

**County Lease Agreement
For Property Subject to
Industrial Park
Master Plan
and
MDA Site Grant**

**RESOLUTION AND ORDER: APPROVE LEASE AGREEMENT BETWEEN
LAFAYETTE COUNTY AND MAGNOLIA MATERIALS LLC**

The Board of Supervisors, acting for and on behalf of Lafayette County, Mississippi (the "County"), took up for consideration the matter of the lease of certain undeveloped land located in the Lafayette County Industrial Park to Magnolia Materials, LLC. Having fully considered the terms of the proposed lease, the following occurred:

Thereupon Supervisor Scott Allen offered and moved the adoption of the following resolution:

**RESOLUTION OF THE BOARD OF SUPERVISORS OF LAFAYETTE
COUNTY APPROVING THE LEASE OF CERTAIN PROPERTY TO
MAGNOLIA MATERIALS, LLC**

WHEREAS, the Board of Supervisors of Lafayette County, Mississippi (the "Governing Body" of the "County"), does hereby find, determine, adjudicate and declare as follows:

1. In promotion of the economic welfare of the citizens of the County, the County is authorized to lease its property located within the Lafayette County Industrial Park pursuant to Miss. Code Ann. § 19-7-3
2. The County is authorized to lease said property, provided the Board of Supervisors finds and determines that the property is no longer needed for County or related purposes and is not to be used in the operation of the County, that the sale of the property in the manner otherwise provided by law is not necessary or desirable for the financial welfare of the County, and that the use of the County property for the purpose for which it is to be leased will promote and foster the development and improvement of the Lafayette County community and the educational, economic and industrial welfare of the Lafayette County community.
3. The Industrial Park undeveloped property identified and described in the attached Exhibit A is no longer needed for County purposes and operations and is thereby deemed to be surplus property within the meaning of Section 19-7-3, that the sale of the said property in the

manner otherwise provided by law, including Section 19-7-3 (2), is not necessary or desirable for the financial welfare of the County.

4. The lease of the said property under the terms and conditions of the proposed lease attached as Exhibit B is for fair and valuable consideration and will promote and foster the development and improvement of the Lafayette County community and the educational, economic and industrial welfare of the Lafayette County community because the lease provides, inter alia, that Magnolia Materials, LLC will (1) fully develop the subject undeveloped property at its sole cost which thereby will substantially increase the assessed and taxable value of the heretofore untaxable property, yielding increased tax revenues for school and other purposes, (2) invest substantial monies in the development, construction and operation of an asphalt plant on said property for the economic benefit of the construction industry in a fast growing community with the consequence of increased competition and competitive pricing, (3) commit to certain annual employment levels for the life of the lease, and (4) forego all tax exemptions and abatements otherwise available to industrial, manufacturing and commercial businesses under Mississippi law for the life of the lease.

5. The Board of Supervisors therefore desires to lease the subject property to Magnolia Materials, LLC in accordance with and under such terms as set forth in the attached Lease Agreement.

**NOW, THEREFORE, THE GOVERNING BODY OF THE COUNTY DOES
HEREBY RESOLVE, FIND, DETERMINE AND ADJUDICATE AS FOLLOWS:**

Section 1. The Governing Body of the County does hereby approve the lease in the form attached as Exhibit B.

Section 2. The President and Clerk of the Governing Body of the County are hereby authorized to execute and deliver the Lease Agreement, and any and all other documents necessary to effectuate the lease of the subject property.

Section 3. This Resolution may be amended through further proceedings of the Governing Body.

Supervisor Greg Bynum seconded the motion to adopt the foregoing Resolution, and the vote thereupon was as follows:

Supervisor Larson

voted: Yes

Supervisor Bynum

voted: Yes

Supervisor Morgan

voted: Yes

Supervisor Allen

voted: Yes

Supervisor Gordon

voted: Yes

The motion having received the foregoing vote of the Governing Body, the President declared the motion carried and the Resolution adopted, on this the 10 day of December, 2025.

Brent Larson
PRESIDENT, BOARD OF SUPERVISORS,
LAFAYETTE COUNTY, MISSISSIPPI

Mike Roberts
CLERK



Brent Larson
Brent Larson, President
Board of Supervisors

Mike Roberts
Mike Roberts, Chancery Clerk

LEASE AGREEMENT

This Lease Agreement ("Lease") is made and entered into as of this the 16th day of December 2015, by and between the **Board of Supervisors of Lafayette County, Mississippi**, a political subdivision of the State of Mississippi ("Landlord"), and **Magnolia Materials, LLC**, a Mississippi limited liability company organized and existing under the laws of the State of Mississippi ("Tenant").

