

Prepared by:

Dudley Bridgforth
1607 Stateline Road W.
South Avon, MS. 38671
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BOOK 70 PAGE 773

DEVELOPMENT AGREEMENT

This Development Agreement made and entered into this 13th day of February, 1995, by and between Edward A. Crumpler, Dianna T. Crumpler, Edward A. Crumpler, Jr. and Marla Crumpler Grewe, hereinafter collectively referred to as "FIRST PARTIES" and John Hyneman Development Co., Inc., a Mississippi Corporation and Anthony M. McGregor, an individual, hereinafter collectively referred to as "SECOND PARTIES", WITNESSETH:

WHEREAS, First Parties are the Owners of various parcels of Real Estate situated in the City of Olive Branch, Mississippi at or near the intersection of U. S. Highway No. 78 and Goodman Road; and

WHEREAS, said Properties which originally consisted of approximately 350 acres, more or less, were previously subject to a Joint Venture Agreement between First Parties and Walter Utley and Mark Utley, hereinafter referred to as "UTLEYS", pursuant to a Joint Venture Agreement known as Olive Branch Ventures and a Limited Partnership known as Crumpler Place, L.P.; and

WHEREAS, portions of said Property were developed pursuant to said agreements into residential, office and commercial subdivisions known as Crumpler Place and the Villages of Crumpler Place; and

WHEREAS, by written documents between First Parties and Utleys, said Joint Venture Agreement and Limited Partnership Agreement have been terminated by mutual agreement of the parties hereto except as to various properties in the process of being developed but not yet sold; and

WHEREAS, First Parties and Second Parties are desirous of entering into this development agreement for the express purpose of fully setting forth their agreement for development of the remainder of the Properties and such is the purpose of this instrument.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual agreements and covenants of the Parties hereto and other good and valuable considerations flowing to each of the parties, the receipt and sufficiency of which is hereby acknowledged, First Parties and Second Parties agree as follows, to-wit:

1. Subject Property:

First Parties and Second Parties mutually agree that this agreement shall apply to all of the Properties owned by First Parties in the vicinity of the aforesaid intersection except as hereinafter excluded. The Parties hereto recognize that the agreements terminating the prior agreements between the Utleys and First Parties do necessarily involve a continuing relationship between First Parties and the Utleys as to completion of

development and sale of certain properties that were under development by the Utleys and First Parties at the time of termination of their agreement. Said termination agreements specifically provide for the completion of development and sale and division of profits derived from said sale. The Parties agree that said properties which are scheduled on Exhibit "A" attached hereto are hereby excluded from this agreement and this agreement expressly applies only to other properties owned by First Parties in the vicinity of the aforesaid intersection.

2. Development Company:

✓ First Parties and Second Parties hereby agree that Second Parties shall form a development company which shall be in the form of either a limited liability company, a limited partnership or a development corporation. The parties contemplate that Properties to be developed shall by agreement of the parties be transferred by First Parties to said development company. As consideration therefore the Development company shall execute and deliver unto First Parties a Promissory Note covering the base price per acre as hereinafter set forth, which note shall be upon terms agreed upon by both parties and shall be secured by a deed of trust on the property so conveyed. First Parties agree to subordinate said deed of trust for the base acreage amount to the development loan which the development company shall obtain for the purpose of developing said properties.

In addition to the base per acre price First Parties shall receive Capital, Equity or Stock ownership in the development company equal to Sixty Per Cent (60%). Second Parties shall own the remaining Forty Per Cent (40%) interest in the development company. The Parties acknowledge that it is the intent of both First Parties and Second Parties that prior to division of any profits that First Parties shall be paid the base acreage amounts hereinafter set forth and that after payment of said base acreage amounts to First Parties that profits shall be divided Sixty Per Cent (60%) to First Parties and Forty Per Cent (40%) to Second Parties.

3. Management of Development Company:

X The Parties further agree that Second Parties shall be in charge of sales but shall not be entitled to a Real Estate Commission.

First Parties and Second Parties further agree that said Parties shall be reimbursed for any reasonable expenses advanced by either First Parties or Second Parties to the development company or directly to Third Parties prior to any division of profit and losses.

