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Prepared by:

Return to:

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( ) -

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( ) -

STATE OF MISSISSIPPI  
COUNTY OF \_\_\_\_\_

CHURCH USE and CEMETERY LEASE  
16<sup>TH</sup> SECTION PUBLIC SCHOOL TRUST LAND

THIS 16TH SECTION PUBLIC SCHOOL TRUST LANDS CHURCH USE and CEMETERY LEASE AGREEMENT, (hereinafter "Lease Agreement"), is made and entered into this the \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_ by and between the LESSOR,

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
( ) -

and LESSEE,

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
( ) -

INDEXING INSTRUCTIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WITNESSETH:

That, for the term and in consideration of the rentals hereinafter set forth, and the covenants, conditions, and obligations to be observed and performed by LESSEE, and by the authority and under the direction of the LESSOR, as recorded in Minute Book \_\_\_\_\_, Page \_\_\_\_\_, LESSOR does hereby lease and rent unto LESSEE the following described land (hereinafter the "Leased Premises") to-wit:

Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_

MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND INCORPORATED BY REFERENCE AS IF COPIED FULLY HEREIN.

**1. Term.** Subject to the other provisions herein contained, the term of this Lease Agreement shall be for \_\_\_\_\_ (\_\_\_\_\_) years, beginning the \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_, and ending on the \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_, (called 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 the 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 Agreement for an additional or "secondary term" of twenty-five (25) years from \_\_\_\_\_, 2\_\_\_\_, under the same terms, conditions, and stipulations set forth herein, except the annual rental shall be based upon the fair market value of the land, excluding buildings and improvements not then owned by LESSOR, as determined by a qualified appraiser selected by LESSOR hereto who performs his appraisal not more than twelve months and not less than three months prior to the expiration of the primary term. LESSEE shall exercise said option to renew for the secondary term of twenty-five (25) years by notifying LESSOR in writing no less than twelve (12) months in advance of the expiration of the primary term and by tendering the determined annual rental to LESSOR at its above-stated address prior to the expiration of the primary term as may be required by statute. The cost of the new appraisal shall be borne by LESSEE. A new lease shall be executed to effectuate the secondary term.

**2. Annual Rent.** LESSEE covenants and agrees to pay as rent to LESSOR the sum of

(\$ \_\_\_\_\_) per annum, on or before the Anniversary Date each year; provided, however, that the payment of rent for the first year of this lease shall be due at the time of approval by the Board of Education. The obligation of LESSEE to pay rent under this Lease Agreement 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 Agreement is not refundable, and LESSEE waives any right or claim it may have to refund of rent paid.

Rents shall be readjusted periodically pursuant to the rent adjustment clause contained in Paragraph 3 of this lease. 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 SOS Church Use with Cemetery Lease Form (modified July 9, 2009) Page 2 of 17

“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 LESSOR is located, calculated according to the actuarial method.

**3. Rent Adjustment.** The eighth and each subsequent eighth year Anniversary Date of this Lease Agreement shall be the effective dates of rental adjustments, and on such dates the amount of annual rental due and payable hereunder shall be adjusted in the manner hereafter described to reflect the current fair market rental value of the Leased Premises.

(a) 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 any adjustment date. 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 be made pursuant to the Mississippi Code of 1972, § 29-3-69, or pursuant to the statute then in effect governing such leases and procedures for determining fair market rental value. The reappraisal shall establish the fair market value of the property unencumbered by this Lease Agreement and shall reflect the market rate of return at the time but shall be no less than the minimum acceptable percentage provided by the statute 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 Agreement 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 the LESSEE, using an appraiser selected by LESSOR.

(b) Should the Statutory Procedure result in an increase in rent over the amount previously due, LESSEE, by notice in writing given to 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 a Mississippi licensed appraiser having the qualifications hereafter described giving an opinion of current fair market annual rental value based on (i) the fair market value of the land unencumbered by this Lease Agreement and (ii) 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 two appraisers 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 hereafter 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 information 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 such 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 such 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 LESSOR'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 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 above-described property 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 Agreement 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, then LESSEE agrees to pay all costs and expenses of such actions or collections, including reasonable attorneys' fee for the County Tax Collector or such other authority responsible for collecting said taxes or assessments.