RECITALS:

WHEREAS, Landlord is the owner of certain real property located in Lafayette County, Mississippi, as more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the "Premises");

WHEREAS, Tenant desires to lease the Premises from Landlord for the purpose of constructing and operating an asphalt plant thereon subject to the terms and obligations of this Lease;

WHEREAS, Landlord affirms and has determined that the Lease and Tenant's obligations and operations thereunder will promote industrial and economic development in Lafayette County and provide substantial and tangible benefits to Lafayette County and its residents, including: (a) creation of employment opportunities; (b) development of trade beneficial to Lafayette County; (c) furtherance of the use of the natural and human resources of Lafayette County in a manner beneficial to Lafayette County; (d) generation of substantial tax revenues for the benefit of Lafayette County; and (e) provision otherwise of substantial economic and other benefits to Lafayette County and its residents.

WHEREAS, Landlord is willing to lease the Premises to Tenant on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, Landlord and Tenant agree as follows:

ARTICLE I. GRANT OF LEASE; TERM

1.1 Lease of Premises

Landlord hereby leases, grants and conveys a leasehold interest in the Premises to Tenant, and Tenant hereby leases from Landlord, the Premises, together with all improvements, fixtures, and appurtenances thereto, for the Term (as defined in Section 1.2 below), subject to the terms, obligations, covenants, and conditions set forth in this Lease. This Lease shall not include any grant of any interest in mineral rights existing with respect to the Premises.

1.2 Term

The term of this Lease (the "Term") shall be thirty-five (35) years, commencing on the first day of the month following site plan approval by the both the Planning Commission and the Board of Supervisors of Lafayette County (the "Commencement Date") and ending on the date that falls thirty-five years after the Commencement Date (the "Expiration Date"), unless sooner terminated or extended pursuant to the terms hereof and as provided herein.

1.3 Option to Extend

Provided that Tenant is not in default under any of the terms, covenants, or conditions of this Lease, Landlord hereby grants Tenant the right and option, in Tenant's sole discretion, to extend the Term of this Lease for an unlimited number of successive five (5) year terms (each, an "Extension Term"). Tenant may exercise each option to extend the Term by providing Landlord with written notice of its intent to extend at least six (6) months prior to the expiration of the then-current Term or Extension Term, as applicable.

1.4 Option to Purchase

Landlord hereby grants Tenant the option to purchase the Premises (the "Option") at any time following commencement of the Lease, subject to the terms set forth herein. This Option shall remain in effect during the entire Term of this Lease and any Extension Term(s). To exercise the option, Tenant shall deliver notice to Landlord (the "Notice of Exercise") in accordance with the notice provisions of this Lease of Tenant's intent to purchase the Premises pursuant to this Option. Upon receipt of the Notice from the Tenant, the Landlord shall obtain an appraisal of the fair market value based on generally accepted accounting practices as of the date of the Notice. The Landlord shall send a Reply Notice to the Tenant within 15 (fifteen) days of receipt of the appraisal which shall include the proposed purchase price. If the terms of purchase are acceptable to the Tenant, the closing of the purchase and sale shall be consummated and shall occur within sixty (60) days after Landlord's delivery of the Reply Notice. Landlord shall convey title to the Premises by warranty deed, subject to all real estate taxes and assessments not yet due and payable, and easements, restrictions and covenants that do not materially interfere with Tenant's intended use of the Premises. Upon closing the purchase of the Premises pursuant to this Option, the Lease shall terminate and neither party shall have any further obligations hereunder, except for those that survive termination of the Lease as expressly set forth herein.

1.5 Landlord's Termination Rights

Landlord shall have the right to terminate this Lease upon the occurrence of any of the following events:

1. Tenant's default under the terms of this Lease if such default exists and remains uncured after the applicable cure period; and Tenant's abandonment of the Premises for a period of twelve (12) consecutive months.

1.6 Tenant's Termination Rights

Tenant shall have the right is its sole discretion to terminate this Lease upon the occurrence of any of the following events:

1. Any "taking" as provided in Sections 8.2.2, 8.2.3 and 8.2.4 below;
2. Destruction of all or part of the Premises or improvements thereon that materially affect Tenant's operations at the Premises that are determined, in Tenant's sole discretion, to prevent continuation of Tenant's operations at the Premises in a manner at least equal to the level of such operations prior to the destruction of all or part of the Premises or improvements thereon.

ARTICLE II. REPRESENTATIONS AND OBLIGATIONS

2.1 Representations and Obligations of Landlord

2.1.1 Ownership and Quiet Enjoyment

Landlord represents, covenants and warrants that it is the sole and exclusive owner of the Premises and that it has the sole power to lease and demise the Premises pursuant to the Lease, and that the Lease does not conflict with any restriction or encumbrance relating to the ownership, alienability, or use of the Premises pursuant to the Lease or any grant of Lessor's authority. Landlord further covenants that Lessee shall be entitled to the peaceful enjoyment of and undisturbed possession of the Premises during the term of the Lease.

