

Letitia H. Reeves  
16th Section Land Manager

**MADISON COUNTY SCHOOLS**

Ronnie L. McGehee  
Superintendent of Education

117 Fourth Street • P.O. Box 159  
Flora, Mississippi 39071  
Toll Free: (800) 901-8379, Ext. 3005  
Direct Line: (601) 879-3005  
Receptionist: (601) 879-3000  
Facsimile: (601) 879-8093  
E-mail: lreeves@madison-schools.com

December 10, 2013

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

RE: Documentw for Board Approval

Dear Cynthia:


Enclosed please find the following documents:

1. Third Renewal and Extension of Development Lease Contract to Venetian Court, LLC regarding 7.1 acres, more or less, situated in the City of Madison, Section 16, Township 7 North, Range 2 East, Madison County, Mississippi.

2. Right of Way to Entergy Mississippi, Inc. for a power line to service our lessee, Salad Days, LLC, in the Town of Flora, Section 16, Township 8 North, Range 1 West, Madison County, Mississippi.

It is requested that the Board of Supervisors approve the enclosed documents at the upcoming Board of Supervisors' meeting to be held December 16, 2013. Should you have any questions or need anything further in this regard, please let me know. Thank you.

Sincerely,

  
Letitia Reeves  
16th Section/Land Manager

/r

Enclosures

cc: Dr. Ronnie L. McGehee, Superintendent  
Mr. Arthur Johnston, Chancery Clerk

DO NOT WRITE ABOVE THIS LINE

**GRANTEE, PREPARED BY AND RETURN TO:**

Entergy Mississippi, Inc.  
Right of Way Dept.  
905 Hwy. 80 East  
Clinton, MS 39056

**GRANTOR:**

Name: Madison County Schools; 117 Fourth Street  
Flora, MS 39071

Property

Address: 256 First Street

Name: Philip Ozier

Flora, MS 39071

Phone: 601-853-5907

Phone: 601-879-3005

STATE OF MISSISSIPPI  
COUNTY OF Madison

Indexing Instructions: NW ¼ of SW ¼, Sec 16, T-8-N, R-1-W

Line/Project Identification: Proj. No. \_\_\_\_\_

WR No. 32040565962

**RIGHT-OF-WAY INSTRUMENT**  
**ENTERGY MISSISSIPPI, INC.**

(Property Address)

KNOW ALL MEN BY THESE PRESENTS THAT: Madison County Schools, 256 First Street, Flora, MS 39071

Grantor(s), acting individually, and for, and on behalf of, my/our heirs, successors, assigns and any other person claiming the ownership to the property hereinafter described, collectively "Grantor", for and in consideration of One Dollar, in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, assign, convey unto and warrant and defend Entergy Mississippi, Inc., and its successors and assigns, collectively "Grantee", a right-of-way, servitude and easement 30 feet in width for the location, construction, reconstruction, improvements, repairs, operation, inspection, patrol, replacement and maintenance of electric power and communication facilities, or the removal thereof, now or in the future, including, but not necessarily limited to, poles, cross arms, insulators, wires, cables, conduits, hardware, transformers, switches, guy wires, anchors and other equipment, structures, material and appurtenances, now or hereafter used, useful or desired in connection therewith by Grantee over, across, under or on that land of Grantor in the County of Madison, State of Mississippi, described as follows, to-wit:

*A parcel of land lying and being situated in the NW quarter of the SW quarter of Section 16, Township T-8-N, Range R-1-W, Madison County, Mississippi, as shown on Exhibit "A" attached hereto and made a part hereof;*

together with the right of ingress and egress to and from said right-of-way across the adjoining land of the Grantor and the right to attach wires and cables of any other party to Grantee's facilities, and the right to install guy wires, anchors, and anchor assemblies beyond the limits of said right-of-way.

Unless otherwise herein specifically provided, the center line of the electric power and communication lines initially constructed on this right-of-way shall be the center line of said right-of-way.

