

STATE OF MISSISSIPPI
COUNTY OF DESOTOThis Motor Fuel Distribution and Lease Agreement made and entered into this the 12 day of MAY, 1998, by and between the following parties:

- (1) HURON SMITH OIL CO., INC.
of the following address: P. O. Drawer 1569, Batesville, MS 38606
hereinafter referred to as "DISTRIBUTOR."
- (2) JIM WHITAKER d/b/a Jim Whitaker Service Station
of the following address: 8279 Highway 51 North, Southaven, MS 38671
hereinafter referred to as "OCCUPANT," and
- (3) JIM WHITAKER
of the following address: 8011 Southaven Circle West, Southaven, MS 38671
hereinafter referred to as "OWNER."

STATE MS.-DESOTO CO.
FILED

JUN 4 3 45 PM '98

WITNESSETH:

OWNER and OCCUPANT own and operate a retail sales establishment on a parcel of real estate located at the following address in the City of Southaven, State of Mississippi, more specifically described in the records of the Clerk's office of DeSoto County, State of Mississippi.

WHEREAS, OWNER and OCCUPANT desire a self-service motor fuel business to be operated in connection with the retail sales establishment at said location, and whereas DISTRIBUTOR is willing to install and maintain the necessary equipment for the operation of a self-service motor fuel business at said location: NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties do mutually agree as follows, to-wit:

1. DESCRIPTION

OWNER and OCCUPANT do hereby lease and sub-lease unto DISTRIBUTOR that portion of the following described property shown on the plat attached hereto and made a part hereof by reference. Said property is the parcel of real estate specifically located at the following address: 8279 Highway 51 North, Southaven, MS 38671, more specifically described in the records of the Clerk's office in DeSoto County, State of Mississippi, as follows:

Being part of Parcel "B", Section "A" Southaven West Subdivision, Section 23, Township 1 South, Range 8 West, as recorded in Plat Book 2, Pages 43, 44, 45, & 46 of the Chancery Clerk's Office, DeSoto County, Mississippi, and more particularly described as follows:

Beginning at an iron pipe in the West line of U. S. Highway 51 South 25 feet from the P.I. of the curve at the Southwest corner of Brookhaven Drive and U. S. Highway 51 South, said point being 50 feet from centerline of U. S. Highway South as measured perpendicular to said Highway; and running thence on a magnetic bearing of South 1 degree 30 minutes East a distance of 170 feet to an iron pipe; thence South 88 degrees 30 minutes West perpendicular to Highway 51 a distance of 150 feet to an iron pipe; thence North 1 degree 30 minutes West and parallel with U. S. Highway 51 South 195 feet to an iron pipe in the South line of Brookhaven Drive; thence North 88 degrees 30 minutes East with said South line of Brookhaven Drive 125 feet to an iron pipe at the beginning of a curve; thence Southeastwardly by a curve to the right, having a radius of 25 feet, a distance of 39.27 feet as measured along the arc of said curve to the POINT OF BEGINNING.

Included in the leased premises shall be access from all highway and right-of-way access avenues currently existing on said property.

2. EQUIPMENT

On the above described property, and in conjunction with the self-service motor fuel business to be operated thereon, DISTRIBUTOR agrees to install and maintain the equipment listed on the schedule attached hereto, said schedule being marked Appendix "B." All costs of the equipment listed on Schedule B and installation thereof, and all repair and maintenance or replacement of such equipment and parts thereof shall be the responsibility of DISTRIBUTOR. All equipment listed on Appendix "B" and installed on the leased premises by the DISTRIBUTOR shall remain the property of DISTRIBUTOR and may be removed by DISTRIBUTOR at the termination of this lease as provided in Paragraph 12, below.

3. TERM

The term of this Motor Fuel Distribution and Lease Agreement shall be for an initial period of five (5) years beginning on the 12 day of MAY, 1998, and ending on the 12 day of MAY, 2003. DISTRIBUTOR shall have the option to renew this Agreement for successive periods of one (1) year each, the first renewal to commence immediately at the end of the initial five (5) year term of this Agreement and the renewal terms to commence immediately at the end of each such renewal term. In the event DISTRIBUTOR fails to affirmatively notify OWNER and OCCUPANT of DISTRIBUTOR's intent to cancel this Motor Fuel Distribution and Lease Agreement prior to the expiration of the original period of said Agreement, or prior to the expiration of the then existing renewal term thereof, then the parties herein specifically agree and understand that the Agreement option immediately following said period shall automatically be exercised on the terms set forth herein.

