



MADISON COUNTY
SCHOOLS

MARK OF EXCELLENCE

476 Highland Colony Parkway
Ridgeland, MS 39157

Telephone: 601-499-0800

Letitia H. Reeves, 16th Section Land Manager

Telephone: 601-499-0717

lreeves@madison-schools.com

June 18, 2019

Madison County Board of Supervisors
ATTN: Ms. Cynthia Parker, Board Secretary
P.O. Box 404
Canton, MS 39046

RE: Document for Board Approval

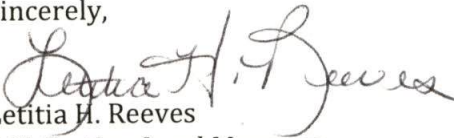
Dear Cynthia:

Enclosed please find the Notice to Renew Long Term Residential Lease to Kenneth K. Brown and wife, Toya T. Brown, regarding Lot 33, Livingston Subdivision, Part 1.

It is requested that the Board of Supervisors approve the enclosed document at the upcoming Board of Supervisors' meeting to be held July 1, 2019.

Should you have any questions or need anything further in this regard, please let me know. Thank you.

Sincerely,



Letitia H. Reeves
16th Section Land Manager

/lr

Enclosure

cc: Charlotte A. Seals, Superintendent

INDEXING:

Lot 33, Livingston Subdivision, Part 1
Per Plat Cabinet D at Slide 69-72, City of Madison, Section 16, Township 8 North,
Range 1 East, Madison County, Mississippi
Parcel #081E-16-001/02.33

LESSOR:

Madison County Board of Education
476 Highland Colony Parkway
Ridgeland, MS 39157
Telephone: 601-499-0800

LESSEE:

Kenneth K. Brown and
Toya T. Brown
104 Bidon Place
Madison, MS 39110
Telephone: _____

PREPARED BY:

Madison County School District
476 Highland Colony Parkway
Ridgeland, MS 39157
Telephone: 601-499-0800

**NOTICE TO RENEW
RESIDENTIAL LEASE CONTRACT**

This Notice to Renew is made and entered into on the _____ day of _____, 2019, by and between the Madison County, Mississippi, Board of Education Trustees of the Madison County School District 16th Section School Lands Trust ("Lessor") and **Kenneth K. Brown** and wife, **Toya T. Brown** ("Lessee") according to the following terms and provisions:

A. Lessor and Lessee executed that certain Residential Lease Contract (the "Lease") for a term of forty years, beginning on the 19th day of May, 2009, and terminating on the 18th day of May, 2049, (the "Primary Term"), covering a parcel of 16th Section Land as described therein which is recorded in the office of the Chancery Clerk of Madison County, Mississippi in **Deed Book 2430 at Page 878**, being located in Section 16, Township 8 North, Range 1 East, Madison County, Mississippi, and being more particularly described as:

Lot 33 of Livingston Subdivision, Part 1, a subdivision which is on file and of record in the office of the Chancery Clerk of Madison County at

Canton, Mississippi in Plat Cabinet D at Slide 69-72, reference to which is hereby made in aid of and as a part of this description, which plat is corrected and ratified by document recorded in Book 1360 at Page 106 in the office of the Chancery Clerk of Madison County, Mississippi.

B. This Notice to Renew is executed pursuant to Paragraph (1) of the Lease whereby the Lease provided the Lessee with an option to renew the Lease for an additional term of twenty-five (25) years pursuant to Miss. Code Ann. § 29-3-69 (1972) as amended, commencing on the termination date of the Primary Term (the "Initial Termination Date").

C. NOW THEREFORE, the Lessor and Lessee do hereby agree to renew the Lease for an additional term of twenty-five (25) years commencing on the Initial Termination Date; and as a result, **the Lease shall now terminate on the 18th day of May, 2074** (the "Final Termination Date"). Said renewal shall be under the same terms, conditions, and stipulations set forth in the Lease, except the annual rental shall be based upon the fair market value of the subject property, as determined by a qualified appraiser selected by Lessor who performs his or her appraisal not more than twelve (12) months prior to the expiration of the Primary Term.

D. Except as amended by this Notice to Renew, the existing Lease shall stay in full force and effect and under the same terms conditions, annual rental, and stipulations set forth in the Lease until the Final Termination Date.

The Lease, as amended by this Notice to Renew, is ratified and confirmed as the valid and subsisting agreement of the parties but without waiver of remedies for any presently existing default.

In Witness Whereof, this Notice to Renew is executed by Lessor pursuant to an order entered upon its minutes and is executed by Lessee on the date first stated above.

LESSOR:

**MADISON COUNTY, MISSISSIPPI,
BOARD OF EDUCATION**

By: _____
Wayne Jimenez, President of the
Board Of Education

By _____
Charlotte A. Seals, Superintendent Of
Education

LESSEE:

Kenneth K. Brown

Toya T. Brown

Reviewed and approved by the Madison County Board of Supervisors, this the ____ day of _____, 2019.

By: _____
Trey Baxter, President of the
Board of Supervisors

ATTEST:

Ronny Lott, Clerk

STATE OF MISSISSIPPI
COUNTY OF MADISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **Trey Baxter**, who acknowledged to me that he is President of the **Madison County Board of Supervisors**, and that for and on behalf of the said Madison County Board of Supervisors, and as its act and deed, he executed the above and foregoing instrument, after first having been duly authorized so to do.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

STATE OF MISSISSIPPI
COUNTY OF MADISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **Wayne Jimenez** and **Charlotte A. Seals** who acknowledged to me that they are President of the Madison County Board of Education and Superintendent of Education, respectively, of the **Madison County School District**, and that for and on behalf of the said Madison County School District, and as its act and deed, they executed the above and foregoing instrument, after first having been duly authorized so to do.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

STATE OF MISSISSIPPI
COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **Kenneth K. Brown** and wife, **Toya T. Brown**, who acknowledged to me that they executed the above and foregoing instrument.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

Extension/2019/#1289 Brown



**MADISON COUNTY
SCHOOLS**
MARK OF EXCELLENCE

476 Highland Colony Parkway
Ridgeland, MS 39157
Telephone: 601-499-0800
Letitia H. Reeves, 16th Section Land Manager
Telephone: 601-499-0717
lreeves@madison-schools.com

June 24, 2019

Madison County Board of Supervisors
ATTN: Ms. Cynthia Parker, Board Secretary
P.O. Box 404
Canton, MS 39046

RE: Documents for Board Approval

Dear Cynthia:

Enclosed please find the following documents:

1. Notice to Renew Long Term Residential Lease to William K. Hollis and wife, Charlotte A. Hollis, regarding Lot 129 Sherbourne Subdivision, Part 5.

2. Renegotiated Long Term Residential Lease to C. Michael Osborne and wife, Suzanne W. Osborne, regarding Lot 13 of the Resubdivision of Lots 13 and 14 of the Resubdivision of Lots 12, 13 and 14 of Calumet, Part One (Plat Cabinet D, Slide 88) per Plat Cabinet F at Slide No. 129A, Section 16, Township 7 North, Range 2 East, City of Madison, Madison County, Mississippi.

3. Renegotiated Long Term Residential Lease to C. Michael Osborne and wife, Suzanne W. Osborne, regarding Lot 14 of the Resubdivision of Lots 13 and 14 of the Resubdivision of Lots 12, 13 and 14 of Calumet, Part One (Plat Cabinet D, Slide 88) per Plat Cabinet F at Slide No. 129A, Section 16, Township 7 North, Range 2 East, City of Madison, Madison County, Mississippi.

NOTE: The two renegotiated leases hereinabove were replatted so acreage of the two lots changed requiring new leases.

It is requested that the Board of Supervisors approve the enclosed documents at the upcoming Board of Supervisors' meeting to be held July 1, 2019.

Should you have any questions or need anything further in this regard, please let me know. Thank you.

