

**OPTION CONTRACT**

This Option granted this the 26th day of August 1996, by **RONALD A. WILLIAMS and wife, JANE PONDER WILLIAMS**, hereinafter called **OPTIONOR(S)**, to **KIMBERLIN, INC.** hereinafter called **OPTIONEE**:

WITNESSETH:

1. In consideration of the sum of five hundred and no/100 dollars (\$500.00), cash in hand paid by the Optionee, the receipt and adequacy of which is hereby acknowledged, said sum being hereinafter referred to as "Option Money," the Optionor(s) do hereby grant to the Optionee the exclusive right, at Optionee's option, for and during the period from August 26, 1996 until December 31, 1999, the right to purchase the following described property lying and being situated in City of Hernando, DeSoto County, Mississippi, being more particularly described as follows, to wit:

STATE MS. - 000010 00.

**SEE ATTACHED EXHIBIT "A"** Aug 26 1 07 PM '96

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for the purchase price of \$5,000.00 per acre, which Optionee will pay to Optionor(s) upon the delivery of a Warranty Deed conveying clear and marketable fee simple title, as hereinafter provided. In the event of purchase, Option money will apply toward the purchase price in the event the entire property is purchase by the Optionee.

**The Optionor(s) does hereby grant to the Optionee the right to purchase said property in stages with the Optionee being required to purchase all or some part of the property described herein in each of the following three years beginning with the year 1997. That the Optionee shall have the exclusive right to choose how much property it may purchase within the option period.**

**That the Optionor(s) does also agree that in the event the Optionee exercises it's option**

and purchases all of the property on or before June 30, 1998 then the purchase price per acre shall be lowered to \$4,600.00 per acre and the Optionee shall receive a credit of \$400.00 per acre for all property purchased prior to June 30, 1998 including the initial 14.00 acres being purchased by the Optionee from the Optionor(s) on the 26th day of August 1996. Thus if the Optionee exercises its right to purchase the entire parcel, being a 52.03 acre tract, from the Optionor(s) on or before June 30, 1998 the total purchase price will be \$239,338.00.

2. In the event the Optionee shall elect to purchase said property or any part thereof, the Optionee shall signify such election by written notice thereof, served upon Optionor(s) within ten (10) days of the proposed closing date; and thereafter the Optionee shall obtain a certificate of title on said property by an attorney upon whose certificate of title insurance may be obtained from a title insurance company qualified to do and doing business in the state of Mississippi and in the event the title is clear the Optionor(s) must close within 10 days of receipt of their notice to close from the Optionee. In the event the title certificate reveals a defect, incumbrance, mortgage, or lack of marketability, then, at the Optionee's request the Optionor(s) shall either (a) Return the Option Money to the Optionee immediately upon receipt of said notice, or (b) Shall have thirty (30) days from the date of receipt of written notice from Optionee of such defects, incumbrance, mortgage, or lack of marketability to cure the same. If option (b) is selected, the Optionor covenants to use reasonable diligence to cure same within said thirty (30) days. Once cured, then, within ten (10) days, the purchase of the property or parcel thereof being purchased shall be completed. If the title problem cannot be cured within said period the Optionee shall immediately advise the Optionor and Optionor shall likewise return the Option Money to the Optionee and shall also pay all reasonable attorney fees incurred by the Optionee in it's title examination.

The Optionor(s) warrant that they will not encumber said property by any mortgage or deed of trust which would prevent the Optionee from purchasing all or part of said property.

3. The parties agree that the following shall not be considered a defect, incumbrance or lack of marketability:

- (a) Ad valorem taxes coming due after completion of purchase;
- (b) Zoning ordinances and building restrictions;
- (c) Oil, gas, and mineral interests reserved to or conveyed by prior owners;
- (d) Any matters not of record which would be disclosed by an accurate survey of the property;
- (e) Right of ways or easements granted by prior owners;
- (f) Subdivision restrictions relating to Northwood Hills Subdivision not yet platted or recorded.

