

## OPTION TO PURCHASE

This Option to Purchase is entered into this 16<sup>th</sup> day of November, 1998, by and between the CITY OF JONESBORO, hereinafter called "Grantor", and RKCB, L.L.C., an Arkansas L.L.C. by its Managers, Richie Harral and Kim Harral, hereinafter called "Grantee", and the parties state:

1. That for and in consideration of the previous purchase of the East 7.104 acres of the 19.019 acres, the Grantor does hereby give and grant unto the Grantee, and unto its successors and assigns, the right, privilege, and option to purchase at anytime on or before November 16<sup>th</sup>, 2000, in the manner, for the price and on the terms hereinafter set forth, the following described property in Craighead County, Arkansas, to-wit:

A part of the Southeast Quarter of the Southwest Quarter (SE 1/4, SW 1/4) of Section 26, Township 14 North, Range 4 East of the 5<sup>th</sup> Principal Meridian in Craighead County, Arkansas, more particularly described as follows:

From the northwest corner of the Southeast Quarter of the Southwest Quarter of said Section 26, thence N 88 deg. 42'00"E 858.50 feet to a point, thence S 01 deg. 018'00" E 50.00 feet to a point, thence N 88 deg. 48'22"E 79.12 feet to a point marking the northwest corner of the Wind Chimes Industrial Addition, the Point of Beginning;

Thence S 00 deg. 14'00"E 840.44 feet along the west line of the Wind Chimes Industrial Addition to the southwest corner thereof, thence N 89 deg. 04'35"E along the south line of Wind Chimes Industrial Addition to a point on the northerly right of way of C. W. Post Road, thence S 66 deg. 15'49"W 154.75 feet along said right of way to a point, thence S 89 deg. 04'35"W 547.36 feet along the right of way of US Highway 63 to a point marking the intersection of the northerly right of way of US Highway 63 with the easterly right of way of a railroad spur, thence N 44 deg. 37'58"W 94.83 feet along the easterly right of way of said railroad spur to a point marking the beginning of a curve to the right, thence Northeasterly 1180.85 feet along said railroad right of way along a curve to the right, said curve having a central angle of 116 deg. 01'44" and a radius of 583.11 feet, thence N 88 deg. 48'22"E 449.52 feet along said right of way to a point on the east line of the Southeast Quarter of the Southwest Quarter of said Section 26, thence S 00 deg. 14'00"E 10.00 feet along the east line of the Southeast Quarter of the Southwest Quarter of said Section 26 to a point marking the northeast corner of the Wind Chimes Industrial Addition, thence S 88 deg. 48'22"W 370.00 feet along the north line of the Wind Chimes Industrial Addition to the northwest corner thereof, the Point of Beginning, containing some 11.906 acres, more or less.

2. Exercise of Option. If on or before midnight of November 11<sup>th</sup>, 2000, the Grantee shall notify the Grantor of Grantee's election to exercise the option hereby granted by ordinary mail, postmarked prior to the deadline indicated and addressed to the Grantor at City of Jonesboro, P. O. Box 1845, Jonesboro, AR 72403, a contract shall thereupon result in which the Grantor agrees to sell and the Grantee agrees to purchase the above-described property for the price, on the terms, and subject to the conditions herein set forth. In the event that notice in accordance with the terms hereof of the election by the Grantee to exercise the option herein granted is not given within the time indicated, this option shall at once cease and terminate and the Grantee shall have no further rights hereunder.

3. Purchase Price. The purchase price of the above-described property is \$12,500.00 per acre. Should the Grantee exercise this option, at the time of closing to be fixed as herein specified, the sum of \$148,825.00 shall be paid in cash at the time of closing.

4. Closing Costs. All of the closing costs shall be paid by the Grantee including, but not limited to, ½ of the revenue stamps, if not exempt, recording deed, and grantee's attorney's fees. Grantor shall pay grantee's closing costs including, but not limited to, ½ of the revenue stamps, if not exempt, and title insurance policy.

