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AGREEMENT

STATE OF ALABAMA)
SHELBY COUNTY)

This Partnership Agreement is executed on the 13th day of January, 1987, hereby reducing to writing an oral understanding of the parties effective January 13th, 1987, by and between Leonard S. Kendrick and Victor F. Szymela, both residents of the State of Alabama.

WHEREAS,

(A) The parties have been and are conducting a business as a general partnership under the name of K & S CONSTRUCTION, INC., pursuant to an oral agreement made and entered into as of January 13, 1987.

(B) The parties desire to continue said business and said partnership under the same name, to redefine the terms of said partnership, and to commit the same to writing.

NOW, THEREFORE, the parties hereto hereby agree to continue the aforesaid partnership under the following terms and conditions:

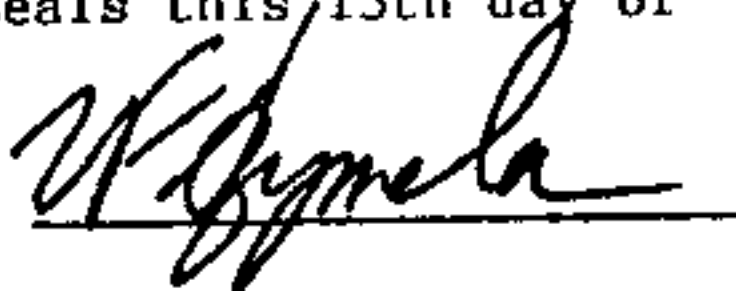
- (1) The partnership shall operate under the firm name of K & S CONSTRUCTION, INC.
- (2) The partnership commenced on January 13, 1987, and shall continue until dissolved by mutual agreement or as hereinafter otherwise provided.
- (3) The purpose of the partnership shall be to engage in the business of buying, selling, developing and otherwise dealing in real estate, in concentrating for, building and selling single family dwellings, and such other business as the partners from time to time may agree.
- (4) The offices of the partnership shall be located in Shelby County, Alabama, and such other locations as may be agreed upon by the partners from time to time.
- (5) The following is the understanding between the two parties:
 - A. "Monies" invested, i.e., earnest monies on land, interest on loans, etc., by either partner(s) for "each venture" shall be repaid in full at time of closing(s).
 - B. Steve Kendrick will draw a salary of \$250.00 per week, during the construction, not to exceed \$4,000 per house or as agreed upon otherwise.
 - C. All net profit after the above two items will be split evenly between the partners.

