

**JOINT VENTURE AGREEMENT
IMPROVED REAL ESTATE**

This Agreement, made this 18 day of June, 1998 by and between: the Monaville Volunteer Fire Department, a Texas nonprofit corporation of Waller County, Texas ("MVFD"), and the Waller County Volunteer E.M.S. ("WCVEMS"), a Texas nonprofit corporation of Waller County, Texas, for the benefit of all the parties.

WITNESSETH:

That MVFD has at its sole cost and expense, for and on the behalf of all of the parties hereto, contracted to purchase or has acquired certain real estate as set forth in Exhibit 1 hereto (which Exhibit 1 is expressly incorporated herein by this reference and is hereinafter referred to as the Premises). Accordingly, MVFD hereby donates said real estate to this venture.

It is mutually agreed by the parties that MVFD and WCVEMS are to furnish necessary funds in the approximate amounts as set forth in Exhibit 2 hereto (which Exhibit 2 is expressly incorporated herein by this reference and is hereinafter referred to as the Estimate) for the construction of improvements to the Premises to be used by both Parties. Contracts and specifications for the improvements shall be agreed to by both parties and such contracts shall be executed by and in the name of MVFD.

And in further consideration of the mutual interests of the parties, it is further agreed and understood by and between the parties that:

(1) Title to the Premises shall, when purchased, be taken in the name of MVFD, who is to hold said title in its name only for the sake of convenience of both the parties as trustee.

(2) Both parties shall equally furnish labor and material for the construction and repair of the Premises in a good and workmanlike manner, and the net cost of same shall be charged to the venture, according to such plan or plans as may be mutually agreed upon by the parties prior to the commencement of such work. Costs of the work shall be borne by the parties equally. It is provided however that interior areas of the Premises to be used more or less exclusively by one of the parties shall be built out by the party so exclusively utilizing such space at its sole cost and expense.

(3) Initially, the cost of utilities shall be equally shared by the parties. After both parties assume occupancy of the Premises on a regular basis, the parties shall by mutual agreement meet and agree on an equitable division of such utilities.

(4) Other expenses arising from the operation, maintenance, and use (including but not limited to the costs of insurance) of the Premises shall be equally borne by the parties.

(5) Provided that each party is current in their respective obligations hereunder, each party shall be permitted to peacefully occupy and enjoy the use the use of the Premises on an equal basis.

C A D V

(6) In the event the Premises are sold, then the proceeds received shall be distributed as follows:

- a. FIRST, to all expenses of acquiring and selling the Premises,
- b. SECOND, to all expenses associated with the work done on the Premises for construction of improvements, repair and rehabilitation,
- c. THIRD, to all taxes, utilities, and other similar expenses incurred while the Premises are beneficially owned in the name of MVFD,
- d. FOURTH, to all other reasonable and necessary costs arising from or connected with this venture which have been approved by the parties, and
- e. FIFTH, the balance of the money derived from the sale of the Premises shall be divided equally among the parties.

(5) The parties shall establish a Building Committee which shall be responsible for the general management of the Premises.

(6) The primary term of this Agreement shall be for a period of twenty-five years from the date hereof, provided that this agreement shall automatically renew itself for five year terms thereafter, unless cancelled by either party at least one year prior to the end of the primary term or any succeeding renewal term.

(7) If any party should materially breach this Agreement, the other party shall notify the breaching party of such, including the reason(s) for such breach. The breaching party shall have sixty (60) days to cure such breach after receipt of such notice or shall have thirty (30) days to contest the reason or reasons cited for such breach and/or adjust the complaint. In the event that the reason(s) cited for such breach are not cured or settled within such sixty (60) day period of time, then the nonbreaching party shall be delivered exclusive occupancy of the Premises and the breaching party shall promptly vacate the Premises and surrender and convey all of its rights to the Premises (and lands on which the Premises are erected) thereafter.

In the event of continued disagreement between the parties, the parties stipulate and agree that all disputes arising under this Agreement shall first be submitted to arbitration. Said arbitration shall be conducted under the commercial arbitration rules of the American Arbitration Association.

(8) All notices required hereunder shall be in writing and shall be hand delivered to an office of the other party or transmitted via certified mail, return receipt requested.

(9) This Agreement shall be binding on and between the parties, their officers, directors, agents, successors, and assigns, as fully to all intents and purposes as if such were named herein in each and every instance with the parties hereto.

COPY

(10) No party shall, without the consent of the others, assign its share in the venture or rights to occupy the Premises.

(11) This Agreement represents the full, entire, and complete understanding of the parties. All other agreements, understandings, contracts, covenants, and suchlike are completely merged herein or are deemed null and void.

(12) THIS AGREEMENT SHALL BE GOVERNED UNDER THE LAWS OF THE STATE OF TEXAS AND VENUE HEREOF SHALL LIE EXCLUSIVELY IN THE COURTS OF WALLER COUNTY, TEXAS.

AGREED TO AND ACCEPTED by the undersigned parties this 18th day of June, 1998 at Waller County, Texas.

For MVFD:

Stephen M. Scarborough
By [Name]: STEPHEN M. SCARBROUGH
Title: President, MVFD

Attest:

Michael A. ...
Name: MICHAEL A. ...
Secretary

For WCVEMS:

Royce M. Worrell
By [Name]: ROYCE M. WORRELL
Title: EXECUTIVE DIRECTOR, WCVEMS

Attest:

Robert D. Young Jr
Name: Robert D Young Jr
Secretary

COPY

STATE OF TEXAS §
COUNTY OF WALLER §

This instrument was acknowledged before me on June 18
1998, by STEPHEN SCAR BROUGH as President of the Monaville
Volunteer Fire Department, a Texas non profit corporation, on the behalf of said corporation.