5. Title Documents. Upon the exercise of this option, within the specified time by the Grantee, the Grantor shall provide to the Grantee, at Grantor's expense, or a policy of title insurance in the amount of the Purchase Price, at least fifteen (15) days prior to closing.

If any such material objections are presented in writing to the Grantor, the Grantor shall have fifteen (15) days within which to cure the same. In the event that the Grantee does not assert any material defects in the title offered, or if the title is found to be acceptable to the parties, a closing date shall be set for a time mutually agreeable to the parties, but not later than fifteen (15) days following the expiration of the period of time provided for the examination of the abstract of title by the attorneys for the Grantee. In the event that the title is not found to be merchantable and the defects therein are not cured by the Grantor within fifteen (15) days, the Grantee shall have the right and option to cancel and terminate the then-existing contract for the purchase of the property and at that time, all of the mutual rights of the parties hereunder shall cease and terminate.

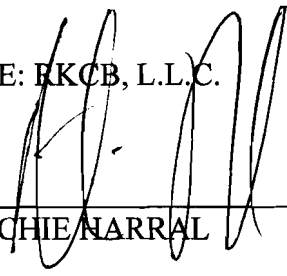
6. Closing. Closing shall take place within thirty (30) days of the notice of intent to exercise the option to purchase. On the closing date, Grantor shall make, execute and deliver to Grantee a Warranty Deed in proper form conveying fee simple absolute title to the property subject only to liens for subsequent taxes, easements and other instruments which do not materially affect the value of the property with the necessary documentary tax stamps affixed thereto, which shall be paid by the Grantee. The purchase price shall be paid in cash or certified check at the closing by the Grantee to the Grantor. Closing is to occur at the offices of Grantor's attorney, or such other place as is mutually agreeable by Grantor and Grantee.

7. Taxes. All taxes for years prior to closing will be paid by the Grantor at or prior to the

closing date. All taxes during the year of closing shall be prorated by the parties to the date of closing by an adjustment in the amount of cash to be paid from the Grantee to the Grantor.

8. General. Time is of the essence of this agreement, and if the Grantee shall not have exercised this option to purchase within the time and in the manner herein stated, all of the Grantee's rights hereunder shall at once cease and determine.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 16 day of November, 1998.

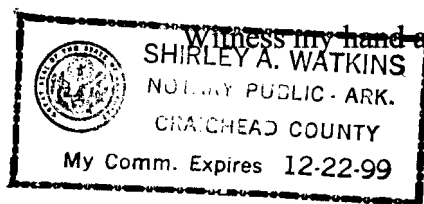
GRANTEE: RKCB, L.L.C.  
BY:  \_\_\_\_\_  
RICHIE NARRAL

BY:  \_\_\_\_\_  
KIM NARRAL

**ACKNOWLEDGMENT**

STATE OF ARKANSAS  
COUNTY OF CRAIGHEAD

On this day before me, the undersigned officer, personally appeared Mayor Hubert Brodell and Donna Jackson, respectively, to me well known to be the Mayor and City Clerk for the City of Jonesboro, Arkansas, a Municipal Corporation, whose names are subscribed to the foregoing instrument, and acknowledged that they had executed the same for the purposes therein stated and set forth.



Witness my hand and seal this 10th day of November, 1998.

Shirley A. Watkins  
NOTARY PUBLIC

MY COMMISSION EXPIRES:

12/22/99

**ACKNOWLEDGMENT**

STATE OF ARKANSAS  
COUNTY OF CRAIGHEAD

On this day before me, the undersigned officer, personally appeared Richie Harral and Kim Harral, Managers of RKCB, L.L.C., whose names are subscribed to the foregoing instrument, and acknowledged that they had executed the same for the purposes therein stated and set forth.

Witness my hand and seal this 16 day of November, 1998.

Michael R. Gott  
NOTARY PUBLIC