Grantee shall have the full and continuing right to clear and keep clear vegetation within or growing into said right-of-way and the further right to remove or modify from time to time trees, limbs, and/or vegetation outside the said right of way which Grantee considers a hazard to any of its electric power or communications facilities or a hazard to the rendering of adequate and dependable service to Grantor or any of Grantee's customers, by use of a variety of methods used in the vegetation management industry.

Proj. No. \_\_\_\_\_

WR No. \_\_\_\_\_

Grantor shall not construct or permit the construction of any structure, obstruction or other hazard within the said right-of-way, including but not limited to, house, barn, garage, shed, pond, pool or well, excepting only Grantor's fence(s) and Grantee's facilities. Grantor shall not construct or permit the construction of any buildings or other structures on land adjoining said right-of-way in violation of the minimum clearances from the lines and facilities of Grantee, as provided in the National Electrical Safety Code.

IN WITNESS WHEREOF, Grantor has executed this Right-of-Way Instrument on this 9th day of December, 2013.

GRANTOR:

BOARD OF TRUSTEES OF THE  
Madison County PUBLIC SCHOOL DISTRICT

BY: Shirley Simmons, President

Ronnie L. McGehee  
Ronnie L. McGehee, Superintendent

BOARD OF SUPERVISORS OF  
Madison COUNTY, MISSISSIPPI

BY: Shirley Simmons, President

Board of Supervisors of Madison  
County, Mississippi

By: \_\_\_\_\_  
Gerald Steen, President

ACKNOWLEDGMENTS

STATE OF MISSISSIPPI  
COUNTY OF MADISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this 9th day of December, 2013, within my jurisdiction, the within named Shirley Simmons who acknowledged that she is PRESIDENT OF THE BOARD OF TRUSTEES OF THE Madison PUBLIC SCHOOL DISTRICT, and that for and on behalf of the said BOARD OF TRUSTEES OF THE Madison PUBLIC SCHOOL DISTRICT, and as its act and deed, she executed the above and foregoing instrument, after first having been duly authorized so to do.

Reyta H. Lewis  
NOTARY PUBLIC



Proj. No. \_\_\_\_\_

WR No. \_\_\_\_\_

STATE OF MISSISSIPPI  
COUNTY OF MADISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this 9th day of December, 2013, within my jurisdiction, the within named Ronnie L. McGee who acknowledged that he is SUPERINTENDENT OF Madison PUBLIC SCHOOL DISTRICT, and that in such capacity he executed the above and foregoing instrument, after first having been duly authorized so to do.

Lutia H. Reeves  
NOTARY PUBLIC

My commission expires:



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 that he is PRESIDENT OF THE BOARD OF SUPERVISORS OF \_\_\_\_\_ COUNTY, MISSISSIPPI, and that for and on behalf of the said BOARD OF SUPERVISORS OF \_\_\_\_\_ COUNTY, MISSISSIPPI, and as its act and deed, he executed the above and foregoing instrument, after first having been duly authorized so to do.