4. DISTRIBUTION OF FUEL

DISTRIBUTOR agrees to supply and deliver motor fuel to the underground storage tanks on the above described premises. DISTRIBUTOR reserves the right to establish the retail price at which the motor fuel shall be sold and, from time to time, which price may be changed at the sole discretion of DISTRIBUTOR in order to most profitably compete in the market. DISTRIBUTOR reserves the right to determine in its sole discretion whether independent brands of motor fuel shall be supplied or whether major brands shall be marketed. DISTRIBUTOR reserves the right to modify said method of operation from independent to major brand operation and vice versa at its discretion. In the event major brands of motor fuel are distributed, DISTRIBUTOR reserves the right to determine which, if any credit cards shall be accepted. OWNER and OCCUPANT also grant DISTRIBUTOR the right to place a sign or signs on the premises advertising the brand and/or the prices of said motor fuel.

5. COMMISSION **See Cost Plus Commission Rider

DISTRIBUTOR agrees to pay OCCUPANT the following commission on sales of motor fuel and other petroleum products pursuant to this Agreement calculated according to the following method:

DISTRIBUTOR agrees to pay to OCCUPANT _____ cents per gallon for each gallon of motor fuel sold through the motor fuel pumps covered hereby and distributed pursuant to this Motor Fuel Distribution and Lease Agreement. Said commission payment shall be paid by DISTRIBUTOR to OCCUPANT on or before the 15th day of each month following the month in which said motor fuel is sold by OCCUPANT through said pumps.

6. DAILY READINGS AND DEPOSITS **See Appendix "B"

OCCUPANT agrees to make a daily meter reading at the close of each business day of each week, or in the event of a change in the posted pump price, a meter reading at the time of said change, and to furnish a copy of reports of such readings to DISTRIBUTOR on forms approved by DISTRIBUTOR. OCCUPANT will make daily bank deposits in a separate bank account in the name of _____ on all usual banking days, said bank account to be maintained at the following bank: _____. Deposits shall include receipts from all motor fuel sold the previous day less any sales made by credit card sales for that period. In the event OCCUPANT makes any sales on credit OCCUPANT shall deposit cash funds for said sales on a daily basis and OCCUPANT shall carry the credit. In the event OCCUPANT elects to take checks OCCUPANT shall be responsible to DISTRIBUTOR should said checks be returned. All credit card sales by OCCUPANT shall be on valid and unexpired credit cards. All deposits shall be and at all times remain in full the sole property of DISTRIBUTOR. All funds handled by OCCUPANT under this agreement shall remain at all times funds of DISTRIBUTOR for which funds OCCUPANT shall be liable and responsible. This agreement does not constitute an extension of credit to OCCUPANT. OCCUPANT accepts responsibility for the proper handling of product and funds on behalf of DISTRIBUTOR. DISTRIBUTOR reserves all rights to recourse, both civil and criminal, in the event of improper handling of the funds or product by OCCUPANT.

7. TITLE

Title to all motor fuel supplied by DISTRIBUTOR shall remain in the name of DISTRIBUTOR until sold by OCCUPANT. It shall be OCCUPANT's responsibility to account to DISTRIBUTOR for all inventories of motor fuel supplied under this Agreement. OCCUPANT shall save and hold harmless DISTRIBUTOR from any loss as a result of said motor fuel and shall prevent any attachment or lien upon said motor fuel and hold said motor fuel free and clear of any and all liens of any nature whatsoever. OCCUPANT shall file UCC Financing Statements and/or execute UCC Security Agreements or other documents as provided by state law with regard to all motor fuel and store inventory at the premises to ensure that title to the motor fuel products at the premises remains clear in the name of the DISTRIBUTOR and that no liens in favor of any other party attach to any motor fuel or petroleum products.

BK: 77 Pg. 740
WE DAVIS CH. CLK.

