

COMMERCIAL LEASE PURCHASE AGREEMENT

We, Richard Raines and Greg Raines, herein called "Lessors", and Billy J. Gatewood and wife, Barbara J. Gatewood, herein called "Lessees", do hereby enter into this Commercial Lease Purchase Agreement and would set for the following:

1. Lessors are the owners of a business known as Cedarview Grocery located at 3490 Hwy. 305 South, Olive Branch, Mississippi 38654. Lessor, Richard Raines, is the owner of the real property used in connection with said business.

2. The property involved in this transaction consists of real property located at 3490 Hwy. 305 South, Olive Branch, Mississippi, more particularly described hereinafter and personal property consisting of inventory, fixtures and equipment located at the above address. Said equipment is more particularly described by Addendum attached hereto marked Exhibit "A" and made a part hereof. The real property referred to herein is more particularly described by Addendum attached hereto marked Exhibit "B" and made a part hereof.

3. Lessors do by these presents lease and demise unto the Lessees all of the real property referred to above located at 3490 Hwy. 305 South, Olive Branch, MS 38654, for a term of fifteen (15) years beginning August 28<sup>th</sup>, 2001, and ending August 27<sup>th</sup>, 2016 for the total rent or sum of Three Hundred Sixty Thousand and 00/100 Dollars (\$360,000.00) plus a cash payment of Thirty Thousand and 00/100 Dollars (\$30,000.00), said sums to be payable as follows:

The sum of Thirty Thousand and 00/100 Dollars (\$30,000.00) shall be payable upon execution of this Agreement. The sum of Three Hundred Sixty Thousand and 00/100 Dollars (\$360,000.00) shall be payable at the rate of Two Thousand and 00/100 Dollars (\$2,000.00) per month beginning September 28<sup>th</sup>, 2001, with a like sum due and payable on or before the same day of each month during the

STATE MS. - DESOTO CO. FILED

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term of this Lease. There shall be a late charge of four per cent (4%) of the monthly installment if not paid within fifteen (15) day of the due date of each lease payment.

4. At such time as Lessees have paid all sums described hereundger and have complied with all the terms hereof, in that event, Lessors shall execute a Warranty Deed in favor of Lessees conveying good and merchantable title to the real property herein described and a bill of sale in favor of Lessees conveying to them all equipment, fixtures, and remaining inventory referred to herein. Lessors warrant that they can convey good and merchantable title to said property to Lessees. It is understood that Lessors have a loan on this property with Citizens Bank, Byhalia, Mississippi. Lessors shall be responsible for paying said loan in accordance with its terms. In the event the Lessees shall pay the amount of this Lease in full within five (5) years from the date hereof, they shall be granted a Ten Thousand and 00/100 (\$10,000.00) deduction from the total amount due.

5. Lessors agree to maintain all equipment and fixtures in good working order and maintain the inventory level at approximately Thirty Thousand and 00/100 Dollars (\$30,000.00) or more retail. Lessees shall be responsible for all maintenance and repair of the building, parking lot, gas equipment, and any other equipment located on the property through out of the term of this Lease.

6. Lessors shall have the first right and option to take possession of the property referred to herein in the event Lessees default in the terms hereof.

7. Lessees may not sublease the leased property or any part thereof without the written permission of the Lessors.

8. Lessees shall be responsible for maintaining fire and other casualty insurance

on the leased premises in an amount equal to at least fifty per cent (50%) of the total value of the building, fixtures and inventory, naming the Lessors as less payee therein. Lessees shall provide Lessors proof of such insurance each year upon request.

9. Lessors warrant that all sales tax payments on the business are current and up-to-date through September 27<sup>th</sup>, 2001. They warrant that there are no claims or lawsuits involving the leased property. They warrant that all gas equipment is in compliance with the requirements of the Environmental Protection Agency Regulations as of August 27<sup>th</sup>, 2001. Lessors warrant that no vendors or sales representatives are owed any monies for inventory, fixtures, or equipment located in the demised premises.

10. In the event Lessees fail to pay the rent when due or default in any of the other covenants or conditions contained herein, Lessors, or their representatives or agents shall give notice of such default in writing to Lessees. If, after thirty (30) days, Lessees have failed to cure such default, then, in that event, Lessors may re-enter the premises and take possession thereof.

11. Lessees shall occupy said premises and shall keep the same in good condition, including such improvements as may be made thereon hereafter, the usual wear and tear and damage by elements excepted, and shall not make any alterations thereon with the written consent of the Lessors and shall not commit or suffer to be committed any waste upon the said premises.

12. Lessors agree that they shall comply with all governmental laws, ordinances and regulations pertaining to the demised premises and business located therein.

