

**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

February 11,, 2020

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 a Development Lease to Livingston Development Corporation regarding Lots 11, 55, 56 and 57, 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 February 18, 2020 .

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 11, Lot 55, Lot 56 and Lot 57, Livingston Subdivision, Part I, per Plat Cabinet D at Slides 69 and 72, Madison County, Mississippi (Tax Parcel # 081E-16-001/02.10; #081E-16-001/02.56; #081E-16-001/02.57; and #081E-16-001/02.58)

LESSOR:

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

LESSEE:

Livingston Development
Corporation
ATTN: Steve Horn
151 W. Peace Street
Canton, MS 39046
Telephone: 601-573-5730

Prepared by:

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

DEVELOPMENT LEASE

THIS LEASE entered into between the Board of Education of the Madison County School District, Madison County, Mississippi (hereinafter the "Board") and Livingston Development Corporation, a Mississippi corporation, (hereinafter the "Developer"), for the purpose of encouraging and regulating development of Sixteenth Section School Trust property in Township 8 North, Range 1 East, Madison County, Mississippi. For, and in exchange for the mutual promises herein contained, the Board and Developer covenant and agree, in regard to said property, as follows:

1. That the purpose of this Development Lease (hereafter the "Lease") shall be for the purpose of developing and leasing the following described real property lying and being situated in Section 16, Township 8 North, Range 1 East in Madison County, Mississippi, described as follows:

Lot 11, Lot 55, Lot 56 and Lot 57, Livingston Subdivision, Part I, 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 No. 69-72, reference to which is hereby made in aid of and as a part of this description.

The above described lots are found to contain 10.70± acres, more or less.

The real property under this Lease does not include any of the Livingston Subdivision's common areas, which are to be the subject of a separate lease(s) with the Livingston Property Owners' Association.

2. That the Board hereby grants, leases and lets unto the Developer, the subject property for a term of four (4) years from and after February 3, 2020, and terminating on February 2, 2024 (the "term"); and as consideration therefore, the Developer shall pay to the Board as ground rent, the amount of Two Thousand One Hundred Forty and no/100 (\$2,140.00) each year with the first payment being due and payable upon the execution hereof, with like and equal payments being due and payable in advance on or before the 3rd day of February of each year during the primary term hereof. At the conclusion of the primary term hereof, the Developer shall have the right to renew this Lease for an additional one (1) year term, provided the Developer has made substantial efforts to develop the property, as set forth in paragraph 3 below, and has not otherwise breached this agreement. To exercise the right of renewal, the Developer should submit a written request to renew this Lease to the Board at least sixty (60) days before February 2, 2024. The renewal lease instrument may be in substantially the same form as this Lease. The annual rent during the term hereof may be reduced by an amount equal to two hundred dollars (\$200.00) per acre for the portion of the property placed in long term residential leases. Developer must submit the request for reduction of rentals to the Board at least thirty (30) days prior to the anniversary date. The request must include certification of the number of acres placed in long-term leases during the previous twelve (12) months, including the amount of the reduction in annual rental requested and a calculation of the total rental due, taking into account the requested reduction. Unless the School District's 16th Section Land Manager objects to the requested rental reduction on or before the 15th day prior to the anniversary date, the annual rental shall be reduced as requested by the Developer. If the 16th Section Land Manager objects to the proposed reduction, then the Board

shall determine the amount of the rental due, based upon the information supplied by the Developer and the 16th Section Land Manager.

3. The Developer shall make a reasonable effort to develop the subject property so that a long term residential lease or leases may be issued by the Board covering all or some portion of the captioned property. To comply with its obligation to develop the property, the Developer shall be required to market and sell long term leases for the four lots mentioned in this Lease.

4. The Developer and/or its successors in interest, shall pay any ad valorem taxes due or to become due during on the subject properties until they are placed into long term residential leases.

5. The Developer shall develop the subject property and enter into a lease itself or, alternatively, lease lots and/or acreage to a third party or parties at the highest price possible consistent with the open market and lender's appraisals, and during the primary term of this lease, the Board will grant unto the Developer, or those persons selected by Developer, a long term residential lease as allowed by statute with annual rent based upon appraised rental value, not less than five percent (5%) of the appraised value of the property, less Developer's improvements, with a rental adjustment clause for adjustment of annual rentals once every five years during the primary term of said lease. Nothing in this Lease grants ownership to the Developer of the four described lots; Developer has no obligation with respect to annual assessments of residential lots as do lessees under long term residential leases from the District.

6. The Board shall issue, upon request by Developer as prescribed in paragraph 5, a forty (40) year primary term lease (substantially in the form of the instrument attached hereto as Exhibit "A") providing an option to renew same for an additional twenty-five (25) year period at the expiration of the primary term thereof, as allowed by statute now or allowed in the future by amendment. Should the residential lease terms provided for herein be prohibited or changed by statute after the date hereof, it is agreed by and between the parties that the terms listed herein shall be amended so as to comply with the provisions of the applicable statutes at the time the long term lease is executed.

7. Developer may, with permission of the Board, assign this lease to other developers for construction of homes on lots. An assignment fee of \$200.00 per lot shall be due and payable to the Board as consideration for each assignment.

8. The Board shall support the Developer in its efforts to develop the subject property, including but not limited to, using the Board's best efforts to obtain the approval of the form of any lease agreement by any commercial or governmental lending institution and other matters pertinent thereto.

9. The violation of any condition or part of this agreement shall operate as a default of the entire agreement upon the election of the performing party, and in the event of litigation involving this Lease, the prevailing party shall be entitled to reasonable attorney's fees and all litigation costs.

10. It is agreed and understood by and between the parties, that any long term lease contemplated by this agreement must include sufficient covenants and other provisions requiring compliance with all municipal land use and development codes and regulations.