4. Profits and Losses:

The Parties agree that the following shall be the base acreage

amounts covering properties conveyed by First Parties to the development company, to-wit:

- a. Residentially zoned properties - \$7,000.00 per acre.
- b. Office zoned properties - \$20,000.00 per acre.
- c. Commercially zoned properties - \$36,600.00 per acre.

The parties further agree that said sums shall be adjusted by the consumer price index three (3) years from the date of this agreement.

The parties further agree that after payment of all expenses of sale and/or development and payment of the above expenses of sale and/or development and payment of the above base acre sums to First Parties' excess profits shall be divided on a 60% - 40% basis.

5. Miscellaneous Provisions:

The Parties acknowledge that First Parties own approximately 50 acres in the Northeast Quadrant of the intersection of U. S. 78 and Goodman Road; approximately 25 acres in the Southeast Quadrant of said intersection; and at least 15 acres of Commercial property and various Residential property in the Southwest Quadrant of said intersection. The Parties agree that all of said properties excluding those properties in which the Utleys have an interest in through the prior agreements with First Parties are covered by this Development Agreement. First Parties covenant and agree to provide Second Parties with sufficient information and engineering and land use planning data to ascertain what properties are included and what properties are excluded and sufficient engineering and land use planning data to commence further development of the properties covered by this agreement.

First Parties and Second Parties agree to the following, to-wit:

a. Prior to commencement of development of a parcel or tract of real estate the parties shall mutually agree as to how, when and at what price the property will be resold.

b. The parties shall agree on expenses to be incurred by the development company and the parties agree to obtain cost estimates and extensive development design plan prior to commencement of a development.

c. Second Parties shall provide First Parties with a detailed report of all costs and expenses incurred prior to any division of profits.

d. Any consent or approval required under any of the terms of this agreement shall not be unreasonably withheld.

e. The parties agree that this agreement shall be in effect for a period of 8 years from the date of this agreement, but may be extended or renegotiated by mutual agreement of the parties hereto. This agreement shall continue past said termination date as to any properties already developed or in the process of being developed on the aforementioned expiration date. It is agreed that during this eight year period, and any extensions thereof, that First Parties shall take no actions that would hinder or impede Second Parties' ability to develop and sell said properties as contemplated by this agreement.

f. Second Parties agree to provide any loan guaranties that might be required by lenders on development loans. First Parties shall have no personal liability to lenders.

g. The Parties agree that this agreement shall also apply to sales of covered properties directly to third parties.

First parties agree that Second Parties are assuming no liabilities with reference to First Parties agreements with the Utleys and the termination of said agreements and First Parties agree to indemnify and hold harmless Second Parties as to any claims or damages they might incur arising out First Parties dealings with the Utleys.

WITNESS our signatures this the date written above.

FIRST PARTIES

Edward A. Crumpler
Edward A. Crumpler

Dianna T. Crumpler ATTORNEY IN FACT
BY Edward A. Crumpler
Dianna T. Crumpler

Edward A. Crumpler, Jr. ATTORNEY IN FACT
BY Edward A. Crumpler
Edward A. Crumpler, Jr.

Marla Crumpler Grewe ATTORNEY IN FACT
BY Edward A. Crumpler
Marla Crumpler Grewe

SECOND PARTIES

John Hyneman Development Co., Inc.

BY: John W. Hyneman President
John W. Hyneman, President

Anthony M. McGregor
Anthony M. McGregor, Individually

Original

DATE: NOVEMBER 6, 1995

ADDENDUM TO
CRUMPLER/HYNEMAN-MCGREGOR AGREEMENT

This Addendum will serve to amend the February 13, 1995 Agreement by and between EDWARD A. CRUMPLER, DIANNA T. CRUMPLER, EDWARD A. CRUMPLER, JR., MARLA CRUMPLER GREWE, hereinafter collectively referred to as First Parties and JOHN HYNEMAN DEVELOPMENT COMPANY, INC., a Mississippi Corporation and ANTHONY M. MCGREGOR, an individual, hereinafter collectively referred to as Second Parties.

