

This instrument was prepared
by John H. Cooper
2222 Arlington Avenue South
Birmingham, Alabama 35255

STATE OF ALABAMA)

SHELBY COUNTY)

Inst. # 1992-25462

JOINT VENTURE AGREEMENT OF
GLEN BROOK JOINT VENTURE

11/02/1992-25462
03:43 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
911 MCB 32.50

THIS AGREEMENT made and entered into effective the 30th day of OCTOBER, 1992, by and between GREYSTONE INVESTMENTS, INC., a corporation organized and existing under the laws of the State of Alabama (hereinafter referred to as "Greystone"), and STONE DEVELOPERS, INC. (hereinafter referred to as "Stone") (hereinafter collectively referred to as "Venturers"), as follows:

W I T N E S S E T H:

WHEREAS, the Venturers desire to form a Joint Venture under the General Partnership Laws of the State of Alabama; and

WHEREAS, the parties to this Agreement are desirous of confirming the existence of the said Joint Venture by reducing to writing the terms, provisions and conditions relating to the conduct of the Joint Venture and by defining the rights and obligations of the parties hereto;

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. Name of Joint Venture. The name of the Joint Venture shall be Glen Brook Joint Venture.

2. Purpose. The Venturers do hereby form a Joint Venture (the "Joint Venture") and constitute themselves as Venturers of the Joint Venture for the purposes of acquiring and developing approximately 20 acres of real estate (the "Real Estate"), a description of which is attached hereto as Exhibit "A", including installing paved roads, utilities, storm and sanitary sewers, subdividing the Real Estate into approximately 43 residential lots and selling the lots. The Joint Venture shall be a partnership only for the purpose specified herein, and this Agreement shall not be deemed to create a general partnership between the Venturers with respect to any activities whatsoever other than the activities within the business purpose of the Joint Venture as specified in this Section 2. Subject to the terms of this Agreement, the Joint Venture shall maintain title to and full ownership of the Real Estate and personal property acquired by the Joint Venture.

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3. Venturers. The names and addresses of the Venturers are as follows:

<u>Name</u>	<u>Address</u>
Greystone Investments, Inc.	10 Office Park Circle Suite 200 Birmingham, AL 35223
Stone Developers, Inc.	4624 5th Avenue, South Birmingham, AL 35222

Greystone is hereby named the Managing Venturer and is vested with the duties and powers as set forth in Section 10 hereafter.

4. Principal Office. The principal office of the Joint Venture will be located at 10 Office Park Circle, Suite 200, Birmingham, Alabama 35223. The Venturers may from time to time change the principal office address of the Joint Venture.

5. Capital Contributions and Personal Endorsements. Upon execution of this Agreement, Greystone shall contribute as its capital contribution to the Joint Venture the contract to purchase the Real Estate, and Stone shall contribute the sum of \$325,000. The percentage interests (the "Percentage Interests") of the Venturers in any profits, their respective shares in any and all losses and liabilities that may result from the business of the Joint Venture, and their interests in all property acquired and all monies received in connection with the business of the Joint Venture shall be:

<u>Name</u>	<u>Percentage Interest</u>
Greystone	50%
Stone	50%

6. Profits and Losses.

6.1 The net profits of the Joint Venture shall be divided among the Venturers and the net losses of the Joint Venture shall be borne by the Venturers in their respective Percentage Interests set forth in Section 5, as such Section may be amended from time to time. Joint Venture profits and losses shall be charged or credited to the separate capital account of each Venturer.

6.2 The above allocation of profits and losses shall continue throughout the existence of the Joint Venture and until the Joint Venture affairs have been wound up and the Joint Venture terminated, subject to any alterations in the allocation of profits and losses by the unanimous consent of the Venturers. A Venturer's distributive share (as that term is used in Subchapter K of the Internal Revenue Code) of each

item of Joint Venture income, gain, loss, deduction or credit shall be the same as such Venturer's share of Joint Venture profits and losses.

