

STATE MS.-DE SOTO CO.
FILED

Nov 25 2 14 PM '02

BK 96 PG 638
W.E. DAVIS CH. CLK.

PREPARED BY:

ERIC L. SAPPENFIELD
ATTORNEY AT LAW
6858 SWINNEA ROAD
#5 RUTLAND PLACE
SOUTHAVEN, MS 38671
(662) 349-3436

OPTION AGREEMENT

In Consideration of Ten and NO/100 Dollars (\$10.00) Cash In Hand Paid to Mark Anglin of Hernando, Mississippi ("Seller") receipt of which is hereby acknowledged, Seller hereby gives and grants to Eric L. Sappenfield, Lowell Bailey and Charles Thompson (Collectively referred to as "Purchaser"), 6858 Swinnea Road, #5 Rutland Place, Southaven, Mississippi, their heirs and assigns, the exclusive option to purchase that Real Property owned by Seller situated in Hernando, DeSoto County Mississippi and further known as Area 4, RMS Multi Family Residential Property 18 acres of Lee Summit PUD Hernando, Mississippi in Section 17, Township 3, Range 7 DeSoto County Mississippi as further shown in the attached Exhibit A incorporated herein by reference.

This option is given on the following terms and conditions:

1. PRICE IN TERMS OF PAYMENT - The purchase price of the property shall be \$40,000.00 per surveyed acre which shall be paid on exercise of this option by Purchaser in Cash or through a Bank Loan, at the option of Purchaser.

2. PERIOD OF OPTION AND EXTENSION - This option may be exercised by giving notice in writing to Seller at 3751 Getwell Road, Hernando, MS 38632 at any time during the primary period from the date of this instrument until 5:00 o'clock PM on March 31, 2003, or during the extension period, if the option is extended as herein provided until May 31, 2003. The option may be so exercised by Purchaser giving Seller written notice of an extension prior to the termination of the primary period paying to the Seller at the time of notice the additional consideration of \$5,000.00. Both the original option money and any extension option money shall be credited against the sales price of the property should Purchaser consummate transaction.

3. THE OPTION IS EXERCISED - Seller within 15 days after delivery to him of Notice to Exercise secure and submit to Purchaser for examination evidence of Marketable Title by preliminary title report issued by First American Title Insurance Company doing business in the State of Mississippi. Within 10 days thereafter Purchaser shall give notice to Seller of any defects in or any objections to the Title as so evidenced and Seller shall clear the Title of the defects and the objections so specified.

In the event any defects exist and Seller is unable to clear said defects within 10 days thereafter, Purchaser may consider this Option Agreement void and all option money (original and extension) shall be returned to Purchaser.

Title is to be conveyed by General Warranty Deed free and clear of all liens, encumbrances, restrictions and easements except those attached to this Option Agreement as Exhibit B.

4. CLOSING - This transaction shall be closed within thirty (30) days after clear title has been submitted by Seller and approved by Purchaser. Purchaser is to pay all of his costs associated therein including all of his attorneys fees and loan fees and Seller is to pay all of his costs associated herein including his attorneys fees and other incidental costs.

Taxes and Assessments for the coming year are to be prorated as of the date of closing.

5. CONDITIONS PRECEDENT TO CLOSING - Seller represents and warrants the following:

- a. Property is zoned RM6 for a minimum of 252 multi family apartment Units;
 - b. All utilities shall be run to the property lines along McInvale Road and shall be run along McInvale Road to a point shown as the interior Street from McInvale Road to residential development known as Area 1, R8 Residential 64.6 acres;
 - c. All improvements required by the City of Hernando including interior improvements and the building of the interior road with the exception of Street improvements along McInvale Road referred above shall be the responsibility of the Seller.
6. NOTICES - Any notice hereunder shall be given in writing as follows:

SELLER:

Mark Anglin

3751 Getwell Road

Hernando, MS 38632

PURCHASER:

Eric L. Sappenfield
6858 Swinnea Road
#5 Rutland Place
Southaven, MS 38671

7. ASSIGNMENT AND SUCCESSION - This Option and the Contract resulting from the exercise of the Option herein shall bind and inere to the benefit of the heirs, administrators, executors, successors and assigns of the respective parties. All rights of the Purchaser hereunder may be Assigned without restriction but notice of each of each Assignment shall be given in writing to the Seller.

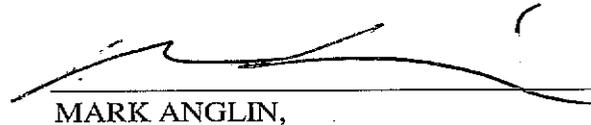
8. RETURN OF OPTION MONEY - In the event that any of the conditions precedent and narrated in Paragraph 5 have not been complied with by Seller, than at the option of the Purchaser, Purchaser may elect to have all option money (original and extension) returned to him and that this Option and any Contract resulting therein shall be considered null and void.

Executed this the 20th day of November, 2002.

PURCHASER:


ERIC L. SAPPENFIELD

SELLER:


MARK ANGLIN,

20,000 Non Refundable


LOWELL BAILEY


CHARLES THOMPSON

STATE OF MISSISSIPPI
COUNTY OF DESOTO

Personally appeared before me, the undersigned authority in and for said county and state, on this the 20th day of November, 2002, within my jurisdiction, the within named ERIC L. SAPPENFIELD, who acknowledged that he executed the above and foregoing instrument.

Sarah Elizabeth Dees (Bryant)
NOTARY PUBLIC

My Commission Expires:
PUBLIC

STATE OF MISSISSIPPI
COUNTY OF DESOTO

Personally appeared before me, the undersigned authority in and for said county and state, on this the 20th day of November, 2002, within my jurisdiction, the within named LOWELL BAILEY, who acknowledged that he executed the above and foregoing instrument.