Courtney Mason

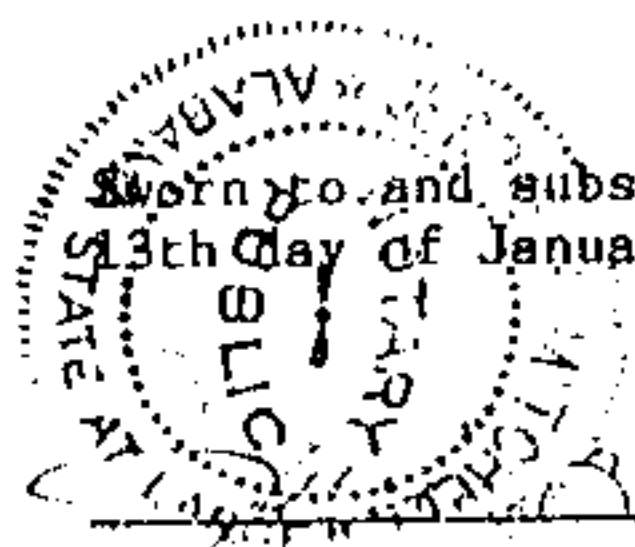
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- D. The partnership agrees that "K & S CONSTRUCTION, INC.," shall have primary construction responsibility as "general contractor" for any construction endeavor entered upon by the partnership. The general contractor shall have primary responsibility of job supervision of subcontractors, job planning and other responsibilities as agreed upon between the partnership and general contractor.
 - E. Michele Szymela and First Real Estate Corp. shall list the house or other properties of the partnership, for an agreed upon sale price.
 - F. "Sale price" shall be decided upon by the partnership.
 - G. An account will be set up for each venture in both the names of Victor F. Szymela and Leonard S. Kendrick. Either partner shall have the right to look over the accounting book at any time. The general contractor shall keep up with all expenses relating to construction and keep records of same. Either member of the partnership have the right to sign checks.
 - H. Leonard S. Kendrick agrees to provide Victor F. Szymela with a certificate of insurance evidencing that he has Workman's Compensation.
- (6) No partner without the written consent of the other shall:
- A. Borrow or lend money on behalf of the partnership;
 - B. Execute any mortgage, bond, or lease with respect to any assets of the partnership.
 - C. Make a contract to sell or execute a bill of sale or similar instrument of or to any part of the partnership assets;
 - D. Assign, transfer, or pledge any debt due the partnership or release any such debts due except upon payment in full;
 - E. Sell, assign, pledge or mortgage his interest in the partnership, except as hereinafter provided.
- (7) In the event of the death of a partner, the estate of the deceased partner shall sell and the surviving partner shall purchase the decedent's interest in the partnership. The purchase price shall be the sum of the following:
- A. An amount equal to the deceased partner's capital account, as of the date of such partner's death; plus
 - B. An amount equal to one-half of the excess of the appraised value as of said date of the fixed assets of the partnership over the book value thereof. Such appraised value shall be an amount agreed upon by the surviving partner and the personal representative of the deceased partner. If they are unable to agree within fifteen days, then the surviving partner and such personal representative shall each select and appoint an appraiser to make an appraisal. If the two appraisers so selected cannot agree upon such value within fifteen days after their appointment, then they shall in turn select a third appraiser, and the decision of the majority of the three appraisers shall be conclusive of such appraised value.

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- (8) The purchase price for the interest of a deceased partner, as hereinabove determined, shall be paid in full in cash within 90 days following the date of death of such deceased partner.
- (9) In order to provide sufficient funds for the aforesaid purchase, each partner shall take out and maintain insurance upon the life of the other. The applicant partner shall be designated as beneficiary and owner of such policy and shall pay all premiums thereon. All such policies shall be set forth on Schedule "B" attached hereto and incorporated herein by reference. Any changes in such insurance shall be noted in said Schedule "B" as made. Each partner agrees that the death proceeds of any such policy shall be applied to the purchase price for the interest of an insured deceased partner.
- (10) The partnership may be terminated and dissolved upon the election of either partner upon ninety (90) days written notice at any time. In the event of such dissolution, a full accounting shall be made to the effective date of the of the dissolution. The profits of the partnership shall be determined to such date and transferred to the drawing accounts of the partners. The assets of the partnership shall then be applied or distributed in the following order of priorities:
- A. In payment of debts of the partnership to creditors other than partners;
 - B. In payment of loans to the partnership by the partners, other than amounts reflected in the partner's drawing accounts;
 - C. In payment of the amounts due to the partners as reflected in their drawing accounts;
 - D. In cancellation of the capital accounts of the partners.
- (11) In the event of the dissolution of the partnership or the purchase of the interest of a partner who is ill or incapacitated, or deceased, any living partner shall have the right and option to purchase for cash from the other partner or his personal representative any life insurance policy held by such other partner upon the life of such living partner pursuant to this Agreement, for an amount equal to the cash surrender value of such policy at such time.
- (12) This agreement is executed in multiple counterparts, each of which shall inure to the benefit of the parties hereto, their heirs, successors, personal representatives and assigns. This instrument contains the entire agreement of the parties in the premises, and may be amended only by instrument in writing of equal formality herewith.

