

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT (this "**Memorandum of Agreement**") is entered into and is effective this the 23rd day of September, 2013 by Oliver C. Graham and Gala C. Graham, Trustees of The Graham Living Trust, maintaining a principal mailing address at 5018 Greystone Way, Hoover, Alabama 35242, and his/her/their/its successors and assignees ("**Purchaser**"), to and for the benefit of **Daniel Senior Living of Inverness II, LLC**, maintaining an address at 3660 Grandview Parkway, Suite 100, Birmingham, Alabama 35243 ("**Seller**"), and its successors and assignees.

A. Purchaser and Seller have heretofore entered into a Danberry Lot Purchase Agreement dated July 31, 2013 (the "**Purchase and Sale Agreement**") pursuant to which Purchaser has agreed to purchase from Seller and Seller has agreed to sell to Purchaser the following described real property located in Shelby County, Alabama (the "**Property**"):

Lot 22B, according to the Survey of The Cottages of Danberry, Resurvey No. 3 (the "**Subdivision Plat**") as recorded in Map Book 41, Page 80 in the Office of the Judge of Probate of Shelby County, Alabama (the "**Probate Office**").

B. Capitalized terms not otherwise defined herein shall have the same meanings given to them in the Purchase and Sale Agreement.

C. Pursuant to the Purchase and Sale Agreement, Purchaser has agreed to construct a specific single family home on the Property (the "Home") in compliance with all of the following criteria (collectively, the "**Performance Criteria**"):

(a) All plans and specifications for the Home must be approved in the manner set forth in the Declaration and the Inverness Declaration.

(b) All exterior materials to be used in the construction of the Home must be approved by Seller *prior to the commencement of any construction activities on the Property*. All such materials shall be consistent in quality, grade and style as used on the existing homes within the Development.

(c) The contractor or builder (the "Home Builder") which Purchaser selects to construct the Home on the Property must be approved by Seller, which approval may be granted or withheld by Seller in its sole and absolute discretion. *Such Home Builder must be approved by Seller prior to the commencement of any construction activities on the Property*. In the event Seller does not approve Purchaser's selected Home Builder, Purchaser shall select another builder or contractor for approval by Seller.

(d) Purchaser and its Home Builder will each execute an agreement with Seller obligating Purchaser and Home Builder to comply with Seller's construction site rules and regulations *prior to the commencement of any construction activities on any portion of the Property*.

(e) Purchaser covenants and agrees that Purchaser or its approved Home Builder shall submit a building application for the Home to the City within thirty (30) days of the date of this Memorandum of Agreement.

(f) Purchaser covenants and agrees to cause its approved Home Builder to maintain continuous construction activity on the Property without interruption lasting more than seven (7) consecutive days and will promptly cause the Home to be constructed and completed in accordance with the terms and provisions of Paragraph below.

(g) Purchaser shall cause Home Builder to contract with and recognize Daniel Homes, LLC as the co-operating broker and remit to Daniel Homes, LLC a commission of two and one-half percent (2.5%) of the total value of the Home (not including the Property) on or before completion of construction of the Home on the Property.

In the event any of the Performance Criteria are violated in any respect by Purchaser, then Seller shall have the right to exercise the Repurchase Option, as defined below.

D. Furthermore, pursuant to the Purchase and Sale Agreement, Purchaser has agreed to the following regarding the construction and completion of a Home on the Property (collectively, the "**Construction Obligations**"):

(a) Purchaser has agreed to commence construction of a Home on the Property on the earlier of (1) 15 days following the issuance of a building permit by the City or (2) October 15, 2013 (the "**Required Commencement Date**"). The construction of a Home on the Property must satisfy all of the terms, covenants, conditions and requirements set forth in the Declaration, the Inverness Declaration and the Purchase and Sale Agreement. As used herein and in the Purchase and Sale Agreement, the terms "**commence construction**", "**commencement of construction**" or "**construction commencement**" shall mean the clearing of the building site of the Property and the laying of the foundation for the Home on the Property, whichever first occurs, in accordance with plans and specifications approved in accordance with the terms and provisions of the Declaration and this Agreement; and

(b) Purchaser has agreed to complete construction of a Home on the Property on the earlier of (1) 180 days following commencement of construction of a Home on the Property or (2) April 15, 2014 (the "**Required Completion Date**"). The completion of construction of a Home on the Property must satisfy all of the terms, covenants, conditions and requirements set forth in the Declaration and the Purchase and Sale Agreement. As used herein and in the Purchase and Sale Agreement, the terms "**complete construction**" or "**completion of construction**" shall mean the date on which a final certificate of occupancy is issued by the City for the Home to be constructed on the Property and Seller has inspected the Property and the Home and has determined that the Home was completed in accordance with the Declaration and the Purchase and Sale Agreement.

In the event of any violation by Purchaser of the Construction Obligations, then Seller shall have the right to exercise the Repurchase Option, as defined below.

E. Purchaser has also agreed in the Purchase and Sale Agreement that if Purchaser desires to sell the Property (and any improvements constructed thereon) at any time (collectively the "Resale Prohibition") (a) prior to completion of construction of a Home on the Property or (b) at any time prior to one (1) year following completion of construction of the Home on the Property, then Seller shall have the right to repurchase the Property pursuant to the Repurchase Option, as hereinafter defined.

F. Contemporaneously herewith, the Property has been sold, transferred and conveyed by Seller to Purchaser.

G. The parties hereto acknowledge and agree that all of the terms and provisions of this Memorandum of Agreement shall be binding upon Seller and Purchaser and their respective heirs, executors, successors and assigns including, without limitation, all mortgagees of Purchaser and all subsequent purchasers of the Property to the extent a Home has not been commenced or completed on the Property within the time parameters set forth in this Memorandum of Agreement.


