

THIS DOCUMENT PREPARED BY:

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ARTICLES OF INCORPORATION

OF

WALLACE HOME GALLERY, INC.

A Close Corporation Under The
Alabama Close Corporation Statute

We, the undersigned, in order to form a corporation under and pursuant to the law of the State of Alabama, hereby adopt the following Articles of Incorporation:

SECTION ONE. Name. The name of the corporation is WALLACE HOME GALLERY, INC.

SECTION TWO. Close Corporation. This corporation shall be a close corporation as authorized by the Alabama Business Corporation Act {Ala. Code § 10-2A-300 through § 10-2A-313 (1975)}, and shall be governed by all law governing or applicable to such close corporations.

SECTION THREE. Duration. The period of duration of the corporation shall be perpetual.

SECTION FOUR. Purposes and Powers.

(a) The purpose for which the corporation is organized is the transaction of any and all lawful business for which corporations may be organized under the Alabama Business Corporation Act, including, but not limited to the purchase and sale of real estate and the construction of residential dwellings or commercial buildings thereon.

(b) In furtherance, but not in limitation of the aforesaid purposes of this corporation, and without limitation of the powers conferred by statute or general rules of law, this corporation shall have the following powers in addition to others now or hereafter conferred

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by law:

(i) To purchase, acquire, take, receive, own, hold, improve, use, sell, convey, assign, exchange, trade, transfer, release, mortgage, encumber, pledge, lease, hire and deal in real and personal property or any interest therein of any kind or character, wherever situated.

(ii) To manufacture, purchase or otherwise acquire, own, mortgage, pledge, sell, assign and transfer, exchange or otherwise dispose of, and invest, trade and deal in and with goods, wares and merchandise and personal property of every class and description, whether or not the same specifically pertain to any class of business specifically enumerated among the purposes of this corporation; and to own and operate mines, plants, factories, mills, warehouses, yards, merchandise stores, commissaries and all other installations or establishments of whatever character or description, together with the equipment, rolling stock and other facilities used or useful in connection therewith or incidental thereto.

(iii) To apply for, purchase or acquire by assignment, transfer or otherwise, and hold, mortgage or otherwise pledge, and to sell, exchange, transfer, deal in and in any manner dispose of, and to exercise, carry out and put to use any license, power, authority, concession, franchise, letters patent of the United States or any foreign country, patent rights, processes, formulae, know-how, methods, copyrights, trademarks or any other right or privilege, and to grant licenses or rights in any of the foregoing and to make or grant any of the foregoing which any corporation can make or grant.

(iv) To acquire and pay for in cash, bonds or stock of this corporation or otherwise the goodwill, rights, assets, properties of any person, firm, partnership, association, trust, estate or corporation and to undertake, assume or enter into contracts of guaranty or indemnity with respect to the whole or any part of the obligations or liability of any such person, firm, association, trust, estate

or corporation; or in any manner dispose of the whole or any part of the properties so acquired; to conduct in any lawful manner the whole or any part of the business so acquired and to exercise all the powers necessary or convenient in and about the conduct and management of any such business, whether or not such business is directly or indirectly related to any class of business specifically enumerated among the purposes of this corporation.

(v) To acquire by purchase, subscription or otherwise, and to own, hold, sell, trade, exchange, lend, hypothecate, assign, deposit in escrow, pledge, mortgage, encumber, transfer or otherwise dispose of, invest in, deal in and deal with stocks, bonds, debentures, obligations, evidences of indebtedness, promissory notes, investment contracts, puts, calls, stock rights, participations, partnership interests (whether general or limited), mortgages or securities executed or issued by the government of the United States or by any other government, state, territory, governmental district, municipality, county, political entity or any subdivision or instrumentality of any foregoing, or by any person or individual, partnership, firm, association, trust, investment company, corporation or otherwise, whether public or private and whether organized and existing under the law of the State of Alabama or any other state or foreign country, and to issue and exchange for any or all such stock is, bonds, debentures, obligations, evidence of indebtedness, promissory notes, investment contracts, puts, calls, stock rights, participations, partnership interests, mortgages or other securities of this corporation, and this corporation shall have the express power to hold, sell, assign, transfer, mortgage, pledge, encumber, deposit in escrow, lend, hypothecate, trade or otherwise dispose of all or any part of its interest in any such stocks, bonds, debentures, obligations, evidences of indebtedness, promissory notes, investment contracts, puts, calls, stock rights, participations, partnership interests, mortgages or securities so acquired by it and, while the owner thereof, to exercise all the rights, privileges and