Sincerely,


Letitia H. Reeves
16th Section Land Manager

/lr
Enclosures
cc: Charlotte A. Seals, Superintendent

INDEXING:

Lot 129, Sherbourne Subdivision, Pt 5
Per Plat Cabinet D at Slide 156, City of Madison, Section 16, Township 7 North,
Range 2 East, Madison County, Mississippi
Parcel #072E-16B-238/00.00

LESSOR:

Madison County Board of Education
476 Highland Colony Parkway
Ridgeland, MS 39157
Telephone: 601-499-0800

LESSEE:

William K. Hollis and
Charlotte A. Hollis
716 Highleadon Place
Madison, MS 39110
Telephone: _____

PREPARED BY:

Madison County School District
476 Highland Colony Parkway
Ridgeland, MS 39157
Telephone: 601-499-0800

**NOTICE TO RENEW
RESIDENTIAL LEASE CONTRACT**

This Notice to Renew is made and entered into on the _____ day of _____, 2019, by and between the Madison County, Mississippi, Board of Education Trustees of the Madison County School District 16th Section School Lands Trust ("Lessor") and **William K. Hollis** and wife, **Charlotte A. Hollis** ("Lessee") according to the following terms and provisions:

A. Lessor and Lessee executed that certain Residential Lease Contract (the "Lease") for a term of forty years, beginning on the 6th day of February, 2007, and terminating on the 5th day of February, 2047, (the "Primary Term"), covering a parcel of 16th Section Land as described therein which is recorded in the office of the Chancery Clerk of Madison County, Mississippi in **Deed Book 2182 at Page 468**, being located in Section 16, Township 7 North, Range 2 East, Madison County, Mississippi, and being more particularly described as:

Lot 129 of Sherbourne Subdivision, Part 5, a subdivision which is on file and of record in the office of the Chancery Clerk of Madison County at Canton, Mississippi in Plat Cabinet D at Slide 156, reference to which is hereby made in aid of and as a part of this description.

B. This Notice to Renew is executed pursuant to Paragraph (1) of the Lease whereby the Lease provided the Lessee with an option to renew the Lease for an additional term of twenty-five (25) years pursuant to Miss. Code Ann. § 29-3-69 (1972) as amended, commencing on the termination date of the Primary Term (the "Initial Termination Date").

C. NOW THEREFORE, the Lessor and Lessee do hereby agree to renew the Lease for an additional term of twenty-five (25) years commencing on the Initial Termination Date; and as a result, **the Lease shall now terminate on the 5th day of February, 2072** (the "Final Termination Date"). Said renewal shall be under the same terms, conditions, and stipulations set forth in the Lease, except the annual rental shall be based upon the fair market value of the subject property, as determined by a qualified appraiser selected by Lessor who performs his or her appraisal not more than twelve (12) months prior to the expiration of the Primary Term.

D. Except as amended by this Notice to Renew, the existing Lease shall stay in full force and effect and under the same terms conditions, annual rental, and stipulations set forth in the Lease until the Final Termination Date.

The Lease, as amended by this Notice to Renew, is ratified and confirmed as the valid and subsisting agreement of the parties but without waiver of remedies for any presently existing default.

In Witness Whereof, this Notice to Renew is executed by Lessor pursuant to an order entered upon its minutes and is executed by Lessee on the date first stated above.

LESSOR:

**MADISON COUNTY, MISSISSIPPI,
BOARD OF EDUCATION**

By: _____
Wayne Jimenez, President
of the Board Of Education

By _____
Charlotte A. Seals, Superintendent
Of Education

LESSEE:

William K. Hollis

Charlotte A. Hollis

Reviewed and approved by the Madison County Board of Supervisors, this the ____ day of _____, 2019.

By: _____
Trey Baxter, President
of the Board of Supervisors

ATTEST:

Ronny Lott, Clerk

STATE OF MISSISSIPPI
COUNTY OF MADISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **Trey Baxter**, who acknowledged to me that he is President of the **Madison County Board of Supervisors**, and that for and on behalf of the said Madison County Board of Supervisors, and as its act and deed, he executed the above and foregoing instrument, after first having been duly authorized so to do.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

STATE OF MISSISSIPPI
COUNTY OF MADISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **Wayne Jimenez** and **Charlotte A. Seals** who acknowledged to me that they are President of the Madison County Board of Education and Superintendent of Education, respectively, of the **Madison County School District**, and that for and on behalf of the said Madison County School District, and as its act and deed, they executed the above and foregoing instrument, after first having been duly authorized so to do.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

STATE OF MISSISSIPPI
COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **William K. Hollis** and wife, **Charlotte A. Hollis**, who acknowledged to me that they executed the above and foregoing instrument.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

Extension/2019/#1383 Hollis for Lot 129, Sherbourne, Pt 5

Indexing Instructions: Lot 13 of the Resubdivision of Lots 13 and 14 of the Resubdivision of Lots 12, 13 and 14 of Calumet, Part One (Plat Cabinet D, Slide 88) per Plat Cabinet F at Slide No. 129A, Section 16, Township 7 North, Range 2 East, City of Madison, Madison County, MS (Parcel #072E-16C-002/25.00)

LESSOR:

Madison County Board of Education
476 Highland Colony Parkway
Ridgeland, MS 39157
Telephone: 601-499-0800

LESSEES:

C. Michael Osborne and
Suzanne W. Osborne
140 Calumet Drive
Madison, MS 39110
Telephone: 601-937-1283

PREPARED BY:

Madison County School District
476 Highland Colony Parkway
Ridgeland, MS 391577
Telephone: 601-499-0800

**RENEGOTIATED 16th SECTION PUBLIC SCHOOL TRUST LANDS
LONG TERM RESIDENTIAL LEASE CONTRACT**

STATE OF MISSISSIPPI
COUNTY OF MADISON

THIS RESIDENTIAL LEASE CONTRACT, made and entered into this the ___ day of _____, 2019, by and between the **MADISON COUNTY, MISSISSIPPI, BOARD OF EDUCATION TRUSTEES** of the **MADISON COUNTY SCHOOL DISTRICT 16TH SECTION SCHOOL LANDS TRUST** (hereinafter called "Lessor"),

and **C. Michael Osborne** and wife, **Suzanne W. Osborne** (hereinafter called "Lessee"), as joint tenants with full rights of survivorship and not as tenants in common.

WITNESSETH:

That for the term and in consideration of the annual rentals hereinafter set forth, and the covenants, conditions, and obligations to be observed and performed by the Lessee, the Madison County, Mississippi, Board of Education does hereby lease, let and rent unto Lessee the following residential lands, situated in the City of Madison, Madison County, Mississippi (the "Leased Premises") and described as:

Lot 13 of the Resubdivision of Lots 13 and 14 of the Resubdivision of Lots 12, 13 and 14 of Calumet, Part One (Plat Cabinet D, Slide 88), which is on file and of record in the office of the Chancery Clerk of Madison County at Canton, Mississippi in Plat Cabinet F at Slide No. 129A, reference to which is hereby made in aid of and as a part of this description.

1. **TERM.** The term of this Lease shall be for forty (40) years, beginning on the 2nd day of July, 2019, and terminating on the day of 1st day of July, 2059, (the "primary term"). For purposes of this Lease Agreement, the Anniversary Date shall be July 2nd of each year. It is expressly agreed and understood by all parties hereto that part of the consideration given for the execution and delivery of this instrument is the option hereby granted to Lessee to renew this lease for an additional or "secondary term" as provided by 29-3-69 Miss. Code Ann. (1972) of twenty-five (25) years from the 2nd day of July, 2059 under the same terms, conditions, and stipulations set forth herein, except the annual rental shall be based upon the fair market value of the Leased Premises, excluding the value of buildings and improvements not then owned by the Lessor, as determined by a qualified appraiser selected by Lessor who performs his appraisal not more than twelve months and not less than three months prior to the expiration of the primary term. The cost of the new appraisal shall be borne by Lessee. A new lease shall be executed to effectuate the secondary term. To exercise the right to renew this lease for an additional twenty-five (25) years, Lessee must file with Lessor written notice of Lessee's intent to renew said lease. The notice to renew must be filed on or before the expiration of the forty (40) year primary term. In the event of the failure of the Lessee to exercise his right to re-lease the Leased Premises at such time, any holder of a valid first deed of trust upon the Leased Premises shall have a prior right to re-lease the premises at an annual rental based on appraised value excluding buildings and improvements, said lease to be substantially in the

same form as this Lease Contract.