8. **FORCE MAJEURE**

In the event that either party hereto is hindered, delayed or prevented by "force majeure" in the performance hereof, the obligation of the party so affected shall be suspended and proportionally abated during the continuance of the force majeure condition and the party so affected shall not be liable in damages or otherwise for its failure to perform. The term "force majeure" as used herein shall mean any cause whatsoever beyond the control of either party hereto, including, but not limited to (a) act of God, flood, fire, explosion, war, riot, strike and other labor disturbances; (b) failure in, or inability to obtain on reasonable terms, raw materials, finished products, transportation facilities, storage facilities and/or manufacturing facilities; and (c) diminution, non-existence or redirection of supplies as a result of compliance by DISTRIBUTOR, voluntary or otherwise, with any request, order, requisition or necessity of the government or any governmental officer, agent or representative purporting to act under authority, or with any governmental or industry rationing, allocation or supply program.

If by reason of any force majeure condition DISTRIBUTOR shall be unable to supply the requirements of all of its customers of any product covered by this Agreement DISTRIBUTOR's obligation while such condition exists shall, at its option, be reduced to the extent necessary in its judgement to apportion fairly among DISTRIBUTOR's customers the amount of product which it is able to supply.

9. **OPERATION OF PREMISES**

It is understood that OCCUPANT will staff the remote read-out and control systems, and through such systems will supervise, observe, and control the dispensing of motor fuel in order to prevent accidental spillage or to prohibit the dispensing of motor fuel into illegal containers; and that OCCUPANT shall have at least one (1) attendant on duty at all times during which motor fuel dispensing services, or any of them, are open to the public, to observe all safety standards, rules and regulations duly promulgated by governmental authorities. It is further understood and agreed that OCCUPANT, OWNER, and/or the employees of OCCUPANT and/or OWNER, are not to be the employees and are not to be considered employees of DISTRIBUTOR for any purpose. OCCUPANT shall be responsible for the proper operation and use of the motor fuel and control equipment and the sale of motor fuel on the premises.

OCCUPANT agrees to keep the motor fuel sales operation at said premises open and in operation during the following hours of each week through the term of this agreement:

It is further agreed that should said self-service motor fuel business or other retail sales business at said location not be in operation during said hours for a period of ten (10) days, DISTRIBUTOR, at its option, may terminate this Motor Fuel Distribution and Lease Agreement immediately as it relates to OCCUPANT by written notice to OCCUPANT of said violation of the Agreement and termination at any time following such period of inactive operation. Termination of this Motor Fuel Distribution and Lease Agreement as to OCCUPANT shall not terminate DISTRIBUTOR's exclusive gasoline rights as provided in Paragraph 12, below. In the event of failure on the part of OCCUPANT to comply with the hours of operation requirements contained in this paragraph or in the event of default or breach by OCCUPANT of this Agreement in any manner, DISTRIBUTOR may, at its option, remove the equipment and tanks installed pursuant to this Agreement, at OCCUPANT's expense, in which event it shall be the responsibility of OCCUPANT to restore the property back to normal condition to the approval of DISTRIBUTOR and OWNER. In the event OCCUPANT shall fail to comply with any terms or provisions of this Agreement, DISTRIBUTOR may, at its option, cease distribution. In the event DISTRIBUTOR exercises such option, such exercise shall in no way prohibit DISTRIBUTOR from pursuing all other actions for damages and/or other remedies available as a result of such breach.

10. **TAXES**

DISTRIBUTOR will be responsible for securing and paying all licenses on pumps and motor fuel. OCCUPANT and/or OWNER will be responsible for all property taxes and assessments, all licenses other than motor fuel pump licenses, and electricity and other services and expenses normal to the maintenance of the real property, buildings, and motor fuel dispensing operations. Neither OCCUPANT nor OWNERS shall be considered employees of DISTRIBUTOR for tax purposes.

11. **HOLD HARMLESS CLAUSE**

OCCUPANT agrees to indemnify and save harmless DISTRIBUTOR, its successors and assigns, from and against any and all loss or liability arising out of bodily injury or death or property damage occurring on the entire premises or resulting from DISTRIBUTOR's use or occupancy of the leased premises, which said bodily injury or death or property damage shall result from negligence on the part of OCCUPANT or his employees or agents. OCCUPANT further agrees to procure and carry general liability insurance to provide liability limits in the amount of Three Hundred Thousand Dollars (\$300,000.00) minimum for said protection and further agrees to have his insurance carrier provide certificate of such insurance to DISTRIBUTOR.