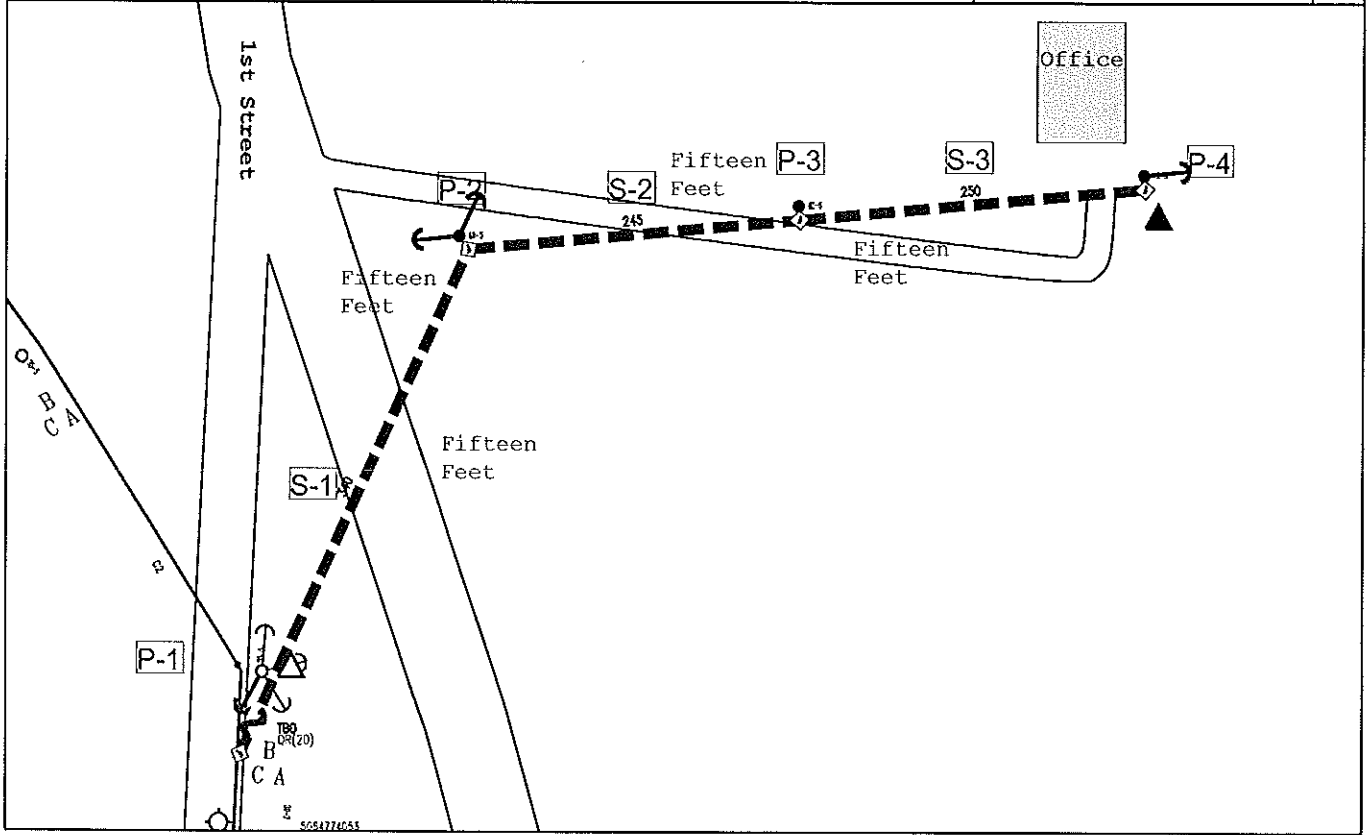
\_\_\_\_\_  
NOTARY PUBLIC

My commission expires:

\_\_\_\_\_

Exhibit "A"

<b>Entergy</b>		WR Name:			WR#:	
Local Office:		County/Parish:			Date: 12/09/13	CEA#:
Tax Dist:	Section:	Township:	Range:	Right-of-Way Yes No	Construction Type OH Urban UG Rural	Load PT: Source PT:
WR Type:	Pull off Loc. No.:			Map:	Phase:	Customer Service Entrance Size: Page 1 of 1
Acct#:	SO#:		Night Watcher SO#:		Designer:	
Phone#:	Last Call Ref#:			Scale 1":100'		▲
Contact Person:						



INDEXING: 7.1± acres in SW1/4 NW1/4 , Section 16, Township 7 North, Range 2 East, City of Madison, Madison County, Mississippi (Parcel #072E-16B-008/01.01)

LESSOR:

Madison County, Mississippi Board  
of Education Trustees of The Madison  
County School District 16<sup>th</sup> Section  
School Lands Trust  
117 Fourth Street  
Flora, MS 39071  
Telephone: (601) 879-3000

LESSEE:

Venetian Court, LLC  
ATTN: Tim Prevost  
200 Cedar Valley Road  
Raymond, MS 39154  
Telephone: (601)624-7700

PREPARED BY:

Madison County School District  
117 Fourth Street  
Flora, Mississippi 39071  
Telephone: (601)879-3000

**THIRD RENEWAL AND EXTENSION  
OF DEVELOPMENT LEASE CONTRACT**

THIS CONTRACT entered into between the Board of Education of the Madison County School District, Madison County, Mississippi (hereinafter "Board") and **Venetian Court, LLC**, a Mississippi limited liability company, ("Developer"), for the purpose of encouraging and regulating development of Sixteenth Section School Trust property in Township 7 North, Range 2 East, Madison County, Mississippi.