4. The following additional terms shall apply to the purchase upon election by Optionee to purchase:

(a) Taxes: Ad valorem taxes for the year 1996 through the year that the Optionee ultimately purchases all the property described herein shall be paid by the Optionee, however in the event the event the Optionor elects not to complete it's option to purchase then in that event the Optionor(S) shall resume payment of said taxes and shall so resume in the year that the Optionee notifies the Optionor(s) of his intent not to purchase and which shall apply to all property not yet purchased by the Optionee.

(b) The parties hereto agree that the Optionee shall be responsible for the cost of developing the park land required by the City of Hernando in the development of the subdivision to be known as Northwood Hills Subdivision.

(c) The Optionee agrees that Optionor(s) will have access by dedicated street right of way to land not purchased while this option is in effect so if all of the land of Optionor(s) is not purchased they will have ingress and egress to the remainder.

5. If Optionee shall not elect to purchase all or part of said property, or shall, after electing

to purchase all or part of said property, fail to complete the said purchase within the time and in the manner herein provided. Optionee's option hereunder shall terminate without further action, time being of the essence, and Optionee shall forfeit the said Option Money, as full liquidated damages.

6. All notices provided for herein shall be in writing and mailed by certified mail, postage prepaid, or delivered to the parties at their respective addresses shown below or at such other address as shall be designated by such party in a written notice, mailed or delivered as required herein.

Optionor(s) Address: 3668 Aurora Circle  
Memphis, Tennessee 38111

Optionee's Address : 695 Fairway Drive  
Hernando, Mississippi 38632

The parties herein shall also inform by U. S. Mail the other party in the event their mailing address should change and shall notify such change of address within ten (10) days of such change.

7. This contract shall be binding upon the parties hereto, their heirs, legal representatives, successors, and/or assigns as the case may be.

8. This contract may not be assigned by either party without the express written consent of the other party.

9. The parties hereto agree that this contract shall recorded in the Office of the Chancery Clerk of DeSoto County, Mississippi.

WITNESS our signatures on this the 26th day of August, 1996.

Ronald A. Williams  
RONALD A. WILLIAMS

Jane Ponder Williams  
JANE PONDER WILLIAMS

KIMBERLIN, INC.

Jim Kimberlin Pres.  
By: JIM KIMBERLIN, PRESIDENT

STATE OF MISSISSIPPI  
COUNTY OF DESOTO

Personally appeared before me, the undersigned authority in and for the said county and state, on this the 26th day of August, 1996, within my jurisdiction, the within named Ronald A. Williams and wife, Jane Ponder Williams, who acknowledged that they executed the above and foregoing instrument.

Kenneth E. Starks  
NOTARY PUBLIC

My Commission Expires:  
MISSISSIPPI STATEWIDE NOTARY PUBLIC  
MY COMMISSION EXPIRES SEPT. 24, 1999

SEAL)



STATE OF MISSISSIPPI  
COUNTY OF DESOTO

Personally appeared before me, the undersigned authority in and for the State and County aforesaid, the within named Jim Kimberlin, personally known to me to be the President of Kimberlin, Inc., who acknowledged before me that he signed and delivered the above and foregoing instrument of writing on the day and year therein mentioned as the act and deed of said Kimberlin, Inc., having been first duly authorized so to do.

Given under my hand and official seal this the 26th day of August, 1996.

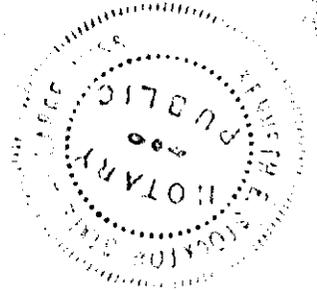


NOTARY PUBLIC

My Commission Expires:

MISSISSIPPI STATEWIDE NOTARY PUBLIC  
MY COMMISSION EXPIRES SEPT. 24, 1999

(SEAL)



Prepared by: Kenneth E. Stockton  
Attorney At Law  
5 West Commerce Street  
Hernando, Mississippi 38632  
601-429-3469