2. **RENTAL AMOUNT.** Lessee agrees and covenants to pay or cause to be paid to Lessor annually, on or before the Anniversary Date of this Lease Contract each year during the term hereof, rentals in advance according to the following schedule:

<u>PRIMARY TERM YEAR</u>	<u>ANNUAL RENTAL</u>
Year 1 (Pro-rated)	\$ 373.13
Year 2 through Year 5	\$ 1,275.00
Year 6 through Year 10	\$ 1,402.50
Year 11 through Year 15	\$ 1,530.00
Year 16 through Year 20	\$ 1,657.50
Year 21 through Year 25	\$ 1,785.00
Year 26 through Year 30	\$ 1,912.50
Year 31 through Year 35	\$ 2,040.00
Year 36 through Year 40	\$ 2,167.50

Please note that the first year's annual rental is prorated based on the fact that this lease is replacing a lease dated March 27, 2002 and recorded in Book 508 at Page 502 in the office of the Chancery Clerk of Madison County, Mississippi. The annual rental of \$1,170.00 was paid for the lease rental as set forth in the lease at Book 508 at Page 502 for the April 10, 2019 to April 9, 2020. The amount of \$268.13 of that amount was payment for April 10, 2019 to July 2, 2019, with the remaining amount of the annual rental paid (\$901.87) being subtracted from the first year's annual rental due under this lease.

The obligation of Lessee to pay rent under this Lease Contract is unconditional, and the rent shall not be subject to set off for any reason or cause. Lessor and Lessee agree that in the event of termination or cancellation, any rental payment made during the term of this Lease Contract is not refundable, and Lessee waives any right or claim it may have to refund of rent paid. Failure of Lessee to pay

the annual rentals listed above shall constitute a breach of this lease agreement. In the event Lessee is delinquent in the payment of rent, Lessee shall pay a late charge equal to fifteen percent (15%) of the amount of rent past due for more than 30 days and thereafter shall pay interest on any rent past due at an annual rate (the "Default Rate") equal to the maximum rate then allowed by law, or, if there is no maximum rate, then a rate equal to five percent per annum above the discount rate, excluding any surcharge thereon, on ninety-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district in which the Lessor is located, calculated according to the actuarial method.

3. **Rent Adjustment for Renewal Term.**

- (a) The amount of rental to be paid during any renewal term after the primary term (rent adjustment procedure) shall be determined as provided in this paragraph. Lessor shall, six months before or six months after any such date, cause the Leased Premises to be reappraised and a redetermination made of the annual fair market rental amount. The reappraisal shall be made pursuant to the terms of § 29-3-65 Miss. Code Ann. (1972), or pursuant to the statute then in effect governing such leases and procedures for determining fair market rental value. Lessor shall use its best efforts to cause the Leased Premises to be reappraised and a redetermination made of the annual fair market rental amount within six months before expiration of the primary term. In the event Lessor shall fail to instigate reappraisal within the six months preceding any rent adjustment date, Lessor shall not be deemed to have waived this provision requiring rent adjustment, and in such event (at any time after a rent adjustment date) Lessor may proceed to have the Leased Premises reappraised and an adjusted rent determined for any such readjustment period. The adjusted rent shall be effective on the required adjustment date and Lessee shall pay any deficiency to Lessor within fifteen (15) days of the determination of the adjusted rent. The reappraisal shall establish the fair market value of the Lease Premises and establish a reasonable current percentage of income on real estate investments for the purposes of determining annual fair market rental. Such percentage shall be no less than the minimum acceptable percentage provided by statute then in effect. Unless altered by the procedures described below, the amount of rent so determined as of each rental adjustment date shall be paid until the next rental adjustment date or for the balance of the lease as the case may be. The appraisal process described in this subparagraph (a) may be

referred to hereafter as the Statutory Procedure. The cost of the reappraisal shall be borne by Lessee, using an appraiser selected by Lessor.

(b) Should the Statutory Procedure described in subparagraph (a) above result in an increase over the amount previously due, Lessee, by notice in writing given to the Lessor within 15 days after receiving notice of the increase, shall have the right to elect an alternate method of determining the current fair market rental value of the Leased Premises (the "Alternate Procedure") as follows:

(1) Lessee may provide an appraisal by an appraiser having the qualifications hereafter described giving an opinion of current fair market annual rental value based on the fair market value of the land and a reasonable percentage of return on comparable land investments as of the rental adjustment date. The written report of Lessee's appraiser shall be delivered to Lessor within 45 days after the date on which Lessor gave notice of an increase in rent under the Statutory Procedure. UPON FAILURE TO PROVIDE AN ALTERNATE APPRAISAL WITHIN THE TIME ALLOWED, LESSEE SHALL FORFEIT THE RIGHT TO PURSUE THE ALTERNATE PROCEDURE, AND ANNUAL RENT DETERMINED UNDER THE STATUTORY PROCEDURE SHALL BECOME DUE AND PAYABLE.

(2) The appraiser appointed by Lessee and the appraiser previously appointed by Lessor under the Statutory Procedure shall make a good faith effort to reconcile their differences. If they have been unable to do so within 10 days after delivery of the report of Lessee's appraiser, the two appraisers, within such 10-day period, shall each submit the names of three appraisers having the qualifications hereinafter described who practice in Mississippi to serve as a review appraiser, and they shall select the review appraiser from names in common on the two lists. If there is no name in common on the two lists, or if the person selected shall decline to serve, then each appraiser shall submit another list of three names of persons meeting the same criteria.

- (3) The review appraiser shall review and analyze the two appraisal reports, and, if needed, inspect the land, consult with the two appraisers, review their assumptions and source informational and request corrections, revisions and additions to the appraisal reports. The review appraiser may also consider relevant information from his own files, conduct such independent investigation as he deems appropriate and may consider comparable transactions which occurred after the rental adjustment date.
 - (4) The review appraiser shall report his opinion of annual fair market rent and such amount shall be accepted by Lessor and Lessee as the current fair market rental value of the Leased Premises.
- (c) If Lessee requests the Alternate Procedure, Lessee shall pay all fees and expenses of Lessee's appraiser, the review appraiser and any additional charges of Lessor's appraiser. The review appraiser, however, shall perform his duties in an independent and impartial manner irrespective of the source of payment of his fees and expenses.
 - (d) The annual rentals on any adjustment date shall not be reduced below the amount established upon the initial date of this lease except upon determination by the Statutory Procedure.
 - (e) The amount of rent determined in the above manner shall be remitted on or before the rental adjustment date, or, if the rental adjustment procedures are concluded after such date, then promptly upon conclusion of these rental adjustment procedures effective as of the rental adjustment date.
 - (f) The rent adjustment procedures will not delay the due date of rent at the existing annual rate and will not affect Lessor's right to declare a default if rent is not timely paid.
 - (g) Lessee's appraiser and the review appraiser must be members of the same organization of appraisers as Lessor's appraiser, or an organization having higher requirements for admission, and must have the same or higher designation (such as, for example, Member, Appraisal Institute). If Lessors's appraiser belongs to more than one organization, the other appraisers must belong to

the organization having the highest standards and qualifications for membership. If the organization has multiple designations for appraisers, the review appraiser and the Lessee's appraiser must hold the same or a higher designation as held by Lessor's appraiser.

4. **TAXES.** Lessee covenants and agrees to pay any and all general and special taxes and assessments, including drainage taxes, if ever any there be, applicable to the Leased Premises and Lessee's interest therein; further, Lessee covenants and agrees to pay any and all survey costs and recording fees in connection with this lease or any other fees so determined by law. All payments for general and special taxes and assessments, including drainage taxes, shall be made directly to the governmental authority responsible for collecting such taxes and assessments. During the final year of the lease term, Lessor or the governmental authority responsible for collecting taxes and assessments may require payment of any such taxes or assessments in advance or require that other security be given to insure that taxes will be paid when due. In the event it becomes necessary for the County Tax Collector or any other authority responsible for collecting general and special taxes or assessments to retain the services of attorneys to collect any taxes or assessments due from Lessee under this Lease Contract, then Lessee agrees to pay all costs and expenses of such actions or collections, including a reasonable attorney's fee for the County Tax Collector or such other authority responsible for collecting said taxes or assessments. The failure to pay said taxes as and when due shall constitute a breach of this Lease Contract.

5. **ASSIGNMENT.** Provided Lessee is not in breach of this Lease Contract, Lessee may, upon payment of a \$200.00 transfer fee to Lessor, freely assign this Lease in its entirety whereupon the Lessee shall be relieved of all obligations accruing subsequent to the assignment. In the event of an assignment, or other transfer of possession, Lessee shall, within thirty (30) days after the transfer, give written notice of said assignment to the Madison County, Mississippi, Board of Education, 476 Highland Colony Parkway, Ridgeland, Mississippi 39157. Said notice of assignment shall include a true copy of the instrument evidencing such transfer and the Assignee's address and telephone number.