2.1.2 Uses Approved

Landlord has properly determined that the use of the Premises by Tenant as provided in the Lease will promote and foster the development and improvement of Lafayette County and its residents, including without limitation the civic, social, educational, cultural, moral, economic and industrial welfare thereof; and that some use other than provided in and resulting from the Lease is not necessary or desirable for the financial welfare of Lafayette County. Lessor has determined that the Premises is not needed by Lafayette County for any use other than as contemplated by the terms of this Lease.

2.1.3 Authority to Grant Leasehold Interest

Landlord represents, covenants and warrants that Landlord has authority to enter the Lease, has obtained necessary approvals and affirmative votes for same, and has authorized execution and delivery of this Lease by order or resolution spread upon the minutes of its meeting authorizing same, pursuant to and in accord with the requirements of applicable law, including without limitation Miss. Code Ann. §19-7-3 and §59-9-19 and any other applicable law. Landlord has determined, as reflected in said resolution and minutes, that the Premises is not needed by Lafayette County for any use or purpose other than as permitted under this Lease and that this Lease and the use for which the Premises is leased will promote and foster the economic and industrial development and improvement of Lafayette County by: creating employment opportunities (providing full-time employment for at least 5 employees during the entire term of the Lease and any extensions thereof); providing asphalt needed for local road construction at competitive prices; and generating tax revenues for Lafayette County, among other benefits. Landlord has considered and confirmed the adequacy of consideration given by

Tenant for the Lease in the form of payments of Rent, provision of employment opportunities as provided herein, anticipated industrial and economic development, and the substantial cost to Tenant of constructing the improvements to the Premises that Tenant is obligated to construct thereon for the operation of an asphalt plant and related activities. Landlord represents and has confirmed that the Lease, when executed and delivered, will constitute legal, valid and binding obligations of Landlord that are enforceable in accordance with the terms of the Lease and Mississippi law.

2.1.4 Landlord's Required Resolution

By resolution duly and lawfully adopted and spread upon its official minutes, Landlord shall find and determine that (a) the Premises is real property owned and acquired by Landlord; (b) the Premises is not needed for governmental or related purposes and is not dedicated or intended for any use in the operation of Lafayette County, other than as permitted in this Lease; (c) the sale of the Premises, in lieu of this Lease, is not necessary or desirable for the financial welfare of Lafayette County; (d) the use of the Premises for the purpose for which it is conveyed as provided in this Lease will promote and foster the development and improvement of the community in which it is located or the civic, social, educational, cultural, moral, economic or industrial welfare thereof. Landlord shall provide any other resolutions and do any other things required by law to make this Lease effective and in compliance with applicable law.

2.2 Representations and Obligations of Tenant

2.2.1 Tenant represents, covenants and warrants that the execution and delivery of this Lease and compliance with the terms hereof are within the corporate power of Tenant and have been duly authorized by all necessary action on the part of Tenant.

2.2.2 Tenant represents that it will, within two (2) years of the effective date of this Lease, use its best efforts to complete construction, solely at Tenant's cost, of an asphalt plant on the Premises for the local production of asphalt and, in connection therewith, employ at least five (5) employees (full-time) for the entire term of the Lease at the Premises (and any extensions thereof) in the construction, maintenance and operation of the asphalt plant on the Premises. Such employment obligation of Tenant shall exist only during the term of this Lease and shall cease in the event of termination of this Lease or in the event operations at the Premises cease or are limited through no fault of Tenant or due to events beyond Tenant's control. Should Tenant fail to substantially complete construction of an asphalt plant on the Premises within two (2) years from the effective date hereof, then Landlord shall have the right to terminate the Lease in which case Tenant shall have no further obligations hereunder.

ARTICLE III. RENT AND TAXES

3.1 Rent

Tenant shall pay to Landlord annual rent in the amount of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) (the "Rent") per year, payable on the Commencement Date and then on the first day of each year during the Term or Extended Term and until termination of the Lease as provided herein.

3.2 Taxes

Tenant shall pay to the taxing authorities all real property taxes, personal property taxes and special assessments, if any, levied and assessed against the Premises and any improvements thereon and Tenant shall not seek any exemption or abatement of any tax obligations otherwise existing with respect to the Premises. For the calendar years in which this Lease commences and terminates, Tenant's ad valorem tax obligations shall be pro rata based on the number of days this Lease is in effect during the calendar year as applicable. Tenant reserves its right to contest any assessments which, in its sole discretion, appear improper or excessive.