**5. Default.** The parties herein expressly agree that if DEFAULT shall be made in the payment of any general or special tax or assessment or rent due, made pursuant to this Lease Agreement, then and in any event of DEFAULT it shall be lawful for LESSOR to enter upon the Leased Premises, or any part thereof, after LESSOR has provided sixty (60) days prior written notice to the LESSEE and upon LESSEE'S failure to cure such DEFAULT within said sixty (60) days, either with or without the process of law, to re-enter and repossess the same, and to distraint from any rent or assessment that may be due thereon, at the election of LESSOR, but nothing herein is to be construed to mean that LESSOR is not permitted to hold LESSEE liable for any unpaid rent or assessment to that time. As to all other conditions, covenants, and obligations imposed on LESSEE herein, enforcement shall be by proceeding at law or in equity against any person violating or attempting to violate said conditions, covenants, and obligations to restrain violation and recover damages, if any, including reasonable expenses of litigation including but not limited to fees charged by attorneys, expert witnesses, surveyors and appraisers, which LESSEE expressly agrees to pay. Such enforcement by proceedings at law or in equity may be instituted at any time after sixty (60) days written notice. Enforcement proceedings shall include the right of the Tax Collector to recover any tax, assessment, fees and costs.

**6. Remedies.** In the event of any FORFEITURE, DEFAULT, OR CANCELLATION of this Lease Agreement or termination of the term therefore aforesaid, LESSEE shall quit, deliver up and surrender possession of the Leased Premises, and all LESSOR -owned structures and improvements thereon to the said LESSOR, and thereupon this Lease Agreement and all agreements and covenants on LESSOR'S behalf to be performed and kept, shall cease, terminate, and be utterly void, the same as if the Lease Agreement had not been made. At LESSOR'S option LESSEE shall be required to remove all LESSEE-owned improvements. In addition thereto LESSOR shall be entitled to whatever remedies it may have at law or equity 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 LESSEE'S non-fulfillment or

nonperformance of the terms and conditions of this Lease Agreement including costs for removing LESSEE-owned improvements. Immediately upon the termination of this Lease Agreement, whether by FORFEITURE, DEFAULT, or CANCELLATION, LESSOR shall be entitled to take possession of the Leased Premises and all LESSOR-owned improvements thereon absolutely, notwithstanding custom, usage, or law to the contrary. Any removal of property from the Leased Premises shall be accomplished so as to leave the Leased Premises in a condition satisfactory to LESSOR. At LESSOR'S option LESSEE shall remove all of the LESSEE'S property within thirty (30) days of LESSOR'S repossession. LESSEE shall be subject to the accrual of rent during the said thirty (30) day period.

**7. Curing Default.** Notwithstanding any DEFAULT provisions of this Lease Agreement, any present or future holder of a mortgage or deed of trust securing money loaned on these facilities, shall have the right of a thirty (30) 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 Agreement 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, either to require the correction of such DEFAULT or in lieu thereof to protect itself through the exercise of a power of sale and thereby acquire a leasehold in the Leased Premises and correct such DEFAULT. LESSEE hereby covenants and agrees to notify LESSOR of the existence of all such mortgages, deeds of trust, or other secured encumbrances, and that, in the absence of such notice, LESSOR has no obligation whatever to notify any such holder of said encumbrance.

**8. Assignment.** This lease SHALL NOT BE ASSIGNED OR SUBLEASED. Assignment or sublease of this Lease Agreement or any rights hereunder shall automatically terminate this Lease Agreement without any further notice or action by LESSOR. In the event LESSEE owns improvements on the Leased Premises, any purchaser of said improvements or any person or entity holding a contract to purchase said improvements shall have the right of first refusal to negotiate a new lease agreement with LESSOR.

**9. Regulatory Compliance.** LESSEE shall comply with all applicable laws, rules, and regulations concerning LESSEE'S use of the property and/or obligations under this instrument. This obligation shall include, but not be limited to, compliance with federal, state and local environmental regulations concerning the air, water and soil, endangered species, wetlands, and other laws, rules and regulations that may presently exist or hereafter be adopted. In the event of contamination of the air, water or soils 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 Agreement. Notwithstanding the requirements of this paragraph, LESSEE:

- (a) Will not use, generate, manufacture, produce, store, release, discharge or dispose of on, under or about the Leased Premises or transport to or from the Leased Premises any hazardous substance or pollutant (as either may be defined by any present or future laws or regulations of any governmental authority or by any administrative or judicial decisions) or any solid wastes and will not allow any other person to do so.

