

MEMPHIS TITLE

DIVISION OF ST. PAUL TITLE

OPTION CONTRACT

(Total number of executed copies made.....)

MEMPHIS, TENNESSEE, JAN. 11, 1996.

THIS OPTION CONTRACT, this day entered into by and between.....
WILLIAM DALTON CORNELIUS, JR., party of the first part, and
PERRY EASTERWOOD AND WIFE JUDY EASTERWOOD
....., party of the second
part, Witnesseth, that

WHEREAS, the said party of the first part is the owner of the following described parcel of real estate or tract of land lying in...OLIVE BRANCH....., County of....., State of...MISSISSIPPI....., to-wit:
5943 LEE'S CROSSING, OLIVE BRANCH, MS 38654

STATE MS. - DE SOTO CO. *BC*
FILED

JAN 16 1 28 PM '96

BK 70 PG 448
W.E. DAVIS CH. CLK.

AND WHEREAS, the said party of the first part is desirous of selling the same;

NOW, THEN, in consideration of the receipt of (\$3,236.00.....) THREE THOUSAND TWO HUNDRED THIRTY SIX & NO/100 Dollars, cash in hand, hereinafter designated option money, paid by the said party of the second part to the said party of the first part, the said party of the first part does hereby give and grant to the said party of the second part, or any person he may designate, the right to purchase said above described parcel of real estate at any time from this date up to and including the 31ST day of..... JANUARY....., 1998., at 12:00 Noon of said day, Central Standard Time. If the party of the second part exercises this option, the party of the second part shall give the party of the first part written notice of his intention by the aforesaid date, said notice to be delivered in person or mailed by registered mail, postmarked on or prior to the date and time herein specified, to the address of the said party of the first part at.....
If the party of the second part does not exercise this option as aforesaid, said option money shall be retained by the party of the first part, but if the party of the second part does exercise this option the option money shall be disposed of as set out hereinafter.

If the party of the second part exercises this option, the terms of the sale will be as follows:

The party of the first part, hereinafter designated as Seller, covenants and agrees to sell and convey said real estate, with all improvements thereon, or cause the same to be conveyed, by good and sufficient warranty deed, unto the party of the second part, hereinafter designated as Purchaser, or unto such person or persons as he may designate (the undersigned Purchaser, however, shall not be released from any of the Purchaser's agreements and undertakings or from the obligation to sign any purchase money note(s) as set forth herein, unless otherwise stated); and Purchaser covenants and agrees to purchase and accept the same, at and for the total price of (\$SEE BELOW *) SEE BELOW* Dollars, of which the option money shall be a credit unless otherwise specified, and upon terms as follows:

*THE TOTAL PURCHASE PRICE SHALL BE THE BALANCE DUE AND OWING TO COUNTRYWIDE FUNDING FOR THE FIRST MORTGAGE AT THE TIME THE OPTION IS EXERCISED BY SECOND PARTIES.

1. SECOND PARTIES HAVE THE RIGHT TO EITHER ASSUME THE EXISTING FHA LOAN ON THE SUBJECT PROPERTY NOW WITH COUNTRYWIDE FUNDING, IF ASSUMABLE, OR TO OBTAIN NEW FINANCING.
2. ALL FUNDS ON DEPOSIT IN FIRST PARTY'S ESCROW ACCOUNT WITH COUNTRYWIDE FUNDING, AND THE HAZARD INSURANCE POLICY, WILL BE TRANSFERRED TO SECOND PARTIES AND WILL BE INCLUDED IN THE PURCHASE PRICE.

The improvements on Property are to be delivered in as good condition as they are as of the date of this contract, ordinary wear and tear excepted, and if not in such condition when final settlement is made, Seller is obligated to put them in such condition, or to compensate Purchaser for his failure to do so, but in the event of destruction by fire, or otherwise, Seller's liability shall in no event be more than the appraised value of the improvements so destroyed.

Deferred payments, if any, are to be evidenced by promissory note(s) of Purchaser payable on or before maturity, bearing interest at N/A . . . per cent per annum, and secured by a deed of trust on Property in the form generally used by banks and title insurance companies in Memphis, Tennessee. Settlement and payment of balance, if any, of cash payment shall be made upon presentation of a good and valid warranty deed with the usual covenants and conveying a good and merchantable title, after allowing fifteen days from completion of title search or the delivery of abstracts for examination of title. At the election of Purchaser, Seller agrees promptly to furnish, for examination only, either title search or adequate abstracts of title, taxes, and judgments, covering Property, or at Seller's option, a policy of title insurance by one of the title insurance companies with offices in Memphis for the amount of the above purchase price, insuring marketability of title and paid for by Seller. Adequate abstracts of title, taxes and judgments are those required by a title insurance company with an office in Memphis as the basis for the issuance of a policy of title insurance. In the event of controversy regarding title, a title insurance policy covering Property, issued by any local title insurance company for the above purchase price, shall constitute and be accepted by Purchaser as conclusive evidence of good and merchantable title.

