

**STATE OF MISSISSIPPI
COUNTY OF PEARL RIVER
CITY OF PICAYUNE**

Be It Remembered that the Mayor and City Council of the City of Picayune, Pearl River County, Mississippi, met at City Hall, 815 North Beech Street, in said City, Wednesday, January 2, 2013, at 5:00 p.m. in regular session with the following officials present: Mayor Ed Pinero, Council Members Larry Watkins, Lynn Bumpers, Todd Lane, Larry Breland and Wayne Gouguet, City Manager Jim Luke and City Clerk Amber Hinton.

It Being Determined a quorum was present, the following proceedings were held.

Opening prayer was given by Larry Watkins, followed by the Pledge of Allegiance led by Mayor Ed Pinero.

ORDER TO APPROVE MINUTES

Motion was made by Council Member Watkins, seconded by Council Member Lane to approve the Minutes for the City of Picayune dated December 18, 2012.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ORDER TO APPROVE DOCKET

Motion was made by Council Member Lane, seconded by Council Member Gouguet to approve the docket for January 2, 2013 in the amount of \$407,927.19.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE ANNUAL MEMORANDUM OF AGREEMENT FOR CONTINUATION OF MAIN STREET PROGRAM FOR 2013

Motion was made by Council Member Watkins, seconded by Council Member Lane to approve annual Memorandum of Agreement for Continuation of Main Street Program for 2013 and authorize Mayor to execute the same.

Please submit the signed 2013 Memorandum of Agreement, dues payment and all required additional materials before JANUARY 1, 2013 to the Mississippi Main Street Association, 308 East Pearl Street, Suite 101, Jackson, MS 39201.

**2013 MEMORANDUM OF AGREEMENT FOR CONTINUATION
IN THE MISSISSIPPI MAIN STREET ASSOCIATION
MAIN STREET PROGRAM**



This agreement is entered into and executed by the Mississippi Main Street Association and the City of Picayune and sponsoring organization Picayune Main Street, Inc.

This agreement is for the purpose of continued participation in the Mississippi Main Street Program. MMSA is under contract with the Mississippi Development Authority to administer the Main Street Program and to provide technical assistance and training to selected communities. The parties agree to the following:

Section I: The Community Agrees To: (please initial each item)

- 1. Continue to employ a Manager/Program Coordinator who will be responsible for the day-to-day administration of the Main Street Program.
- 2. Expend funds and in-kind services for maintaining a full-time office with the necessary travel and operating budget for the local program.
- 3. Continue to implement the Four Point Approach™ methodology recommended by the National Main Street Center and the Mississippi Main Street Program, including development of an annual written Work Plan for the local Main Street Program and the establishment of a strong, broad-based organizational system to include the following committees: organization, promotion, design and economic restructuring.
- 4. Concentrate the Main Street Program activities within the boundaries designated by the local program.
- 5. File all applicable IRS forms file in accordance with state and federal taxation laws. Programs may be required to register as a Mississippi charitable organization with the Mississippi Secretary of State's office.
- 6. Maintain data for monitoring the progress of the Main Street Program, submit monthly reports online using formats provided by the MMSA, and provide other information requested by the MMSA on or before the identified deadlines.
- 7. Send the manager to Manager Trainings as designated by the MMSA. The community shall be responsible for the manager's travel costs and expenses associated with these meetings. If the Program Manager cannot attend, another program representative should attend to represent the community.
- 8. Promote and encourage local committee and board member attendance at local, state and national training opportunities, as identified by the MMSA.
- 9. Ensure that at least sixty percent (60%) of persons designated to participate in any and all MMSA on-site services are committed to attend at least 48 hours before the scheduled event. The MMSA reserves the right to cancel said on-site service if this requirement is not met.
- 10. Assist in local arrangements during on-site and public relations visits to the community, as requested by the MMSA.
- 11. Maintain an active membership and current fee-paid status in the Mississippi Main Street Association, participating at the Main Street Program membership level.

REGULAR MEETING JANUARY 2, 2013

✓
12. Agree to acknowledge being an official Mississippi Main Street city in all printed and electronic materials, (i.e. websites, newsletters and brochures).

13. Be a Network Member of the National Trust Main Street Center.

14. Maintain broad-based public and private sector community support for the program through financial contributions and in-kind or volunteer support.

Section II: MMSA Agrees To:

1. Designate a Main Street District Director to handle all communications with the community, the MMSA, state government agencies and the National Trust Main Street Center.
2. Conduct an annual Main Street Four Point Approach™ training session open to all program managers, local board members, local committee members and local government representatives from the Main Street communities, and provide all necessary materials related to training.
3. Conduct regional training sessions for managers and on-site training sessions in the community for development of goals, objectives and the annual work plan. The MMSA will also provide guidelines and other materials designed to assist in the educational process.
4. Conduct quarterly regional meetings and/or workshops to further develop and refine the skills of the program managers, board members, committee members and local government representatives. The National Main Street Conference and Destination Downtown Conference qualify as "official training."
5. Provide advice, technical assistance and on-site visits to the local program manager and community on a continuing basis, as requested by the local program and determined by the MMSA District Director.
6. Facilitate and promote ongoing press coverage of the Mississippi Main Street Program and its individual local programs.
7. Conduct an annual evaluation of each program's progress for the past year, and aid the community in deciding the direction of the program in the upcoming year.

Section III: MMSA and The Community Jointly agree that:

1. The term of this agreement shall be for one calendar year, beginning on January 1, 2013 and ending on December 31, 2013. It may be extended or revised by both parties.
2. If funds anticipated for continued fulfillment are, at any time, not forthcoming or insufficient for continuation of the contractual agreement, then either party shall have the right to amend or terminate this agreement without penalty by giving not less than sixty (60) days written notice to the other party.
3. Should a local Main Street program fail to comply with the provisions of the annual Memorandum of Agreement, the Main Street Executive Director may choose to send that program a written initial warning. At that time, the local program will be placed on probationary status and ineligible for any services from the Mississippi Main Street Association. The warning will include a summary of violations and provide guidance on how to correct the problem. The local program will be reevaluated by the Executive Director ninety (90) days following the first warning.
4. Jointly hold each other harmless for any activities of the other including but not limited to general liability, automobile liability, worker's compensation and employer's liability.

WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT.