ARTICLE IV. USE OF PREMISES

4.1 Permitted Use

Tenant shall use and occupy the Premises solely for the purpose of constructing, operating, and maintaining an asphalt plant and any other lawful uses ancillary or related or comparable thereto including without limitation the sale of aggregate and other by-products of the operation (the "Permitted Use"). Tenant shall not use or permit the use of the Premises for any purpose other than the Permitted Use without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Lessee's use of the Premises, including for construction of an asphalt plant, shall be subject to Landlord's standard site plan and review process regarding use of the Premises

4.2 Compliance with Laws

Tenant shall, at its sole cost and expense, obtain all necessary licenses and permits needed or required to conduct its business on the Premises. Tenant shall use its best efforts to comply with all applicable federal, state, and local laws, ordinances, rules, and regulations, including, without limitation, those related to environmental protection, health, safety, and the use, storage, and disposal of Hazardous Substances (as defined in Section 7.1 below), in connection with Tenant's use and occupancy of the Premises.

4.3 Utilities

Tenant shall be responsible for the cost of installation and maintenance of needed utilities (gas, power, telephone, heating, lighting, air conditioning and other) used in constructing, operating, repairing and maintaining the Premises for the use by Tenant as contemplated and provided herein.

4.4 Prohibited Activities

Tenant shall not use or occupy the Premises, or permit the Premises to be used or occupied, in any manner that would violate any applicable law, ordinance, rule or regulation.

ARTICLE V. IMPROVEMENTS; MAINTENANCE AND REPAIRS

5.1 Tenant's Improvements

5.1.1 Initial Improvements

Tenant shall have the right, at its sole cost and expense, to construct, install, and maintain any buildings, structures, or other improvements on the Premises as may be necessary or desirable for Tenant's Permitted Use, subject to Landlord's prior written approval of the plans and specifications for such improvements, which approval shall not be unreasonably withheld, conditioned, or delayed.

5.1.2 Approval Process for Improvements

The Lease is subject to Lafayette County's standard site plan review and approval process.

5.1.3 Subsequent Alterations

After completion of the initial improvements, Tenant shall not make any material alterations, additions, or improvements to the Premises without Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed. For purposes of this Section 5.1.3, "material alterations" shall mean any alterations, additions, or improvements that: (a) affect the structural components of any building or improvement on the Premises; (b) affect the exterior appearance of any building or improvement on the Premises; (c) affect any building system, including HVAC, electrical, plumbing, or fire protection systems; or (d) cost in excess of \$100,000 to complete.

5.1.4 Ownership of Improvements

All improvements constructed or installed by Tenant on the Premises shall be the property of Tenant during the Term of this Lease. Upon the expiration or earlier termination of this Lease, Tenant shall be entitled, but not obligated, to remove at Tenant's cost all such improvements.

5.2 Maintenance and Repairs

Tenant shall, at its sole cost and expense, keep and maintain the Premises, including all improvements, fixtures, and appurtenances thereto, in good condition and repair throughout the Term. Tenant shall be responsible for all routine maintenance, repairs, and replacements on the Premises, as well as any capital improvements necessary to Tenant's operations at the Premises. Landlord shall have no obligation to make any repairs or improvements to the Premises during the Term.

5.3 Mechanic's Liens

Tenant shall not allow any mechanic's or materialmen's liens to be filed against the Premises. If any such lien is filed, Tenant shall, within thirty (30) days after receiving notice of the filing of such lien, either pay the amount of the lien and cause the lien to be released of record or contest such lien in accordance with applicable law.

ARTICLE VI. INSURANCE AND INDEMNIFICATION

6.1 Tenant's Insurance

Tenant shall, at its sole cost and expense, maintain the following insurance coverages throughout the Term:

1. Commercial general liability insurance with limits of not less than \$1,000,000 per occurrence and \$5,000,000 in the aggregate, naming Landlord as an additional insured;
2. Property insurance covering the full replacement cost of all improvements and personal property located on the Premises;
3. Workers' compensation insurance as required by applicable law;
4. Environmental pollution liability insurance with limits of not less than \$1,000,000 per occurrence and \$5,000,000 in the aggregate;

Tenant shall provide Landlord with certificates of insurance evidencing the required coverages initially and upon each renewal of such policies.

6.2 Indemnification

6.2.1 Tenant's Indemnification of Landlord

Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claims, damages, losses, liabilities, costs, and expenses, including reasonable attorneys' fees, arising from or related to: (a) Tenant's use or occupancy of the Premises; (b) any act, omission, or negligence of Tenant or its agents, contractors, employees, or invitees; (c) any breach or default by Tenant in the performance of its obligations under this Lease; or (d) any environmental contamination or release of Hazardous Substances caused or permitted by Tenant.

6.2.2 Limitations on Tenant's Indemnification

Notwithstanding the foregoing, Tenant's indemnification obligations shall not extend to claims, damages, losses, liabilities, costs, or expenses arising from: (a) the negligence or willful misconduct of Landlord or its agents, contractors, employees, or invitees; (b) Hazardous Substances that migrate onto the Premises from adjacent properties, unless such migration is caused or exacerbated by Tenant, in which case Tenant's indemnification obligations shall be limited to addressing the loss caused or exacerbated by Tenant's conduct.

