

STATE OF ALABAMA )

JEFFERSON COUNTY )

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JOINT VENTURE AGREEMENT FOR THE WOODFORD GROUP, A JOINT VENTURE

THIS AGREEMENT is made and entered into on the 17 day of April, 1981, by and between Mohasta, Inc., and Hearthstone Homes, Inc., by William H. Moss (Secretary-Treasurer) and J. Mark Slaughter (President) authorized agents of the parties hereto.

For and in consideration of the mutual covenants herein contained, the parties hereto hereby form and create a joint venture, for the purposes and upon the terms, provisions, and conditions as hereinafter set forth.

1. NAME AND PLACE OF BUSINESS. The activities and business of the joint venture shall be conducted under the name of The Woodford Group, A Joint Venture, in Birmingham, Alabama, and under such variations of this name as may be necessary to comply with the laws of other states within which the joint venture may do business or make investments. The principle place of business of the joint venture shall be Birmingham, Alabama, but additional places of business may be located elsewhere. The mailing address of the joint venture shall be 1920 Tahiti Lane, Alabaster, Alabama 35007.

2. PURPOSES OF THE JOINT VENTURE. The purposes of the joint venture shall be as follows:

(a) To engage in the construction and sale of two residential homes at Lot 31, Block 8 and Lot 9, Block 7 in the Woodford Subdivision of Inverness in Birmingham, Alabama.

(b) To do any and all acts that are usual, customary, and/or necessary to carry forth and complete the construction of said homes and the intent of this Agreement. The language of this Agreement shall not be construed as to be any sort of limitation on said acts by the joint venturers.

(c) To enter into other agreements or ventures, by agreement of the parties hereto, as the parties hereto may subsequently agree.

Bill Moss  
P.O. Box 20138

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3. TERM OF JOINT VENTURE. This joint venture shall begin on the effective date of signing of this Agreement, and shall continue indefinitely from year to year, until dissolve by mutual agreement of the parties hereto

4. INITIAL CONTRIBUTIONS OF CAPITAL. The parties hereto acknowledge that each party shall be obligated to contribute capital to this joint venture. Further, the parties hereto agree that said capital contributions from the parties hereto will be in the form of construction loan funds, acquired in the name of this joint venture from United Federal Savings and Loan.

5. PROFITS, LOSSES, AND LIABILITIES. Profits, losses, and liabilities of this joint venture are to be borne in equal proportion by the parties hereto. However, the parties hereto agree that there shall be no division of profit until the time of final closing of a particular home constructed and sold hereunder, after which the equal division of profit provision shall apply.

6. PROPERTY. All real or personal property, including all improvements placed or located thereon, acquired by this joint venture, shall be owned by the parties hereto in equal proportion. Each party hereto hereby expressly waives the right to require partition of any joint venture property or any part thereof.

7. FISCAL YEAR. The fiscal year of this joint venture shall be from January 1 to December 31.

8. BOOKS OF ACCOUNT. Proper books and records shall be kept with reference to all joint venture transactions, and each party hereto shall at all reasonable times during business hours have access thereto. The books shall be kept in such manner of accounting as shall properly reflect the income of this joint venture, and it shall be agreed on by the parties hereto. Said books shall include, but shall not be limited to, the ownership of any property (real, personal, or mixed), expenditures, assets, liabilities, and other appropriate matters. Said books may be kept on an accrual or cash basis, as agreed upon by the parties hereto. The books and records of this joint venture shall be

reviewed annually, at the expenses of this joint venture, by a certified public accountant, selected by the parties hereto, who shall prepare and deliver to the parties to this joint venture, for filing, the appropriate Federal Income Tax Returns.

9. ACCOUNTS. All funds of this joint venture shall be deposited in the name of Hearthstone Homes, Inc. in an account or accounts maintained at Central Bank, as agreed upon by the parties hereto. Checks shall be drawn upon this account or accounts only for the purposes hereinabove designated, and shall be signed by J. Mark Slaughter, but with bi-weekly review by William H. Moss.

10. MANAGEMENT. Control of the joint venture and of its affairs shall be in the parties hereto, who shall have equal rights in the management and conduct of the joint venture and its activities, except as provided otherwise herein.

The parties to this Agreement agree that William H. Moss and J. Mark Slaughter must both approve any plans and specifications regarding the intended homes before construction can begin.

All notes and mortgages, and any other financial obligation of this joint venture, must be approved by both William H. Moss and J. Mark Slaughter, and signed and/or endorsed by both.

It is agreed by the parties hereto that J. Mark Slaughter will be responsible for the construction of the intended homes. Among his duties, but not in any way to limit same, it shall be his responsibility to coordinate and provide for all necessary and usual acts of construction, including the provision of materials, directing of contractors, directing of sub-contractors, and etc.