12. **EXCLUSIVE MOTOR FUEL RIGHTS**

OWNER does join in this Agreement for the purpose of approving the same and authorizing the construction and modifications on the real property covered by this Lease. In consideration of the improved and enhanced value of said property as a commercial location, receipt of which consideration is hereby specifically acknowledged, and other good and valuable consideration, receipt of which is hereby specifically acknowledged, OWNER does grant along with OCCUPANT unto DISTRIBUTOR the exclusive gas and motor fuel rights on said property for the period and term of this Agreement and options or extensions hereunder whether or not said business and lease are assigned by any parties or their successors in title. Default by OCCUPANT shall not release and shall in no way effect DISTRIBUTOR's exclusive motor fuel rights in said property. It is specifically understood that all equipment covered by this Lease shall remain the property and equipment of DISTRIBUTOR. At the conclusion of the term of this Agreement DISTRIBUTOR shall have the right to remove said equipment and shall restore the premises back to its original or equal or better condition thereto.

13. **ASSIGNMENT**

All parties hereto agree specifically that their respective interests and rights under this Agreement may be assigned or transferred. All agreements hereunder, including the exclusive motor fuel rights contained in Paragraph 12, above, shall run with the land and shall be binding upon heirs, successors, or assigns of all parties hereto. In the event OWNER or OCCUPANT sells or transfers their interests and rights under this Agreement all terms and provisions of this Agreement shall remain in full force and valid with respect to the property covered by this Agreement.

14. **DEFAULT**

In the event of default or breach by any parties to this Agreement, the breaching party shall be responsible and pay to the non-breaching party all attorneys' fees, court costs, and all other reasonable expenses necessary to cure the breach of performance by the breaching party, or to restore the non-breaching party to the position that he or it would have been in had it not been for said breach, and all non-breaching parties shall have full rights of recourse against the breaching party for all damages caused or resulting from said breach.

In the event of breach of this Agreement or default by OCCUPANT within the first five (5) years of the date of this Agreement, OCCUPANT shall pay DISTRIBUTOR all costs incurred by DISTRIBUTOR with regard to the installation, maintenance, and removal of the equipment under this Agreement.

15. **MISCELLANEOUS**

If any portion of this Agreement is determined to be unlawful or invalid for any reason, the remaining portion of the same shall remain in full force and effect. There shall be no modification of this Lease and Agreement except in writing signed by all parties effected by said modification.

16. **SPECIAL PROVISIONS**

The DISTRIBUTOR and the OWNER/OCCUPANT shall share on a 50/50 basis the credit card fee expense.

WITNESS THE SIGNATURES of the parties hereto this the 12 day of Mar April, 1998.

DISTRIBUTOR: Huron South Oil Co., Inc.

By: [Signature]
Title: _____

OCCUPANT:

[Signature]
JIM WHITAKER

OWNER:

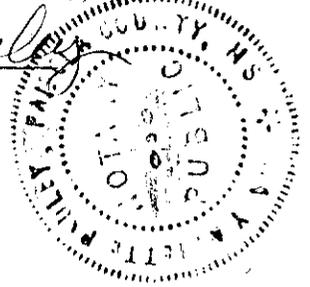
[Signature]
JIM WHITAKER

STATE OF MISSISSIPPI

COUNTY OF PANOLA

Personally appeared before me, the undersigned authority in and for the said County and State, on this 3 day of June, 1998, within my jurisdiction, the within named Ronald J. Smith who acknowledged that he is _____ of HURON SMITH OIL CO., INC., a Mississippi corporation, and that for and on behalf of the said corporation, and as its act and deed he executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

Mary Genevieve Pauley
NOTARY PUBLIC



(SEAL)

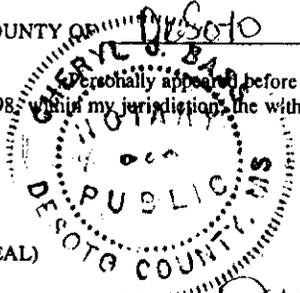
My Commission Expires: 3-20-2003

STATE OF MISSISSIPPI

COUNTY OF Desoto

Personally appeared before me, the undersigned authority in and for the said County and State, on this 2 day of June, 1998, within my jurisdiction, the within named JIM WHITAKER, Owner/Occupant, who acknowledged that he executed the above and foregoing instrument.