ARTICLE VII. ENVIRONMENTAL PROVISIONS

7.1 Environmental Definitions

1. "Environmental Laws" means all federal, state, and local laws, ordinances, rules, regulations, orders, and directives pertaining to Hazardous Substances or to the protection of human health or the environment.
2. "Environmental Permits" means all permits, licenses, approvals, authorizations, consents, or registrations required by any Environmental Laws for the operation of Tenant's business at the Premises.
3. "Hazardous Substances" means any hazardous, toxic, or dangerous substance, material, waste, pollutant, or contaminant, as defined, listed, or regulated under any Environmental Laws.
4. "Permitted Hazardous Substances" are those identified in **Exhibit B** hereto.

7.2 Environmental Compliance

7.2.1 Tenant's Obligations

Tenant shall:

1. Comply with all Environmental Laws applicable to Tenant's use and occupancy of the Premises;
2. Obtain and maintain all Environmental Permits required for Tenant's operations at the Premises;
3. Not cause or permit any Hazardous Substances to be used, stored, generated, or disposed of on or about the Premises, except for those Hazardous Substances that are: (i) reasonably necessary in Tenant's discretion for Tenant's Permitted Use; (ii) listed in **Exhibit B** attached hereto; (iii) used, stored, and disposed of in compliance with all Environmental Laws; and (iv) used, stored, and disposed of in quantities reasonable for Tenant's Permitted Use;
4. Promptly notify Landlord of any release or threatened release of Hazardous Substances on or about the Premises;
5. Promptly provide Landlord with copies of all communications, reports, notices, or other documents relating to any release or threatened release of Hazardous Substances on or about the Premises or any violation or alleged violation of Environmental Laws at the Premises; and
6. Permit Landlord and its agents to enter the Premises at reasonable times to conduct environmental inspections or testing.

7.2.2 Environmental Assessments

1. **Baseline Assessment:** Prior to the Commencement Date, Tenant shall, at its sole cost and expense, cause a qualified environmental consultant to conduct a Phase I Environmental Site Assessment of the Premises in accordance with ASTM Standard E1527-13 (or the then-current ASTM standard). If the Phase I Environmental Site Assessment

- recommends a Phase II Environmental Site Assessment, Tenant shall cause such assessment to be performed. The results of all environmental assessments shall be provided to Landlord and shall serve as a baseline for determining Tenant's responsibility for environmental conditions at the Premises. If the environmental assessments result in any findings that Tenant deems unsatisfactory for any reason regarding the environmental condition of the Premises, then Tenant shall have the option, in its sole discretion, to terminate the Lease based on such information; and if Tenant terminates the Lease pursuant to this provision, then it shall not be responsible for and shall have no obligation regarding remediation or clean-up of any environmental conditions at the Premises.
2. Periodic Assessments: Tenant shall, at its sole cost and expense, cause a qualified environmental consultant to conduct a Phase I Environmental Site Assessment of the Premises every five (5) years during the Term, with the first such assessment to be conducted on the fifth (5th) anniversary of the Commencement Date. If any such assessment recommends a Phase II Environmental Site Assessment, Tenant shall cause such assessment to be performed. The results of all environmental assessments shall be provided to Landlord.
 3. Exit Assessment: At least six (6) months prior to the expiration of the Term or within thirty (30) days after the earlier termination of this Lease, Tenant shall, at its sole cost and expense, cause a qualified environmental consultant to conduct a Phase I Environmental Site Assessment of the Premises. If such assessment recommends a Phase II Environmental Site Assessment, Tenant shall cause such assessment to be performed. The results of all environmental assessments shall be provided to Landlord.

7.3 Environmental Remediation

7.3.1 Tenant's Remediation Obligations

If any Hazardous Substances are released or discharged on or about the Premises during the Term as a result of Tenant's use or occupancy of the Premises, Tenant shall, at its sole cost and expense:

1. Immediately notify Landlord and all applicable governmental authorities of such release or discharge;
2. Promptly undertake all necessary remediation and cleanup activities in accordance with Environmental Laws;
3. Restore the Premises to the condition existing prior to such release or discharge; and
4. Indemnify, defend, and hold Landlord harmless from and against any and all claims, damages, losses, liabilities, costs, and expenses, including reasonable attorneys' fees, arising from or related to such release or discharge.

7.3.2 Pre-Existing Environmental Conditions

Subject to the Tenant's rights to terminate the Lease set forth in Section 7.2.2.1, and if Tenant does not terminate the Lease pursuant to Section 7.2.2. 1., the Tenant shall be deemed to have accepted the Premises "as is" and Tenant shall be obligated to remediate or clean up any Hazardous Substances that were present on or about the Premises prior to the Commencement Date.

ARTICLE VIII. DAMAGE OR DESTRUCTION; CONDEMNATION

8.1 Damage or Destruction

If the Premises are damaged or destroyed by fire, flood, or other casualty, Tenant shall promptly notify Landlord. Tenant may, in its sole discretion and at its sole cost and expense, repair and restore the Premises to substantially the same condition as existed prior to such damage or destruction, unless this Lease is terminated as provided below.

