

Oak Glen Partnership Agreement

PARTNERSHIP AGREEMENT

This agreement made and entered into on this the 1st day of July, 1985, by and between David E. Jones and Martin Clem (the partner shall hereinafter sometimes be referred to as "the Partners"),

WITNESSETH;

WHERE AS, the Partners desire an association to carry on as co-owners of a business for profits as is authorized by the Alabama Partnership Act and as ammended; and...

WHERE AS, the Partners desire to purchase real estate for development, to construct improvements thereon, and to provide for the financing thereof;

NOW, THEREFORE, in consideration of the above premises and the mutual covenants and undertakings of the parties, the parties do hereby agree and bind themselves as follows:

1. The Partners hereto do hereby form a general partnership and constitute themselves as General Partners of the partnership for the purposes of acquiring, purchasing, developing, constructing and financing various real estate projects, and, selling, leasing, and utilizing said projects for their own benefit or for others in other manner in which the Partners feel is in the best interest of the partnership.

2. The names and addresses of the Partners are as follows:

DAVID E. JONES

MARTIN CLEM

3. The name of this general partnership shall be:

OAK GLEN PARTNERSHIP, An Alabama General Partnership

4. The principal office of the partnership will be located at:

3113 Renfro Road
Birmingham, Alabama.
35216

The partners may from time to time change the office address of the partnership.

LAND TITLE COMPANY OF ALABAMA

317 N. 20TH STREET, BIRMINGHAM, ALABAMA 35203

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5. The partnership shall commence on the date first above written and shall continue until one of the Partners desires to terminate and dissolve the partnership. In the event the partners terminate and dissolve the partnership, the partners shall proceed promptly thereafter to liquidate the partnership business and the assets of the partnership shall be used and distributed by agreement of the partners.

6. The Partners agree that their interest in this partnership shall be as follows:

NAME/PERCENTAGE

David E. Jones	50
Martin Clem	50

The capital of the partnership shall consist of such assets as shall be purchased by the partnership from funds contributed or borrowed by the partnership. The initial capital account of the respective Partners shall be equivalent to the percentages in such capital of the partnership as set forth in this paragraph hereinabove. In the event it is necessary for the partners to contribute capital to the partnership for the partnership business, the partners shall contribute the necessary capital in accordance with the percentage set out in this paragraph hereinabove. If capital is borrowed and/or if real estate mortgages and notes are given, all of the partners, if required by the lending agency, will sign jointly, but the partners acknowledge that as between themselves, their liabilities shall be in accordance with the percentage set out in the paragraph hereinabove.

Each Partner agrees to endorse or otherwise guarantee, jointly and severally, if required, and to obtain the endorsement or guaranty, if required by his or her spouse, to any lending agencies and their representatives' indebtednesses of the partnership incurred in connection with the business of the partnership. It is understood, however, as above stated, that in the event the Partners sign such obligations so as to be jointly and severally liable, as between themselves, their liability shall be in accordance with the percentages set out hereinabove.

In the event either of the Partners shall fail to make the advances deemed necessary to be made by the majority ownership of the Partners to the general partnership, or in the event any such Partner shall fail to execute endorsements or guaranties heretofore mentioned, then the other Partners, at their election may:

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a) Deduct from the amount of capital of the partnership owned by the defaulting Partner, or any drawing account or any other monies due to defaulting Partner, all or any portion of the amount of such required advance; and/or

b) Treat the amount of such required advance from the defaulting Partner as a sum of money owed the partnership by defaulting party, due immediately, together with interest at the maximum legal rate permissable, and, may file suit to collect same, in which case no offsets owed that defaulting Partner, shall be permitted to reduce the amount of money otherwise owing to the partnership by the defaulting Partner; and/or

c) Determine in their sole discretion, the fair market value of the interest of the partnership owned by such defaulting Partner and sell and assign, absolutely, to the partnership or the other Partners or others, enough of such interest so as to supply the funds necessary to pay such required advance; and/or

d) If the other Partners determine that such interest has no readily ascertainable fair market value, sell and assign all of such interest to the partnership, and relieve the defaulting Partner of any subsequent obligation under the provisions of this agreement, and thereafter such defaulting Partner shall have no interest in the partnership.

7. The net profit of the partnership shall be divided among the Partners by agreement of the Partners and the net losses of the partnership shall be borne by the Partners in their respective percentages set out in Paragraph 6 above. A separate income account shall be maintained for each Partner. Partnership profits and losses shall be charged or credited to the separate income account of each Partner. If a Partner has no credit balance in his income account, losses shall be charged to his capital account.