WHEREAS, the Board entered into a development lease with Jordan Builders, Inc., a Mississippi corporation, dated February 15, 1999, and recorded in Book 440 at Page 101 in the records in the office of the Chancery Clerk of Madison County, Mississippi (the "Development Lease"), and said Development Lease was assigned to Stewart Properties, LLC, by document dated July 16, 2001 and recorded in Book 492 at Page 693 in the office of the hereinabove mentioned Chancery Clerk; and,

WHEREAS, the Development Lease provided for a primary term of five (5) years and renewal and extension for an additional five (5) years provided the Lessee/Developer complied with certain conditions, including developing the property into subdivision lots and submitting a written request for renewal and extension of the lease; and,

WHEREAS, a Renewal and Extension of Development Lease Contract to Stewart Properties, LLC was recorded in Book 1719 at Page 170 in the office of the Chancery Clerk of Madison County, Mississippi renewing and extending the development lease from January 11, 2004 to January 10, 2009; and

WHEREAS, Stewart Properties, LLC requested several extensions for filing of the subdivision plat due to delays encountered with the City of Madison due to drainage issues; and

WHEREAS, Stewart Properties, LLC was given those extensions based on the information provided; and

WHEREAS, Stewart Properties, LLC complied with all other preconditions for renewal and extension of the Development Lease, and a Second Renewal and Extension of Development Lease Contract to Stewart Properties, LLC was recorded in Book 2375 at Page 770 in the office of the Chancery Clerk of Madison County, Mississippi renewing and extending the development lease from January 11, 2009 to January 10, 2014; and

WHEREAS, a Substituted Trustee's Deed dated August 24, 2012 and recorded in Book 2830 at Page 896 in the office of the Chancery Clerk of Madison County, Mississippi conveyed the Development Lease to the mortgage holder, Community Bank of Mississippi; and

WHEREAS, Community Bank of Mississippi assigned the Development Lease to Tim Prevost by document dated December 3, 2012 and recorded in Book 2901 in Page 838 in the office of the Chancery Clerk of Madison County, Mississippi; and

WHEREAS, Tim Prevost assigned the development lease to Venetian Court, LLC (hereinafter "Developer") by document dated June 3, 2013 and recorded in Book 2966 at Page 943 in the office of the Chancery Clerk of Madison County, Mississippi; and

WHEREAS, pursuant to the request of Tim Prevost, who is a Member of Venetian Court, LLC, the Madison County Board of Education approved renewing and extending the Development Lease at its March 4, 2013 Board meeting; and

WHEREAS, the parties wish to enter into an agreement memorializing the parties' understanding.

THEREFORE, in consideration of the mutual promises herein contained, the Board and Developer, covenant and agree, in regard to said property, as follows, to wit:

1. The Development Lease is renewed and extended effective January 11, 2014, as herein set forth.
2. That the purpose of this Contract is to renew and extend the old Development Lease for the purpose of developing and leasing the following described real property lying and being situated in Section 16, Township 7 North, Range 2 East, in the City of Madison, Madison County, Mississippi described as follows:

Begin at a point on the North right-of-way line of St. Augustine Drive with the East boundary of St. Augustine Park Subdivision, Part II, a subdivision according to the plat thereof recorded in Plat Cabinet B at Slide 85 in the records in the office of the Chancery Clerk of Madison County, Mississippi; run thence North along the East line of said subdivision to a point of intersection with the center line of Cully Creek in said section; run thence in a Southeasterly direction along the center line of said Cully Creek to a point of intersection with the North right-of-way line of said St. Augustine Drive; run thence West along the North right-of-way line of St. Augustine Drive to the Southeast corner of the said subdivision, and to the POINT OF BEGINNING. Said property being located in the NW1/4 of Section 16, Township 7 North, Range 2 East, Madison County, Mississippi LESS AND EXCEPT fifteen (15) feet off the east side of the above described property. Total property under lease consisting of 7.1± acres, more or less.