[SEAL]

Barbara Stafford
Name: BARBARA STAFFORD
Notary Public in and for
The State of TEXAS

My commission expires:

STATE OF TEXAS §
COUNTY OF WALLER §

This instrument was acknowledged before me on June 18
1998, by ROYCE M. WORRELL as President of the Waller
County Volunteer E.M.S, a Texas non profit corporation, on the behalf of said corporation.

[SEAL]

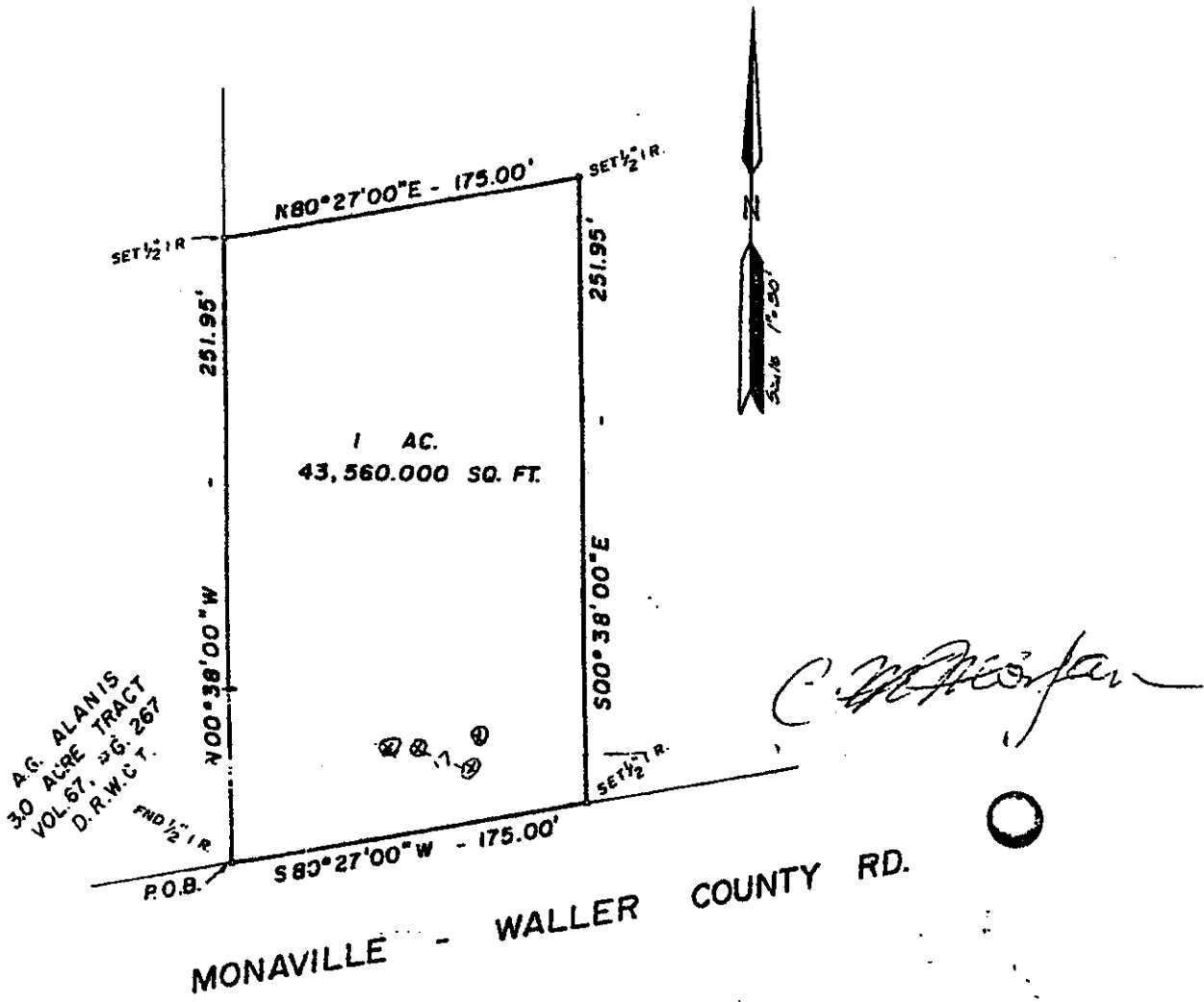
Barbara Stafford
Name: BARBARA STAFFORD
Notary Public in and for
The State of TEXAS

My commission expires:

COPY

Y2000

EXHIBIT I
Legal Description of the Location of the Premises



DESCRIPTION OF PROPERTY
 All that certain tract or parcel of land being out of that certain 151.494 acre tract described in a deed from Sallie Mae Smith to Robert Hereta, Jr., Recorded in Volume 188, Page 327, of the Deed Records of Waller County, Texas.

PURCHASER ADDRESS
 Monaville - Waller County Road

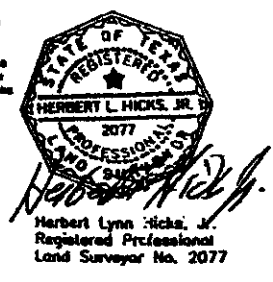
DATE 10-03-94
SCALE 1"=50'
G. F. NO.

The above described property does not lie in the 100 yr. flood plain as defined by H.U.D./F.I.A.

Parcel 480640008-8
 Revised 12-18-95

JOB NO. H4-110-94

I do hereby certify that the above property has been surveyed under my supervision, is true and correct, that the corners of the property have been set, left as found, or re-established, that the property has access to a dedicated public roadway, and that there are no discrepancies or encroachments on this property unless shown; that this survey is to be used in conjunction with the Title Report.



COPY