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Shelby Cnty Judge of Probate, AL
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NOW, THEREFORE, in consideration of the sum of Ten and No/100 U.S. Dollars (\$10.00), the mutual covenants and obligations set forth in the Purchase and Sale Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Purchaser agrees as follows:

1. Recitals. Seller and Purchaser do hereby acknowledge and agree that all of the foregoing Recitals are true and correct and are hereby incorporated by this reference into this Agreement, which Recitals shall continue to be binding on Seller and Purchaser from and after the date of execution of this Memorandum of Agreement.

2. Incorporation of Purchase and Sale Agreement. All of the terms and provisions of the Purchase and Sale Agreement are incorporated herein by reference and made a part hereof as if fully set forth in this Memorandum of Agreement.

3. Repurchase Option. Purchaser, for themselves, their heirs and assigns, hereby acknowledge and agree that upon the occurrence of any default in the Performance Criteria, any default in the timely performance of the Construction Obligations or if Purchaser desires to sale the Property or any part thereof in violation of any Resale Prohibition, then in any such event, Seller has been granted the right in the Purchase and Sale Agreement to repurchase the Property and any improvements thereto subject to and upon the terms and conditions set forth in the Purchase and Sale Agreement, the terms of which shall be and are covenants running with the land and which shall be binding upon Purchaser and their respective heirs and assigns.

4. Priority. The Repurchase Option shall be superior to all liens except the lien of all mortgages held by any mortgagees of Purchaser, taxes, bonds, assessments or other liens which by law would be superior.

5. Release of Rights. Notwithstanding anything stated herein to the contrary, this Memorandum of Agreement and Seller's right to lien the Property shall automatically terminate upon the earlier to occur of: (a) one (1) year following completion of construction of the Home on the Property, except in the event of sale due solely to job transfer outside the Birmingham, AL area or (b) ten (10) years from the date hereof. At such time as this Memorandum of Agreement terminates, Seller shall, if requested, execute a release or termination agreement terminating this Memorandum of Agreement and all of Seller's rights hereunder.

6. Binding Effect; Successors and Assigns. All of the terms and provisions of the Purchase and Sale Agreement and this Memorandum of Agreement, including, specifically, the Repurchase Option set forth in the Purchase and Sale Agreement, shall be binding upon and inure to the benefit of Seller and Purchaser and their respective heirs, executors, successors and assigns.

7. Notices. All notices required or permitted by this Memorandum of Agreement shall be delivered in person or by overnight courier delivery service by a reputable national overnight courier delivery service (delivery charges prepaid for next business day delivery) to Purchaser and Seller at the respective addresses stated at the beginning of this Memorandum of Agreement. Notices given by overnight courier delivery service shall be effective and deemed given on the next business day following deposit of the same with the applicable reputable national overnight courier delivery service if delivery has been properly prepaid and addressed.

8. Assignment of Seller's Rights. Seller may assign any of its rights described herein in whole or in part to one or more persons or entities.

9. Definition of "Purchaser". The term "Purchaser" as used herein shall mean and include the person or entity identified as "Purchaser" at the top of the first page of this Memorandum of Agreement and all heirs, executors, successors and assigns of such Purchaser, including, without limitation, all mortgagees and subsequent purchasers of the Property.



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IN WITNESS WHEREOF, Purchaser has caused the foregoing Memorandum of Agreement to be executed effective the date first dated above.

Purchaser:

Oliver C. Graham
Oliver C. Graham, as Trustee of The Graham
Living Trust dated September 14, 2012

Gala C. Graham
Gala C. Graham, as Trustee of The Graham
Living Trust dated September 14, 2012

STATE OF ALABAMA)
 :
SHELBY COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that OLIVER C. GRAHAM, whose name as Trustee of The Graham Living Trust dated September 14, 2012, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, in his capacity as such Trustee, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 23rd day of September, 2013.

[Signature]
Notary Public

[NOTARIAL SEAL]

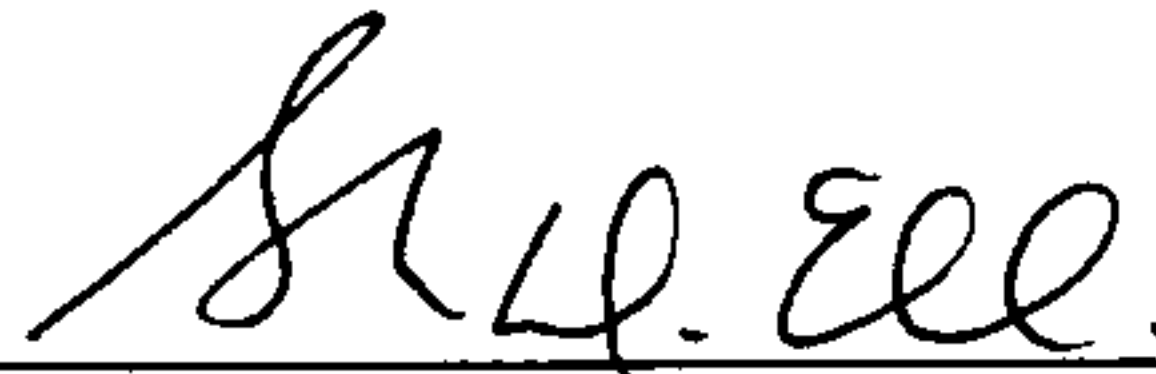
My commission expires: 3/23/2014


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STATE OF ALABAMA)
 :
SHELBY COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that GALA C. GRAHAM, whose name as Trustee of The Graham Living Trust dated September 14, 2012, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, in her capacity as such Trustee, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 23rd day of September, 2013.



Notary Public

{NOTARIAL SEAL}

My commission expires: 3/23/2014


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