powers of ownership, including the right to vote thereon, to the same extent as a natural person may do, subject to the limitations, if any, on such rights now or hereafter provided by the law of the State of Alabama, or of such other jurisdiction as are applicable in the premises, whether or not the exercise of such rights of ownership involves the conduct, management, participations or ownership of any business related to any class of business specifically enumerated among the purposes of this corporation and whether or not the exercise of such rights of ownership and the retention of such property involves a sharing or delegation of control over business or property of this corporation with or to persons other than the Board of Directors of the corporation.

(vi) To borrow and lend money, without security, or upon the giving or receipt of such security as the Board of Directors of the corporation may deem advisable by way of mortgage, pledge, transfer, assignment, creation of security interests in or otherwise of income, or real and personal property of every nature and description, or by way of guaranty or otherwise.

(vii) To draw, make, accept, endorse, discount, execute and issue promissory notes, drafts, bills of exchange, warrants, debentures and other negotiable or transferable instruments.

(viii) To issue bonds, debentures or other securities or obligations and to secure the same by mortgage, pledge, deed of trust or otherwise.

(ix) To purchase, take, receive, redeem or otherwise acquire, hold, own, pledge, transfer or otherwise dispose of its own shares of stock, and its bonds, debentures, notes, scrip or other securities or evidences of indebtedness, and to hold, sell, transfer, reissue or cancel the same.

(x) To endorse or otherwise guarantee or obligate itself for, or enter into any indemnity agreement with respect to, or pledge or

mortgage all or any part of its properties for the payment of the principal or interest, or either, on any bonds, debentures, notes, scrip, coupons or other obligations or evidences of indebtedness, or the performance of any contract, mortgage or obligation, or the payment of dividends or the redemption or purchase price or liquidation rights of any stock, of any other corporation or association, domestic or foreign, or of any person, firm, partnership or joint venture.

(xi) To lend money and use its credit to assist its employees, officers, directors, suppliers, customers, subsidiaries and shareholders.

(xii) To enter into, make and perform contracts of every kind for any lawful purpose without limit as to amount or duration, with any person, firm partnership, trust, estate, association, corporation, state, territory, municipality, county, government, governmental district, body politic, or any subdivision or instrumentality thereof.

(xiii) To act as agent, jobber, broker or attorney-in-fact, selling and dealing in real and personal property of every nature and description and leases respecting the same and estates and interests therein and mortgages and securities thereon, in making and obtaining loans, whether secured by such property or not and in supervision, managing and protecting such property and loans and all interests in and claims affecting the same.

(xiv) To participate with any person, partnership, trust, estate, firm, association or corporation in any general partnership, limited partnership (whether as a general partner or as a limited partner, or both), joint venture, syndicate, pool or other association of any kind and to enter into any lawful arrangements for sharing of profits, union of interest, syndication, pooling of interests, reciprocal concession, joint ownership or cooperation, as partner (general or limited), joint venturer or otherwise, with any person, partnership, trust, estate, firm, association or corporation for the purpose of

any transaction, undertaking or arrangement, or the carrying on of any business within the power of a corporation organized under the law of Alabama, whether or not such a participation or arrangement involves sharing or delegation of control over the business or properties of this corporation with or to persons other than this corporation's Board of Directors and whether or not such participation or arrangements involve the conduct, management, participation or ownership of any business not related to any class of business specifically enumerated among the purposes of this corporation.

(xv) Subject to the limitations and restrictions imposed by Alabama law or by the law of any other jurisdiction; whose law is applicable in the premises, to indemnify any person who was or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals and including actions by or in the right of the corporation by reason of the fact that he or she is or was a director, employee or agent of this corporation, or is or was serving at the request of this corporation as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) and (if such action is not by or in the right of the corporation) judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the defense or settlement of such claim action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation; and to purchase and maintain insurance on behalf of any such person who is or was a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not this corporation would have the power to indemnify him or her against such liability.

(xvi) To make donations for the public welfare or for political, charitable, scientific or education purposes.

(xvii) To transact any lawful business which the Board of Directors find to be in aid of governmental policy.

(xviii) To have and exercise all powers necessary or convenient to effect its purposes, including its purpose to carry on any or all lawful business for which corporations may be organized under the Alabama Business Corporation Act.