3. That the Board hereby grants, leases and lets unto the Developer, the subject property for a term of five years from and after January 11, 2014, and terminating on January 10, 2019 (the "primary term"); and as consideration therefore, the Developer shall pay unto the Board as ground rent, the amount of \$1,420.00 (\$200.00 per acre) 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 11<sup>th</sup> day of January of each year during the primary term hereof. 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 leases as well as a pro rata share of the acreage in common area and streets of a platted subdivision. 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 16<sup>th</sup> Section Land Manager objects to the requested rental reduction on or before the 15<sup>th</sup> day prior to the anniversary date, the annual rental shall be reduced as requested by the Developer. If the 16<sup>th</sup> 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 16<sup>th</sup> Section Land Manager.

4. The Developer shall put forth a reasonable effort to develop the subject property so that long term residential 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 subdivide the property into a residential subdivision, file a final subdivision plat and install roads, streets and utilities on or before January 11, 2015. Developer shall not be responsible to actually sell long term leases for a minimum number of lots, but said lots must be marketed and available for sale each year, subject to the availability of sufficient land for residential development and subject to City, County and other government approvals and permits.

5. The Developer and/or its successors in interest, shall pay any ad valorem taxes due or to become due during the term of this lease.

6. Commensurate with development of the subject property, Developer may assign the right to enter long term residential leases to third parties selected by Developer. The Board may also grant partial assignments of the Development Lease Contract for development of the subject property.

During the term of this Development Lease Contract, the Board will grant unto assignees of the Developer, long term residential leases as permitted by statute with annual rental based upon not less than five percent (5%) of the appraised fair market value of the property. The long term residential leases shall also include a rental adjustment clause for adjustment of annual rentals once every five (5) years during the primary term of said lease.

7. The Board shall issue, upon request by Developer as prescribed in paragraph 6, 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. Each long term residential lease may encompass a maximum of five acres. 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.

8. After the subject property is platted into a subdivision, Developer may, with permission of the Board, assign this lease to other developers for construction of homes. An assignment fee of \$200.00 per lot shall be due and payable to the Board as consideration for each assignment.

9. Prior to presenting any development plat or plan to any governmental authorities for approval, and prior to the execution of any long term lease contract pursuant to this agreement, Developer shall complete and submit to Board, and obtain Board's approval of site plans for development of said property. Thereafter, Developer agrees to develop said property in accordance with the approved site plans. The approved site plans may not be altered or amended without approval of the Board.

10. 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.

11. 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 Contract, the prevailing party shall be entitled to reasonable attorney's fees and all litigation costs.

12. 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.

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

14. 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 not less than \$500,000.00 and shall list the Madison County School District and the Madison County Board of Education, the Madison County Superintendent on Education, and their employees, agents and representatives as additional insureds under the policy.

15. 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 eight (8), or in the event the assigned property has not been platted, payment of a reasonable assignment fee determined by the Board, which shall be sufficient to cover administrative expenses associated with the assignment.

16. Developer shall be responsible for the cost of all boundary surveys, environmental surveys, engineering expenses and other costs associated with the development. The Board shall be responsible for the cost of the initial appraisal establishing the rental value for this lease. Developer will be responsible for costs of any other appraisals required to set rental values not addressed in the initial appraisal.

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

The Board: Letitia Reeves, 16<sup>th</sup> Section Land Manager  
Madison County School District  
117 Fourth Street  
Flora, MS 39071  
Telephone: 601/879-3000  
Facsimile: 601/879-8093

Developer: Venetian Courts, LLC  
ATTN: Tim Prevost  
200 Cedar Valley Road

Raymond, MS 39154  
Telephone: 601/624-7700  
Facsimile: 601/857-5100

18. 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 16<sup>th</sup> 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 16<sup>th</sup> Section Public School Trust Land.

19. 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.

WITNESS OUR SIGNATURES on this the 9 day of December, 2013.