From time to time the partnership may distribute to the Partners such sums as the Partners consider advisable. Any such distribution shall be made in proportion to the respective Partner's interests in the profits and losses of the Partnership as of the time of distribution, except that if a Partner is indebted to the Partnership, the amount of such indebtedness may be withheld from the amount which would otherwise be distributed.

8. Whenever any determination is required to be made hereunder concerning the conduct of the general partnership business, including the sale or transfer of all or part of the property owned by the general partnership, the management of the properties of the general partnership, or any type business to be carried on by the general partnership, such determination shall be made by the majority interest of the Partners.

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9. The fiscal year of the partnership shall be the calendar year, of such other year as the Partners may from time to time determine.

10. At all times during the continuation of this partnership, the Partners shall cause to be maintained full and accurate books of accounts, in which shall be entered the transactions of the partnership. Such books shall be maintained in the principal office of the partnership, or at such other office as shall be designated for such purpose by the Partners and all Partners shall have the right to inspect and examine such books at reasonable times. The books shall be closed and balanced at the end of each partnership accounting year.

11. Each Partner shall receive an annual statement of gross receipts, operating expenses and net profits as prepared by the partnership accountants and these statements will be delivered to each Partner within a reasonable time after the close of the partnership accounting year.

12. No Partner shall be permitted to substitute another as a party hereto or assign his interest to another except with the consent of the other Partner hereto, and upon such terms and conditions as the Partners may require. Either Partner may, however, by separate agreement, make such agreement as to sharing in the profits and losses of his interest and distribution thereof on the termination of this agreement, if he deems proper, provided that such agreement shall not affect or vary this agreement in any manner or affect the rights of other partners to this agreement, nor vary the liabilities of such Partner to the other Partners hereto under the terms hereof, such agreement constituting for all purposes, a separate sub-partnership.

13. As a matter of convenience to the partnership, it is hereby mutually agreed and understood that all property or assets purchased by the partnership shall be purchased in the name of the partnership. The property shall be conveyed by the partnership by deed or bill of sale executed by any of the Partners.

Any number of the Partners shall have full charge of the partnership business in all respects and in all matters, including, but not limited to, full power to transact purchases and sales, and specifically to execute deeds of conveyance, in the ordinary course of business, to execute leases, mortgages, encumbrances, and in general, except as otherwise specifically limited herein, to perform any act which they, in their sole discretion, consider to be in furtherance of the partnership business.

All decisions relating to the conduct and management of the partnership business shall require the agreement of that number

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of Partners who own a majority interest in the partnership. Every decision so made shall be binding on all Partners.

14. The partnership shall not be expanded to include additional Partners unless all of the existing Partners consent to the same. The partners may, however, if they are in agreement, take in new or additional Partners upon such terms and conditions as they may find advisable and the percentages of ownership granted to such new or additional Partners shall be taken from the existing Partners hereto in such amounts and in such fashion as may be agreed upon by the Partners.

15. Upon the death of any Partner, the surviving Partners may purchase the interest of the deceased Partner from the administrator or executor of the deceased Partner's estate or in the alternative, surviving Partners may determine to terminate, dissolve and liquidate the partnership business.

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If the surviving Partners elect to purchase the deceased Partner's interest in the partnership, the surviving Partners shall give notice in writing of such election to the decedent's executor or administrator, within two (2) months after decedent's death, or within the period of one (1) months after the qualification of his executor or administrator, whichever period expires later. In such event, the value of the decedent's partnership interest shall be determined as follows: As soon as practical, the administrator or executor of the deceased Partner's estate shall appoint an appraiser, and the surviving Partners shall appoint an appraiser. The two appraisers shall then between them appoint an appraiser. The three appraisers shall then review the books, records and properties of the partnership and determine the reasonable value of the deceased Partner's interest in the partnership. The surviving Partners shall then purchase the interest of the deceased Partner and the payment for said interest shall be made in reasonable terms which shall be determined by the said appraisers, provided, however, at least twenty percent (20) of the deceased Partner's interest will be paid for in cash, and the balance due will be evidenced by a promissory note executed by the surviving Partners in the principal amount of the balance of such purchase price, payable with interest at the rate of SOUTHTRUST prime rate, to vary, to the order of the decedent's personal representative on terms agreed upon by the surviving Partners and the representative of the deceased Partner's estate. If the parties cannot agree upon the terms of the promissory note, then the appraisers appointed as set out herein will determine fair and equitable terms.

16. In the event any of the Partners shall be adjudicated to be incompetent in any appropriate judicial proceeding, the the terms of this agreement set out in Paragraph 15 shall apply and govern the future of the partnership, provided, however, the word "guardian" shall be substituted for the words, "executor,

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administrator, personal representative or representative" as used in Paragraph 15.

