

OPTION TO LEASE

In consideration of the payment of Ten (\$10.00) Dollars and other consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned as "Owner" hereby grants to S H Properties, Inc., its successors and assigns as "Optionee" the exclusive right to sell, advertise, or store fireworks on the real property in Southaven, DeSoto County, Mississippi, described on Exhibit A attached hereto and made a part hereof by reference (the "Property") for a period of twenty-five (25) years, beginning May 1, 1995 and ending April 30, 2020.

During any year in which it is legal under the laws of the abovementioned city, county and state to sell fireworks on the Property, Owner, on a year by year basis, shall notify Optionee if it desires to lease the Property for any twelve (12) months during the term hereof beginning May 1 and ending the following April 30. Such notice shall be in writing at least thirty (30) days before the commencement of the twelve (12) month period.

The location from which the fireworks will be sold is described in Exhibit B attached hereto and made a part hereof. Owner and Optionee shall enter into a lease in the form attached hereto as Exhibit C for the sale of fireworks at the rent set forth in the lease during the designated period upon request of Owner. However, Optionee shall not be entitled to the use of Owner's building during such lease.

Owner agrees that Optionee shall have the exclusive right during the term hereof to sell, advertise, or store fireworks or make any use connected with the sale of fireworks on the Property should Owner agree to allow any such use.

Notices shall be sent by certified mail return receipt requested to Optionee at the following address:

P.O. Box 1150
West Memphis, Arkansas 72303

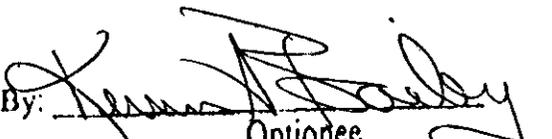
This Agreement shall inure to the benefit of and be binding upon the parties, their heirs, devisees, personal representatives, successors and assigns

In Witness whereof, the parties have executed this Option on the 11 day of April, 1995.

HERITAGE NURSERIES, INC.

S H PROPERTIES, INC.

By: 
Owner

By: 
Optionee

ACKNOWLEDGEMENT ATTACHED

STATE MS. - DESOTO CO.
FILED

JUN 9 10 00 AM '97

BK 74 PG 548
W.E. DAVIS CH. CLK.

EXHIBIT "C"

ANNUAL LEASE AGREEMENT

Heritage Nurseries, Inc., hereinafter called Lessor, and S H Properties, Inc., or assigns, hereinafter called Lessee, hereby enter into an agreement as follows:

1. For the consideration set out Lessor does hereby lease a parcel of property and access to same to Lessee for use as a wholesale and/or retail fireworks outlet located and described as follows:

An area measuring approximately 75' X 250' fronting on the east side of Highway 51 approximately 120 feet south of the Tennessee/Mississippi state line in Southaven, Mississippi as shown on Exhibit "A" attached hereto and made a part hereof.

Lessee shall have the sole and exclusive right to sell and/or advertise fireworks on the leased site. Lessee shall not have the right to use any building of Lessor under this agreement. All property within 300 feet of the above described site which may be owned, leased and/or controlled now or hereafter by Lessor or any parties hereto during the life of this lease may not be used for the sale and/or advertising of fireworks by any party other than Lessee.

2. In the event that the Lessor determines in its sole opinion that the sale of fireworks for any year during the option period will be permitted, the occupancy period shall be from June 20 through July 10 and December 20 through January 5 during the lease term. Lessee shall have the right to erect, construct and use temporary buildings, tents, parking lots, lights, signs, etc. which it considers necessary for the successful operation of the retail fireworks outlet. All such buildings, signs, etc. shall be presented to Lessor by Lessee and must be mutually approved prior to placement and shall be paid for by Lessee and shall be the property of Lessee. All such temporary items shall be removed from the premises at the end of the occupancy period.

3. It is agreed that only legal merchandise shall be sold in accordance with Mississippi State and Local regulatory fireworks laws.

4. Lessee agrees to keep the leased premises occupied by it in a clean and orderly condition free of all debris attributable to the fireworks operation and to maintain all signs and buildings used in selling fireworks in a presentable manner.

5. Lessor hereby acknowledges receipt of \$5,000.00 for making this agreement valid from May 1, _____ through April 30 of the following year. For each and every year that Lessor permits Lessee to operate under the terms and conditions of this Lease Agreement the annual lease fee shall be \$5,000.00.

6. In the event Lessee is unable, using due diligence, to obtain all permits required to legally operate the fireworks outlet Lessor hereby agrees to promptly refund all prepaid rent on a pro-rata basis within 15 days of Lessee's notice that the outlet cannot be legally operated.

7. In the event Lessee operates a fireworks outlet on Lessor's property then Lessee agrees to obtain bodily injury liability and property damage liability insurance coverage to protect Lessor on Lessee's use of the property at Lessee's cost. Lessee agrees to obtain insurance with combined limits of not less than \$500,000.00, each occurrence. A certificate or other proof of insurance shall be provided to Lessor each season hereunder during which Lessee operates a fireworks outlet on the property.

8. No failure to perform any condition or covenant of this lease shall entitle Lessor to terminate this lease unless: (1) such failure shall have continued for thirty days after notice in writing is received by Lessee requiring the performance of such condition or covenant; and (2) if such default is of such a nature that it cannot be remedied within this time, then, unless Lessee shall fail to cure such default within such additional time as is reasonably necessary to cure the default, provided that Lessee shall commence to cure the default within this period and thereafter shall diligently continue the curing of the default. Termination of this annual lease shall not affect Lessee's rights under the attached option.

This agreement shall run with the land and be binding and inure to the benefit of the parties, their heirs, successors and assigns.

HERITAGE NURSERIES, INC.
(LESSOR)

S H PROPERTIES, INC.
(LESSEE)

BY: _____

BY: _____

AS ITS: _____

AS ITS: _____

DATE: _____, 19____

DATE: _____, 19____

STATE OF MISSISSIPPI
COUNTY OF DeSOTO

Personally appeared before me, the undersigned authority in and for the said county and state, on this 11 day of April, 1995, within my jurisdiction, the within named Don Clarkson, who acknowledged that he is President of HERITAGE NURSERIES, INC., a Mississippi corporation, and that for and on behalf of said corporation, and as its act and deed he executed the above and foregoing instrument, after first having been authorized by said corporation so to do.

Angela F. Johnson
Notary Public
AKA Angela J. Cudde



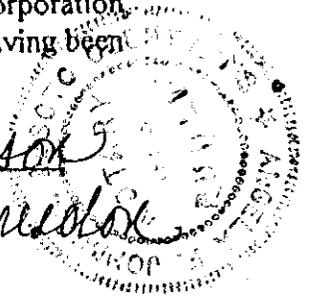
My Commission Expires:

~~My Commission Expires May 2, 1998~~

STATE OF MISSISSIPPI
COUNTY OF DeSOTO

Personally appeared before me, the undersigned authority in and for the said county and state, on this 11 day of April, 1995, within my jurisdiction, the within named Kevin A. Bailey, who acknowledged that he is Vice-President of S H PROPERTIES, INC., a Mississippi corporation, and that for and on behalf of said corporation, and as its act and deed he executed the above and foregoing instrument, after first having been authorized by said corporation so to do.

Angela F. Johnson
Notary Public
AKA Angela J. Cudde



My Commission Expires:

~~My Commission Expires May 2, 1998~~