6. **IMPROVEMENTS.** Lessee agrees, at Lessee's own cost and expense, to keep all improvements in a good state of repair at all times and to maintain the premises in good order and in a clean, sanitary and safe condition. While this Lease continues in force and effect, Lessee shall have the unrestricted right to remove, change, alter, modify, add to or subtract from any of Lessee's improvements on the land as the Lessee may in his sole discretion elect so to

do, and the Lessor, while this Lease or any extension thereof continues in force and effect, shall have no ownership interest in any of Lessee's improvements. If any improvements are removed, the Lessee shall be obligated to remove all foundations and paved areas, fill any excavations with a soil material suitable as a foundation support for further construction and generally restore the premises to a condition suitable for construction, use and occupancy by others. Lessee shall have the right to construct new or replacement buildings or structures on the leased premises. In the event construction is contemplated, Lessee shall submit a description of the general nature of the proposed improvement and its intended use to Lessor for approval, which approval shall not be unreasonably withheld.

It is expressly agreed by and between the parties that Lessee will not make any alteration upon the Leased Premises without the express written consent of Lessor and that Lessee will not occupy or use, nor permit to be occupied or used, the Leased Premises, for any business deemed extra-hazardous on account of fire or otherwise; nor will Lessee permit the same to be used for any immoral or unlawful purpose. Lessee also covenants and agrees to maintain the Leased Premises in a neat and orderly manner and to refrain from creating or maintaining any eyesores, unattractive nuisances, or other nuisance.

7. **DEFAULT.** The parties herein expressly agree that if default shall be made in the payment of any tax, assessment or other charge made pursuant to this Lease Contract, then and in any such event of default, it shall be lawful for the Lessor, its legal representatives or assigns, to enter upon said premises, or any part thereof, either with or without process of law, to re-enter and repossess the same, and to distrain for any rent or assessment that may be due thereon, at the election of the Lessor, but nothing herein is to be construed to mean that the Lessor is not permitted to hold the said Lessee liable for any unpaid liens or assessment to that time. As to all other conditions, covenants and obligations imposed on the Lessee herein, enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate said conditions, covenants and obligations, to restrain violation and to recover damages, if any, including reasonable expenses of litigation and a reasonable attorney's fee, which Lessee expressly agrees to pay. Such enforcement by proceedings at law or in equity may be instituted at any time after thirty (30) days written notice to Lessee. Invalidity of any provision(s) of this Lease Contract by judgment or court order shall in no way affect any of the remaining provisions which shall remain in full force and effect.

8. **FORFEITURE.** In the event of any forfeiture, default or cancellation of

this Lease Contract or termination under the terms hereof as aforesaid, said Lessee shall quit, deliver up and surrender possession of the Leased Premises, and all structures and improvements thereon to the said Lessor, and thereupon this Lease Contract and all agreements and covenants on the Lessor's behalf to be performed and kept, shall cease, terminate and be utterly void, the same as if this Lease Contract had not been made; and, in addition thereto, the Lessor shall be entitled to whatever remedies it may have at law for the collection of any unpaid rental hereunder, or for any other sums, for damages or otherwise, that it may have sustained on account of the Lessee's non-fulfillment or nonperformance of the terms and conditions of this Lease Contract. Lessee shall pay to Lessor all costs of collection of rent or enforcement of this lease, including expenses of litigation and attorneys' fees, regardless of whether suit is filed. Immediately upon the termination of this Lease in any manner, whether by litigation or forfeiture, the Lessor shall be entitled to take possession of the Leased Premises and all the improvements thereon absolutely, any custom, usage, or law to the contrary notwithstanding. Mobile homes, factory manufactured, complete with wheels, where permitted to be placed, may, however, be removed at the termination of the Lease Contract, when termination is by the expiration of the full term, but not in the event of default.

9. **WASTE.** The Lessee shall be responsible for any damage that may be caused to Lessor's property by the activities of the Lessee under this Lease Contract, and shall exercise due diligence in the protection of all improvements, timber and other property of Lessor, which may be located on the Leased Premises or in the vicinity thereof, against fire or damage from any and all other causes. Lessee shall further comply with all applicable laws, rules and regulations concerning Lessee's use of the property and/or obligations under this Lease Contract. This obligation shall include, but not be limited to, compliance with federal, state and local environmental endangered species, wetlands, and other laws, rules and regulations that may presently exist or hereafter be adopted. If the Lessee shall commit, cause to be committed, or permit the commission of any act of waste on the leased premises, then this lease shall thereupon cease and terminate and shall thenceforth be null and void, and the Lessee shall be and remain liable to Lessor for any and all waste and damages to the land permitted, done, or in any way caused by the Lessee. In the event of contamination of soils, air or water arising out of any Lessee use, Lessee shall be responsible for all mandated remediation and monitoring with this obligation to survive termination of this Lease Contract.

10. **INDEMNITY.** Lessee shall protect, indemnify, defend, save, and hold harmless, Lessor, the State of Mississippi, and the Secretary of State, their officers, board members, employees and agents, from and against all claims,

demands, liabilities, suits, injuries and any and all losses or damages and cost of every kind and nature whatsoever ("loss"), including but not limited to all court costs and attorneys' fees and all personal injury or death and/or damage to any person or entity including, but not limited to, Lessor and its property or other loss arising out of any alleged noncompliance with laws or caused by Lessee's exercise of its rights under this Lease Contract and/or resulting from the actions or omission of Lessee in connection with its presence on or any use of Leased Premises by Lessee, its officers, agents, subcontractors, employees or invitees; provided, however, it is understood that the indemnity provided by Lessee as described in this paragraph shall not extend to intentional or negligent acts of Lessor, its officers or agents.

11. **RIGHT TO CURE.** Notwithstanding any provisions of this Lease Contract containing a default provision, any present or future holder of a mortgage or deed of trust representing money loaned on these facilities, shall have the right of a sixty (60) day notice of default within which to cure any default which may be cured by the payment of money. In addition, for any other default for which a forfeiture of said Lease may be invoked, such holder of such mortgage or deed of trust shall be entitled to a notice in writing of the claimed default and shall have a reasonable time, which shall not be less than sixty (60) days, to either require the correction of such default or in lieu thereof to protect itself through the exercise of a power of sale and thereby acquire title to such properties and correct such default.

12. **ENJOYMENT.** Lessee shall have quiet and peaceable possession so long as Lessee complies with the terms of this Lease Contract. Lessee, his heirs, successors or assigns, shall occupy the premises as a single family residence; but this condition shall not prejudice rights of a holder of mortgage or deed of trust set forth elsewhere in this residential lease contract. Lessee certifies that there are no dwellings on the Leased Premises other than Lessee's dwelling.

13. **RESERVATION.** Lessor reserves title to all timber, the right to harvest said timber at Lessor's discretion and to reseed or replant after harvest, together with title to all minerals and oil and gas, together with the right of ingress and egress to remove same, as provided by law. Lessor reserves the right to grant or sell rights-of-way across the Leased Premises for roads, highways, railroads, fiber optic cables or any public utility line, provided that any such roads, highways, railroads, fiber optic cables or public utility lines be constructed or operated in a manner so as to not unreasonably interfere with Lessee's use of the Leased Premises.

14. **MORTGAGE.** Any recorded mortgages or deeds of trust may provide that any default by the Lessee/Mortgagor concerning this Lease Contract shall

likewise be a default of such mortgage or deed of trust, but failure to indicate such provision in any mortgage or deed of trust shall not affect the validity or propriety thereof nor diminish the protection extended to the holder of such mortgage or deed of trust or the indebtedness secured thereby. Notwithstanding any provision of this Lease Contract to the contrary, in the event of a default and foreclosure of a mortgage or deed of trust representing money loaned on the hereinbefore described property or the receipt of a transfer in lieu thereof, the purchaser at such foreclosure or the recipient of a transfer in lieu thereof, will receive all the rights and privileges of a lessee and likewise assume all responsibilities of a lessee as if such purchaser or transferee had initially been a lessee under this Lease Contract.