(b) Shall keep and maintain the Leased Premises in compliance with, and shall not cause or permit the Leased Premises to be in violation of any environment laws or regulations nor any laws or regulations pertaining to the disposal of solid, liquid, or gaseous wastes, both hazardous, and non-hazardous.

(c) Shall give prompt written notice to LESSOR and the Secretary of State of:

(1) Any proceeding or inquiry by any governmental authority with respect to the presence of any solid wastes or hazardous substance on the Leased Premises or the migration thereof from or to other property;

(2) All claims made or threatened by any governmental authority with respect to the presence of any solid wastes or hazardous substance on the Leased Premises or the migration thereof from or to other property.

(3) LESSEE'S discovery of any occurrence or condition that would cause the Leased Premises to be subject to any restrictions on the ownership, occupancy, transferability or use under any environmental or solid waste disposal law, regulation, ordinance or ruling.

**10. Environmental Accidents.** LESSEE shall immediately furnish written notice of all spills, leaks, accidents or similar matters on the premises to LESSOR and the Secretary of State at the addresses provided in this instrument. LESSEE shall also furnish LESSOR and the Secretary of State a copy of all filings, including but not limited to, environmental issues, required bylaws, rules or regulations arising out of any spills, leaks, accidents, or other matters arising out of the use and occupation of the premises by LESSEE. Nothing in this paragraph shall place any duty of cleanup or remediation of property upon LESSOR, those duties belonging exclusively to LESSEE.

**11. Breach of Lease Agreement.** If LESSEE breaches any of the provisions of this Lease Agreement and fails to cure same after sixty (60) days written notice from the LESSOR, then LESSEE, in addition to any other damages for which it may be responsible, shall pay LESSOR its reasonable costs and expenses in enforcing the instrument, including but not limited to fees charged by attorneys, expert witnesses, surveyors and appraisers.

**12. Notices.** All notices specified by this instrument shall be in writing and sent by registered or certified mail, postage prepaid to the following addresses or hand-delivered in person, delivered by facsimile or otherwise to the following persons. By written notice, either party may change the persons or addresses to whom notice may be given.

16th Section Manager

\_\_\_\_\_  
\_\_\_\_\_, Mississippi \_\_\_\_\_  
( ) - \_\_\_\_\_

To SECRETARY OF STATE:  
Mississippi Secretary of State's Office  
Public Lands Division  
Attn: 16th Section Lands  
Post Office Box 136  
Jackson, Mississippi 39205-0136  
(601)-359-1350

To LESSEE:

\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_  
( ) - \_\_\_\_\_

**13. Cemetery.** A cemetery containing approximately \_\_\_\_\_ graves is situated on the Leased Premises covered by this Lease Agreement. Said cemetery is enclosed by a \_\_\_\_\_ fence measuring \_\_\_\_\_ feet on the North side, \_\_\_\_\_ feet on the West side, \_\_\_\_\_ feet on the South side and \_\_\_\_\_ feet on the East Side. It is understood and agreed that said fence as it is now located shall constitute the boundaries of said cemetery and that the boundaries of said cemetery shall not be extended or enlarged to include more land. While this Lease Agreement is in force and effect, burials may continue in said cemetery so long as space remains within the established boundaries. Upon termination of this lease, no further burials will be permitted unless LESSEE or LESSEE'S successor in interest obtains a valid lease covering the land on which the cemetery is situated. LESSOR shall not be responsible for any cost of maintenance, repair, or upkeep of said cemetery. LESSEE agrees to hold LESSOR harmless and to indemnify LESSOR for any and all cost in connection with or in any way arising out of the existence or use of said land as a cemetery.

LESSEE agrees that it will establish a perpetual cemetery maintenance fund to be held and administered by in order to fund future maintenance, repair and upkeep and to ensure payment of annual lease rental in this and future leases covering said land. Additional language pertaining to the maintenance fund as may be required by the circumstances is attached as EXHIBIT "B." IF THERE IS NO FENCE SURROUNDING THE CEMETERY, LANGUAGE MUST BE PLACED IN EXHIBIT "B" REQUIRING CONSTRUCTION OF A FENCE TO DEFINE CEMETERY BOUNDARIES.