It is hereby agreed and understood that on the balance of land in the Southwest quadrant of Highways 78 and 302 owned by the above-named First Parties -- the Crumpler Place PUD -- Cherokee Valley PUD, which includes 14 acres of commercial and approximately 60 acres residential, will be sold for a minimum of \$1,500,000.00 with First Parties receiving a minimum of \$1,200,000.00 and Second Parties receiving a minimum of \$300,000.00. *A fee Sale of the Above*

Witness our signatures:

Properties, Crumplers will be relieved of ALL Liabilities. This Addendum is Good for 180 days from this date if not sold by then we will abide by Contract dated February 13th 1995

FIRST PARTIES

February 13th 1995

EAC

JH

Edward A. Crumpler
EDWARD A. CRUMPLER

Dianna T. Crumpler
DIANNA T. CRUMPLER

Edward A. Crumpler, Jr.
EDWARD A. CRUMPLER, JR.
ATTORNEY IN FACT

Marla Crumpler Grewe
MARLA CRUMPLER GREWE
ATTORNEY IN FACT

SECOND PARTIES

JOHN HYNEMAN DEVELOPMENT CO., INC.

BY:

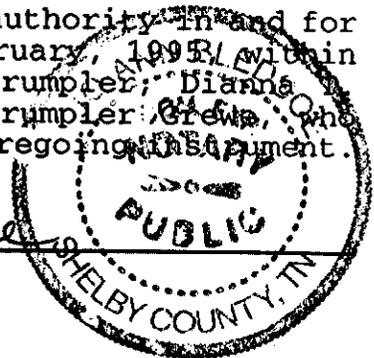
John W. Hyneman
JOHN W. HYNEMAN, PRESIDENT

Anthony M. McGregor
ANTHONY M. MCGREGOR, INDIVIDUALLY

TENNESSEE
STATE OF ~~MISSISSIPPI~~
COUNTY OF ~~DESOTO~~ Shelby

PERSONALLY appeared before me, the undersigned authority in and for said County and State, on this 13 day of February, 1995, within my jurisdiction, the within named Edward A. Crumpler, Diana Crumpler, Edward A. Crumpler, Jr. and Marla Crumpler, who acknowledged that they executed the above and foregoing instrument.

J. Ann Bledsoe
Notary Public



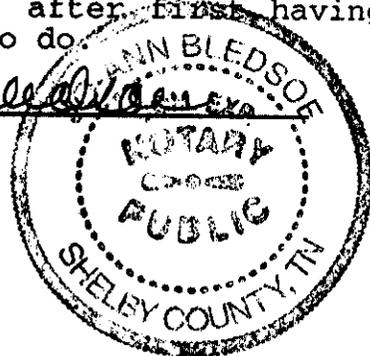
My Commission Expires:

5-23-95

TENNESSEE
STATE OF ~~MISSISSIPPI~~
COUNTY OF ~~DESOTO~~ Shelby

PERSONALLY appeared before me, the undersigned authority in and for the said County and State, on this the 13 day of February, 1994, within my jurisdiction, the within named John W. Hyneman, who acknowledged that he is the President, of John Hyneman Development Co. Inc., a Mississippi Corporation, and that for and on behalf of the said corporation, and as its act and deed he executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

J. Ann Bledsoe
Notary Public
STATE OF ~~MISSISSIPPI~~ TENNESSEE
COUNTY OF ~~DESOTO~~ Shelby



My Commission Expires:

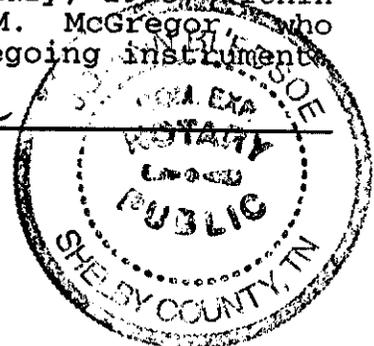
5-23-95

FILED
MAR 6 9 25 AM '96
BK 70 PG 773
W.E. DAVIS CH. CLK.

STATE OF MISSISSIPPI
COUNTY OF DESOTO

PERSONALLY appeared before me, the undersigned authority in and for said County and State, on this 13 day of February, 1995, within my jurisdiction, the within named Anthony M. McGregor, who acknowledged that he executed the above and foregoing instrument.

J. Ann Bledsoe
Notary Public



My Commission Expires:

5-23-95