By: _____ LOCALITY _____
MAYOR
Name (printed): _____ Date signed: _____

OR: _____ NAME OF SPONSORING ORGANIZATION _____
PRESIDENT/BOARD CHAIRPERSON
Name (printed): _____ Date signed: _____

BY: _____ DATE: _____
Barry Plunkett, MMSA BOARD OF DIRECTORS PRESIDENT

BY: _____ DATE: _____
Bob Wilson, MMSA EXECUTIVE DIRECTOR

B

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT ORDER ADOPTING CHANGE IN VOTING MACHINE TECHNOLOGY

Motion was made by Council Member Watkins, seconded by Council Member Gouguet to accept Order Adopting Change in Voting Machine Technology for the City of Picayune, Mississippi, Subject to Section 5 of the Voting Rights Act of 1965, As Amended, 42 U.S.C. 1973.

ORDER ADOPTING CHANGE IN VOTING MACHINE TECHNOLOGY FOR THE CITY OF PICAYUNE, MISSISSIPPI, SUBJECT TO SECTION 5 OF THE VOTING RIGHTS ACT OF 1965, AS AMENDED, 42 U.S.C. §1973C

WHEREAS, under applicable Mississippi law, Miss. Code Ann. §§ 21-9-35 and 21-9-59, the City Councilmen and Mayor of the City of Picayune, Mississippi ("Council"), is authorized to change the voting machine technology for the City of Picayune, Mississippi; and

WHEREAS, for purposes of convenience and efficiency for all registered voters and city officials of the City of Picayune, Mississippi, the Council has determined a change in voting machine technology from the existing Optimal Mark Reading equipment to the new electronic TSX voting machine.

IT IS, THEREFORE, ORDERED by the Council, as follows:

1. That, subject to the provisions stated below, the Council changes the voting machine technology from the existing Optimal Mark Reading equipment to the new TSX electronic voting machine;
2. That in the event this Order shall take effect and be in force upon the satisfaction of the condition subsequent specified below, the authorized officials shall proceed to update all polling places with the new TSX electronic voting machine equipment;
3. That in the event this Order shall take effect and be in force upon the satisfaction of the condition subsequent specified below, this Order shall supersede any prior orders of the Council regulating the voting machine technology of the City of Picayune, Mississippi;

REGULAR MEETING JANUARY 2, 2013

4. That this Order shall take effect and be in force only when it is finally effectuated under Section 5 of the Voting Rights Act of 1965, as amended, 42 U.S.C. §1973c;

5. That the special counsel for the City of Picayune, Mississippi, are hereby authorized and directed to seek and obtain Section 5 preclearance of this Order; and

6. That, pursuant to Miss. Code Ann. § 21-13-11, as amended, upon preclearance, the city clerk is hereby authorized and directed to publish this Order in *The Picayune Item*, a weekly newspaper having a general circulation in Picayune, Mississippi.

SO ORDERED, this the 2nd day of January 2013, upon motion of Councilman/Councilwoman WATKINS, seconded by Councilman/Councilwoman GOUGUET, and the following roll call vote:

Mayor Ed Pinero	Voted:	<u>YAY</u>
Councilman Larry Watkins	Voted:	<u>YAY</u>
Councilwoman Lynn Bogan Bumpers	Voted:	<u>YAY</u>
Councilman Jason Todd Lane	Voted:	<u>YAY</u>
Councilman Larry Breland	Voted:	<u>YAY</u>
Councilman Wayne Gouguet	Voted:	<u>YAY</u>

City of Picayune, Mississippi

By: Ed Pinero
Ed Pinero, Mayor

ATTEST:

Amber Hinton
Amber Hinton, City Clerk



The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT ORDER ADOPTING CHANGE IN POLLING PLACE

Motion was made by Council Member Gouguet, seconded by Council Member Watkins to accept Order Adopting Change in Polling Place in the City of Picayune, Mississippi, Subject to Section 5 of the Voting Rights Act of 1965, As Amended, 42 U.S.C. 1973.

**ORDER ADOPTING CHANGE IN POLLING PLACE IN THE CITY OF
PICAYUNE, MISSISSIPPI, SUBJECT TO SECTION 5 OF THE VOTING
RIGHTS ACT OF 1965, AS AMENDED, 42 U.S.C. §1973C**

WHEREAS, under applicable Mississippi law, Miss. Code Ann. §§ 21-9-35 and 21-9-59, the City Councilmen and Mayor of the City of Picayune, Mississippi ("Council"), is authorized to change the location of the polling place(s) located within the ward boundaries of the City of Picayune, Mississippi; and

WHEREAS, for purposes of convenience to the registered voters of Ward 5, the Council has determined a change in polling place from the existing Ward 5 polling place located at the Picayune School Auditorium, 706 Goodyear Blvd., Picayune, Mississippi 39466 to the new Ward 5 polling place located across the street at Chimney Square, 917 Goodyear Blvd., Picayune, MS 39466.

IT IS, THEREFORE, ORDERED by the Council, as follows:

1. That, subject to the provisions stated below, the Council changes the Ward 5 polling place as existing at the Picayune School Auditorium, 706 Goodyear Blvd., Picayune, MS 39466 to the new Ward 5 polling place located at Chimney Square, 917 Goodyear Blvd., Picayune, MS 39466;
2. That in the event this Order shall take effect and be in force upon the satisfaction of the condition subsequent specified below, the authorized officials shall proceed to notify all registered voters in Ward 5 of the change in polling place;
3. That in the event this Order shall take effect and be in force upon the satisfaction of the condition subsequent specified below, this Order shall supersede any prior orders of the Council regulating the polling place in Ward 5;

4. That this Order shall take effect and be in force only when it is finally effectuated under Section 5 of the Voting Rights Act of 1965, as amended, 42 U.S.C. §1973c;

5. That the special counsel for the City of Picayune, Mississippi, are hereby authorized and directed to seek and obtain Section 5 preclearance of this Order; and

6. That, pursuant to Miss. Code Ann. § 21-13-11, as amended, upon preclearance, the city clerk is hereby authorized and directed to publish this Order in *The Picayune Item*, a weekly newspaper having a general circulation in Picayune, Mississippi.