15. **CONDEMNATION.** In the event of condemnation or other taking for public use under powers of eminent domain of all or any part of Lessee's interest in the leased premises, payments for such condemnation or taking of Lessee's leasehold interest shall be payable to Lessee, or, if the Lessee's premises are encumbered by a mortgage or deed of trust, payment for the leasehold estate shall be made in accordance with the terms and provisions of such mortgage or deed of trust. Leasehold mortgagee (or trustee for restoration in the case of partial awards) shall be entitled to receive payment of a condemnation award to which Lessee is entitled. The payment must not be less than the total award less the value of the Leased Premises considered as unimproved.

16. **RIGHT TO NEW LEASE.** When a dwelling has been constructed upon the herein described leasehold and the Lessee desires to obtain a new lease to facilitate refinancing of the mortgage or sale of the improvements and leasehold, Lessee shall be entitled to a new lease for the maximum statutory term subject to the following conditions:

- A. Payment of an administrative fee of two hundred dollars (\$200.00);
- B. Reappraisal of the fair rental value of the property, less any of Lessee's improvements and adjustment of rent based upon the new appraisal; and
- C. Payment by Lessee of the appraisal fee.

17. **NOTICE.** All notices specified by this Lease Contract shall be in writing and sent by registered or certified mail, postage prepaid to the addresses listed within this Lease Contract, or hand-delivered in person, delivered by facsimile or otherwise. By written notice, either party may change the persons or

addresses to who notice shall be given.

18. **FILING.** Lessor will deliver this Lease Contract to the Chancery Clerk of Madison County for recording and Lessee has herewith delivered to Lessor a check payable to the Chancery Clerk for recording fees.

19. **GOVERNING LAW.** This Lease Contract shall be governed by, construed and enforced in accordance with the laws of the State of Mississippi. Jurisdiction and venue for any actions arising from this Lease Contract and any amendments hereto shall rest exclusively in the Chancery Court of Madison County, Mississippi.

20. **INTERPRETATION.** The parties to this Lease Contract acknowledge that they have freely entered into this Lease Contract and any ambiguities shall not be construed against a single party.

21. **SECRETARY OF STATE.** By virtue of the signature below, the Secretary of State of the State of Mississippi has approved this Lease Contract in accordance with the Secretary's authority for general supervision of 16th Section Public School Trust Land. Approval of this Lease Agreement by the Secretary of State indicates that the Madison County Board of Education has exercised the care and skill of an ordinary prudent person to protect the beneficiaries of the 16th Section Public School Trust Land.

22. **SUPERVISORY RIGHT.** The Secretary of State, as supervisory trustee, shall have the right to institute any action to enforce the terms of this Lease Agreement in the event Lessor fails to do so in a timely manner. In the event the Secretary of State institutes legal action to enforce the terms of this Lease Contract, he shall have all rights as are conferred to Lessor.

23. **ENTIRE AGREEMENT.** This Lease Contract shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease Contract shall not be binding upon either party except to the extent incorporated in this Lease Contract.

24. **ZONING AND COVENANTS.** This Lease Contract is subject to the City of Madison, Madison County, Mississippi zoning and subdivision ordinances and to those Protective Covenants dated September 16, 1998 and recorded in Deed Book 1125 at Page 138; Supplementary Declaration of Covenants February 21, 2000 and recorded in Book 1223 at Page 799; First Amendment to Supplementary Declaration of Covenants dated August 3, 2000 and recorded in Book 1251 at Page 192; and Second Amendment to Supplementary Declaration of Covenants dated

December 4, 2001 and recorded in Book 1375 at Page 178 in the records in the office of the Chancery Clerk of Madison County, Mississippi; which covenants shall be in full force and effect as to the property leased herein.

This lease is subject to the conditions set forth in the Lease of Easement Rights for Flood Hazard Mitigation by and between Calumet Development, LLC, the City of Madison and the Madison County Board of Education dated September 15, 1998 and recorded in Book 427 at Page 276 in the records in the office of the Chancery Clerk of Madison County, Mississippi, as well as the construction restrictions contained in the Protective Covenants, which conditions shall be in full force and effect as to the property leased herein.

25. **QUITCLAIM OF INTEREST IN PREVIOUS LEASES.** For and in consideration of the mutual promises herein contained, Lessee does hereby release, assign, quitclaim and convey unto Lessor all his/her/their/its rights, title and interest in and to that certain lease instrument dated March 27, 2002 and recorded in Book 508 at Page 502 in the records in the office of the Chancery Clerk of Madison County, Mississippi and to that certain lease instrument dated September 12, 2002 and recorded in Book 521 at Page 150 in the records in the office of the Chancery Clerk of Madison County, Mississippi.

IN WITNESS WHEREOF, this Lease is executed by Lessor pursuant to the Order duly entered upon its Minutes.

LESSOR:

**MADISON COUNTY, MISSISSIPPI,
BOARD OF EDUCATION**

By: _____
Wayne Jimenez, President

ATTEST:

**Charlotte A. Seals, Madison County
Superintendent Of Education**

LESSEE:

C. Michael Osborne

Suzanne W. Osborne

Reviewed and approved by the Madison County Board of Supervisors, this the
__ day of _____, 2019.

Trey Baxter, President

ATTEST:

Ronny Lott, Clerk

APPROVED:

C. Delbert Hosemann, Jr.,
Secretary of State

STATE OF MISSISSIPPI
COUNTY OF MADISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **Trey Baxter**, who acknowledged to me that he is President of the **Madison County Board of Supervisors**, and that for and on behalf of the said Madison County Board of Supervisors, and as its act and deed, he executed the above and foregoing instrument, after first having been duly authorized so to do.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

STATE OF MISSISSIPPI
COUNTY OF MADISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **Wayne Jimenez** and **Charlotte A. Seals** who acknowledged to me that they are President of the Madison County Board of Education and Superintendent of Education, respectively, of the **Madison County School District**, and that for and on behalf of the said Madison County School District, and as its act and deed, they executed the above and foregoing instrument, after first having been duly authorized so to do.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

STATE OF MISSISSIPPI
COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **C. Michael Osborne** and wife, **Suzanne W. Osborne**, who acknowledged to me that they executed the above and foregoing instrument.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

Residential Lease\2019\File#1207 Osborne

Indexing Instructions: Lot 14 of the Resubdivision of Lots 13 and 14 of the Resubdivision of Lots 12, 13 and 14 of Calumet, Part One (Plat Cabinet D, Slide 88) per Plat Cabinet F at Slide No. 129A, Section 16, Township 7 North, Range 2 East, Madison County, MS (Parcel #072E-16C-002/26.00)

LESSOR:

Madison County Board of Education
476 Highland Colony Parkway
Ridgeland, MS 39157
Telephone: 601-499-0800

LESSEES:

C. Michael Osborne and
Suzanne W. Osborne
140 Calumet Drive
Madison, MS 39110
Telephone: 601-937-1283

PREPARED BY:

Madison County School District
476 Highland Colony Parkway
Ridgeland, MS 391577
Telephone: 601-499-0800

**RENEGOTIATED 16th SECTION PUBLIC SCHOOL TRUST LANDS
LONG TERM RESIDENTIAL LEASE CONTRACT**

STATE OF MISSISSIPPI
COUNTY OF MADISON

THIS RESIDENTIAL LEASE CONTRACT, made and entered into this the ___ day of _____, 2019, by and between the **MADISON COUNTY, MISSISSIPPI, BOARD OF EDUCATION TRUSTEES** of the **MADISON COUNTY SCHOOL DISTRICT 16TH SECTION SCHOOL LANDS TRUST** (hereinafter called "Lessor"),

and **C. Michael Osborne** and wife, **Suzanne W. Osborne** (hereinafter called "Lessee"), as joint tenants with full rights of survivorship and not as tenants in common.

WITNESSETH:

That for the term and in consideration of the annual rentals hereinafter set forth, and the covenants, conditions, and obligations to be observed and performed by the Lessee, the Madison County, Mississippi, Board of Education does hereby lease, let and rent unto Lessee the following residential lands, situated in the City of Madison, Madison County, Mississippi (the "Leased Premises") and described as:

Lot 14 of the Resubdivision of Lots 13 and 14 of the Resubdivision of Lots 12, 13 and 14 of Calumet, Part One (Plat Cabinet D, Slide 88), which is on file and of record in the office of the Chancery Clerk of Madison County at Canton, Mississippi in Plat Cabinet F at Slide No. 129A, reference to which is hereby made in aid of and as a part of this description.