7. Waiver of Trial by Jury. The parties to this Agreement desire to avoid the additional time and expense related to a jury trial of any disputes arising hereunder. Therefore, it is mutually agreed by and between the parties hereto, and for their successors and assigns, that they shall and hereby do waive trial by jury of any claim, counterclaim, or third-party claim, including any and all claims of injury or damages, brought by either party against the other arising out of or in any way connected with this Agreement and the relationship which arises herefrom. The parties acknowledge and agree that this Waiver is knowingly, freely and voluntarily given, is desired by all parties, and is in the best interests of all parties.

8. Capital Accounts.

8.1 An individual capital account shall be maintained for each Venturer. The capital account of each Venturer shall consist of such Venturer's original contribution of capital, increased by (1) the amount of cash and the net fair market value of other property contributed by such Venturer, and (2) such Venturer's distributive share of taxable income and gains including income and gain exempt from tax and income and gain, as computed for book purposes, in accordance with Treas. Reg. § 1.704-1(b)(2)(iv)(g), and decreased by (a) expenses described in Code § 705(a)(2)(B), which have not been amortized for federal income tax purposes over 60 months, (b) distributions of cash and the net fair market value of other property to such Venturer, (c) such Venturer's distributive share of taxable losses, and (d) allocations of loss and deduction, including loss or deduction, computed for book purposes, as described in Treas. Reg. § 1.704-1(b)(2)(iv)(g).

8.2 In the discretion of Venturers owning a majority interest, the capital accounts of the Venturers may be adjusted to reflect a reevaluation of Joint Venture property to its fair market value at the following times: (1) in connection with the acquisition of an interest in the Joint Venture by a new or existing Venturer for more than a de minimis capital contribution; (2) in connection with the liquidation of the Joint Venture as defined in Treas. Reg. Section 1.704-1(b)(3)(ii)(g); or (3) in connection with a more than de minimis distribution to a withdrawing or continuing Venturer in consideration for all or a part of his interest in the Joint Venture. If any reevaluation of the Joint Venture's property occurs, the capital accounts of the Venturers shall be adjusted to the extent provided in Treas. Reg. Section 1.704-1(b)(2)(iv)(f).

9. Cash Distributions. From time to time the Joint Venture may distribute to the Venturers such sums as the Venturers consider advisable. Any such distribution shall be made in proportion to each respective Venturer's Percentage Interest as of the time of distribution, except that if a Venturer is indebted to the Joint Venture, the amount of

such indebtedness may be withheld from the amount which would otherwise be distributed.

10. Management and Control.

10.1 Decisions regarding the day-to-day management and operations of the Joint Venture shall be made by the Managing Venturer. The Managing Venturer shall serve until a successor is elected or appointed. The Managing Venturer may be removed and a new Managing Venturer elected by a vote of the Venturers who own, in the aggregate, 51% or more of the Percentage Interests of the Joint Venture. The Managing Venturer shall have and is hereby given the specific power and authority to make decisions regarding the day-to-day operation of the Joint Venture, including but not limited to the following:

(a) Overseeing the development and sale of the Real Estate;

(b) Contracting and incurring liabilities for and on behalf of the Joint Venture;

(c) Borrowing for and on behalf of the Joint Venture from time to time such sum or sums of money which in the Managing Venturer's sole discretion is necessary to the conduct of the business of the Joint Venture, including obtaining a loan in the amount of \$500,000 on or before March 1, 1993, and mortgaging, pledging or otherwise encumbering its assets to secure the repayment of such money so borrowed;

(d) Making all contracts for and on behalf of the Joint Venture generally in the conduct of its business;

(e) Employing and discharging all employees; and

(f) Otherwise carrying on and transacting or causing to be carried on and transacted all of the other business of the Joint Venture.

10.2 Unless otherwise provided herein, any action taken by the Managing Venturer with respect to Joint Venture business shall bind the Venturers and the Joint Venture.

10.3 Whenever any determination, decision or action of a material nature is required to be made hereunder concerning the conduct of the Joint Venture business which would result in any substantial change in the operation or policies of the Joint Venture affairs, such determination shall be made by the Venturers then owning, in the aggregate, 51% or more of the Percentage Interests in the Joint Venture. Such material determinations, decisions and actions shall include:

(a) The sale of any portion of the Joint Venture assets other than in the ordinary course of business or in any manner

unusually affecting the Joint Venture business as judged by the ordinary operation of the Joint Venture business;

(b) A major acquisition by the Joint Venture; or

(c) The merger or consolidation of the Joint Venture into or with another business.