**14. Insurance.** LESSEE shall maintain contractual and comprehensive general liability insurance with a company acceptable to LESSOR and the Secretary of State with a minimum combined single limit of liability of one million dollars (\$1,000,000.00) and LESSEE shall maintain a similar policy for an excess limit of liability of one million dollars (\$1,000,000.00) for personal injuries or death of persons or destruction of property arising out of its operation, use or occupancy of the Leased Premises. LESSEE shall furnish proof of insurance to LESSOR, shall keep this insurance in full force and effect, and shall furnish LESSOR notice if the coverage is placed with another insurance company. The amount of this insurance coverage shall be adjusted every ten years for inflation on each tenth anniversary of this instrument according to the procedures then set forth by the Office of the Secretary of State of Mississippi.

**15. Indemnification.** LESSEE shall protect, indemnify, defend, save, and hold harmless LESSOR, harmless the State of Mississippi and the Secretary of State , their officers, board members, employees and agents, from and against all claims, demands, liabilities, suits, injuries, and any and all losses or damages and cost of every kind and nature whatsoever ("loss"), including but not limited to all court costs and attorneys fees and all personal injury or death and/or damage to any person or entity including, but not limited to, LESSOR and its property or other loss arising out of any alleged noncompliance with laws or caused by LESSEE'S exercise of its rights under this Lease Agreement and/or resulting from the actions or omission of LESSEE in connection with its presence on or any use of the Leased Premises by it, 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. In the event the intentional or negligent acts of LESSOR, its officers or agents, are not the direct and sole proximate cause for one hundred percent (100%) of the loss or claim, LESSEE shall be responsible to fulfill its obligations under this paragraph for the percentage of liability not attributable to LESSOR, its officers or agents.

**16. Mortgage Transactions.** The preceding restrictions on assignments set forth in Paragraph 8 of this Lease Agreement shall not apply to and no prior approval of LESSOR shall be required for (i) a mortgage of the leasehold estate (ii) a foreclosure or an assignment of the leasehold estate to the mortgagee in lieu of foreclosure or (iii) a transfer by a mortgagee who has acquired the leasehold estate and such transfer occurs within a reasonable period of time commensurate with liquidation of the asset. However, any person acquiring the leasehold estate by any of the above means shall be obligated, within 10 days thereafter, to provide LESSOR with a copy of the assignment. No mortgagee shall be deemed to have assumed and no mortgagee shall be personally obligated to perform any of LESSEE'S obligations under this lease which accrued prior to acquisition of the leasehold estate, provided that this limitation on personal liability shall not diminish the rights and remedies otherwise available to LESSOR in the event of a default nor the right of a mortgagee to cure defaults as herein provided.

A mortgagee, having acquired the leasehold estate through foreclosure or assignment in lieu of foreclosure, shall be liable for performance of all obligations of the LESSEE which accrue during the period the mortgagee has ownership of the leasehold estate, and any rent payment which becomes due during such period shall be paid in full and not prorated. Nothing contained in this lease or in any mortgage shall release LESSEE from the full and faithful performance of LESSEE'S obligations under this lease or from any liability for non-performance or constitute a waiver of any right of LESSOR against LESSEE. The term "mortgage" as used in this paragraph means any mortgage, deed of trust, collateral assignment or other transfer or pledge of this lease as security for an indebtedness of LESSEE; and the term "mortgagee" means the holder of the indebtedness to whom or for whose benefit this lease has been mortgaged or pledged as security.

**17. Waste.** Notwithstanding Paragraph number 13 above, LESSEE shall be responsible for any damage that may be caused to LESSOR'S property by the activities of the LESSEE, its employees, agents, contractors, and invitees under this Lease Agreement, and shall exercise reasonable care 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, its employees, agents, contractors, and invitees shall exercise reasonable care in conducting the activities permitted under this Lease Agreement, and shall not, in any event, commit waste or allow waste to be committed.

**18. Quiet Possession.** LESSEE shall have quiet and peaceful possession of the Leased Premises as long as compliance is made with the terms of this Lease Agreement.