Cheryl J. Bass
NOTARY PUBLIC



(SEAL)

My Commission Expires: July 4, 1998

APPENDIX B

Being part of that certain Motor Fuel Distribution and Lease agreement entered into by and among the undersigned HURON SMITH OIL CO., INC. (as DISTRIBUTOR), JIM WHITAKER (as OCCUPANT), and JIM WHITAKER (as OWNER) on the 12 day of MAY, 1998.

2. EQUIPMENT

The DISTRIBUTOR agrees to paint the front and side of the building and to repair the canopy by adding mansard. The DISTRIBUTOR shall furnish and install two (2) dual Tokhiem pumps, two (2) single Tokhiem pumps; and one (1) console.

All of the aforesaid property shall remain personal property and shall not become a fixture or part of the real property and the DISTRIBUTOR shall own and maintain the canopy and said gasoline equipment.

6. DAILY READINGS AND DEPOSITS

The OCCUPANT agrees to make weekly meter readings at the close of the business day of each DAY of each week and to furnish a copy of reports of such readings to DISTRIBUTOR on forms approved by DISTRIBUTOR. On the aforesaid date of each week the OCCUPANT shall pay for all petroleum sales for that week based on said meter readings by paying and delivering to the DISTRIBUTOR a check for such sales.

COST PLUS COMMISSION RIDER

In the place and stead of the straight line commission set forth in Paragraph 5 DISTRIBUTOR and OCCUPANT agree that commission on all sales of motor fuel and other petroleum products pursuant to this Agreement shall be calculated according to the following method:

DISTRIBUTOR shall calculate its delivered or "laid-in" costs, which shall include DISTRIBUTOR's purchase cost, transportation cost to OCCUPANT's location, and all applicable taxes. To this figure shall be added the sum of zero cents (0¢) per gallon to amortize equipment, maintenance and replacement, product consignment, general and accounting costs, and to cover DISTRIBUTOR's other operational expenses. Said "laid-in" or delivered costs plus zero cents (0¢) per gallon shall constitute the "base price" from which calculation of the commission shall be made. DISTRIBUTOR shall pay OCCUPANT a commission equal to fifty percent (50%) of the difference between this "base price" and the retail pump posted price of all motor fuel sold through the pumps covered by this Agreement. The difference between the "base price," (which base price includes the "laid-in" costs plus zero cents (0¢) per gallon) and the retail pump posted price shall be shared equally by the parties on a 50-50 basis, DISTRIBUTOR receiving fifty percent (50%) of such difference and OCCUPANT receiving fifty percent (50%) of such difference. DISTRIBUTOR shall pay said commission to OCCUPANT on or before the 15th day of each month following the month in which said motor fuel is sold by OCCUPANT through said pumps.

Attached Legal Description

Being part of Parcel "B", Section "A" SOUTHAVEN WEST SUBDIVISION, Section 23, Township 1, South, Range 8 West, as recorded in Plat Book 2, Pages 43, 44, 45, & 46, of Chancery Clerk's Office, DeSoto County, Mississippi and more particularly described as follows:

BEGINNING at an iron pipe in the West line of U.S. Highway 51 South 25 feet from the P.I. of the curve at the Southwest corner of Brookhaven Drive and U.S. Highway 51 South, said point being 50 feet from centerline of U.S. Highway South as measured perpendicular to said Highway; and running thence on a magnetic bearing of South 1 deg. 30 min. East a distance of 170 feet to an iron pipe; thence South 88 deg. 30 min. West perpendicular to Highway 51 a distance of 150 feet to an iron pipe; thence North 1 deg. 30 min. West and parallel with U.S. Highway 51 South 195 feet to an iron pipe in the South line of Brookhaven Drive; thence North 88 deg. 30 min. East with said South line of Brookhaven Drive 125 feet to an iron pipe at the beginning of a curve; thence Southeastwardly by a curve to the right, having a radius of 25 feet, a distance of 39.27 feet as measured along the arc of said curve to the POINT OF BEGINNING.