11. Duration of Joint Venture. The Joint Venture shall commence on the date first above written and shall continue until the earlier of (a) the unanimous consent of the Venturers to terminate and dissolve the Joint Venture; (b) the sale or other disposition of all or substantially all of the assets of the Joint Venture unless prohibited from dissolving by law or prior agreement of the Venturers; or (c) the occurrence of any event causing dissolution under the Partnership Act which is not inconsistent with this Agreement. In the event the Venturers terminate and dissolve the Joint Venture, the Venturers shall proceed promptly thereafter to liquidate the Joint Venture business, and the assets of the Joint Venture shall be used and distributed as provided hereinbelow.

12. Accounting Provisions.

12.1 Fiscal Year: The fiscal year of the Joint Venture shall be the calendar year.

12.2 Books and Records: At all times during the continuation of this Joint Venture, the Venturers shall cause to be maintained full and accurate books of accounts in which shall be entered the transactions of the Joint Venture. Such books shall be maintained in the principal office of the Joint Venture or at such other office as shall be designated for such purpose by the Venturers, and all Venturers 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 accounting year.

12.3 Annual Operating Statements: Each Venturer shall receive an annual statement of gross receipts, operating expenses and net profits as prepared by the Joint Venture's accountants, and these statements will be delivered to each Venturer within a reasonable time after the close of the accounting year.

12.4 Audited Financial Statements. Audited financial statements may be requested by any Venturer hereto, and shall be prepared and furnished to any such Venturer for the year requested; provided, however, that the Venturer requesting such audited financial statements shall bear the cost of the preparation of the audited financial statements to the extent such cost exceeds the cost of unaudited financial statements.

13. Salaries. By agreement of the Venturers hereto, any Venturer may be paid a salary for his services to the Joint Venture.

14. Additional Venturers. Each Venturer hereby consents in advance to the admission of one or more Venturers or the formation of a limited partnership with one or more limited partners to raise additional capital projected to be needed to develop the Real Estate for resale. Upon the admission of such new or additional Venturers or the formation of a limited partnership, the percentages of ownership granted to such new or additional Venturers or limited partners shall be taken from the existing Venturers hereto in such amounts and in such fashion as may be agreed upon by the parties.

15. Admission of Substitute Venturers. No Venturer shall be permitted to substitute another as a party hereto or assign his interest to another except with the consent of the other Venturers hereto, and upon such terms and conditions as the Venturers may require in this Agreement, as the same may be amended from time to time. In the event that, upon the substitution of a Venturer, the Joint Venture shall make an election under Section 743(b) of the Internal Revenue Code, the said substituted Venturer shall pay all expenses incurred in the making of such election, including, but not limited to, legal and accounting expenses.

16. Withdrawal of a Venturer. No Venturer shall have the right to withdraw from the Joint Venture or sell, transfer, assign, pledge or otherwise dispose of all or any part of his interest in the Joint Venture without the written consent of the other Venturers, which consent may be withheld without cause or reason.

17. Dissolution and Termination of Joint Venture.

17.1 The Joint Venture shall be dissolved: (a) upon the occurrence of any event specified under this Agreement as one causing dissolution; (b) except as may be provided otherwise in this Agreement, upon the occurrence of any event specified under the laws of the State of Alabama as one causing dissolution; or (c) upon mutual consent of the Venturers hereto.

17.2 The proceeds from liquidation of Joint Venture assets shall be applied in the following order to the payment of: (1) debts and liabilities of the Joint Venture, other than those owed to Venturers; (2) debts and liabilities of the Joint Venture owed to Venturers; and (3) the capital interests of the Venturers as reflected in their respective capital accounts. The Venturers may elect to satisfy any of the payments due under this Section by distributing Joint Venture assets in kind instead of distributing proceeds from the sale of such assets. If, after satisfying all payments due under (1) and (2) as set forth hereinabove in this Section, Joint Venture assets remain that will be distributed in kind, certain adjustments to the Venturers' respective capital accounts shall be made pursuant to the following provisions:

(a) The Venturers shall determine the total fair market value of the Joint Venture assets remaining for distribution in

kind. Any dispute as to the fair market value of Joint Venture assets distributed in kind shall be settled and determined by arbitration.