8.1.1 Tenant's Right to Terminate

If the Premises are damaged or destroyed to the extent that it cannot be repaired or restored within one (1) year from the date of such damage or destruction, as reasonably determined by Tenant, Tenant may terminate this Lease by providing written notice to Landlord within sixty (60) days after the date of such damage or destruction.

8.1.2 Rent Abatement

If this Lease is not terminated following damage or destruction of the Premises, Rent shall be equitably abated based on the portion of the Premises that is unusable by Tenant during the period of repair and restoration.

8.2 Condemnation

8.2.1 Taking Prohibited

Neither Landlord nor any affiliated or related governmental entity shall initiate any taking by eminent domain of the Premises, in whole or part, during the term of the Lease.

8.2.2 Complete Taking

If all of the Premises are taken by eminent domain or other governmental action by some non-affiliated or unrelated entity, this Lease shall terminate as of the date of such taking, and the entire award or compensation paid in connection with such taking shall be allocated as follows:

1. Tenant shall be entitled to receive compensation for: (i) the value of Tenant's leasehold interest in the Premises for the remainder of the Term; (ii) the unamortized value of Tenant's improvements to the Premises, calculated on a straight-line basis over the Term;

(iii) Tenant's relocation expenses; and (iv) Tenant's business interruption losses as reasonably determined by Tenant.

2. Landlord shall be entitled to receive the remainder of the award.

8.2.3 Partial Taking

If only a portion of the Premises is taken by eminent domain or other governmental action by some non-affiliated or unrelated entity, and the remaining portion is still suitable for Tenant's Permitted Use without materially affecting Tenant's operations under the Lease at the Premises, this Lease shall continue in full force and effect as to the remaining portion, and Rent shall be equitably reduced based on the portion of the Premises taken. The award or compensation paid in connection with such partial taking shall be allocated as provided in Section 8.2.2.

8.2.4 Temporary Taking

If all or any portion of the Premises is temporarily taken by eminent domain or other governmental action by some non-affiliated or unrelated entity for a temporary period, this Lease shall remain in full force and effect, and Tenant shall be entitled to receive the entire award or compensation paid in connection with such temporary taking.

ARTICLE IX. DEFAULT AND REMEDIES

9.1 Tenant's Default

The occurrence of any of the following events shall constitute a default by Tenant under this Lease:

1. Failure to pay any installment of Rent when due, and the continuation of such failure for a period of forty-five (45) days after written notice from Landlord;
2. Failure to comply with any other term, covenant, obligation or condition of this Lease, and the continuation of such failure for a period of sixty (60) days after written notice from Landlord; provided, however, that if such failure cannot reasonably be cured within such sixty (60) day period, Tenant shall not be in default if Tenant commences to cure such failure within such sixty (60) day period and diligently pursues such cure to completion;
3. The filing of a petition by or against Tenant under any bankruptcy or insolvency law, which petition is not dismissed within sixty (60) days after filing;
4. The appointment of a receiver or trustee for all or substantially all of Tenant's assets, which appointment is not vacated within sixty (60) days;
5. The making by Tenant of a general assignment for the benefit of creditors; or
6. The abandonment of the Premises by Tenant for a period of twelve (12) months.

9.2 Landlord's Remedies

Upon the occurrence of any event of default by Tenant that is not cured as provided herein, Landlord shall have the right to pursue any one or more of the following remedies:

1. Terminate this Lease and Tenant's right of possession, in which case Tenant shall immediately surrender possession of the Premises to Landlord;
2. Re-enter and take possession of the Premises, with or without terminating this Lease, and relet the Premises or any part thereof for such term and upon such conditions as Landlord may deem appropriate;
3. Perform any obligation of Tenant under this Lease and charge the cost thereof to Tenant as Additional Rent;
4. Pursue any other remedy available at law or in equity.

9.3 Landlord's Default

Landlord shall be in default under this Lease if Landlord fails to comply with any term, covenant, or condition of this Lease, and such failure continues for a period of sixty (60) days after written notice from Tenant; provided, however, that if such failure cannot reasonably be cured within such sixty (60) day period, Landlord shall not be in default if Landlord commences to cure such failure within such sixty (60) day period and diligently pursues such cure to completion.

9.4 Tenant's Remedies

Upon the occurrence of any event of default by Landlord, Tenant shall have the right, in its sole discretion, to pursue any one or more of the following remedies:

1. Perform any obligation of Landlord under this Lease and deduct the cost thereof from the next installment(s) of Rent due under this Lease;
2. Terminate this Lease if Landlord's default substantially interferes with Tenant's use and enjoyment of the Premises and continues for a period of ninety (90) days after written notice from Tenant;
3. Pursue any other remedy available at law or in equity.