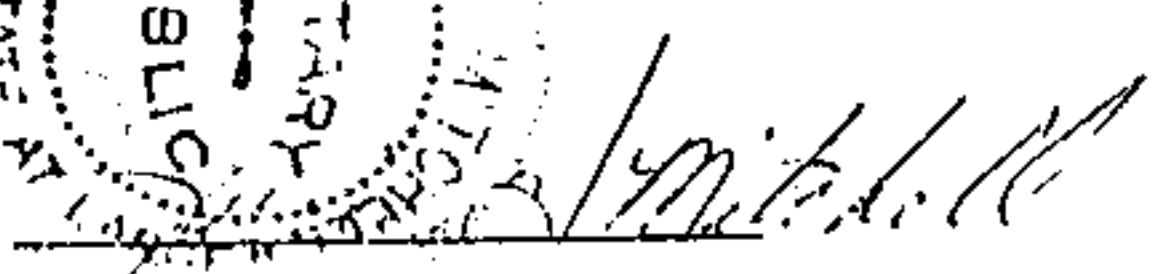
IN WITNESS WHEREOF, Victor F. Szymela and Steve L. Kendrick, have hereunto set their respective hands and seals this 13th day of January, 1987.



Victor F. Szymela

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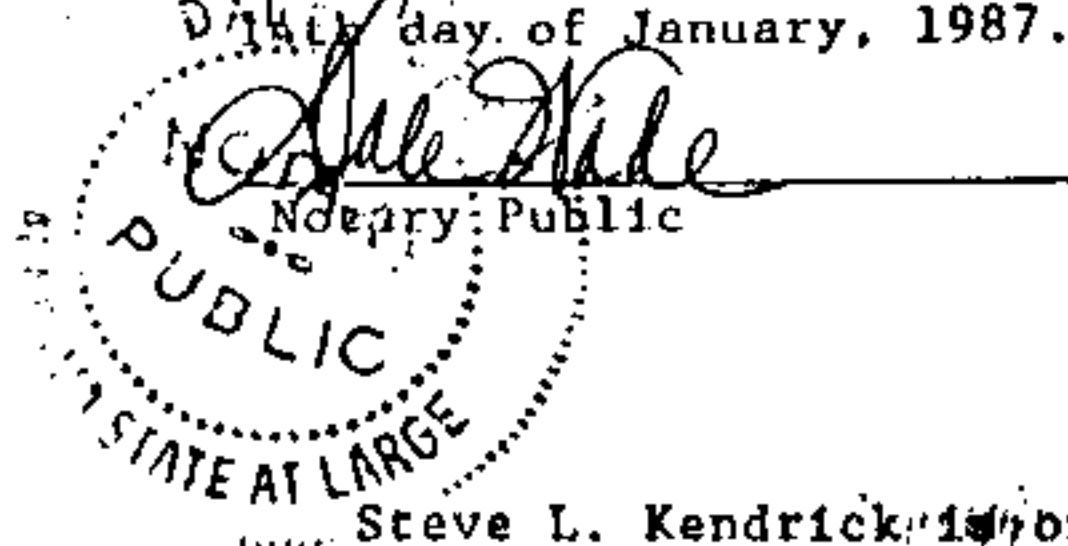


Sworn to and subscribed before me this 13th day of January, 1987.


Notary Public


Steve L. Kendrick

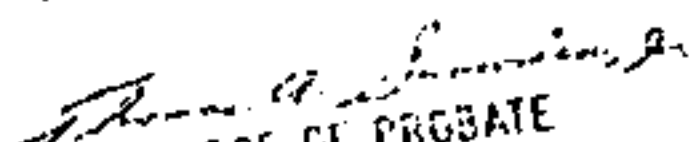
Sworn to and subscribed before me this 14th day of January, 1987.



Steve L. Kendrick, is one and the same person as Leonard S. Kendrick.

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT IS TRUE

1987 JAN 14 PM 3:41


JUDGE OF PROBATE

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