1. **TERM.** The term of this Lease shall be for forty (40) years, beginning on the 2nd day of July, 2019, and terminating on the day of 1st day of July, 2059, (the "primary term"). For purposes of this Lease Agreement, the Anniversary Date shall be July 2nd of each year. It is expressly agreed and understood by all parties hereto that part of the consideration given for the execution and delivery of this instrument is the option hereby granted to Lessee to renew this lease for an additional or "secondary term" as provided by 29-3-69 Miss. Code Ann. (1972) of twenty-five (25) years from the 2nd day of July, 2059 under the same terms, conditions, and stipulations set forth herein, except the annual rental shall be based upon the fair market value of the Leased Premises, excluding the value of buildings and improvements not then owned by the Lessor, as determined by a qualified appraiser selected by Lessor who performs his appraisal not more than twelve months and not less than three months prior to the expiration of the primary term. The cost of the new appraisal shall be borne by Lessee. A new lease shall be executed to effectuate the secondary term. To exercise the right to renew this lease for an additional twenty-five (25) years, Lessee must file with Lessor written notice of Lessee's intent to renew said lease. The notice to renew must be filed on or before the expiration of the forty (40) year primary term. In the event of the failure of the Lessee to exercise his right to re-lease the Leased Premises at such time, any holder of a valid first deed of trust upon the Leased Premises shall have a prior right to re-lease the premises at an annual rental based on appraised value excluding buildings and improvements, said lease to be substantially in the

same form as this Lease Contract.

2. **RENTAL AMOUNT.** Lessee agrees and covenants to pay or cause to be paid to Lessor annually, on or before the Anniversary Date of this Lease Contract each year during the term hereof, rentals in advance according to the following schedule:

<u>PRIMARY TERM YEAR</u>	<u>ANNUAL RENTAL</u>
Year 1 (Pro-rated)	\$ 1,847.50
Year 2 through Year 5	\$ 2,010.00
Year 6 through Year 10	\$ 2,211.00
Year 11 through Year 15	\$ 2,412.00
Year 16 through Year 20	\$ 2,613.00
Year 21 through Year 25	\$ 2,814.00
Year 26 through Year 30	\$ 3,015.00
Year 31 through Year 35	\$ 3,216.00
Year 36 through Year 40	\$ 3,417.00

Please note that the first year's annual rental is prorated based on the fact that this lease is replacing a lease dated September 12, 2002 and recorded in Book 521 at Page 150 in the office of the Chancery Clerk of Madison County, Mississippi. The annual rental of \$780.00 was paid for the lease rental as set forth in the lease at Book 521 at Page 150 for the September 17, 2018 to September 16, 2019 term. The amount of \$617.50 of that amount was payment for September 17, 2018 to July 2, 2019, with the remaining amount of the annual rental paid (\$162.50) being subtracted from the first year's annual rental due under this lease.

The obligation of Lessee to pay rent under this Lease Contract is unconditional, and the rent shall not be subject to set off for any reason or cause. Lessor and Lessee agree that in the event of termination or cancellation, any rental payment made during the term of this Lease Contract is not refundable, and Lessee waives any right or claim it may have to refund of rent paid. Failure of Lessee to pay

the annual rentals listed above shall constitute a breach of this lease agreement. In the event Lessee is delinquent in the payment of rent, Lessee shall pay a late charge equal to fifteen percent (15%) of the amount of rent past due for more than 30 days and thereafter shall pay interest on any rent past due at an annual rate (the "Default Rate") equal to the maximum rate then allowed by law, or, if there is no maximum rate, then a rate equal to five percent per annum above the discount rate, excluding any surcharge thereon, on ninety-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district in which the Lessor is located, calculated according to the actuarial method.

3. **Rent Adjustment for Renewal Term.**

- (a) The amount of rental to be paid during any renewal term after the primary term (rent adjustment procedure) shall be determined as provided in this paragraph. Lessor shall, six months before or six months after any such date, cause the Leased Premises to be reappraised and a redetermination made of the annual fair market rental amount. The reappraisal shall be made pursuant to the terms of § 29-3-65 Miss. Code Ann. (1972), or pursuant to the statute then in effect governing such leases and procedures for determining fair market rental value. Lessor shall use its best efforts to cause the Leased Premises to be reappraised and a redetermination made of the annual fair market rental amount within six months before expiration of the primary term. In the event Lessor shall fail to instigate reappraisal within the six months preceding any rent adjustment date, Lessor shall not be deemed to have waived this provision requiring rent adjustment, and in such event (at any time after a rent adjustment date) Lessor may proceed to have the Leased Premises reappraised and an adjusted rent determined for any such readjustment period. The adjusted rent shall be effective on the required adjustment date and Lessee shall pay any deficiency to Lessor within fifteen (15) days of the determination of the adjusted rent. The reappraisal shall establish the fair market value of the Lease Premises and establish a reasonable current percentage of income on real estate investments for the purposes of determining annual fair market rental. Such percentage shall be no less than the minimum acceptable percentage provided by statute then in effect. Unless altered by the procedures described below, the amount of rent so determined as of each rental adjustment date shall be paid until the next rental adjustment date or for the balance of the lease as the case may be. The appraisal process described in this subparagraph (a) may be

referred to hereafter as the Statutory Procedure. The cost of the reappraisal shall be borne by Lessee, using an appraiser selected by Lessor.

(b) Should the Statutory Procedure described in subparagraph (a) above result in an increase over the amount previously due, Lessee, by notice in writing given to the Lessor within 15 days after receiving notice of the increase, shall have the right to elect an alternate method of determining the current fair market rental value of the Leased Premises (the "Alternate Procedure") as follows:

(1) Lessee may provide an appraisal by an appraiser having the qualifications hereafter described giving an opinion of current fair market annual rental value based on the fair market value of the land and a reasonable percentage of return on comparable land investments as of the rental adjustment date. The written report of Lessee's appraiser shall be delivered to Lessor within 45 days after the date on which Lessor gave notice of an increase in rent under the Statutory Procedure. UPON FAILURE TO PROVIDE AN ALTERNATE APPRAISAL WITHIN THE TIME ALLOWED, LESSEE SHALL FORFEIT THE RIGHT TO PURSUE THE ALTERNATE PROCEDURE, AND ANNUAL RENT DETERMINED UNDER THE STATUTORY PROCEDURE SHALL BECOME DUE AND PAYABLE.

(2) The appraiser appointed by Lessee and the appraiser previously appointed by Lessor under the Statutory Procedure shall make a good faith effort to reconcile their differences. If they have been unable to do so within 10 days after delivery of the report of Lessee's appraiser, the two appraisers, within such 10-day period, shall each submit the names of three appraisers having the qualifications hereinafter described who practice in Mississippi to serve as a review appraiser, and they shall select the review appraiser from names in common on the two lists. If there is no name in common on the two lists, or if the person selected shall decline to serve, then each appraiser shall submit another list of three names of persons meeting the same criteria.

- (3) The review appraiser shall review and analyze the two appraisal reports, and, if needed, inspect the land, consult with the two appraisers, review their assumptions and source informational and request corrections, revisions and additions to the appraisal reports. The review appraiser may also consider relevant information from his own files, conduct such independent investigation as he deems appropriate and may consider comparable transactions which occurred after the rental adjustment date.
- (4) The review appraiser shall report his opinion of annual fair market rent and such amount shall be accepted by Lessor and Lessee as the current fair market rental value of the Leased Premises.
- (c) If Lessee requests the Alternate Procedure, Lessee shall pay all fees and expenses of Lessee's appraiser, the review appraiser and any additional charges of Lessor's appraiser. The review appraiser, however, shall perform his duties in an independent and impartial manner irrespective of the source of payment of his fees and expenses.
- (d) The annual rentals on any adjustment date shall not be reduced below the amount established upon the initial date of this lease except upon determination by the Statutory Procedure.
- (e) The amount of rent determined in the above manner shall be remitted on or before the rental adjustment date, or, if the rental adjustment procedures are concluded after such date, then promptly upon conclusion of these rental adjustment procedures effective as of the rental adjustment date.
- (f) The rent adjustment procedures will not delay the due date of rent at the existing annual rate and will not affect Lessor's right to declare a default if rent is not timely paid.
- (g) Lessee's appraiser and the review appraiser must be members of the same organization of appraisers as Lessor's appraiser, or an organization having higher requirements for admission, and must have the same or higher designation (such as, for example, Member, Appraisal Institute). If Lessors's appraiser belongs to more than one organization, the other appraisers must belong to

the organization having the highest standards and qualifications for membership. If the organization has multiple designations for appraisers, the review appraiser and the Lessee's appraiser must hold the same or a higher designation as held by Lessor's appraiser.