ARTICLE X. TENANT FINANCING AND LEASEHOLD MORTGAGES

10.1 Tenant's Right to Finance

Tenant shall have the right to finance or refinance its leasehold interest in the Premises and any improvements thereon, subject to the terms and conditions of this Article X.

10.2 Leasehold Mortgages

10.2.1 Tenant's Right to Grant Leasehold Mortgages

Tenant shall have the right to grant one or more mortgages, deeds of trust, or other security interests (each, a "Leasehold Mortgage") encumbering Tenant's leasehold interest in the Premises and any improvements thereon, subject to Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Any Leasehold Mortgage shall be subject and subordinate to Landlord's fee interest in the Premises.

10.2.2 Notice to Landlord

Tenant shall provide Landlord with written notice of any proposed Leasehold Mortgage at least thirty (30) days prior to the execution thereof, which notice shall include the name and address of the proposed mortgagee (the "Leasehold Mortgagee") and a copy of the proposed leasehold Mortgage documents.

10.2.3 Leasehold Mortgagee's Rights

If Tenant grants a Leasehold Mortgage in accordance with this Article X, the Leasehold Mortgagee shall have the following rights:

1. The right to receive copies of all notices of default given to Tenant under this Lease, provided that the Leasehold Mortgagee has given Landlord written notice of its name and address;
2. The right to cure any default by Tenant under this Lease within the same time period provided to Tenant, plus an additional thirty (30) days;
3. The right to enter the Premises to inspect, maintain, or protect its security interest;
4. The right to foreclose on the Leasehold Mortgage and succeed to Tenant's interest under this Lease, provided that the successor Tenant cures all existing defaults and agrees in writing to be bound by all of the terms and conditions of this Lease; and
5. The right to assign the leasehold interest to a qualified assignee, subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned, or delayed.

ARTICLE XI. DISPUTE RESOLUTION

11.1 Negotiation

In the event of any dispute, claim, or controversy arising out of or relating to this Lease or the breach, termination, enforcement, interpretation, or validity thereof (a "Dispute"), the parties shall first attempt in good faith to resolve such Dispute through direct negotiation between representatives of each party who have authority to settle the Dispute. Either party may initiate such negotiations by providing written notice to the other party setting forth the subject of the Dispute. The parties shall meet within ten (10) business days after delivery of such notice at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the Dispute.

11.2 Mediation

If the parties are unable to resolve the Dispute through direct negotiation within thirty (30) days after delivery of the initial notice, either party may initiate mediation by providing written notice to the other party. The mediation shall be conducted in Lafayette County, Mississippi by a mediator mutually agreed upon by the parties or, if the parties cannot agree on a mediator within ten (10) days after delivery of the mediation notice, by a mediator selected by the American Arbitration Association. The parties shall share equally the costs of the mediator and the mediation. Any such mediation shall be non-binding.

11.3 Judicial Proceedings

Notwithstanding the foregoing, either party may seek injunctive or other equitable relief in a court of competent jurisdiction in Lafayette County, Mississippi, without first complying with the dispute resolution procedures set forth in this Article XI if such party believes that such relief is necessary to prevent irreparable harm. Nothing herein shall limit the legal or equitable remedies available to either Landlord or Tenant.

ARTICLE XII. MISCELLANEOUS PROVISIONS

12.1 Notices

All notices, demands, or other communications required or permitted to be given under this Lease shall be in writing and shall be deemed sufficiently given if delivered personally, sent by U.S. Mail, sent by nationally recognized overnight courier service, or sent by United States certified or registered mail, return receipt requested, postage prepaid, and addressed as follows:

If to Landlord:

Board of Supervisors of Lafayette County, Mississippi
300 North Lamar Blvd.
Oxford, MS 38655

With a copy to:

David D. O'Donnell
Board Attorney
Clayton O'Donnell, PLLC
1403 Van Buren Ave.
Oxford, MS 38655

If to Tenant:

Magnolia Materials, LLC
31 Hwy 328

Oxford, MS 38655

With a copy to:

Laura Jones, Registered Agent for Magnolia Materials, LLC
31 Hwy 328
Oxford, MS 38655

and

Roy H. Liddell
Wells Marble & Hurst, PLLC
P.O. Box 131
Jackson, MS 39205-0131
Attorney for Magnolia Materials, LLC

Either party may change its address for notices by providing written notice to the other party in accordance with this Section 12.1.

12.2 Governing Law; Venue

This Lease shall be governed by and construed in accordance with the laws of the State of Mississippi. Any legal action or proceeding arising out of or related to this Lease shall be brought in any court of competent jurisdiction in Lafayette County, Mississippi.

12.3 Entire Agreement; Amendments

This Lease constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, oral or written. This Lease may be amended or modified only by a written instrument signed by both Landlord and Tenant.