LESSOR:

MADISON COUNTY, MISSISSIPPI,  
BOARD OF EDUCATION

By: Shirley Simmons  
Shirley Simmons, President

ATTEST:

Ronnie L. McGehee  
Ronnie L. McGehee, Madison County  
Superintendent Of Education

LESSEE:

VENETIAN COURT, LLC  
A MISSISSIPPI LIMITED LIABILITY  
COMPANY

By: Tim Prevost  
Tim Prevost, Member

By: James E. Fowler, Member  
James E. Fowler, III, Member

Reviewed and approved by the Madison County Board of Supervisors,  
this the \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_, President

ATTEST:

\_\_\_\_\_  
Arthur Johnston, 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 \_\_\_\_\_,  
20\_\_\_\_\_, within my jurisdiction, the within named \_\_\_\_\_  
\_\_\_\_\_, 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 9 day of December, 2013, within my jurisdiction, the within named Shirley Simmons and **Ronnie L. McGehee**, who acknowledged to me that they are President and Superintendent, respectively, of the **Madison County Board of Education**, and that for and on behalf of the said Madison County Board of Education, and as its act and deed, they executed the above and foregoing instrument, after first having been duly authorized so to do.

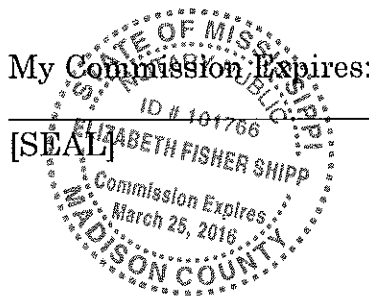
Letitia H. Reeves  
NOTARY PUBLIC



STATE OF MISSISSIPPI  
COUNTY OF Madison

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this 21 day of November, 2013, within my jurisdiction, the within named **Tim Prevost**, who acknowledged to me that he is a Member of **Venetian Court, LLC**, a Mississippi limited liability company, and that for and on behalf of the said Venetian Court, LLC, and as its act and deed, he executed the above and foregoing instrument, after first having been duly authorized so to do.

Elizabeth Fisher Shipp  
NOTARY PUBLIC

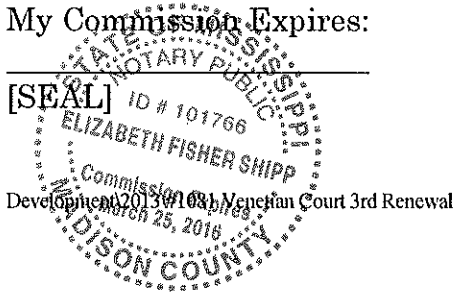


STATE OF MISSISSIPPI  
COUNTY OF Madison

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this 21 day of November, 2013, within my jurisdiction, the within named **James E. Fowler, III**, who acknowledged to me that he is a Member of **Venetian Court, LLC**, a Mississippi limited liability company, and that for and on behalf of the said Venetian Court, LLC, 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] ID # 101766  
ELIZABETH FISHER SHIPP  
Commission expires  
March 25, 2016  
Development Venetian Court 3rd Renewal

Indexing Instructions:

Section 16, Township \_\_\_\_\_ North, Range \_\_\_\_\_, Madison County, MS

**LESSOR:**

Madison County Board of Education  
117 Fourth Street  
Flora, MS 39071  
Telephone: (601)879-3000

**LESSEE:**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone: (\_\_\_\_) \_\_\_\_\_

**PREPARED BY:**

Madison County School District  
117 Fourth Street  
Flora, MS 39071  
Telephone: (601)879-3000

**16<sup>th</sup> 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 **MADISON COUNTY, MISSISSIPPI, BOARD OF EDUCATION 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 Madison County, Mississippi, Board of Education 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, Post Office Box 159, 117 Fourth Street, Flora, Mississippi 39071. 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 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 16<sup>th</sup> 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 16<sup>th</sup> Section Public School Trust Land.



Reviewed and approved by the Madison County Board of Supervisors, this the  
\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
, President

ATTEST:

\_\_\_\_\_  
, 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 \_\_\_\_\_, 20\_\_, within my  
jurisdiction, the within named \_\_\_\_\_ and

\_\_\_\_\_ 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 \_\_\_\_\_, 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]

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 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]