**19. Bankruptcy or Judgments.** LESSEE hereby covenants and agrees that if an execution or process is levied upon the Leased Premises or if a petition of bankruptcy be filed by or against LESSEE in any court of competent jurisdiction, LESSOR shall have the right at its option, to cancel this Lease Agreement.

LESSEE further covenants and agrees that this Lease Agreement and the interest of LESSEE hereunder shall not, without the written consent of LESSOR first obtained, be subject to garnishment or sale under execution or otherwise in any suit or proceeding which may be brought against said LESSEE.

**20. Condemnation.** If the whole of the Leased Premises, or such portion thereof as will make the Leased Premises unsuitable for LESSEE'S normal business activity, should be condemned for any public use or conveyed under threat of condemnation, then this lease shall terminate on the date possession is acquired by the condemning authority, and rent shall be apportioned as of that date. All compensation awarded or paid upon such total or partial taking of the Leased Premises shall belong to LESSOR without participation by LESSEE except to the extent the award fairly represents the value of improvements which are the property of LESSEE. However, nothing herein shall preclude LESSEE from prosecuting any claim directly against the condemning authority for loss of business, cost of relocation or any other damages to which a tenant may be entitled provided that no such claim shall diminish or otherwise adversely affect the amount of LESSOR'S award.

**21. Classification/Use.**

(a) The lands herein have been classified as Other in accordance with §29-3-31 et seq. Miss. Code Ann (1972) as amended.

(b) LESSOR warrants that the Leased Premises shall be permitted to be used as a church and cemetery for the duration of the term. This warranty does not apply to any change in use which may be required by governmental authority or other means beyond the control of LESSOR.

(c) LESSEE shall not use the Leased Premises for any of the following purposes: The operation of a business or proprietorship where the majority of revenues are derived from the sale of alcohol. The operation of a business or proprietorship that offers adult entertainment including, but not limited to, nude or partially nude dancing or display, or the sale of distribution of adult materials including, but not limited to, pornographic magazines, books, videocassettes, or computer disks. Activities that are considered hazardous including, but not limited to, demolition or the storage or use of dangerous

substances. Any activity considered to be a nuisance. Any activity that is unlawful or immoral. Any activity which at the discretion of LESSOR or the Secretary of State is inappropriate upon Sixteenth Section Land.

**22. Successors.** To the extent assignment of this Lease Agreement is allowed by the above provisions this Lease Agreement shall be binding upon the LESSEE'S successors and assigns.

**23. General Duties of LESSEE.** LESSEE agrees:

(a) To comply with all laws and ordinances applicable to the use of the Leased Premises including, without limitation, laws and regulations pertaining to accessibility by handicapped persons.

(b) To allow inspection of the Leased Premises during normal business hours by any persons responsible for management or supervision of the property or this lease acting in their official capacity.

(c) To perform all obligations herein expressed in a prompt fashion, without notice or demand.

(d) To surrender the Leased Premises upon termination or expiration of this Lease Agreement, with improvements to be in the condition as herein specified.

(e) To provide LESSOR, at each Anniversary Date, written certification by LESSEE or an officer of LESSEE of compliance with the provisions of this Lease Agreement.

(f) To maintain the Leased Premises at all times in a clean, neat and orderly manner, free of waste materials, and to keep grass and other vegetation clipped.

**24. Reservations.** LESSOR reserves title to all oil or gas, coal, lignite or other minerals in, on, or under said Leased Premises, together with the right to enter and remove the same, but not in a manner which interferes with LESSEE'S operations on the Leased Premises.

**25. Timber.** LESSOR reserves and excepts from said lease all timber now or during the term, being situated on the Leased Premises with right of ingress and egress to remove same, and with the right to sell all or any part of said timber without breach of any right of LESSEE hereunder.

**26. Rights-of-Way.** 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 in a manner so as not to interfere with LESSEE'S operations.

**27. Recording.** LESSOR will deliver this Lease Agreement to the Chancery Clerk of \_\_\_\_\_ County for recording, and LESSEE has herewith delivered to LESSOR a check in the sum of \_\_\_\_\_ \$ \_\_\_\_\_ payable to such Chancery Clerk as recording fees.

**28. Immunity.** No provision of this Lease Agreement, whether requiring LESSEE to maintain insurance or to indemnify LESSOR or otherwise, shall be construed as a waiver by LESSOR of any provision of law related to governmental immunity.