SO ORDERED, this the 2nd day of January 2013, upon motion of Councilman/Councilwoman GOUGUET, seconded by Councilman/Councilwoman WATKINS, and the following roll call vote:

Mayor Ed Pinero	Voted:	<u>YAY</u>
Councilman Larry Watkins	Voted:	<u>YAY</u>
Councilwoman Lynn Bogan Bumpers	Voted:	<u>YAY</u>
Councilman Jason Todd Lane	Voted:	<u>YAY</u>
Councilman Larry Breland	Voted:	<u>YAY</u>
Councilman Wayne Gouguet	Voted:	<u>YAY</u>

City of Picayune, Mississippi

By: Ed Pinero
Ed Pinero, Mayor

ATTEST:
Amber Hinton
Amber Hinton, City Clerk



The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT DONATION FROM HRL CONTRACTING

Motion was made by Council Member Breland, seconded by Council Member Lane to accept donation of \$14,620.00 from HRL Contracting to be used for the fountain at the Plaza Garden of new City Hall.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

EXPEND WESTSIDE REDEVELOPMENT FUNDS

Motion was made by Council Member Breland, seconded by Council Member Lane to authorize a budget amendment and expend remaining Westside Redevelopment Funds (approximately \$30,945). Said funds are restricted to the Rosa Street & Westside Redevelopment Area as advised by City Attorney.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE PROJECT SCHEDULE UTILIZING THE REMAINING FUNDS OF THE 2010 BOND PROCEEDS

Motion was made by Council Member Lane, seconded by Council Member Watkins to approve the following project schedule utilizing the remaining funds of the 2010 Bond Proceeds; (1) Hwy 43 turning lane, (2) Airport Rd and (3) Memorial Blvd. Approval of projects are contingent upon availability of remaining 2010 Bond Proceeds.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE MAYOR'S SIGNATURE ON MEMORANDUM OF UNDERSTANDING FOR USE OF RAILROAD SPUR BY AND BETWEEN CITY OF PICAYUNE AND SHALE SUPPORT SERVICES, LLC

Motion was made by Council Member Lane, seconded by Council Member Watkins to authorize Mayor's signature on Memorandum of Understanding for Use of Railroad Spur by and between the City of Picayune and Shale Support Services, L.L.C.

STATE OF MISSISSIPPI)
)
COUNTY OF PEARL RIVER)

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING made and entered into this, the day of February, 2012, by and between the City of Picayune, and Shale Support Services, L.L.C., A Louisiana Limited Liability Company.

RECITALS:

WHEREAS the City of Picayune ("City") is a Mississippi Municipality operating as a Political Subdivision of the State of Mississippi;

WHEREAS Shale Support Services, L.L.C., A Louisiana Limited Liability Company ("Shale") is a commercial business doing business in various States, but in particular in the Southeast region of the United States;

WHEREAS the City is the owner of certain real property located which is a part the industrial park that is operated by City that serves as an area in which industrial and commercial activities are encouraged by the City;

WHEREAS the City of Picayune is the owner of a certain tract of real property on which is located a railroad spur as more specifically described in Exhibit "1" attached hereto;

WHEREAS Shale desires to utilize the subject railroad spur located on the City's real property in connection with Shale's business operations located on other real property situated in the Picayune Industrial Park;

WHEREAS Shale desires and has requested to be given access to the subject railroad spur on the City's property so as to allow Shale to have access to the railroad to which the City's rail spur is connected for the transportation of Shale's product;

WHEREAS it is the intent of the Parties to memorialize their understanding as to their respective obligations between one another in writing;

NOW THEREFORE, upon the exchange of such valuable considerations between the Parties, the sufficiency of which is hereby acknowledged in all respects, it is agreed and contracted between the Parties as follows, to-wit:

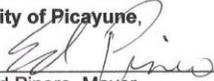
REGULAR MEETING JANUARY 2, 2013

1. The City does hereby grant a license unto Shale the right to have access on, over and across the City's railroad spur situated on the City's real property described as Exhibit "1" attached hereto for a period commencing on January 2, 2013, and continuing until March 15, 2013. It is understood the Parties will meet in February, 2013, to determine if this Agreement is to be extended in light of a pending sale of a tract of real property by a third party that is adjacent to the City's rail spur.
2. That Shale shall have the right to locate and construct a roadway on, over and across the real property described in Exhibit "1"; shall have the right to locate trade fixtures and equipment on the City's real property to allow Shale to use the subject rail spur; and, shall have the right to access the roadways of the Picayune Industrial Park. At the expiration of this Agreement, Shale shall have the right to remove its trade fixtures and equipment from the subject property. The City shall determine if the subject property should be returned to a condition existing prior to the execution of this Agreement and/or returned to a condition that is mutually agreeable between the Parties.
3. That Shale shall pay for the subject license described herein the monthly license rate of \$1,000.00, in advance, with the first monthly payment being made on the date this Memorandum is executed by Shale with a monthly payment being paid thereafter on the 1st day of each month thereafter.
4. That in consideration of being allowed access to and from the City's real property described in Exhibit "1", the Parties agree that Shale shall hold harmless the City, inclusive of its employees, its agents, its contractors and/or its successors in interest; and the City shall not be liable for any loss, injury, death or damage to persons or property which at any time may be suffered or sustained by Shale or by any person whatsoever may at any time be using or occupying or visiting the City's real property being used or controlled by Shale, or be in, on or about the same, whether such loss, injury, death or damage shall be caused by or any way result from or arise out of any act, omission, or negligence of the City or Shale, or any occupant, visitor or user of any portion of the subject real property owned by the City which is used or controlled by Shale, or which shall result from or be caused by any other matter or thing whether of the same kind as or of a different kind than the matters or things above set forth, and Shale shall indemnify the City against all claims, liability, loss, or damage, whatsoever on account of any such loss, injury, death or damage caused by or happening in connection with, Shale's use and occupancy of the real property licensed by the City to Shale, by reason of any casualty, whether due to the Shale's negligence or otherwise.

REGULAR MEETING JANUARY 2, 2013

5. The Parties have the authority to enter into this Memorandum of Understanding.
6. The Parties agree this Memorandum of Understanding is a summary of the material portions of their Agreement; and, the Parties agree to set forth in detail their Agreement in writing, if necessary.
7. The Parties agree this Memorandum of Understanding is binding upon the Parties and their successors in interest upon execution of same between the Parties.

In Witness whereof, the parties have executed this Memorandum of Understanding in duplicate originals, at Picayune, Pearl River County, Mississippi on the day and year first above written.

City of Picayune,

Ed Pinero, Mayor


Amber Hinton, City Clerk

**Shale Support Services, L.L.C.,
A Louisiana Limited Liability
Company**

Authorized Representative
S. Kevin Bowen

REGULAR MEETING JANUARY 2, 2013

STATE OF MISSISSIPPI)
)
COUNTY OF PEARL RIVER)

PERSONALLY came and appeared before me, the undersigned authority in and for said County and State, on this 17 day of January, A.D., 2013, within my jurisdiction, the within named ED PINERO, and AMBER HINTON, who acknowledged to me that they are the Mayor and City Clerk, respectively, of The City of Picayune, A Mississippi Municipal Corporation, and that for and on behalf of said corporation, and as its act and deed, they signed, executed and delivered the foregoing Memorandum of Understanding on the day, in the year, and for the purposes therein contained after first having been duly authorized by said municipality to do so.

GIVEN under my hand and official seal of office, upon this, the 17 day of January, A.D., 2013.