If the title is not good and cannot be made good within a reasonable time after written notice has been given that the title is defective, specifically pointing out the defects, then the above earnest money shall be returned to Purchaser and the usual commission shall be paid to the undersigned Agent by Seller. If the title is good and Purchaser shall fail to pay for Property as specified herein, Seller shall have the right to elect to declare this contract cancelled, and upon such election, the earnest money shall be retained by and divided equally between Seller and Agent, as liquidated damages and commission respectively, but in no event shall Agent's share exceed the regular commission. The right given Seller to make the above election shall not be Seller's exclusive remedy, and either party shall have the right to elect to affirm this contract and enforce its specific performance or recover full damages for its breach. Seller's retention of such earnest money shall not be evidence of an election to declare this contract cancelled, as Seller shall have the right to retain his portion of earnest money to be credited against damages actually sustained. Seller agrees to pay the undersigned Agent a commission of N/A % of the sale price. Unless otherwise specified herein such commission is to be paid in cash out of the net proceeds of the sale at time of closing this transaction. Failure to close shall not relieve Seller of his obligation to pay a commission as provided herein. If property is being exchanged, each party hereto agrees to furnish either title search or adequate abstracts of title and pay the Agent the commission on the real estate each contracts herein to convey, and otherwise fulfill obligations incumbent upon Seller as outlined above. Any abstracts covering Property only will become the property of Purchaser subject to rights of mortgage holder.

Seller is to pay for preparation of deed, recording of purchase money trust deed, if any, title search or abstract, state tax and Register's fee on trust deed, and notary fee on deed. Seller authorizes Agent to order title search or abstract for which Seller agrees to pay. Purchaser is to pay for preparation of note, or notes, and trust deed, notary fee on trust deed, recording of deed, state tax and Register's fee on deed, and expense of title examination or title insurance, if any. Seller and Purchaser are to share equally in paying closing fee and loan transfer fee, if any, in connection with transaction. If Purchaser obtains a loan on Property, he is to pay all expenses incident thereto.

Should there be any tax, insurance or other accrual items on deposit with the holder of any debt secured by Property and assumed by Purchaser, at the time of closing Purchaser shall reimburse Seller therefor. This instrument when signed only by the prospective Purchaser shall constitute an offer which shall not be withdrawable in less than 48 hours from the date hereof.

Purchaser accepts Property in its existing condition, no warranties or representations having been made by Seller or Agent which are not expressly stated herein.

As used herein, where applicable: "Seller" and "Purchaser" include the plural; the masculine includes the feminine or neuter gender.

WITNESS the signatures of all parties the day and year above written.

Subject to clearance of any check given, the undersigned Agent acknowledges receipt of the above mentioned earnest money which is held in trust subject to the terms of this contract.

Perry Easterwood
 PERRY EASTERWOOD
 JUDY EASTERWOOD
 JUDY EASTERWOOD Purchaser
William M. Dalton Cornelius Jr.
 WILLIAM DALTON CORNELIUS, JR. BY
 PATRICIA ANN CORNELIUS, ATTORNEY-IN-FACT Seller

By *Patricia Ann Cornelius*
 PATRICIA ANN CORNELIUS, SELLER
 Purchaser's address

Seller's address Telephone

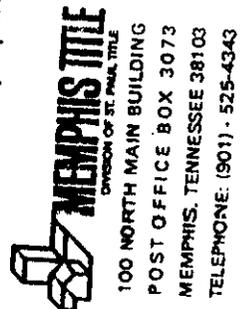
What is TITLE INSURANCE?

Title insurance is the modern method of real estate title protection. A policy of title insurance protects the insured against a partial or total loss arising out of defects, liens and encumbrances in the title to real estate.

What is the difference between an owner's and a mortgage policy?

An Owner's Policy protects the interest of the owner of real estate. It assures him that his title is good and provides for defense of the title at the expense of the insurance company, if it is challenged or questioned by others.

The Mortgage Policy only protects the mortgage lender. The protection terminates immediately when the loan is paid off, while the protection of the Owner's Policy is always in the full force amount thereof, and continues as long as the owner or his heirs have an interest in the property.



STATE OF TENNESSEE
COUNTY OF SHELBY

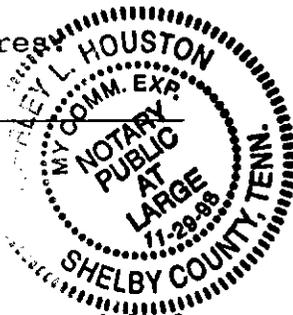
Personally appeared before me, the undersigned Notary Public in and for said county and state, PATRICIA ANN CORNELIUS, to me known (or proved to me on the basis of satisfactory evidence) to be the person who executed the foregoing instrument on behalf of WILLIAM DALTON CORNELIUS, JR., as his Attorney-in-Fact and acknowledged that she executed the same as the free act and deed of the said WILLIAM DALTON CORNELIUS, JR. for the purposes therein contained.

WITNESS MY HAND at office this the 12 day of January, 1996.

Shirley L. Houston

NOTARY PUBLIC

My Commission Expires _____



STATE OF TENNESSEE
COUNTY OF SHELBY

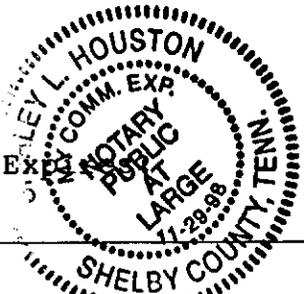
Personally appeared before me, the undersigned Notary Public in and for said county and state, PERRY EASTERWOOD AND WIFE, JUDY EASTERWOOD, AND PATRICIA ANN CORNELIUS, to me known (or proved to me on the basis of satisfactory evidence) to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed for the purposes therein contained.

WITNESS MY HAND at office this the 12 day of January, 1996.

Shirley L. Houston

NOTARY PUBLIC

My Commission Expires _____



THIS INSTRUMENT PREPARED BY & RETURN TO: Beverly Ray Owens,
Attorney at Law, 3201 - 100 N. Main Bldg., Memphis, TN 38103

525-7581