## EXHIBIT "A"

57.03 acres in Sections 12 and 13, Township 3, Range 8, described as beginning at the northeast corner of the 20.0 acres conveyed this date to J. E. Sartain and wife, said point being in the south right-of-way of Illinois Central Railroad, run thence south 58°18' east a distance of 45.49 feet to a point; thence run Southeast along the said south right-of-way of the Illinois Central Railroad a distance of 990.70 feet along a curve having a long cord bearing of south 50°22' east 996.51 feet long; thence run south 42°26' east a distance of 321.21 feet to a point on the west right-of-way of U. S. Highway 51; thence run south 2°37' east along the said west right-of-way of U. S. Highway 51 a distance of 631.65 feet to a point; thence run south 84°15' west a distance of 493.50 feet to a point; thence run north 5°46' west a distance of 96.40 feet to a point; thence run south 88°55'05" west a distance of 389.18 feet to a point; thence run south 60°02'40" west a distance of 698.14 feet to a point; thence run North 36°34'30" west a distance of 43.6 feet to a point; thence run north 31°37'56" west a distance of 400.84 feet to a point; thence run North 28°21'50" west a distance of 400.43 feet to a point; thence run North 27°37'56" west a distance of 400.43 feet to a point; thence run north 28°12'30" west a distance of 237.50 feet to a point; thence run North 64°36'14" east a distance of 1285.14 feet to the point of beginning and containing 57.03 acres more or less.

## LESS AND EXCEPT THE FOLLOWING DESCRIBED TRACTS:

## PARCEL I

A 4.84 acre lot as part of the Sartain tract in Section 12, Township 3 South, Range 8 West, City of Hernando, DeSoto County, Mississippi. Beginning at the northeast corner of Northwood Subdivision Section "B" as shown on the recorded plat of said subdivision in the DeSoto County Chancery Clerk's office, in Section 12, Township 3 South, Range 8 West; thence south 5°38' east 96.4 feet to the southeast corner of Lot 43 of said subdivision and the northwest corner of the Gale tract; thence north 84°23' east 493.50 feet along the north line of the Gale tract to a point in the west right-of-way of Highway 51 (100 feet wide); thence north 2°16' west 350.0 feet along the west right-of-way of said Highway to a point; thence south 85°22' west 630.0 feet to a point; thence south 0°57' east 253.60 feet to the northwest corner of Lot 43 of said Northwood Subdivision; thence north 89°03' east

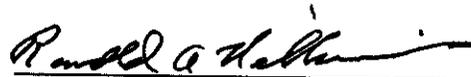
137.04 feet to the point of beginning and containing 4.84 acres more or less. This being the same property as described in the Warranty Deed found at Deed Book 186, page 710, in the Office of the Chancery Clerk of DeSoto County, Mississippi.

PARCEL II

Description of a 14.0 acre parcel as part of the Williams 57.03 acre original tract in part of the southwest quarter of Section 12; Township 3 South; Range 8 West; City of Hernando in DeSoto County, Mississippi.

Beginning at the southwest corner of said Williams tract in the southwest quarter of Section 12, Township 3 South, Range 8 West; thence north  $60^{\circ}02'40''$  east 689.14 feet along the north line of Northwood Subdivision to a point; thence north  $88^{\circ}55'05''$  east 252.14 feet along the north line of said subdivision of the southwest corner of the Walters lot; thence north 253.6 feet to the northwest corner of the Walters lot; thence northwest 193.6 feet to a point; thence northwest 480.94 feet to a point; thence southwest 722.06 feet along the centerline of the Telephone Cable to a point in the west line of the Williams tract; thence southward 584.44 feet to the point of beginning and containing 14.0 acres more or less.

SIGNED FOR IDENTIFICATION:



RONALD A. WILLIAMS



JANE PONDER WILLIAMS



JIM KIMBERLIN, PRESIDENT  
KIMBERLIN, INC.