Rhonda Thompson
Notary Public

My Commission Expires: Nov. 3, 2015



STATE OF MISSISSIPPI)
)
COUNTY OF PEARL RIVER)

PERSONALLY came and appeared before me, the undersigned authority in and for said County and State, on this 27 day of December, A.D., 2012, within my jurisdiction, the within named S. Kevin Bowen, who acknowledged to me that he/she is the duly authorized Representative, of Shale Support Services, L.L.C., A Louisiana Limited Liability Company, and that for and on behalf of said Limited Liability Company, and as its act and deed, they signed, executed and delivered the foregoing Memorandum of Understanding on the day, in the year, and for the purposes therein contained after first having been duly authorized by said business trust to do so.

GIVEN under my hand and official seal of office, upon this, the 27 day of December, A.D., 2012.

Rhonda Thompson
Notary Public

My Commission Expires: Nov. 3, 2015



EXHIBIT "1"

PROPERTY DESCRIPTION – CITY OF PICAYUNE – INDUSTRIAL PARK

Commence at the Northeast corner of the Picayune Industrial Park, said point reported to be located South a distance of 2454.39 feet and West a distance of 1196.42 from the Northeast corner of Section 22, Township 6 South, Range 17 West, Pearl River County, Mississippi; thence, from said Northeast corner of Picayune Industrial Park, South 12°53'43" West along the West margin of the New Orleans and Northeastern Railroad for a distance of 2043.26 feet to the Point of Beginning; thence continue South 12°53'43" West, along said margin, a distance of 382.71 feet to a ¾" iron pipe; thence South 89°47'55" West a distance of 925.94 feet to a point located on the Western boundary of said Picayune Industrial Park; thence North 00°34'44" East a distance of 796.19 feet to a railroad iron; thence North 00°55'07" East a distance of 545.20 feet to a point located on the South right-of-way of Street A; thence North 89°26'02" East along said South right-of-way a distance of 165.64 feet to the PC of a curve to the left; thence along said right-of-way and said curve having a radius of 500.90 feet, a length of 161.31 feet, and a chord length of 160.31 feet bearing North 80°12'29" East to a point; thence along said margin and a curve to the right having a radius of 85.00 feet, a length of 120.20 feet, and a chord length of 110.43 feet bearing South 70°54'33" East to a point located on the West right-of-way of Street B; thence along said West right-of-way and a curve to the right having a radius of 1032.18 feet, a length of 513.07 feet, and a chord length of 507.80 feet bearing South 11°16'42" East to a point; thence along South 02°57'43" West along said West right-of-way a distance of 34.95 feet to the margin of a cul-de-sac; thence along said right-of-way and a curve to the left having a radius of 68.00 feet, a length of 211.28 feet, and a chord length of 135.98 feet bearing South 22°13'44" East to a point; thence leaving said right-of-way South 06°29'32" West a distance of 155.68 feet to a ¾" iron pipe; thence South 71°38'29" East a distance of 458.27 feet to the Point of Beginning, said parcel contains 20.805 acres, more or less, and is located in West ½ of the Southeast Quarter of Section 22, Township 6 South, Range 17 West, Pearl River County, Mississippi and is also part of the Picayune Industrial Park as platted and filed in the Office of the Chancery Clerk of said county and state.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE MAYOR'S SIGNATURE ON LAND LEASE AGREEMENT BY AND BETWEEN CITY OF PICAYUNE AND SHALE SUPPORT SERVICES, L.L.C.

Motion was made by Council Member Watkins, seconded by Council Member Lane to authorize Mayor's signature on Land Lease Agreement by and between the City of Picayune and Shale Support Services, L.L.C.

Indexing instructions: Please index in the West ½ of the SE 1/4 of Section 22, Township 6 South, Range 17 West in Pearl River County, Mississippi.

After consultation, no title search was requested.

STATE OF MISSISSIPPI)
)
COUNTY OF PEARL RIVER)

LEASE AGREEMENT WITH OPTION TO PURCHASE

This Lease Agreement With Option to Purchase is made and entered into on the 1st day of August, A.D., 2012, by and between

**THE CITY OF PICAYUNE
A MISSISSIPPI MUNICIPALITY
815 NORTH BEECH STREET
PICAYUNE, MS 39466
(601) 798-9770**

(hereinafter together referred to as "Landlord"), and,

**SHALE SUPPORT SERVICES, L.L.C.
A LOUISIANA LIMITED LIABILITY COMPANY
3201 GENERAL DE GAULLE DRIVE, SUITE 200
NEW ORLEANS, LA 70114
(504) 363 - 3330**

(hereinafter referred to as "Tenant"), .

In consideration of the terms, covenants and conditions of this Lease Agreement, the Parties

2012 1 1 10:01

each August thereafter until the earlier of the expiration or termination of this Lease Agreement.

4. **OWNERSHIP OF DEMISED PREMISES:** Landlord covenants and warrants that the Landlord is the sole and exclusive owner of the Demised Premises. Landlord further covenants and warrants that the Landlord has the sole power to lease and demise the Demised Premises pursuant to this Lease Agreement and that this Lease Agreement, its terms, or conditions do not conflict with any restrictions or encumbrances relating to the ownership, alienability, or use of the Demised Premises.
5. **USE OF PREMISES AND COVENANTS:** Landlord and Tenant agree that the Demised Premises shall be used for those primary and/or related purposes as governed by the Picayune Industrial, Manufacturing and Service Park Protective Covenants, Conditions and Restrictions which the Parties do hereby agree are binding to the Tenant's usage of the demised premises. A copy of these Covenants are attached hereto and incorporated herein as Exhibit "2". The Parties also do hereby acknowledge the demised premises is located in the City of Picayune Industrial Park which is governed by Sections 57-3-1 et. seq., Mississippi Code of 1972 as Amended. The continued operation of the proposed use of the demised premises by the Tenant is intended by the Parties to relieve unemployment in the local area in

D - 2 - 21

which the City of Picayune. The Parties further agree that the Tenant's proposed operation(s) and use(s) of the Demised Premises as disclosed to the Landlord by the Tenant are allowed and otherwise do not violate the Picayune Industrial, Manufacturing and Service Park Protective Covenants, Conditions and Restrictions, a copy of which is attached hereto as Exhibit "2".

