

**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, 203 Goodyear Blvd., in said City, Tuesday, May 5, 2015, at 5:00 p.m. in regular session with the following officials present: Mayor Pro Temp Wayne Gouguet, Council Members Tammy Valente, Lynn Bumpers, Jan Stevens, Larry Breland, and City Manager Jim Luke and City Clerk Amber Hinton. Mayor Ed Pinero was absent.

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

Opening prayer was given by Alex Wesco, followed by the Pledge of Allegiance led by Mayor Pro Temp Wayne Gouguet.

AT THIS TIME COUNCIL MEMBER TAMMY VALENTE RECOGNIZED KELLI BEECH FOR RECEIVING THE GLADE WOODS LEADERSHIP AWARD

ORDER TO APPROVE MINUTES

Motion was made by Council Member Stevens, seconded by Council Member Valente to approve the Minutes for the City of Picayune dated April 21, 2015.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACKNOWLEDGE RECEIPT OF MONTHLY BUDGET REPORT

Motion was made by Council Member Stevens, seconded by Council Member Valente to acknowledge receipt of monthly budget report for the month of April 2015.

AF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 3/31/2015

Run: 4/30/2015 at 9:06 AM

Page: 1

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
351-000-232.14-000-000 FAA-REHABILITATE RUNWAY	500,000	0	0	250,000	(250,000)	0
351-000-341.01-000-000 RENT T-HANGARS	78,660	10,795	74,020	39,330	34,690	94
351-000-341.02-000-000 GROUND LEASES	12,480	0	9,600	6,240	3,360	77
351-000-374.00-000-000 FUEL SALES	4,000	302	1,819	2,000	(181)	45
Total Revenues	595,140	11,097	85,439	297,570	(212,131)	14
Expenditures						
Airport Expenses						
PERSONNEL	57,866	6,142	26,580	28,936	2,356	46
SUPPLIES	6,300	1,055	1,466	3,150	1,684	23
OUTSIDE SERVICES	55,756	5,282	39,354	27,878	(11,476)	71
CAPITAL OUTLAY	0	0	0	(275,000)	(275,000)	0
Total Airport Expenses	119,924	12,479	67,400	(215,036)	(282,436)	56
Total Expenditures	119,924	12,479	67,400	(215,036)	(282,436)	56
Excess Revenue Over (Under) Expenditures	475,216	(1,382)	18,039	512,606	70,305	4

13

CF Statement of Activity - MTD and YTD with Budget
 City of Picayune
 For 3/31/2015

Run: 4/30/2015 at 9:06 AM

Page: 1

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
406-000-211.00-000-000 RECORDING FEES	0	60	19	0	19	0
406-000-340.00-000-000 INTEREST INCOME	200	40	181	100	81	90
406-000-355.00-000-000 MISCELLANEOUS INCOME	350	0	0	175	(175)	0
406-000-380.01-000-000 TRANSFER FROM GENERAL FUND	69,000	5,750	34,500	34,500	0	50
406-000-392.00-000-000 SALE OF LOTS	20,000	2,073	9,004	10,000	(996)	45
Total Revenues	89,550	7,923	43,704	44,775	(1,071)	49
Expenditures						
Cemetery Expenses						
PERSONNEL	76,355	7,774	22,727	38,179	15,452	30
SUPPLIES	7,987	2,029	3,723	3,994	271	47
OUTSIDE SERVICES	3,300	90	1,303	1,650	347	39
Total Cemetery Expenses	87,642	9,893	27,753	43,823	16,070	32
Total Expenditures	87,642	9,893	27,753	43,823	16,070	32
Excess Revenue Over (Under) Expenditures	1,908	(1,970)	15,951	952	(17,141)	836

ED Statement of Activity - MTD and YTD with Budget
City of Picayune
For 3/31/2015