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

**30. Governing Law.** This Lease Agreement 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 Agreement and any amendments hereto shall rest exclusively in the Chancery Court of \_\_\_\_\_ County, Mississippi.

**31. Secretary of State.** By virtue of the signature below, the Secretary of State of the State of Mississippi has approved this Lease Agreement in accordance with the Secretary's authority for general supervision of 16thSectionPublic School Trust Land. Approval of this Lease Agreement by the Secretary of State indicates that the \_\_\_\_\_ 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.

**32. 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 institutes legal action to enforce the terms of this Lease Agreement, he shall have all rights as are conferred to LESSOR.

**33. Additional Provisions.** This Lease Agreement contains an Exhibit "B." Any additional or special provisions to this Lease Agreement are set forth in Exhibit "B" and incorporated by reference as if copied fully herein. If there are no additional or special provisions then Exhibit "B" shall state "NONE."

**34. Entire Agreement.** This Lease Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease Agreement shall not be binding upon either party except to the extent incorporated herein. This Lease Agreement contains Exhibits "A" and "B." If Exhibits "A" and "B" are not attached to this Lease Agreement, then this Lease Agreement shall be null and void.

IN WITNESS WHEREOF, this Lease Agreement is executed by LESSOR and pursuant to order entered upon its minutes, is executed by LESSEE this the \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

Signed, Sealed and Delivered in the Presence of:

LESSOR:

APPROVED:

\_\_\_\_\_  
School District

\_\_\_\_\_  
County Board of Supervisors

\_\_\_\_\_  
Superintendent: \_\_\_\_\_

\_\_\_\_\_  
President: \_\_\_\_\_

\_\_\_\_\_  
Board President: \_\_\_\_\_

\_\_\_\_\_  
Secretary of State:  
Michael Watson

LESSEE:

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

ACKNOWLEDGMENTS

School District

STATE OF MISSISSIPPI  
COUNTY OF \_\_\_\_\_

Personally appeared before me, the undersigned authority in and for said county and state, on this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_, within my jurisdiction, the within named \_\_\_\_\_, Superintendent of Schools and \_\_\_\_\_, school board President of the \_\_\_\_\_ School District Board of Education, who acknowledged that in said representative capacity as Superintendent of Schools and President of the Board of Education of the \_\_\_\_\_ School District, they executed the above and foregoing instrument for and on behalf of said Board of Education, after first having been duly authorized so to do.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
(Notary Public)

My Commission Expires: \_\_\_\_\_ (Affix official seal, if applicable)

Board of Supervisors

STATE OF MISSISSIPPI  
COUNTY OF \_\_\_\_\_

Personally appeared before me the undersigned authority in and for the said county and state, on this the \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_, within my jurisdiction, the within named \_\_\_\_\_, who acknowledged to me that he / she is the President of the Board of Supervisors of \_\_\_\_\_ County, Mississippi, and that in said representative capacity he / she executed the above and foregoing instrument for and on behalf of said Board of Supervisors, after first having been duly authorized so to do.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
(Notary Public)

My Commission Expires: \_\_\_\_\_ (Affix official seal, if applicable)

ACKNOWLEDGEMENTS

Lessee - Personal

STATE OF MISSISSIPPI  
COUNTY OF \_\_\_\_\_

Personally appeared before me, the undersigned authority in and for said county and state, on this the \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_, within my jurisdiction, the within named \_\_\_\_\_, who acknowledged that he / she executed the above and foregoing instrument.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
(Notary Public)

My Commission Expires: \_\_\_\_\_ (Affix official seal, if applicable)

Lessee - Corporate

STATE OF MISSISSIPPI  
COUNTY OF \_\_\_\_\_

Personally appeared before me the undersigned authority in and for said county and state, on this the \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_, within my jurisdiction, the within named \_\_\_\_\_, who acknowledged to me that he / she is the \_\_\_\_\_ of \_\_\_\_\_, and that in said representative capacity he / she executed the above and foregoing instrument, after first having been duly authorized so to do.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
(Notary Public)

My Commission Expires: \_\_\_\_\_ (Affix official seal, if applicable)

EXHIBIT "A": DESCRIPTION OF PROPERTY

EXHIBIT "B": ADDITIONAL PROVISIONS