4. **TAXES.** Lessee covenants and agrees to pay any and all general and special taxes and assessments, including drainage taxes, if ever any there be, applicable to the Leased Premises and Lessee's interest therein; further, Lessee covenants and agrees to pay any and all survey costs and recording fees in connection with this lease or any other fees so determined by law. All payments for general and special taxes and assessments, including drainage taxes, shall be made directly to the governmental authority responsible for collecting such taxes and assessments. During the final year of the lease term, Lessor or the governmental authority responsible for collecting taxes and assessments may require payment of any such taxes or assessments in advance or require that other security be given to insure that taxes will be paid when due. In the event it becomes necessary for the County Tax Collector or any other authority responsible for collecting general and special taxes or assessments to retain the services of attorneys to collect any taxes or assessments due from Lessee under this Lease Contract, then Lessee agrees to pay all costs and expenses of such actions or collections, including a reasonable attorney's fee for the County Tax Collector or such other authority responsible for collecting said taxes or assessments. The failure to pay said taxes as and when due shall constitute a breach of this Lease Contract.

5. **ASSIGNMENT.** Provided Lessee is not in breach of this Lease Contract, Lessee may, upon payment of a \$200.00 transfer fee to Lessor, freely assign this Lease in its entirety whereupon the Lessee shall be relieved of all obligations accruing subsequent to the assignment. In the event of an assignment, or other transfer of possession, Lessee shall, within thirty (30) days after the transfer, give written notice of said assignment to the Madison County, Mississippi, Board of Education, 476 Highland Colony Parkway, Ridgeland, Mississippi 39157. Said notice of assignment shall include a true copy of the instrument evidencing such transfer and the Assignee's address and telephone number.

6. **IMPROVEMENTS.** Lessee agrees, at Lessee's own cost and expense, to keep all improvements in a good state of repair at all times and to maintain the premises in good order and in a clean, sanitary and safe condition. While this Lease continues in force and effect, Lessee shall have the unrestricted right to remove, change, alter, modify, add to or subtract from any of Lessee's improvements on the land as the Lessee may in his sole discretion elect so to

do, and the Lessor, while this Lease or any extension thereof continues in force and effect, shall have no ownership interest in any of Lessee's improvements. If any improvements are removed, the Lessee shall be obligated to remove all foundations and paved areas, fill any excavations with a soil material suitable as a foundation support for further construction and generally restore the premises to a condition suitable for construction, use and occupancy by others. Lessee shall have the right to construct new or replacement buildings or structures on the leased premises. In the event construction is contemplated, Lessee shall submit a description of the general nature of the proposed improvement and its intended use to Lessor for approval, which approval shall not be unreasonably withheld.

It is expressly agreed by and between the parties that Lessee will not make any alteration upon the Leased Premises without the express written consent of Lessor and that Lessee will not occupy or use, nor permit to be occupied or used, the Leased Premises, for any business deemed extra-hazardous on account of fire or otherwise; nor will Lessee permit the same to be used for any immoral or unlawful purpose. Lessee also covenants and agrees to maintain the Leased Premises in a neat and orderly manner and to refrain from creating or maintaining any eyesores, unattractive nuisances, or other nuisance.

7. **DEFAULT.** The parties herein expressly agree that if default shall be made in the payment of any tax, assessment or other charge made pursuant to this Lease Contract, then and in any such event of default, it shall be lawful for the Lessor, its legal representatives or assigns, to enter upon said premises, or any part thereof, either with or without process of law, to re-enter and repossess the same, and to distrain for any rent or assessment that may be due thereon, at the election of the Lessor, but nothing herein is to be construed to mean that the Lessor is not permitted to hold the said Lessee liable for any unpaid liens or assessment to that time. As to all other conditions, covenants and obligations imposed on the Lessee herein, enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate said conditions, covenants and obligations, to restrain violation and to recover damages, if any, including reasonable expenses of litigation and a reasonable attorney's fee, which Lessee expressly agrees to pay. Such enforcement by proceedings at law or in equity may be instituted at any time after thirty (30) days written notice to Lessee. Invalidation of any provision(s) of this Lease Contract by judgment or court order shall in no way affect any of the remaining provisions which shall remain in full force and effect.

8. **FORFEITURE.** In the event of any forfeiture, default or cancellation of

this Lease Contract or termination under the terms hereof as aforesaid, said Lessee shall quit, deliver up and surrender possession of the Leased Premises, and all structures and improvements thereon to the said Lessor, and thereupon this Lease Contract and all agreements and covenants on the Lessor's behalf to be performed and kept, shall cease, terminate and be utterly void, the same as if this Lease Contract had not been made; and, in addition thereto, the Lessor shall be entitled to whatever remedies it may have at law for the collection of any unpaid rental hereunder, or for any other sums, for damages or otherwise, that it may have sustained on account of the Lessee's non-fulfillment or nonperformance of the terms and conditions of this Lease Contract. Lessee shall pay to Lessor all costs of collection of rent or enforcement of this lease, including expenses of litigation and attorneys' fees, regardless of whether suit is filed. Immediately upon the termination of this Lease in any manner, whether by litigation or forfeiture, the Lessor shall be entitled to take possession of the Leased Premises and all the improvements thereon absolutely, any custom, usage, or law to the contrary notwithstanding. Mobile homes, factory manufactured, complete with wheels, where permitted to be placed, may, however, be removed at the termination of the Lease Contract, when termination is by the expiration of the full term, but not in the event of default.

9. **WASTE**. The Lessee shall be responsible for any damage that may be caused to Lessor's property by the activities of the Lessee under this Lease Contract, and shall exercise due diligence in the protection of all improvements, timber and other property of Lessor, which may be located on the Leased Premises or in the vicinity thereof, against fire or damage from any and all other causes. Lessee shall further comply with all applicable laws, rules and regulations concerning Lessee's use of the property and/or obligations under this Lease Contract. This obligation shall include, but not be limited to, compliance with federal, state and local environmental endangered species, wetlands, and other laws, rules and regulations that may presently exist or hereafter be adopted. If the Lessee shall commit, cause to be committed, or permit the commission of any act of waste on the leased premises, then this lease shall thereupon cease and terminate and shall thenceforth be null and void, and the Lessee shall be and remain liable to Lessor for any and all waste and damages to the land permitted, done, or in any way caused by the Lessee. In the event of contamination of soils, air or water arising out of any Lessee use, Lessee shall be responsible for all mandated remediation and monitoring with this obligation to survive termination of this Lease Contract.

10. **INDEMNITY**. Lessee shall protect, indemnify, defend, save, and hold harmless, Lessor, the State of Mississippi, and the Secretary of State, their officers, board members, employees and agents, from and against all claims,

demands, liabilities, suits, injuries and any and all losses or damages and cost of every kind and nature whatsoever ("loss"), including but not limited to all court costs and attorneys' fees and all personal injury or death and/or damage to any person or entity including, but not limited to, Lessor and its property or other loss arising out of any alleged noncompliance with laws or caused by Lessee's exercise of its rights under this Lease Contract and/or resulting from the actions or omission of Lessee in connection with its presence on or any use of Leased Premises by Lessee, its officers, agents, subcontractors, employees or invitees; provided, however, it is understood that the indemnity provided by Lessee as described in this paragraph shall not extend to intentional or negligent acts of Lessor, its officers or agents.

11. **RIGHT TO CURE.** Notwithstanding any provisions of this Lease Contract containing a default provision, any present or future holder of a mortgage or deed of trust representing money loaned on these facilities, shall have the right of a sixty (60) day notice of default within which to cure any default which may be cured by the payment of money. In addition, for any other default for which a forfeiture of said Lease may be invoked, such holder of such mortgage or deed of trust shall be entitled to a notice in writing of the claimed default and shall have a reasonable time, which shall not be less than sixty (60) days, to either require the correction of such default or in lieu thereof to protect itself through the exercise of a power of sale and thereby acquire title to such properties and correct such default.