Sarah Elizabeth Dees (Bryant)
NOTARY PUBLIC

My Commission Expires:
NOTARY PUBLIC

STATE OF MISSISSIPPI
COUNTY OF DESOTO

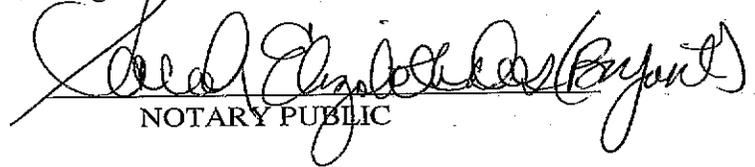
Personally appeared before me, the undersigned authority in and for said county and state, on this the 20th day of November, 2002, within my jurisdiction, the within named CHARLES THOMPSON, who acknowledged that he executed the above and foregoing instrument.

Sarah Elizabeth Dees (Bryant)
NOTARY PUBLIC

My Commission Expires:
NOTARY PUBLIC

STATE OF MISSISSIPPI
COUNTY OF DESOTO

Personally appeared before me, the undersigned authority in and for said county and state, on this the 20th day of November, 2002, within my jurisdiction, the within named MARK ANGLIN, who acknowledged that he executed the above and foregoing instrument.


NOTARY PUBLIC

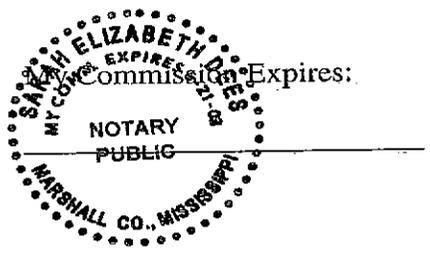
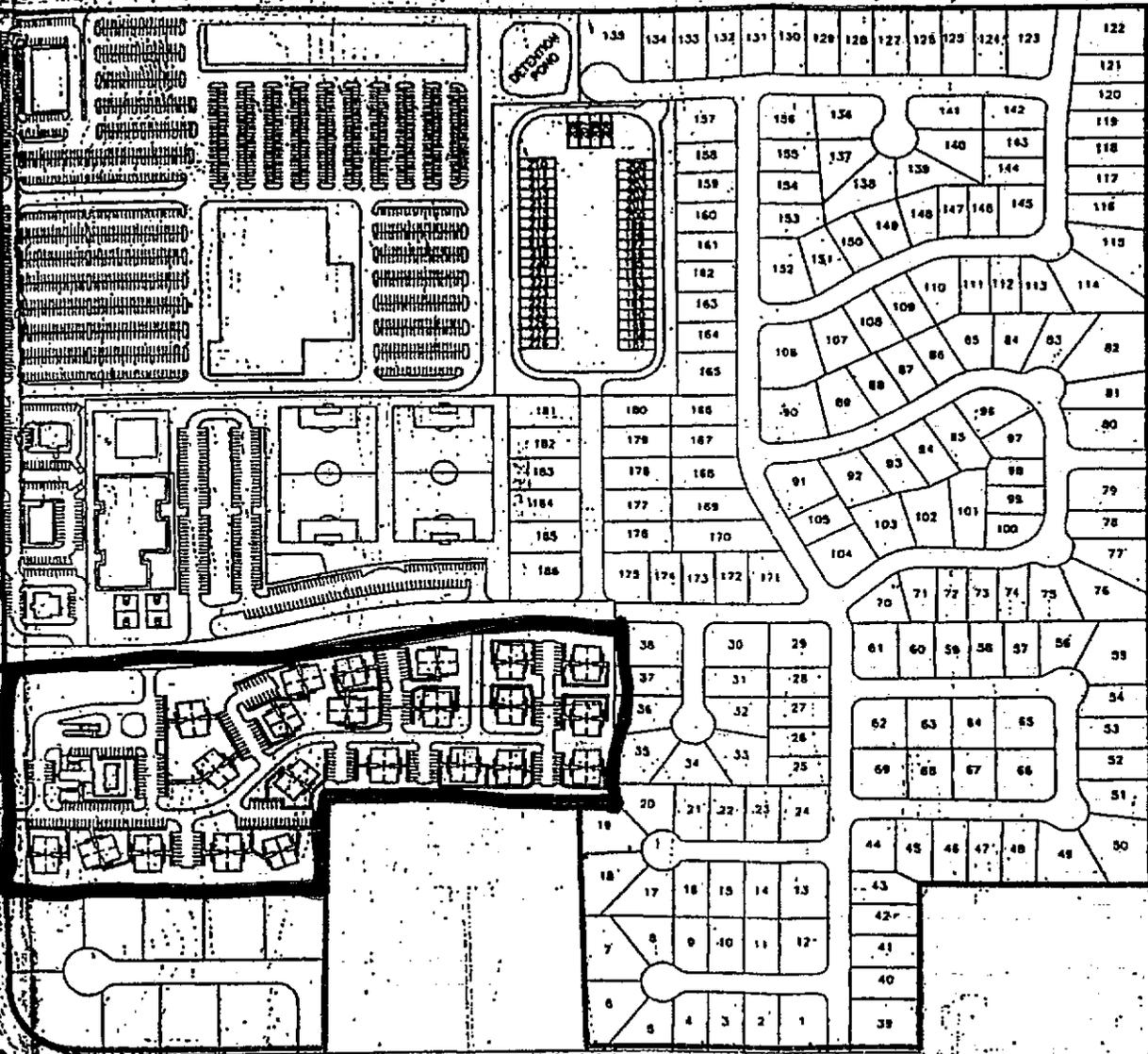


EXHIBIT A

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