6. **COMPLIANCE WITH LAW:** Tenant shall comply with all governmental laws, ordinances, and regulations applicable to the use of the Demised Premises , and shall promptly comply with all governmental orders and directives for the correction, prevention, and abatement of nuisances in or upon, or connected with, the Demised Premises, which are caused by the Tenant or which result from the conduct of the Tenant's business in the Demised Premises .
7. **QUIET ENJOYMENT:** The Tenant, upon paying all the rent and performing all the other terms and covenants of this Lease Agreement, shall quietly have and enjoy the Demised Premises during the term of this Lease Agreement without hindrance or molestation, claiming by or through the Landlord.
8. **TAXES AND INSURANCE:** Tenant agrees to pay all real estate taxes on the Demised Premises, if any, including but not limited to real estate ad valorem tax and other land assessments. Tenant shall pay any and all personal property taxes assessed against furniture,

D. 1. 1. 1.

furnishings, equipment, machinery or other personal property used by Tenant in connection with its occupancy of the Demised Premises.

9. **UTILITIES:** Reserved for future use.
10. **ADDITIONS, ALTERATIONS, AND IMPROVEMENTS:** The Parties agree that Tenant may construct a new building, make any additions, alterations, improvements, or changes in or to the Demised Premises in accordance with the relevant ordinances, codes and/or restrictive covenants applicable to the Demised Premises . Any such construction, alteration, addition, or improvement shall be done in a good and workmanlike manner, the structural integrity of the building shall not be impaired and no liens shall attach to the property by reason thereof. All alterations, changes and improvements, including but not limited to trade fixtures, built, constructed, or placed on the Demised Premises by Tenant shall remain the property of the Tenant. Furthermore, at the termination and/or expiration of this Lease, and in the event the Tenant does not elect to exercise the Option to Purchase, then, in that event, the Tenant has the right to elect to remove any such improvements from the Demised Premises, including, but not limited to, trade fixtures, rail lines, equipment, etc..., within the time limits set in Paragraph 18. of this Lease Agreement. In the event the Tenant elects to remove its improvements from the Demised Premises as set forth herein, then, the Tenant shall return the Demised Premises

D E C 1

to a saleable condition. The Parties further agree that the Tenant's current improvements located on the demised premises are allowed and otherwise do not violate the Picayune

Industrial, Manufacturing and Service Park Protective Covenants, Conditions and Restrictions, a copy of which is attached hereto as Exhibit "2".

11. **ASSIGNMENT AND SUBLEASING:** Tenant may assign or sublet this Lease Agreement upon prior written notice to the Landlord. Without prior written consent from the Landlord, the Tenant shall not be released from its obligations and duties under this Lease Agreement by any rental or sublease of all or a portion of the Demised Premises, or by assignment of this Lease Agreement. The acceptance of rent by the Landlord from any assignee or sublease shall not operate or be taken to work or effect such release. Any assignee shall be subject to and bound by all of the covenants, conditions and provisions of this Lease Agreement.
12. **HOLD HARMLESS AND INSURANCE:** Tenant covenants and agrees that it will protect, defend, save and keep the Landlord forever harmless and indemnified from and against any penalty, charge or damage imposed for violation of any laws or ordinances by Tenant, Tenant's employees, contractors, subcontractors and/or agents and from and against any and all loss, costs, claims, damages or expenses, arising from or as a result of an accident,

damage (personal or property) or injury, including death, which shall happen in or as a result of Tenant's use of the demised premises, or from the acts and omissions, negligent or otherwise, on the part of the Tenant, Tenant's employees, contractors, subcontractors, agents, guests or customers. The Tenant further agrees to reimburse the Landlord for any costs or expenses, including reasonable attorney fees, which the Landlord for any costs or expenses, including reasonable attorney fees, which the Landlord may incur in investigating, handling, defending or litigating such liabilities, damages, expenses, or claims. Tenant shall have no liability whatsoever for loss, costs, claims or damages resulting from the negligence of Landlord, Landlord's employees, agents or contractors. The indemnities and assumptions liability herein provided for shall continue in full force and effect notwithstanding the termination of this Lease Agreement, whether by expiration of time, by operation of law, or otherwise. The Tenant agrees to maintain in full force during the term hereof a policy of general public liability insurance under which the Landlord and the Tenant are named as insureds, and under which the insurer agrees to indemnify and hold the Landlord harmless from and against all liability arising out of or based upon any and all claims, accidents, injuries and damages resulting from the Tenant's use of the demised premises, or from the acts and omissions, negligent or otherwise, on the part of the Tenant, Tenant's employees, agents, contractors, subcontractors,

D - 7 - 01

guests or customers. Said policy will have limits of not less than One Million Dollars (\$1,000,000.00) for bodily injury and/or death and for property damage. The Tenant shall furnish the Landlord with a certificate of liability insurance coverage evidencing the existence of coverage in accordance herewith, and such insurance shall be in a company or through an agency authorized to do business in the State of Mississippi. The amount of insurance coverage provided herein shall not be construed as a limitation of Tenant's indemnity under this Article. Tenant shall also maintain, at its own expense, fire and extended coverage insurance on the demised premises in an amount to be determined by Tenant. Nothing herein shall be construed as obligating the Landlord to maintain any insurance on Tenant's fixtures, equipment, inventory and/or other property or the property of third parties.

13. **USE OF LANGUAGE:** Words of any gender used in this Lease Agreement shall be held and construed to include any other gender and words in the singular shall be held to include the plural, unless the context otherwise requires.
14. **CAPTIONS:** The captions or headings of Paragraphs in this Lease Agreement are inserted for convenience only, and shall not be considered construing the provisions hereof if any question of intent shall arise.

15. **SUCCESSORS:** The terms, conditions, and covenants contained in this Lease Agreement shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective heirs, successors in interest and legal representatives, except as otherwise herein expressly provided.
16. **DAMAGE OR DESTRUCTION:** Landlord shall in no way be responsible for any damage or destruction to the building or any other personal property of Tenant which may be situated on said Demised Premises. Tenant, at its sole expense, shall keep and maintain in good condition and repair all the Demised Premises, improvements and personal property hereby leased including driveways and approaches. Tenant shall give the Demised Premises reasonable care and maintenance and shall be responsible for any damage over the normal wear expected. Pending the construction and operation of several railroad spurs designed to all Tenant to transport both raw materials and finished products to and from the Demised Premises, Tenant is required to utilize the Landlord's public roads and streets to offload such materials and products onto rail cars. Tenant and Landlord shall, if required, to identify the streets and roads located within the corporate limits of the Landlord which are to be used by the Tenant pending the construction of Tenant's railroad spurs as described above. Tenant and Tenant's successors in interest shall be responsible to the Landlord to return the

Landlord's streets and roads to their condition existing prior to the Tenant's usage of Landlord's streets and roads, less and except normal wear and tear. The Parties further agree the Tenant's usage of the Landlord's streets and roads for the transportation of Tenant's materials and products shall be limited to trucks and trailers meeting MDOT requirements.

