

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into between the City of Jonesboro, Arkansas, a municipal corporation ("City") and Turtle Creek Partners, LLC, an Arkansas limited liability company ("Turtle Creek").

Whereas, Turtle Creek will develop within the boundaries of the City of Jonesboro a shopping mall to be known as the Mall at Turtle Creek (the "Mall"); and,

Whereas, the Mall will contain approximately 750,000 square feet and is expected to generate substantial sales tax for use by the City once completed; and,

Whereas, the Mall will generate significant full time jobs; and,

Whereas, in order for the Mall to be constructed there are certain improvements to existing public infrastructure that must be completed, including but not limited to street extensions and improvements, the addition of sidewalks, curbs and gutters, and improvements in drainage specifically related to the stream commonly referred to as Turtle Creek (the "Creek"; collectively these improvements are referred to herein as the "Improvements"), all in and on portions of the project that are or will be within land owned by the City or within easements granted to the City (the "Public Areas"); and,

Whereas, the City has held a public hearing and has determined that the creation of a redevelopment district under the provisions of Arkansas Code Annotated §§ 14-168-301 *et seq.* (the "Act"), and the designation of the boundaries of such proposed redevelopment district was in the best interests of the City and would promote and protect the public health, safety, welfare and morality; and,

Whereas, the City, pursuant to Ordinance No. 3480, has created "The Turtle Creek Redevelopment District of the City of Jonesboro, Arkansas #1" (the "District") because the creation of the District encourages the commercial development of the real property within the District, thereby eliminating and preventing the development and spread of slums or blighted, deteriorated and deteriorating areas, and discouraging the loss of commerce, industry and employment, and increasing employment, and simultaneously adopted the District's Project Plan (the "Plan") as required under the Act; and,

Whereas, Turtle Creek and the City have agreed as to the need for such public infrastructure improvements.

Therefore, the City and Turtle Creek, for good and valuable consideration, the receipt of which is hereby acknowledged, agree to the following terms and conditions set forth below.

1. The City will, pursuant to the Plan and plans and specifications prepared by B.A. Engineering which have been approved by the City and are incorporated into this document by reference, immediately commence and diligently pursue to completion the extension of Matthews Street in a southeasterly direction to the north boundary line of the property owned by Turtle Creek. The City will bear the total cost of constructing Matthews Street pursuant to current City specifications. Turtle Creek will pay for the engineering work associated with such street extension as a Project Cost (as defined in the Plan and herein so called) of the District, or from other funds available to Turtle Creek. Turtle Creek will deed the right of way to the City as shown on the plans prepared by B.A. Engineering at no charge.

2. Turtle Creek agrees to relocate the Creek north of Highland Drive and south of Brasos Street (Creek Relocation Area) pursuant to the Plan and plans and specifications prepared by B.A. Engineering. The cost to relocate the Creek shall be paid for by Turtle Creek as a Project Cost of the District, or from other funds available to Turtle Creek.

3. Turtle Creek has acquired approximately nine (9) acres of land lying south of Highland and west of Turtle Creek and adjacent thereto and described as set forth in Exhibit A which is attached and made a part of this Agreement. Pursuant to the Plan, Turtle Creek has prepared plans B.A. Engineering which have been approved by the City and are incorporated into this agreement by reference (hereinafter referred to as "Detention Property") for a regional drainage and surface water runoff detention area. Turtle Creek will pay for the cost of constructing the Detention Property as a Project Cost of the District, or from other funds available to Turtle Creek. The City will maintain and repair the Detention Property once the construction is completed according to the construction plans and title to the Detention Property has passed to the City.

4. Pursuant to the Plan and plans prepared by B.A. Engineering which are incorporated into the Agreement by reference, the City agrees to provide a walking path or sidewalk (Walking Path) starting south of the north boundary of the Mall at Turtle Creek and continuing south to a point south of the Detention Property. The City will provide the necessary amenities to include, but not be limited to, benches, trash receptacles, and suitable landscaping. Turtle Creek will provide the engineering plans and pay for the plans as a Project Cost of the District, or from other funds available to Turtle Creek to be approved by the City. Turtle Creek will grade the area as shown on the plans to a final grade and will deliver the site to the City.

5. The City agrees to construct the portion of the Improvements for which the City is responsible as set forth above and in the Plan in a timely fashion based upon a schedule to be prepared by B.A. Engineering and approved by Turtle Creek so that all Improvements are completed prior to the final completion of the Mall. A work schedule shall be prepared and agreed to by both Turtle Creek and the City and shall be incorporated into this Agreement and marked Exhibit A and initial and dated by representatives of both Turtle Creek and the City. In the event the City fails or refuses to carry out it's obligations as set out in this Agreement, Turtle Creek shall construct the

Improvements to be constructed by the City. Turtle Creek shall give the City 10 days written notice of the breach or breaches of this Agreement. The City will have 10 days from receipt of the written notice to perform or commence to perform and to correct the breach or breaches set out in the notice. The City agrees to pay the actual cost incurred by Turtle Creek within 30 days from receipt of invoice.

Turtle Creek agrees to construct the portion of the Improvements for which it is responsible for constructing as set forth above and in the Plan in a timely manner in accordance with the construction schedule for the Mall as that schedule may be amended from time to time.

6. The City will procure the necessary resolutions or ordinances authorizing it to enter into this Agreement and to carry out the activities set forth in this Agreement at or prior to the date of execution of this Agreement.

7. This Agreement is binding upon both parties and their successors or assigns.

8. This Agreement contains the final understanding of the parties. All prior Agreements, whether oral or written are hereby declared to be null and void. This Agreement may be amended but all amendments must be reduced to writing and signed by both parties.

9. The effective date of this Agreement shall be March 1, 2004.

10. It is agreed and recognized that all of the Improvements are for public purposes. Therefore, Turtle Creek will convey to the City by a warranty deed the Detention Property and the Creek Relocation Area, and the Walking Path free and clear of all liens or encumbrances. All other Improvements constructed for the City, utility companies and the District by Turtle Creek shall be dedicated and conveyed to the City or the appropriate public entity by an appropriate recordable instrument following their completion. Each party pledges to the other its good faith and commercially reasonable efforts with respect to the obligations in this paragraph.

11. The City agrees that Turtle Creek may install at its sole expense a monument sign on the southeast corner of Nettleton Ave. and Matthews Ave. on City owned right of way at no cost to Turtle Creek. The size, appearance, and exact location will be presented to the City or the Metropolitan Area Planning Commission (MAPC) by Turtle Creek and will be subject to the approval of the City or MAPC with the approval not to be unreasonably withheld or delayed.

12. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

13. During site preparation the City agrees to sweep Highland Dr and Stadium Blvd no more than three times per week as additional consideration for the obligations being undertaken by Turtle Creek. The City and the site contractor for Turtle Creek shall develop a mutually agreeable sweeping schedule.

The parties as evidenced by their signatures below accept this Agreement.

[Handwritten signature] _____