13. Lessees shall be responsible for payment of all real estate taxes and personal property taxes owed to DeSoto County and the State of Mississippi on the leased

premises beginning with the tax year 2002. Such taxes for the year 2001 shall be prorated between the parties as of the date of this agreement.

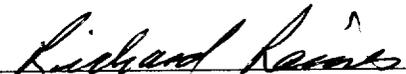
14. In the event the Lessor or Lessees shall be compelled to commence or sustain an action at law involving this agreement, the successful party shall be entitled to reasonable attorney fees and costs of court incurred thereby.

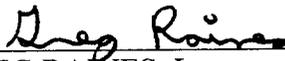
15. The demised premises shall not be used by Lessees during the term of this Lease for any other purpose than a convenience grocery store without the written consent of the Lessors.

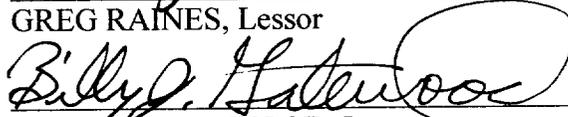
16. In the event Lessees paid sums in addition to the regular Two Thousand and 00/100 Dollars (\$2,000.00) per month payment, sums will be applied to the total amount due herein and shall have the effect of being the term of this Lease.

17. Lessors shall schedule an inspection by the Environmental Protection Agency, Department of Environmental Quality, to inspect the ventilation pipes. This shall be the responsibility of the Lessors even if it is not completed prior to the execution of this agreement.

WITNESS our signatures the day and year first above written.

  
\_\_\_\_\_  
RICHARD RAINES, Lessor

  
\_\_\_\_\_  
GREG RAINES, Lessor

  
\_\_\_\_\_  
BILLY J. GATEWOOD, Lessee

  
\_\_\_\_\_  
BARBARA J. GATEWOOD, Lessee

STATE OF MISSISSIPPI  
COUNTY OF DESOTO

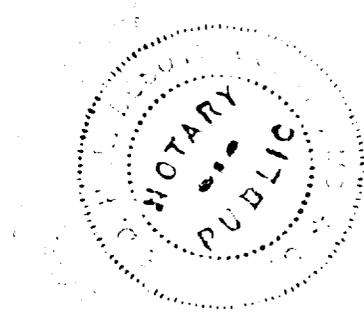
This day personally appeared before me, the undersigned authority of law in and for the jurisdiction aforesaid, the above named RICHARD RAINES and GREG RAINES, Lessors, and BILLY J. GATEWOOD AND WIFE, BARBARA J. GATEWOOD, Lessees, who acknowledged that they signed and delivered the above and foregoing COMMERCIAL LEASE PURCHASE AGREEMENT on the day and date therein mentioned as their free and voluntary act and deed and for the purposes therein expressed.

27<sup>th</sup> GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE, this the  
day of August, 2001.

Stephanie D. Hill  
Notary Public

My Commission Expires:

MISSISSIPPI STATEWIDE NOTARY PUBLIC  
MY COMMISSION EXPIRES APRIL 10, 2004  
BONDED THRU STEGALL NOTARY SERVICE



Preparer:

James W Amos  
2430 Caffey St  
Hernando MS 38632  
662 429 7873

## EXHIBIT

Tables

A

P BK 91 PG 512

APPRAISAL OF EQUIPMENT  
OF DARVING GROCERY

10A Mid Continent Meat Box Ser# 2974-2	\$2700.00
Hobart Slicer Ser# 18831	200.00
Hobart Scales Ser# 269000	200.00
Food Warmer; Counter mount Ser# 02231-03	300.00
Grill 24557258MD - Magic Chef	750.00
4-Burner Gas Stove & Oven Magic Chef H103164	250.00
Freezer Box (Ice Cream) Ser# 363630	800.00
Table & Chairs	200.00
Cash Register Casio PCR 303 Ser# TECMA141	169.00
Fr Pepper True brand - 3 Door	1000.00
Old Freezer Box (Ice Cream) Ser# 121007	100.00
Chicken & Fish Cooker Fryer Ser# 7LTBR	600.00
White Walk In Cooler - 3 Door Ser# 452741	15000.00
All Consoles & Shelving - 2000 FT.	800.00
Ice Dispenser Ser# TJ-45	250.00
G.E. Microwave Ser# LMCC0875X	200.00
Cash Machines (6)	300.00
Auto Wash	1000.00
Originals Refrigerator 18 cu. ft.	100.00
2 - Stynam Freezer Chest (Residential) Ser# 475	150.00
Large B5Q Cooker Ser# 4492688TR	1500.00
Outside Sign	100.00
Griddle Ser# 62404623	300.00
Calculator Casio 150LC Ser# 9Q10612E	29.00
3 Gas Pumps	6000.00
3 Storage Tanks 6000 - 4000 - 3000 Gal Each	24000.00
1000 Gal Storage Tank & Pump(Kerosene)	1500.00
EPA Reg.	16000.00