GUARANTY

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and as an inducement to HURON SMITH OIL CO., INC. to enter into the Motor Fuel Distribution and Lease Agreement [the Agreement] dated the _____ day of _____, 1998, by and between HURON SMITH OIL CO., INC. as DISTRIBUTOR and the undersigned JIM WHITAKER as the OWNER and the undersigned JIM WHITAKER d/b/a JIM WHITAKER SERVICE STATION as the OCCUPANT, the undersigned JIM WHITAKER, 8011 Southaven Circle West, Southaven, Mississippi 38671, individually, does hereby guarantee the prompt performance of all duties and obligation of JIM WHITAKER SERVICE STATION [hereinafter "SERVICE STATION"] under the Agreement and the prompt payment of all moneys due under the Agreement by SERVICE STATION. This Guaranty is continuing, absolute, and unconditional. Notice of acceptance is waived. This Guaranty shall remain in full force and effect during the term of the Agreement and until all obligations, debt and money due by SERVICE STATION under the Agreement shall have been paid in full and performed. The expiration or termination of the Agreement shall have no effect on the guarantor's obligations with respect to said obligations, indebtedness, and money due hereunder. The guarantor waives any and all demand for payment, any notice of credits extended and shipments of goods and merchandise made hereunder, and all other notices whatsoever. No action need be brought against SERVICE STATION as a precondition to the enforcement of this guaranty provision against the undersigned guarantor. This Guaranty will be construed in accordance with the laws of the State of Mississippi. Venue and jurisdiction for any litigation involving this Guaranty shall be in the State of Mississippi.

WITNESS MY SIGNATURE, this the 12 day of MAY, 1998.


JIM WHITAKER

STATE OF MISSISSIPPI

COUNTY OF PANOLA

Personally appeared before me, the undersigned authority in and for the said County and State, on this 12th day of MAY, 1998, within my jurisdiction, the within named JIM WHITAKER, who acknowledged that he executed the above and foregoing instrument.

 5-12-98
NOTARY PUBLIC



MY COMMISSION EXPIRES
AUGUST 12, 1999

My Commission Expires: _____

GUARANTY

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and as an inducement to HURON SMITH OIL CO., INC. to enter into the Motor Fuel Distribution and Lease Agreement [the Agreement] dated the 12 day of May, 1998, by and between HURON SMITH OIL CO., INC. as DISTRIBUTOR and the undersigned JIM WHITAKER as the OWNER and the undersigned JIM WHITAKER d/b/a JIM WHITAKER SERVICE STATION as the OCCUPANT, the undersigned JIM WHITAKER, 8011 Southaven Circle West, Southaven, Mississippi 38671, individually, does hereby guarantee the prompt performance of all duties and obligation of JIM WHITAKER SERVICE STATION [hereinafter "SERVICE STATION"] under the Agreement and the prompt payment of all moneys due under the Agreement by SERVICE STATION. This Guaranty is continuing, absolute, and unconditional. Notice of acceptance is waived. This Guaranty shall remain in full force and effect during the term of the Agreement and until all obligations, debt and money due by SERVICE STATION under the Agreement shall have been paid in full and performed. The expiration or termination of the Agreement shall have no effect on the guarantor's obligations with respect to said obligations, indebtedness, and money due hereunder. The guarantor waives any and all demand for payment, any notice of credits extended and shipments of goods and merchandise made hereunder, and all other notices whatsoever. No action need be brought against SERVICE STATION as a precondition to the enforcement of this guaranty provision against the undersigned guarantor. This Guaranty will be construed in accordance with the laws of the State of Mississippi. Venue and jurisdiction for any litigation involving this Guaranty shall be in the State of Mississippi.

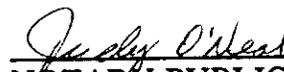
WITNESS MY SIGNATURE, this the 12th day of MAY, 1998.


JIM WHITAKER

STATE OF MISSISSIPPI

COUNTY OF PANOLA

Personally appeared before me, the undersigned authority in and for the said County and State, on this _____ day of April, 1998, within my jurisdiction, the within named JIM WHITAKER, who acknowledged that he executed the above and foregoing instrument.


NOTARY PUBLIC 5-12-98



MY COMMISSION EXPIRES
AUGUST 12, 1999

My Commission Expires: _____