17. **HAZARDOUS SUBSTANCES:** Tenant shall not cause or permit any Hazardous Substances, except for petroleum products, to be brought upon, kept or used in, on or about the Premises by Tenant, its agents, employees, contractors, subcontractors, or invitees, and Tenant, by execution of this Lease, covenants, warrants and represents to Landlord that it will keep the demised premises free from any and all unlawful contamination with hazardous substances and that it will hold Landlord harmless and indemnify Landlord from any loss or damage with respect thereto and that Tenant shall be solely responsible for any and all costs and expenses incurred for remediation the event the same is required, and that violation of this provision shall constitute grounds for termination of this Lease, which said termination shall not relieve Tenant from its liability hereunder.
18. **DEFAULT AND TERMINATION:** In the event of: (1) the Tenant completely discontinues business operations on the Demised Premises for a period of one hundred twenty (120) or more days; (2) the Tenant is de-funded; dissolved; liquidated; declared bankrupt; has

all of its assets transferred and/or is placed in receivership; and/or (3) if the Tenant shall default in the observance or performance of any other of the Tenant's covenants, agreements, or obligations hereunder and such default shall not be corrected or cured within ninety (90) days after written notice thereof, then, the Landlord shall have the right to take complete possession of the Demised Premises, excluding the Tenant's improvements, trade fixtures, railway lines, buildings or structures situated thereon; and, the Landlord shall have the right to declare the term of this Lease ended, without prejudice to any remedies which might be otherwise used for arrears of rent or other default which are available to the Landlord. From and after the date of the termination of this Lease Agreement, Tenant, at its sole cost, shall be responsible for and shall have one hundred eighty (180) days to remove all improvements, trade fixtures, buildings or structures, excluding railway lines and equipment, situated on the Demised Premises; and, Tenant, shall have three hundred sixty-five (365) days from the date of termination to remove all railway lines and equipment from the Demised Premises, unless an alternative period of time is agreed upon between the Landlord and Tenant for the removal of same. In the event of termination of this Lease Agreement as described herein, the Tenant, in removing its improvements, trade fixtures, railway lines, buildings or structures, shall restore the Demised Premises to a condition existing prior to the execution of this Lease Agreement

11/1/2011

and/or to a condition that is mutually agreeable between the Tenant and Landlord. The Tenant, prior to the removal of any of Tenant's improvements, trade fixtures, railway lines, buildings or structures situated Demised Premises, shall pay all amounts due and owing unto the Landlord regardless of whether said amounts are due and owing under this Lease Agreement, including, but not limited to, all rentals, outstanding utility bills, and/or any other costs of termination of this Lease Agreement, including payment of a reasonable attorney's fee. Further, the Landlord will dispose of articles left behind after the Agreement is terminated and the Tenant has moved from the premises. Additionally, in the event Landlord shall take possession of the leased premises, Landlord shall not be liable for any damage or destruction to Tenant's property located on the demised premises.

19. **RIGHT OF ENTRY:** With reasonable prior notice to the Tenant, the Landlord may enter the premises at any time necessary to inspect the premises. In case either Party has give notice of termination of this Lease Agreement, the Landlord may show the premises to any prospective tenant or purchaser. The Right of Entry shall not entitle the Landlord to examine any records regarding the operations of the Tenant and that such inspection shall be coordinated with the designated agent of Tenant.
20. **ABANDONMENT:** If at any time during the term of this lease, Tenant abandons the Demised

Premises for a period of time in excess of the time period set forth for default in Paragraph 18. of this Lease Agreement, then, in that event, the Landlord may, at its option, enter the Demised Premises by any means without being liable for any prosecution therefor, and without becoming liable to the Tenant for damages or for any payment of any kind whatever. If Landlord's right of re-entry is exercised following abandonment of the premises by Tenant, then, Tenant, at its sole cost, shall be responsible for and shall have one hundred eighty (180) days to remove all improvements, trade fixtures, buildings or structures, excluding railway lines, situated on the Demised Premises; and, Tenant, shall have three hundred sixty-five (365) days to remove all railway lines from the Demised Premises, unless an alternative period of time is agreed upon between the Landlord and Tenant for the removal of same. In the event of the exercise of the right of re-entry is exercised by the Landlord, as described in this Lease Agreement, the Tenant, in removing its improvements, trade fixtures, railway lines, buildings or structures, shall restore the Demised Premises to a condition existing prior to the execution of this Lease Agreement and/or to a condition that is mutually agreeable between the Tenant and Landlord. The Tenant, prior to the removal of any of Tenant's improvements, trade fixtures, railway lines, buildings or structures situated Demised Premises, shall pay all amounts due and owing unto the Landlord regardless of whether said amounts are due and owing under this

7 - 10 - 2013

Lease Agreement, including, but not limited to, all rentals, outstanding utility bills, and/or any other costs of termination of this Lease Agreement, including payment of a reasonable attorney's fee. Following the removal of Tenant's improvements, trade fixtures, railway lines, buildings or structures, the Landlord may consider any other property belonging to Tenant and left on the Demised Premises to have been abandoned, in which case Landlord may dispose of all such property in any manner the Landlord shall deem proper and is hereby relieved of all liability for doing so.

21. **NOTICES:** Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not when deposited in the United States Mail, postage prepaid, registered or certified mail, return receipt postage prepaid, registered or certified mail, return receipt requested, addressed to Landlord: City of Picayune, Mississippi, Attention: Mayor or City Manager, City of Picayune, 815 North Beech Street, Mississippi 39466; and to Tenant: Shale Support Services, L.L.C., Attention: General Manager, 3201 General De Gaulle Drive, Suite 200, New Orleans, LA 70114, or such addresses as they may hereafter specify by written notice delivered in accordance herewith.

D - 11 - 01

22. **ENTIRE AGREEMENT:** This Lease Agreement constitutes the entire agreement between the parties and may be amended only by written amendment to this Lease Agreement.
23. **FORUM SELECTION PROVISION:** Any and all disputes regarding the negotiation, performance, termination, cancellation, abandonment and/or interpretation of this lease agreement, together with any other dispute and/or claim which arises between the Parties or their successors to this lease shall be resolved exclusively in the Chancery Court of Pearl River County Mississippi, which shall have the exclusive jurisdiction over the Parties, their successors and/or any claims which same may have against one another.
24. **OPTION TO PURCHASE SUBJECT REAL PROPERTY:** FOR AND IN CONSIDERATION of the additional sum of TEN AND NO/100 DOLLARS (\$10.00), cash in hand paid, and other good and valuable considerations, the receipt and sufficiency of all of which is hereby acknowledged and confessed, we, the undersigned **THE CITY OF PICAYUNE MISSISSIPPI, A Mississippi Municipality City, ("Landlord" or "Grantor")** have, and do by these presents hereby grant a Option to Purchase on the conditions set out hereafter, unto **Shale Support Services, L.L.C., A Louisiana Limited Liability Company, ("Tenant" or "Grantee")** with respect to the following described real property, together with any and all improvements and appurtenances thereunto belonging, situated in Pearl River County, Mississippi, to-wit:

2013-01-02

"See Exhibit 1"

Indexing instructions: Please index in the West ½ of the SE 1/4 of Section 22, Township 6 South, Range 17 West in Pearl River County, Mississippi. After consultation, no title search was requested.