(b) The Venturers shall determine the difference between the total fair market value of such assets and the aggregate adjusted bases in such assets.

(c) Said difference shall then be allocated to the capital accounts of the Venturers in the proportion of their respective interests in Joint Venture profits and losses.

17.3 In the event the debts and liabilities of the Joint Venture to persons other than Venturers exceed the proceeds from liquidation of Joint Venture assets, each Venturer shall contribute as a capital contribution to the Joint Venture a percentage of the excess equal to the percentage of such Venturer's interest in Joint Venture profits and losses.

17.4 Should a Venturer have a debit balance in his capital account resulting from withdrawals by or distributions to such Venturer in excess of his share of cash available for distribution, the debit balance shall represent an obligation from such Venturer to the other Venturers to be paid in cash within thirty (30) days after written demand by the other Venturers.

17.5 When all assets of the Joint Venture have been liquidated and distributed as provided herein and all affairs of the Joint Venture have been wound up and concluded, the Joint Venture shall terminate.

18. Miscellaneous.

18.1 As a matter of convenience to the Joint Venture, it is hereby mutually agreed and understood that all property or assets purchased by the Joint Venture shall be purchased in the name of the Joint Venture.

18.2 The Venturers are authorized, in the name of the Joint Venture, to open and maintain a bank account or accounts in any bank from time to time so designated by the Venturers in which shall be deposited all of the cash contributions of the Joint Venture and all other Joint Venture income. The withdrawal of funds in the Joint Venture bank account or accounts shall require the signature of the Managing Venturer.

18.3 The Managing Venturer may employ such persons as it deems advisable to perform services for the Joint Venture and compensate them in such amounts and in such manner as it may determine. It shall have the authority to employ such persons and determine the reasonable compensation to be paid such persons concerning the day-to-day affairs of the Joint Venture and the legal and accounting affairs of the Joint Venture.

18.4 Whenever provisions are made in this Agreement for the giving, service, or delivery of 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, 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.

18.5 This Agreement, together with the Agreement to Form Joint Venture, contains the entire agreement among the parties and supersedes any prior understanding (whether written or oral) respecting the subject matter of this Joint Venture. There are no representations, agreements, arrangements, or understandings (oral or written) between or among the parties hereto relating to the subject matter of this Joint Venture which are not fully expressed herein.

18.6 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.

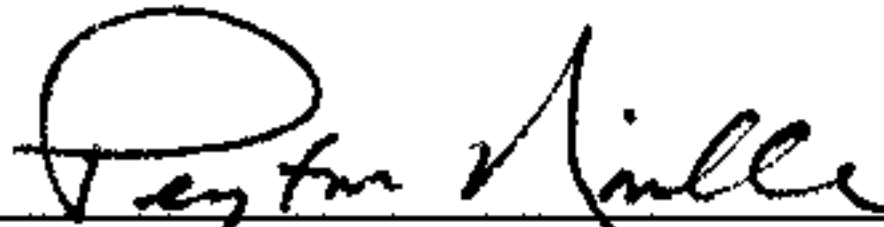
18.7 This Agreement shall be binding upon the heirs, executors, administrators, successors, assigns, or other personal representatives of the Venturers, who shall be bound to carry out the provisions of this Agreement.

18.8 The construction, validity and enforcement of this Agreement shall be determined according to the laws of the State of Alabama. The venue of any action or suit brought in connection herewith shall be in the county in which the Joint Venture has its principal office.

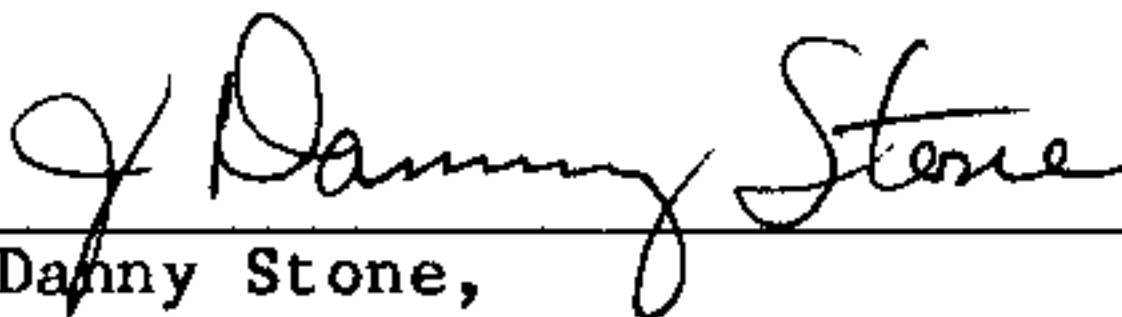
18.9 The captions or headings in this Agreement are made for convenience and general reference only and shall not be construed to describe, define or limit the scope or intent of the provisions of this Agreement.