11. The Board reserves all oil, gas and other minerals, and merchantable timber lying in or on the described property.

12. Developer shall be responsible for all claims, suits, and liability arising from Developer's possession and use of the leased premises. Developer shall obtain general public liability insurance in an amount of not less than \$500,000.00 and shall list the Madison County School District and the Board of Education of the Madison County School District, its Superintendent of Education, and their employees, agents, and representatives as additional insureds under the policy.

13. Developer may not assign its rights under this lease without the written approval of the Board and payment of the assignment fee provided in paragraph seven (7).

14. Developer shall be responsible for the costs of all boundary surveys, environmental surveys, engineering expenses, and other costs associated with the subject properties. The Board shall be responsible for the cost of the initial appraisal establishing the rental value for this lease and the long-term leases to be issued hereunder. For renewal leases, the Board's liability for appraisal fees shall be limited to \$1,500.00; the Developer shall be responsible for the portion appraisal fee in excess of \$1,500.00.

15. Any notice required by this agreement shall be by United States mail, first class postage prepaid, and addressed to:

The Board: Madison County School District
ATTN: 16th Section Department
476 Highland Colony Parkway
Ridgeland, MS 39157
Telephone: 601-499-0800


Developer: Livingston Development Corporation
ATTN: Steve Horn
151 W. Peace Street
Canton, MS 39046
Telephone: 601-573-5730

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WITNESS OUR SIGNATURES on this the 3rd day of February, 2020.

LESSOR:

BOARD OF EDUCATION OF THE MADISON
COUNTY SCHOOL DISTRICT

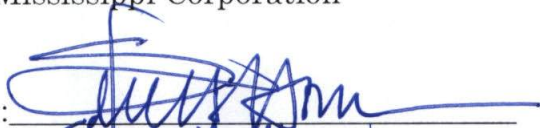
By: 
Philip Huskey, President

ATTEST:


Charlotte A. Seals
Superintendent of Education
Madison County School District

LESSEE:

Livingston Development Corporation,
A Mississippi Corporation

By: 
STEVE H. HORN, President

APPROVED:

Michael Watson
Secretary of State

Reviewed and approved by the Madison County Board of Supervisors, this the
___ day of _____, 2020.

Gerald Steen, President

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 _____, 2020, within my jurisdiction, the within named Gerald Steen, 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]

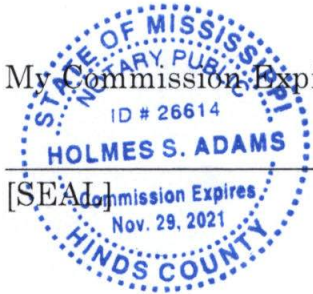
STATE OF MISSISSIPPI
COUNTY OF MADISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this 3rd day of February, 2020, within my jurisdiction, the within named Philip Huskey who acknowledged to me that he is the President of the Board of Education of the Madison County School District and the within named Charlotte A. Seals, who acknowledged to me that she is the Superintendent of Education of the Madison County School District, and that for and on behalf of the said Board of Education of the 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.

Holmes S. Adams

NOTARY PUBLIC

My Commission Expires:



STATE OF MISSISSIPPI
COUNTY OF Madison

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this 4th day of February, 2020, within my jurisdiction, the within named Steve Horn, who acknowledged to me that he is President of Livingston Development Corporation, a Mississippi corporation, and that for and on behalf of the said corporation, and as its act and deed, he executed the above and foregoing instrument, after first having been duly authorized so to do.

Melissa M. Huddleston

NOTARY PUBLIC

My Commission Expires:



9/29/2023

[SEAL]

Development\ Livingston Corporation in 8N 1E on 4-10

Ex A

Indexing Instructions:

Section 16, Township _____ North , Range _____, Madison County, MS

LESSOR:

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

LESSEE:

Name: _____
Address: _____

Telephone: _____

PREPARED BY:

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

**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 _____, 20____, by and between the BOARD OF EDUCATION OF THE MADISON COUNTY SCHOOL DISTRICT, MISSISSIPPI, as TRUSTEES of the MADISON COUNTY SCHOOL DISTRICT 16TH SECTION SCHOOL LANDS TRUST (hereinafter called "Lessor"), and _____ (hereinafter called "Lessee").

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 Board of Education of the Madison County School District does hereby lease, let and rent unto Lessee the following residential lands, situated in Madison County, Mississippi (the "Leased Premises") and described as:

Insert Legal Description

1. **TERM.** The term of this Lease shall be for forty (40) years, beginning on the ___ day of _____, _____, and terminating on the _____ day of _____, _____, (the "primary term"). For purposes of this Lease Agreement, the Anniversary Date shall be _____ 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 ___ day of _____, _____ 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:

PRIMARY TERM YEAR

ANNUAL RENTAL

Year 1 through Year 5	\$
Year 6 through Year 10	\$
Year 11 through Year 15	\$
Year 16 through Year 20	\$
Year 21 through Year 25	\$
Year 26 through Year 30	\$
Year 31 through Year 35	\$
Year 36 through Year 40	\$

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, MS 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 distraint 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 kinds 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 one 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

APPROVED:

Michael Watson,
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 _____, 20__, within my jurisdiction, the within named _____, who acknowledged to me that he/she 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 _____, 20__, within my jurisdiction, the within named _____ and _____ who acknowledged to me that they are, respectively, President of the Board of Education of the Madison County School District and Superintendent of Education 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 _____, 20__, within my jurisdiction, the within named _____, who acknowledged to me that he/she/they executed the above and foregoing instrument.

NOTARY PUBLIC

My Commission Expires:

[SEAL]