THIS Option to Purchase IS SUBJECT TO THE FOLLOWING CONDITIONS, TO-WIT:

25. That at any time during and/or prior to the expiration of the twenty (20) year Lease Term, the Grantee, Shale Support Services, L.L.C., A Louisiana Limited Liability Company, and/or its successors in interest, shall notify the Grantor, the City of Picayune, A Mississippi Municipality, in writing, of Grantee's intent to purchase the above described real property. This written notice to purchase may be given at any time during and/or prior to the expiration of the twenty (20) year Lease Term. If the Grantee fails to exercise this Option To Purchase during the time period described herein, then, the subject Option To Purchase shall expire and that any and all lease payments shall be deemed forfeited by the Grantee.
26. Said written notices shall either delivered in person or mailed to the address shown below:

Grantor: **THE CITY OF PICAYUNE
815 NORTH BEECH STREET
PICAYUNE, MS 39466**

Grantee: **SHALE SUPPORT SERVICES, L.L.C.
3201 GENERAL DE GAULLE DRIVE, SUITE 200
NEW ORLEANS, LA 70114**
27. All notices, if by mail, shall be considered as having been given when placed in the United States Mail, postage prepaid.

D 10 01

28. This Option to Purchase is for the benefit of and shall be binding upon the heirs, beneficiaries, assigns and/or successors in interest of the Grantor and Grantee.
29. The Grantor represents that, as of the date of this Option, Grantor, in its own name, has good and merchantable title to the property, that the property has an assignable adequate access easement to the property for ingress and egress, power, and telephone service.
30. Upon the giving of timely notice of the exercise of this Option to Purchase as above provided, Grantor shall then be obligated to sell and Grantee shall then be obligated to purchase the above described property in a timely manner on the following terms and conditions:
 - A. The Grantee shall purchase the subject property and any easements, at \$15,000.00 per acre, less, the sum of all principal lease payments made by the Grantee under the Parties' Lease Agreement as set out in Schedule attached hereto as Exhibit "4" under the category denominated as "Principal".
 - B. Transfer of title shall be by recordable general warranty deed, in the general form of the attached, signed and delivered by Grantor.
 - C. Necessary easements, if any, to the subject lands for access to a public road, construction, power and/or telephone will be granted by Grantor and shall be included in warranty deed.
 - D. Possession of the above described land shall be delivered over to Grantee at the closing with the delivery of the deed.
 - E. The closing of this sale shall take place within sixty (60) days following the exercise of the Option to Purchase by Grantee.
 - F. Title to the above described property must be merchantable, that is, free and clear of all liens, encumbrances and defects to the satisfaction of Grantee's

attorney.

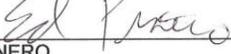
- G. The purchase is subject to the Grantee's obtaining financing in order to purchase the particular tract of real property.
- H. Other than with respect to the title of the Grantor, Grantee shall purchase the subject real property "As Is" "Where Is".
- I. The purchase of the subject real property shall be subject to the Picayune Industrial, Manufacturing and Service Park Protective Covenants, Conditions and Restrictions attached hereto as Exhibit "2" and Sections 57-3-1 et. seq., Mississippi Code of 1972 as Amended.
- J. That it is further understood and agreed to between the Parties that the conditions set out in this Option to Purchase as Paragraph 6(C), (H), and, (I), shall be deemed to be continuing obligations, conditions and/or covenants which bind the Parties and their successors in interest under this Option to Purchase; and, that these obligations, conditions and/or covenants shall survive the transfer of title from the Grantor to Grantee and shall be set out in the instrument conveyance executed by the Grantor unto the Grantee pursuant to this Option to Purchase.

D 10 01

THIS LEASE SHALL BE RECORDED IN THE LAND RECORDS OF THE PEARL RIVER COUNTY CHANCERY CLERK AND THE MINUTE BOOK OF THE CITY OF PICAYUNE.

IN WITNESS WHEREOF, the Parties have executed this Lease, in duplicate originals, at Picayune, Pearl River County, Mississippi on the day and year first above written.

LANDLORD/GRANTOR



ED PINERO
MAYOR IN AND FOR THE CITY OF
PICAYUNE

TENANT/GRANTEE

AUTHORIZED MANAGER/MEMBER
SHALE SUPPORT SERVICES, L.L.C.


S. Kevin Bower

ATTEST:



CITY CLERK

D 43 1 21

STATE OF MISSISSIPPI)
)
COUNTY OF PEARL RIVER)

PERSONALLY came and appeared before me, the undersigned authority in and for said County and State, on this 7 day of January, A.D., 2012, within my jurisdiction, the within named **ED PINERO, and AMBER HINTON**, who acknowledged to me that they are the Mayor and City Clerk, respectively, of **The City of Picayune, A Mississippi Municipal Corporation**, and that for and on behalf of said Municipality, and as its act and deed, they signed, executed and delivered the foregoing Lease Agreement With Option To Purchase on the day, in the year, and for the purposes therein contained after first having been duly authorized by said Municipality to do so.

GIVEN under my hand and official seal of office, upon this, the 7 day of January, A.D., 2012.

Rhonda Thompson
Notary Public



My Commission Expires:

Nov. 3, 2015

STATE OF MISSISSIPPI)
)
COUNTY OF PEARL RIVER)

PERSONALLY came and appeared before me, the undersigned authority in and for said County and State, on this 27 day of December, A.D., 2012, within my jurisdiction, the within named S. Kevin Bowen, who acknowledged to me that he is a Manager/Member of **Shale Support Services, L.L.C., A Louisiana Limited Liability Company** and that for and on behalf of said limited liability company, and as its act and deed, they signed, executed and delivered the foregoing Lease Agreement With Option to Purchase on the day, in the year, and for the purposes therein contained after first having been duly authorized by said corporation to do so.

GIVEN under my hand and official seal of office, upon this, the 27 day of December, A.D., 2012.