IN WITNESS WHEREOF, the Venturers have hereunto set their hands and seals on the 30th day of OCTOBER, 1992.

GREYSTONE INVESTMENTS, INC.

By 
Peyton Norville,
Its President

STONE DEVELOPERS, INC.

By 
Danny Stone,
Its President

Ref: MS/2A48437

STATE OF ALABAMA)

SHELBY COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Peyton Norville whose name as President of Greystone Investments, Inc., a corporation, is signed to the foregoing Joint Venture Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Subscribed and sworn to before me on this 30th day of OCTOBER, 1992.



Notary Public

My Commission Expires:

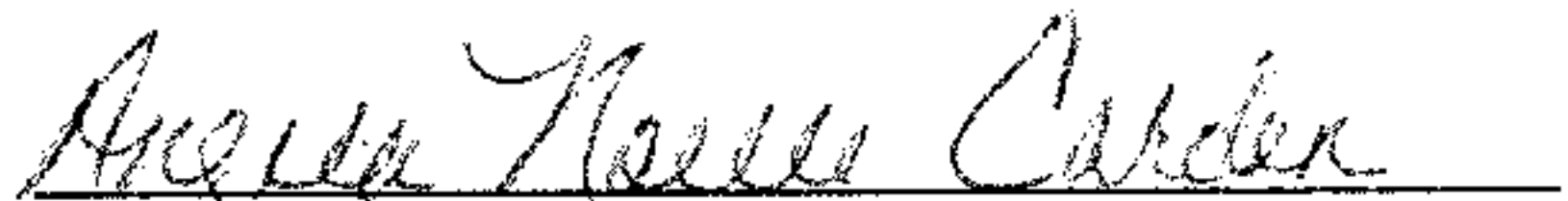
1-14-96

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Danny Stone, whose name as President of Stone Developers, Inc., a corporation, is signed to the foregoing Joint Venture Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Subscribed and sworn to before me on this 30th day of OCTOBER, 1992.



Notary Public

My Commission Expires: 10-30-93

EXHIBIT "A"


Description of Real Estate

PARCEL II:

Begin at a 3" capped iron locally accepted to be the northwest corner of said Section 4; thence run south along the west line of said Section 4 for a distance of 662.13 feet to an iron pin found; thence turn an angle to the left of 92° 24' 27" and run in an easterly direction for a distance of 1,169.70 feet to an iron pin set; thence turn an angle to the left of 55° 23' 07" and run in a northeasterly direction for a distance of 736.26 feet to an iron pin set on the north line of said Section 4; thence turn an angle to the left of 122° 34' 24" and run in a westerly direction along the north line of said Section 4 for a distance of 1,561.11 feet to the point of beginning. Said Parcel II containing 20.00 acres more or less.

I furthermore certify that there are no rights of-way, easements, or joint driveways over or across said land visible on the surface except as shown; that there are no electric or telephone wires (excluding wires which serve premises only) or structures or supports therefor, including poles, anchors and guy wires, on or over said premises except as shown: that I have consulted the Federal Insurance Administration "Flood Hazard Boundary Map" and found that this property is not located in "a special flood hazard area"; that there are no encroachments on said land except as shown; that improvements are located as shown above; and that the correct address is as follows: _____ according to my survey of: JANUARY 28, 1991.

K. B. WEYGAND & ASSOCIATES, P.C.


K. B. Weygand, Reg. Engr. - L. S. #11768
Telephone: (205) 991-8965

Order No.: _____
Purchaser: _____

Inst # 1992-25462

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