17. Any Partner shall have the right to retire and withdraw from the partnership at any time. If any Partner shall thus elect to retire from the partnership, he shall notify the remaining Partner of his election. The remaining Partner shall have the right to either purchase the entire interest of the retiring Partner in the Partnership or to terminate, dissolve and liquidate the partnership business.

If the remaining Partner(s) elect to purchase such retiring Partner's interest in the partnership, they shall give written notice of their election to the retiring Partner within two (2) months of their receiving his notice of retirement. In such event, the amount of the purchase price shall be determined as follows: the purchase price shall be the fair market value of the retiring Partner's interest at the date the remaining Partner(s) elect to purchase said retiring Partner's interest. The fair market value of the retiring Partner's interest shall be determined by an independent appraiser selected by the retiring and purchasing Partners, and if they are unable to agree, the name of a registered M.A.I. appraiser shall be put in a container by each party and one (1) name drawn out who shall then appraise the property and his determination shall be binding and conclusive on the parties hereto. If the remaining Partner(s) so exercise their election to purchase the interest of the said retiring Partner, it is agreed that the purchase and sale shall be closed within ninety (90) days after the said option is exercised, and the purchase price is to be paid on reasonable terms determined by the retiring and purchase Partners. In the event the Partners cannot agree upon terms, then the appraiser who determined the fair market value of the retiring Partner's interest shall determine the terms and his determination shall be binding on the retiring and purchasing Partner(s).

In the event the remaining Partner(s) elect not to purchase such retiring Partner's interest in the partnership, the retiring Partner then shall be free to sell his interest to a third party, should he so desire.

18. Any controversy or claim arising out of or relating to this agreement, or to the interpretation, breach, or enforcement thereof shall be submitted to three arbitrators and settled by arbitration in the City of Birmingham, Alabama, in accordance with the rules, then obtaining, of the American Arbitration Association; then provided, however, and notwithstanding any other provisions of such rules, if the matter submitted to arbitration shall involve a dispute as to the appraised value of real estate of a deceased, defaulting, incompetent or retiring Partner's partnership interest, such arbitration shall be held before (3) arbitrators, one of whom shall be a licensed real

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estate appraiser. Any award made by a majority of such arbitrators shall be final, binding, and conclusive on all parties hereto for all purposes and judgement may be entered thereon in any court having jurisdiction thereof.

19. At the termination of this partnership by the expiration of its terms and whenever liquidation of the partnership business is otherwise provided for hereunder, the Partners (or the surviving Partners) shall proceed with reasonable promptness to liquidate the business of the partnership. The profits and losses of the business during the period of the liquidation shall be divided among or be borne by the Partners (or the ten remaining or surviving Partner(s), as the case may be), including the estate of a deceased Partner.

20. The Partners may employ such persons as they deem advisable to perform services for the partnership and compensate them in such amounts and in such manner as they may determine.

21. The Partners are authorized, in the name of the partnership, to open and maintain a bank account or accounts in any bank from time to time so designated by the Partners in which shall be deposited all of the cash contributions of the partnership and all other partnership income. Any funds in the partnership bank account or accounts may be withdrawn upon the signature of any Partners authorized by the majority of the partners.

22. Whenever provisions are made in this agreement for the giving, service, or delivery or any notice, such notice shall be deemed to have been duly given, served, and delivered, if mailed by the United States registered or certified mail, addressed to the party entitled to receive the same at his address; provided, however, that each party hereto, by United States mail, or registered or certified, may give written notice of election to change such address. Except where otherwise specified in this agreement, any notice, statement, or other instrument shall be deemed to have been given, served and delivered on the date on which such notice was mailed as herein provided.

23. This agreement contains the entire agreement among the Partners and supercedes any prior understanding (whether written or oral), respecting the subject matter of this partnership. There are no representations, agreements, arrangements, or understandings (oral or written) between or among the parties hereto relating to the subject matter of this partnership, which are not fully expressed herein.

24. In the event any portion of this agreement should be held to be invalid or unenforceable at law, the same shall not affect in any respect whatsoever the validity of the remainder of this agreement.

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25. The covenants and agreements herein contained shall inure to the benefit of and be binding upon the parties hereto, their successors, assigns, heirs, administrators, guardians or other personal representatives.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year first above written.

WITNESS:

Judith Z. Walzman Martin C. Jones (SEAL)
Judith Z. Walzman David E. Jones (SEAL)

Sworn to on this 1st day of July, 1985.

Darling
Notary Public



STATE OF CALIFORNIA
I CERTIFY THIS
INSTRUMENT WAS FILED:

1985 JUL 18 AM 10:43

Thomas J. [Signature]
JUDGE OF SUPERIOR COURT

RECORDING FEES

Recording Fee	\$ 20.00
Index Fee	1.00
TOTAL	\$ 21.00