Rhonda Thompson
Notary Public



My Commission Expires:

November 3, 2015

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT DONATION FROM WAL-MART FOR FIRE DEPARTMENT SUMMER YOUTH CAMP FUND

Motion was made by Council Member Breland, seconded by Council Member Bumpers to accept a donation from Wal-Mart of \$1,000.00 to be placed in the summer youth camp fund for senior and youth activities.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE OUT OF STATE TRAVEL FOR DEPUTY CHIEF CHAD DORN

Motion was made by Council Member Breland, seconded by Council Member Lane to approve out of state travel for Deputy Chief Chad Dorn to attend a one-day Police Motorcycle Operator and Instructor Re-certification Course in Baton Rouge, La on January 17, 2013.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUHTORIZE MAYOR'S SIGNATURE ON GROUND LANDLORD CONSENT AND AGREEMENT BETWEEN ANGEL AVIATION, L.L.C. AND CITYOF PICAYUNE

Motion was made by Council Member Breland, seconded by Council Member Watkins to authorize Mayor's signature on Ground Landlord Consent and Agreement between Angel Aviation, L.L.C. and City of Picayune.

GROUND LANDLORD CONSENT AND AGREEMENT

This GROUND LANDLORD CONSENT AND AGREEMENT (this "Agreement") is entered into as of December 15, 2012 (the "Effective Date"), by and among Angel Aviation, L.L.C., 814 Highway 43 North, Picayune, Mississippi, 39466, a Mississippi Limited Liability Company ("Angel"), High Point Gas Gathering, LLC, 919 Milam Street, Houston, TX 77002, a Texas Limited Liability Company ("High Point"), and the City of Picayune, a Mississippi Municipal Corporation ("Ground Landlord"). The parties agree as follows:

1. Angel and High Point have entered into a Hangar Lease dated January 1, 2013 (the "Hangar Lease"), a copy of which is attached hereto as Exhibit A and made a part hereof. All capitalized terms used in this Agreement shall have the same meaning as set forth in the Hangar Lease, unless otherwise defined herein. Notices under this Agreement to Angel and High Point shall be sent to the applicable addresses for notice set forth in the Hangar Lease.
2. Angel and Ground Landlord have entered into a Ground Lease Agreement dated May 24, 2006, a copy of which is attached hereto as Exhibit B and made a part hereof (the "Ground Lease"). Notices under this Agreement to Ground Landlord shall be sent to the address set forth in Section 4 of the Ground Lease or such other address as Ground Landlord gives written notice of to Angel and High Point.
3. Ground Landlord and Angel represent and warrant to High Point that (i) the Ground Lease is in full force and effect; (ii) neither Ground Landlord nor Angel is in default under any of the terms, covenants or provision of the Ground Lease and neither Ground Landlord nor Angel knows of any event which, but for the passage of time or the giving of notice, or both, would constitute an event of default under the Ground Lease by Ground Landlord or Angel; (iii) neither Ground Landlord nor Angel under the Ground Lease has commenced any action or given or received any notice for the purpose of terminating the Ground Lease; and, (iv) the Ground Lease has not been modified or amended.
4. Ground Landlord hereby consents to the lease or sublease of the Leased Premises by Angel to High Point pursuant to the Hangar Lease and consents to the terms and provisions of the Hangar Lease.
5. In the event that the Ground Lease expires or terminates for any reason the parties hereto agree that (i) the Hangar Lease shall not be terminated or affected thereby but shall continue in full force and effect as a direct lease between Ground Landlord and High point upon all of the terms, covenants and conditions set forth in the Hangar Lease, (ii) Ground Landlord will recognize High Point as its direct tenant under the Hangar Lease, and (iii) after receipt of written notice of expiration or termination, High Point agrees to attorn to Ground Landlord as the "landlord" under the Hangar Lease (Ground Landlord agrees to accept such attornment) and make all future payments of rent and other amounts owing under the Hangar Lease directly to Ground Landlord at the address specified below (or to such other address as Ground Landlord may specify in writing to High point).
6. After an event of default by Angel under the Ground Lease (which continues past any applicable notice and/or cure periods), Ground Landlord may, in addition to any other remedies under the Ground Lease or at law, after written notice thereof to High Point, collect directly from High Point all rents due and owing from High Point under Hangar Lease and apply any such rent against sums due to Ground Landlord by Angel as tenant under the Ground Lease. Further, Angel authorizes and directs High point to make such payments of rent directly to Ground Landlord upon High Point's receipt from Ground Landlord of written notice of default by Angle. Angel acknowledges and agrees that the receipt by Ground Landlord from High point of any such rents and other amounts shall be a full complete release, discharge and acquittance of any claims by Angel for rent and amounts against High Point to the extent of any such amount of rent and other amounts so paid to Ground Landlord.
7. Ground Landlord and Angle agree to give written notice to High Point of (i) any modifications or amendments to the Ground Lease, (ii) any defaults under the Ground Lease and (iii) the expiration or termination of the Ground Lease.

59

- 8. High point agrees to subordinate its interest under this Lease to the lien of any mortgage, deed of trust, lease or other lien subsequently arising upon the Building or Land, and to renewals, modifications, refinancing and extensions thereof (each a "Mortgage"), provided, however, and on the condition that in such Mortgage (or in a mutually agreeable subordination, non-disturbance and attornment agreement) the mortgagee shall agree, for itself and for each and every subsequent owner or holder of the mortgage and/or mortgage note and for any receiver or purchaser of the Leased Premises in the event of foreclosure, or sale in lieu thereof, that Lessee's peaceable and quiet possession of the Leased Premises will not be disturbed on account of such mortgage or by reason of anything done or caused to be done thereunder, so long as High Point pays the rent under the Hangar Lease and keeps the covenants, agreements and stipulations of this Lease on the part of High Point to be kept. Ground Landlord warrants and represents that no Mortgage currently exists.
- 9. This Agreement may not be modified orally or in any manner other than by an agreement, in writing, signed by the parties.
- 10. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. Executed signature pages of this Agreement may be delivered by facsimile transmission to the facsimile number provided for a party herein. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of the signatures thereon and may be attached to another counterpart of such instrument identical in form hereto but having attached to it one or more additional signatures page.

IN WITNESS WHEREOF, this Agreement has been fully executed as of the date first above written by each party's duly authorized office or representation.

ANGEL AVIATION, L.L.C

BY: _____

Name: _____

Title: _____

HIGH POINT GAS GATHERING, LLC

By: _____

Name: _____

Title: _____

CITY OF PJCAYUNGE

By: _____

Name: _____

Title: _____

60

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO RECESS

Motion was made by Council Member Breland, seconded by Council Member Watkins to recess until Tuesday, January 15, 2013 at 5:00 pm.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

Ed Pinero, Mayor

ATTEST:

Amber Hinton, City Clerk