12.4 Severability

If any provision of this Lease is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

12.5 Waiver

No waiver of any provision of this Lease shall be effective unless in writing and signed by the party against whom enforcement is sought. No waiver of any provision of this Lease shall be construed as a waiver of any other provision of this Lease. No waiver of any breach of this Lease shall be construed as a waiver of any subsequent breach.

12.6 Relationship of Parties

Nothing contained in this Lease shall be deemed or construed to create a partnership, joint venture, principal-agent, or employer-employee relationship between Landlord and Tenant.

12.7 Successors and Assigns

This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Lease shall be assignable by Tenant to a third-party subject to the terms hereof and Permitted Use provided herein.

12.8 Counterparts

This Lease may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.9 Time of Essence

Time is of the essence with respect to the performance of all obligations under this Lease.

12.10 Force Majeure

Neither party shall be liable for any failure or delay in performing its obligations under this Lease (other than the payment of money) if such failure or delay is due to causes beyond its reasonable control, including, without limitation, acts of God, fire, flood, earthquake, strike, war, riot, terrorism, civil commotion, or governmental regulation or restriction.

12.11 Recordation

Tenant may record a memorandum of this Lease in the public records of Lafayette County, Mississippi, provided that such memorandum shall not disclose the rent or other financial terms of this Lease. The form and content of any such memorandum shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed.

12.12 Attorneys' Fees

In the event of any litigation or arbitration between the parties arising out of or related to this Lease, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable attorneys' fees, costs, and expenses incurred by the prevailing party in connection with such litigation or arbitration.

12.13 Brokers

Each party represents and warrants to the other that it has not dealt with any broker, agent, or finder in connection with this Lease. Each party shall indemnify, defend, and hold the other harmless from and against any and all claims, damages, losses, liabilities, costs, and

expenses, including reasonable attorneys' fees, arising from or related to any breach of the foregoing representation and warranty.

12.14 Binding Effect

This Lease has been entered into by Landlord and Tenant, and no other person other than the Landlord and Tenant and their respective successors and assigns shall acquire or have any rights under or by virtue of this Lease, except as otherwise expressly provided herein.

12.15 Survival

Any provision of this Lease that, by its nature, would survive the expiration or termination of this Lease shall survive such expiration or termination, including, without limitation, the parties' indemnification obligations, the environmental provisions, and the dispute resolution provisions.

12.16 Interpretation

This Lease shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing this Lease to be drafted. The headings in this Lease are for reference only and shall not affect the interpretation of this Lease.

12.17 Authority

Each party represents and warrants to the other that: (a) it has full power and authority to enter into and perform its obligations under this Lease; (b) the execution, delivery, and performance of this Lease have been duly authorized by all necessary action; and (c) this Lease constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms.

12.18 Assignment

Tenant agrees it will not assign its interest in the Lease without first obtaining written consent of Landlord, which consent shall not unreasonably be withheld. There shall be no renegotiation of the terms of this Lease in the event of any assignment by Tenant of this Lease, and the terms hereof shall be binding on both the Landlord and any assignee of Tenant in the event of any such assignment of this Lease.

12.19 Additional Acts to Accomplish Purposes

The parties to this Lease agree that they shall, from time to time or as reasonably necessary to accomplish the purposes and intent of this Lease, request that the other party execute, acknowledge, and deliver, or cause to be executed, acknowledged and delivered, any such further acts, documents, resolutions or assurances that may reasonably be required to accomplish the purposes and intent of this Lease, and they shall cooperate in good faith with each other in connection with any such requests.

12.20 Effective Date

This Lease shall become effective upon its execution by all parties hereto.

12.21 Lease of Premises in "As Is" Condition

Tenant acknowledges that the Lease of the Premises is in the "as is" condition of the Premises and that Landlord has no obligation to improve the Premises or to change its condition in connection with this Lease.

IN WITNESS WHEREOF, the parties have executed this Industrial Park Lease Agreement as of the date first written above.

LANDLORD:

LAFAYETTE COUNTY BOARD OF SUPERVISORS

By: 

Name:

Title: President, Board of Supervisors of Lafayette County

TENANT:

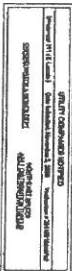
MAGNOLIA MATERIALS, LLC

By: 

Name: John W. McCurdy, II

Title: Managing Member

EXHIBIT A - DESCRIPTION OF THE PREMISES

[illegible]

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EXHIBIT B - PERMITTED HAZARDOUS SUBSTANCES

1. Asphalt cement
2. Aggregate materials
3. Diesel fuel
4. Gasoline
5. Motor oil and lubricants
6. Hydraulic fluid
7. Antifreeze
8. Cleaning solvents
9. Paints and coatings
10. Any other materials commonly used in the operation and maintenance of an asphalt plant, provided that such materials are used, stored, and disposed of in compliance with all Environmental Laws and in quantities reasonable for Tenant's Permitted Use.