Each of the parties hereto shall have an equal authority to bind the joint venture in making contracts and incurring obligations in the name and on the credit of this joint venture. However, any obligation incurred in violation of this Agreement or in violation of the appropriate Alabama law, shall be charged to and collected from the individual party hereto incurring said obligation. The parties hereto agree that,

as a measure only, all business arrangements entered into on behalf of this joint venture shall be on such terms and conditions as generally would be characteristic of a businessman in similar circumstances, exercising prudent and sound business judgment. The parties hereto agree that each of them shall devote such attention, and business capacity, to the affairs of this joint venture as may reasonably be necessary.

The parties hereto shall hold regular meetings, regarding the ongoing affairs of this joint venture, at times and places to be selected by them. At such meetings, the parties hereto shall transact such business as may properly be brought before the meeting. In addition, the parties shall keep regular minutes of all of their proceedings. Said minutes shall be placed in a Minute Book and kept as part of the regular books of this joint venture, as hereinabove provided.

11. SPECIAL PROVISIONS. The parties hereto agree that the following special provisions are also made part of this Agreement, and binding upon each of them:

(a) To purchase the requisite lots for the purposes of construction, the parties hereto agree that the payments are to be made in two installments. The first installment, covering one-half (1/2) of the necessary cost, shall be paid from the first construction loan draft. The second installment, covering the remaining one-half (1/2) of the cost, will be subordinated by Inverness, and carried by them at ten per cent (10%) interest until purchase of the completed home.

(b) If, after a reasonable time has elapsed after completion, and the constructed home has not sold, William H. Moss herein agrees to be responsible for any interest payments due or to become due on the construction loan. Upon sale, and after application of any remaining construction loan monies, the first proceeds would, in such a case, be paid to William H. Moss to reimburse him for any monies paid by him and/or guaranteed by him to pay the interest due on the construction notes, or otherwise required to complete the lot improvements and/or construction.

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(c) In keeping with sub-section (b) above, it is agreed by the parties that, before William H. Moss would be required to make any said payments, any construction loan draft monies not at that time due or otherwise pledged would first be applied to said payments required of William H. Moss. It is agreed by the parties hereto that William H. Moss would be responsible under sub-section (b) only after any said monies will have been paid and applied to said payments.

12. AMENDMENTS. Notwithstanding the provisions hereinabove stated, this Agreement may be amended or modified by the parties hereto, from time to time, but only by a written instrument executed by the parties hereto.

13. NOTICES. Any and all notices between the parties hereto, provided for or permitted under this Agreement or by law, shall be in writing and shall be deemed duly served when personally delivered to a party hereunder, or in lieu of such personal service, when deposited in the United States mail, certified, postage prepaid, addressed to such party hereto at the address of the principle place of business of the said party hereto, or such other place as may from time to time be specified in a notice given pursuant to this paragraph as the address for service of notice on such party hereto.

Any and all consents and agreements provided for or permitted by this Agreement, or otherwise required, shall be in writing and a signed copy thereof shall be filed and kept with the books of this joint venture.

14. TERMINATION. This joint venture may be terminated at any time at a specially called meeting of the parties hereto. On such termination, the assets of the joint venture shall be applied as follows:

- (a) To payment of the outstanding joint venture liabilities.
- (b) Remaining sums shall be distributed to the parties hereto, in equal proportions.

15. APPLICABLE LAW. This Agreement shall be construed under and in accordance with the laws of the State of Alabama, and all obligations that the parties created hereunder are performable in the State of Alabama.

16. OTHER INSTRUMENTS. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out provisions of this Agreement.

17. HEADINGS. The headings used in this Agreement are used for administrative purposes only, and do not constitute substantive matter to be considered in construing the terms of this Agreement.

18. PARTIES BOUND. This Agreement is binding on and shall inure to the benefit of the parties hereto, and to their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

19. STRICT CONSTRUCTION. This Agreement shall not be strictly construed against any parties hereto.

20. LEGAL CONSTRUCTION. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision herein, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

21. GENDER. Wherever the context shall so require, all words herein in the masculine gender shall be deemed to include the feminine or neuter gender. All singular words shall include the plural, and all plural words shall include the singular.

22. MERGER OF AGREEMENT. This Agreement supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

EXECUTED AT Birmingham, Alabama, as of the day and year above first stated.

MOHASTA, INC.

HEARTHSTONE HOMES, INC.

By: [Signature]  
WILLIAM H. MOSS  
Its Secretary-Treasurer

By: [Signature]  
J. MARK SLAUGHTER  
Its President

NOTARIAL PUBLIC  
I CERTIFY THIS INSTRUMENT WAS FILED  
1982 AUG 13 AM 8 59

Rec. 9.00  
Ind. 1.00  
10.00

[Signature]  
JUDGE OF PROBATE

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