12. **ENJOYMENT.** Lessee shall have quiet and peaceable possession so long as Lessee complies with the terms of this Lease Contract. Lessee, his heirs, successors or assigns, shall occupy the premises as a single family residence; but this condition shall not prejudice rights of a holder of mortgage or deed of trust set forth elsewhere in this residential lease contract. Lessee certifies that there are no dwellings on the Leased Premises other than Lessee's dwelling.

13. **RESERVATION.** Lessor reserves title to all timber, the right to harvest said timber at Lessor's discretion and to reseed or replant after harvest, together with title to all minerals and oil and gas, together with the right of ingress and egress to remove same, as provided by law. Lessor reserves the right to grant or sell rights-of-way across the Leased Premises for roads, highways, railroads, fiber optic cables or any public utility line, provided that any such roads, highways, railroads, fiber optic cables or public utility lines be constructed or operated in a manner so as to not unreasonably interfere with Lessee's use of the Leased Premises.

14. **MORTGAGE.** Any recorded mortgages or deeds of trust may provide that any default by the Lessee/Mortgagor concerning this Lease Contract shall

likewise be a default of such mortgage or deed of trust, but failure to indicate such provision in any mortgage or deed of trust shall not affect the validity or propriety thereof nor diminish the protection extended to the holder of such mortgage or deed of trust or the indebtedness secured thereby. Notwithstanding any provision of this Lease Contract to the contrary, in the event of a default and foreclosure of a mortgage or deed of trust representing money loaned on the hereinbefore described property or the receipt of a transfer in lieu thereof, the purchaser at such foreclosure or the recipient of a transfer in lieu thereof, will receive all the rights and privileges of a lessee and likewise assume all responsibilities of a lessee as if such purchaser or transferee had initially been a lessee under this Lease Contract.

15. **CONDEMNATION**. In the event of condemnation or other taking for public use under powers of eminent domain of all or any part of Lessee's interest in the leased premises, payments for such condemnation or taking of Lessee's leasehold interest shall be payable to Lessee, or, if the Lessee's premises are encumbered by a mortgage or deed of trust, payment for the leasehold estate shall be made in accordance with the terms and provisions of such mortgage or deed of trust. Leasehold mortgagee (or trustee for restoration in the case of partial awards) shall be entitled to receive payment of a condemnation award to which Lessee is entitled. The payment must not be less than the total award less the value of the Leased Premises considered as unimproved.

16. **RIGHT TO NEW LEASE**. When a dwelling has been constructed upon the herein described leasehold and the Lessee desires to obtain a new lease to facilitate refinancing of the mortgage or sale of the improvements and leasehold, Lessee shall be entitled to a new lease for the maximum statutory term subject to the following conditions:

- A. Payment of an administrative fee of two hundred dollars (\$200.00);
- B. Reappraisal of the fair rental value of the property, less any of Lessee's improvements and adjustment of rent based upon the new appraisal; and
- C. Payment by Lessee of the appraisal fee.

17. **NOTICE**. All notices specified by this Lease Contract shall be in writing and sent by registered or certified mail, postage prepaid to the addresses listed within this Lease Contract, or hand-delivered in person, delivered by facsimile or otherwise. By written notice, either party may change the persons or

addresses to who notice shall be given.

18. **FILING.** Lessor will deliver this Lease Contract to the Chancery Clerk of Madison County for recording and Lessee has herewith delivered to Lessor a check payable to the Chancery Clerk for recording fees.

19. **GOVERNING LAW.** This Lease Contract shall be governed by, construed and enforced in accordance with the laws of the State of Mississippi. Jurisdiction and venue for any actions arising from this Lease Contract and any amendments hereto shall rest exclusively in the Chancery Court of Madison County, Mississippi.

20. **INTERPRETATION.** The parties to this Lease Contract acknowledge that they have freely entered into this Lease Contract and any ambiguities shall not be construed against a single party.

21. **SECRETARY OF STATE.** By virtue of the signature below, the Secretary of State of the State of Mississippi has approved this Lease Contract in accordance with the Secretary's authority for general supervision of 16th Section Public School Trust Land. Approval of this Lease Agreement by the Secretary of State indicates that the Madison County Board of Education has exercised the care and skill of an ordinary prudent person to protect the beneficiaries of the 16th Section Public School Trust Land.

22. **SUPERVISORY RIGHT.** The Secretary of State, as supervisory trustee, shall have the right to institute any action to enforce the terms of this Lease Agreement in the event Lessor fails to do so in a timely manner. In the event the Secretary of State institutes legal action to enforce the terms of this Lease Contract, he shall have all rights as are conferred to Lessor.

23. **ENTIRE AGREEMENT.** This Lease Contract shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease Contract shall not be binding upon either party except to the extent incorporated in this Lease Contract.

24. **ZONING AND COVENANTS.** This Lease Contract is subject to the City of Madison, Madison County, Mississippi zoning and subdivision ordinances and to those Protective Covenants dated September 16, 1998 and recorded in Deed Book 1125 at Page 138; Supplementary Declaration of Covenants February 21, 2000 and recorded in Book 1223 at Page 799; First Amendment to Supplementary Declaration of Covenants dated August 3, 2000 and recorded in Book 1251 at Page 192; and Second Amendment to Supplementary Declaration of Covenants dated

December 4, 2001 and recorded in Book 1375 at Page 178 in the records in the office of the Chancery Clerk of Madison County, Mississippi; which covenants shall be in full force and effect as to the property leased herein.

This lease is subject to the conditions set forth in the Lease of Easement Rights for Flood Hazard Mitigation by and between Calumet Development, LLC, the City of Madison and the Madison County Board of Education dated September 15, 1998 and recorded in Book 427 at Page 276 in the records in the office of the Chancery Clerk of Madison County, Mississippi, as well as the construction restrictions contained in the Protective Covenants, which conditions shall be in full force and effect as to the property leased herein.

25. **QUITCLAIM OF INTEREST IN PREVIOUS LEASES.** For and in consideration of the mutual promises herein contained, Lessee does hereby release, assign, quitclaim and convey unto Lessor all his/her/their/its rights, title and interest in and to that certain lease instrument dated September 12, 2002 and recorded in Book 521 at Page 150 in the records in the office of the Chancery Clerk of Madison County, Mississippi and to that certain lease instrument dated March 27, 2002 and recorded in Book 508 at Page 502 in the records in the office of the Chancery Clerk of Madison County, Mississippi.

IN WITNESS WHEREOF, this Lease is executed by Lessor pursuant to the Order duly entered upon its Minutes.

LESSOR:

**MADISON COUNTY, MISSISSIPPI,
BOARD OF EDUCATION**

By: _____
Wayne Jimenez, President

ATTEST:

**Charlotte A. Seals, Madison County
Superintendent Of Education**

LESSEE:

C. Michael Osborne

Suzanne W. Osborne

Reviewed and approved by the Madison County Board of Supervisors, this the
__ day of _____, 2019.

Trey Baxter, President

ATTEST:

Ronny Lott, Clerk

APPROVED:

C. Delbert Hosemann, Jr.,
Secretary of State

STATE OF MISSISSIPPI
COUNTY OF MADISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **Trey Baxter**, who acknowledged to me that he is President of the **Madison County Board of Supervisors**, and that for and on behalf of the said Madison County Board of Supervisors, and as its act and deed, he executed the above and foregoing instrument, after first having been duly authorized so to do.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

STATE OF MISSISSIPPI
COUNTY OF MADISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **Wayne Jimenez and Charlotte A. Seals** who acknowledged to me that they are President of the Madison County Board of Education and Superintendent of Education, respectively, of the **Madison County School District**, and that for and on behalf of the said Madison County School District, and as its act and deed, they executed the above and foregoing instrument, after first having been duly authorized so to do.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

STATE OF MISSISSIPPI
COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ____ day of _____, 2019, within my jurisdiction, the within named **C. Michael Osborne** and wife, **Suzanne W. Osborne**, who acknowledged to me that they executed the above and foregoing instrument.

NOTARY PUBLIC

My Commission Expires:

[SEAL]

Residential Lease\2019\File#1208 Osborne