require follow-up substantiation of expenditures of donated funds, and may require independent certification. Any restrictions imposed on a distribution are noted at the time the award is approved by the Grant Committee, and the recipient organization is notified of the restriction(s) at the time the award is made. Larger distributions for a particular purpose or project will be awarded in progress installments to ensure satisfactory completion of a particular project. Reports of expenditures, accompanied by vouchers, may be required prior to disbursement of any installment and also upon completion of the project.

Part VIII. Question 14.

While it is not anticipated that disbursements will be made to any foreign based organizations, donations to U.S. based charities which use a portion of their contributions in foreign countries (e.g., The Nature Conservancy, Ducks Unlimited, etc.) will be made.

The Creek Bed Foundation, a Charitable Trust
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Part IX Financial Data, Item B5 (Corporate Stocks).

41,708.8000 shares Banco Bilbao Vizcaya ADR (NYSE Symbol: BBV).
FMV@ \$24.39/share = \$1,017,277.63

All other assets of the Trust are invested in interest bearing certificates of deposit and money market accounts. The assets are held in a brokerage account managed by Evans, Watts & Schrimsher Wealth Management Group, Huntsville, Alabama.