SECTION FIVE. Authorized Shares. The aggregate number of shares of stock which the corporation shall have the authority to issue is 100 share of common stock of an single class with par value of \$1.00 per share.

SECTION SIX. Restrictions on Transfer of Stock. All issued share of stock of this corporation shall be subject to the following restrictions on transfer.

(a) For the purposes of this section:

(i) A shareholder desiring to sell or otherwise transfer, give or assign his or her stock in this corporation, in whole or in part, shall be referred to as the "offeror"; and

(ii) The shareholders, individually and collectively, of this corporation, other than the shareholder-offeror, shall be referred to as the "optionee".

(b) Any shareholder of this corporation may, without restriction or limitation, sell or otherwise transfer his or her stock herein, in whole or in part, to any other shareholder of this corporation.

(c) In the event any shareholder desires to sell or otherwise transfer his or her stock herein, in whole or in part, to a bona fide offeree other than a then

existing shareholder, the following procedures shall be followed:

(i) The offeror shall furnish and deliver to the corporation and to the optionee, at each of their last known business addresses, a letter of intent containing the name and address of the offeree, and complete details as to the terms and conditions of the offer under which the said sale or other transfer is to be effectuated.

(ii) The offeror shall grant to the corporation the first option and shall grant to the other shareholders of the corporation the second option to purchase said stock or effectuate such transfer of said stock to it or themselves, under the same terms and conditions as set forth in the letter of intent described in subsection (i) hereinabove.

(iii) The corporation shall be considered as the primary optionee and shall have thirty (30) days from the date of receipt of the letter of intent within which to exercise such option, by letter in writing, addressed to the offeror, and copies thereof to each of the other optionees, at each of their last known business addresses. Upon the failure of the corporation to exercise its option, if all the optionees elect to purchase said stock, said stock of the offeror shall be purchased by the optionees in the same proportion as their respective stock ownership in the corporation. If all optionees do not elect to purchase their proportionate share of the offeror's stock, such optionees who desire to purchase such stock shall be entitled to purchase such proportionate share of the offeror's stock as the percentage of his or her respective stock interest in the corporation bears to the total percentage of all stock interests in the corporation held by all of the optionees desiring to purchase the offeror's stock. Notwithstanding the foregoing, the election of the optionees to purchase proportionate shares of the offeror's stock not aggregating the offeror's entire stock shall be of no effect.

(iv) If the corporation and the option-

ees fail to elect to purchase said stock within said option period, then the offeror shall be free to sell all of his or her stock to the original offeree at the price and upon the terms and conditions set forth in said offer, provided, however, that such sale must be consummated within two (2) months following the expiration of the optionee's second option.

(v) Upon a sale or other transfer to the offeree, the offeree will then hold said stock as a shareholder, subject to all terms and conditions of these Articles of Incorporation in the place and stead of the selling shareholder, including the provisions contained in this section.

(vi) If said sale is not made between selling shareholder and such other purchaser within said two (2) month period after the expiration of said second option, all of the terms, conditions and restrictions of this section of these Articles of Incorporation shall be reinstated and the right of the selling shareholder to sell his stock to such purchaser pursuant to said original offer shall terminate.

SECTION SEVEN. Redemption of Stock by Corporation on Death of Shareholder. Upon the death of any Shareholder, the Corporation shall purchase and redeem, and the legal representatives of the Shareholder's estate shall sell and transfer to the Corporation, all shares of stock in the Corporation then owned by the deceased Shareholder for the Purchase Price and upon and subject to the terms, conditions and provisions hereinafter set forth:

(a) Purchase Price. The Purchase Price of all shares of stock to be purchased and sold hereunder shall be an amount equal to the book value thereof, as hereinafter determined by the Corporation's certified public accountant, as of the last day of the fiscal year of the Corporation immediately preceding the date of the

Shareholder's death.

(b) Determination of Book Value. The book value of such shares of stock shall be determined by the accountant or accounting firm then servicing the Corporation less any offsets or amounts owed to the Corporation by the deceased Shareholder. The determination, when made and delivered to the Corporation and Shareholder, shall be binding and conclusive upon the parties.