Loan Equipment

P BK 91 PG 313

- 2 - Door Freezer for Ice
- 4 - Door Ice Cream Box
- 1 - Door R.C. Cooler
- 1 - Coke Fountain Machine
- 1 - Cappuccino " Cecil Ware "
- 1 - Coffee Maker
- 1 - Coffee Dispenser & Containers

- Gardner- Watson
- Memphis Ice Cream Co.
- BLR Enterprises
- Coca - Cola Co.
- Standard Coffee
- Standard Coffee
- Standard Coffee

Interior Remodeling (Drop Ceiling, lighting, & Eating Equipment)	10000.00
Color Security System ULTRAK Ser# KG-1442CCPA	8800.00
Warren S' Gatorade Box 4 Door	500.00
NovusCredit Card Machine # 250	500.00
2 - Window Unit Air Conditioners 29,000 BTU	1000.00
2 - Minnow Vats (Concrete)	250.00
Cricket Box	175.00
2 - 5 - Burner Vanguard Heaters	560.00
6000 BTU Air Conditioner	200.00
shower stall	450.00
3' Stainless Steel Table	50.00
	\$96783.00
5000 SQ FT. Building	\$275,000.00
400 SQ FT. Building	
.77 Acres	\$371,783.00
Plus Inventory	
30% Groceries	
Cost + Tax on Tobacco, Gas & Beer	

P BK 91 PG 515

Point commonly accepted as Northwest Corner of the Southwest Quarter of S-15, T-2-S, R-6-W

S 89°35'44"E 40.01



JUANITA VAUGHN D.Bk. 49, P. 154

1" Steel Pipe Found in Fence 4.0' East

E. Mississippi Highway No. 305

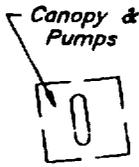
S 00°40'50"E 61.39

1/2" Steel Bar Set

N 89°46'12"E 268.00

Cross-Tie on Corner

N 00°40'50"W 125.00

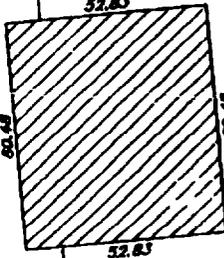


Concrete Pad

0.77 ± Ac.

MAX WALLACE D.Bk. 016, P. 121

Paved Area



Post at Fence End 0.4' South & 0.7' East

Old Fence

S 89°46'12"W 268.00

1/2" Steel Bar Set

ELLIS W. BROOKER D.Bk. 108, P. 586

40.00

3195 sq FT

3490 Hwy 305 S Olive Branch MS.

NOTES

DESCRIPTION

38654

Part of the Southwest Quarter of Section 15, Township 2 South, Range 6 West, DeSoto County, Mississippi, and more particularly described as follows, to-wit:

According to Federal Emergency Management Agency Flood Insurance Rate Map No. 28033C0085 D, dated May 3, 1990, the hereon shown property is not in a flood hazard zone.

Commencing at a point on the centerline of Mississippi Highway No. 305 commonly accepted as the northwest corner of said quarter section; thence run South 89°35'44" East a distance of 40.00 feet along the north line of said quarter section to a point on the east right-of-way line of said highway; thence run South 00°40'50" East a distance of 61.39 feet along said right-of-way line to a half-inch steel bar at the southwest corner of the Juanita Vaughn property, said point being the Point of Beginning; thence run North 89°46'12" East a distance of 268.00 feet along the south line of said Vaughn property to a cross-tie on the west line of the Max Wallace property; thence run South 00°40'50" East a distance of 125.00 feet along said Wallace west line to the northeast corner of the Ellis W. Brooker property; thence run South 89°46'12" West a distance of 268.00 feet along the north line of said Brooker property to a half-inch steel bar at the northwest corner of said Brooker property, said point being on said east right-of-way line of Mississippi Highway No. 305; thence run North 00°40'50" West a distance of 125.00 feet along said east right-of-way line to the Point of Beginning and containing and containing 0.77 acres, more or less. Bearings are based on true north as determined by solar observation. The above description was written from a plat of survey by Danny S. Rutherford, P.E.L.S., dated May 13, 1991.

The hereon shown property is that same property conveyed by Irene Criswell to Jim Green, Et Ux, and recorded in Deed Book 213 on Page 434 of the Chancery Records of DeSoto County, Mississippi.

This is a Class "B" Survey.



MAY 13, 1991

PLAT OF SURVEY OF PART OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 2 SOUTH, RANGE 6 WEST, DESOTO COUNTY, MISSISSIPPI