(c) Payment of Purchase Price. The Purchase Price shall be payable by the Corporation to the legal representatives of the Shareholder's estate under either of the following alternative methods at the election of the Corporation:

(i) Lump Sum. Payment of cash in full for the Purchase Price with offset or credit against the Purchase Price of any sum then owed to the Corporation by the deceased Shareholder regardless of whether any such indebtedness has then matured; or

(ii) In Installments. After offset or credit against the Purchase Price of any sums then owed to the Corporation by the deceased Shareholder regardless of whether any such indebtedness has then matured, the balance shall be payable in four (4) equal installments, the first such installment being payable twelve (12) months thereafter until the balance of the Purchase Price is paid in full.

(iii) Promissory Note. The indebtedness for the balance of the Purchase Price shall be evidenced by the Corporation's execution and delivery of an unsecured promissory note which shall bear interest at the rate of eight percent (8%) per annum upon the unpaid balance. The promissory note shall provide, in part, that the Corporation shall have the privilege of prepaying all or any part thereof at any time without penalty or fee but with interest to date of prepayment, and that a default in the payment of any installment after fifteen (15) days' written notice thereof shall cause the remaining unpaid installments to become immediately due and payable at the option of the holder.

(d) Closing. The closing shall take place on the last to occur of fifteen (15) days following (i) the determination of the purchase price; or (ii) the appointment of the legal representative of the Shareholder's estate. The closing shall occur at the offices of the Corporation in Jefferson County, Alabama. The exact time and place of the closing may be altered by the consent of all parties or their respective representatives.

SECTION EIGHT. Registered Office and Initial Registered Agent. The location and mailing address of the corporation's registered agent and the name of its initial registered agent at such address is:

| <u>Name</u> | <u>Address</u> |
|---------------|--|
| Steve Wallace | 752 Heatherwood Drive Birmingham, Alabama 35244 |

SECTION NINE. Initial Board of Directors. The initial Board of Directors shall consist of two (2) persons. The names and addresses of the persons who shall serve as directors until the first annual meeting of shareholders of the corporation or until the successors to such directors be elected and qualified are:

| <u>Name</u> | <u>Address</u> |
|----------------|--|
| Steve Wallace | 752 Heatherwood Drive Birmingham, Alabama 35244 |
| E. Kay Wallace | 752 Heatherwood Drive Birmingham, Alabama 35244 |

SECTION TEN. Incorporators. The names and addresses of the incorporators are:

| <u>Name</u> | <u>Address</u> |
|---------------|--|
| Steve Wallace | 752 Heatherwood Drive Birmingham, Alabama 35244 |

E. Kay Wallace

752 Heatherwood Drive
Birmingham, Alabama 35244


SECTION ELEVEN. Limitation on Number of Shareholders. All of the corporation's shares, exclusive of treasury shares, shall be held of record by not more than ten.

SECTION TWELVE. Cumulative Voting Rights. Each outstanding share of stock shall be entitled to one vote on each matter submitted to a vote at a meeting of the shareholders, provided, however, that at each election for directors, every shareholder shall be entitled to cumulate his votes by giving one candidate as many votes as the number of directors to be elected multiplied by the number of his share shall equal, or by distributing such votes on the same principle among any number of such candidates.

SECTION THIRTEEN. Reservation of Power to Amend Bylaws. The power to alter, amend or repeal any bylaw of the corporation, or to adopt new bylaws, shall be vested in the Board of Directors except that the Board of Directors shall not have the power to alter, amend or repeal any bylaw, reserving to the shareholders the power to fill vacancies on the Board of Directors, or fixing the time and place of shareholders' meetings or establishing what constitutes a quorum at a shareholders' meeting.

IN WITNESS WHEREOF, we have hereunto set out hands and seals
this 24th day of January, 2002.


_____(SEAL)
STEVE WALLACE, Incorporator


_____(SEAL)
E. KAY WALLACE, Incorporator

STATE OF ALABAMA

I, Jim Bennett, Secretary of State of the State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that pursuant to the provisions of Section 10-2B-4.02, Code of Alabama 1975, and upon an examination of the corporation records on file in this office, the following corporate name is reserved as available:

Wallace Home Gallery, Inc.

This domestic corporation name is proposed to be incorporated in Shelby County and is for the exclusive use of E Kay Wallace, 1804 7th Avenue N, Birmingham, AL 35203 for a period of one hundred twenty days beginning January 30, 2002 and expiring May 31, 2002.



In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the City of Montgomery, on this day.

January 30, 2002

Date

Jim Bennett

Secretary of State

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