Run: 4/30/2015 at 9:07 AM

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
110-043-340.00-000-000 INTEREST INCOME	250	135	657	125	532	263
110-043-340.01-000-000 INTEREST INCOME - FARMER FRESH	0	1,353	8,186	0	8,186	0
110-043-341.00-000-000 RENT	67,875	0	0	33,938	(33,938)	0
110-402-260.00-000-000 SALES TAX-TOURISM	415,000	39,997	212,986	207,500	5,486	51
110-402-314.00-000-000 PARK BLDG RENTAL FEES	2,500	285	1,040	1,250	(210)	42
110-402-314.03-000-000 PARK FIELD RENTAL FEES	1,138	500	2,900	569	2,331	255
110-402-314.06-000-000 PARK TOURNAMENT FEES	550	0	0	275	(275)	0
110-402-314.07-000-000 PARK CONCESSION REVENUE	100	0	0	50	(50)	0
110-402-340.00-000-000 INTEREST INCOME-TOURISM	250	33	113	125	(12)	45
110-402-346.01-000-000 PARK FUNDRAISER	0	0	1,000	0	1,000	0
IMPROVEMENTS						
110-402-355.00-000-000 MISC INCOME	0	797	1,497	0	1,497	0
110-402-380.00-000-000 TRANSFER FROM OTHER FUNDS	104,500	0	0	52,250	(52,250)	0
Total Revenues	592,163	43,100	228,379	296,082	(67,703)	39
Expenditures						
Sale of Lots Expenses						
OUTSIDE SERVICES	55,000	380	2,280	2,500	220	4
CAPITAL OUTLAY	100,001	287	81,508	100,001	18,493	82
Total Sale of Lots Expenses	155,001	667	83,788	102,501	18,713	54
Recreation Expenses						
PERSONNEL	124,465	14,432	60,851	62,234	1,383	49
SUPPLIES	45,000	968	13,063	22,500	9,437	29
OUTSIDE SERVICES	140,947	10,208	50,188	70,474	20,286	36
CAPITAL OUTLAY	3,691	1,200	3,041	3,891	851	78
Total Recreation Expenses	314,303	26,808	127,143	159,099	31,957	40
Retirement/Development Expenses						
Total Expenditures	469,304	27,475	210,931	261,600	50,670	45
Excess Revenue Over (Under) Expenditures	122,859	15,625	17,448	34,482	(118,373)	14

15

GF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 3/31/2015

Run: 4/30/2015 at 9:07 AM

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
001-000-200.00-000-000 AD VALOREM TAXES-CURRENT	1,290,836	100,439	1,097,263	645,418	451,845	85
001-000-201.00-000-000 AUTO AND MOBILE HOME	226,443	22,243	105,488	113,224	(7,734)	47
001-000-202.00-000-000 PERSONAL TAXES	366,947	39,540	338,573	183,474	155,099	92
001-000-203.00-000-000 AD VALOREM-DELINQUENT	1,000	2,670	2,670	500	2,170	267
001-000-210.00-000-000 PENALTIES & INTEREST	24,588	1,270	4,054	12,294	(8,240)	16
001-000-214.00-000-000 TAX COLLECTION COSTS	65,133	5,780	53,669	32,957	21,122	82
001-000-220.00-000-000 PRIVILEGE LICENSES	37,654	1,537	7,222	18,827	(11,605)	19
001-000-220.01-000-000 LIQUOR PRIVILEGE TAX	3,825	450	3,825	1,913	1,912	100
001-000-221.00-000-000 FRANCHISE CHARGES-UTILITIES	662,686	2,287	356,175	331,343	24,832	54
001-000-222.00-000-000 BUILDING PERMITS	55,000	1,928	32,883	27,500	5,383	60
001-000-223.00-000-000 PLANNING/ZONING APPLICATIONS	8,000	0	0	4,000	(4,000)	0
001-000-224.00-000-000 LOT CLEAN UP	20,000	1,335	12,293	10,000	2,293	61
001-000-225.00-000-000 SPECIAL USE RESORT ZONING PERMITS	0	0	(39,000)	0	(39,000)	0
001-000-241.00-000-000 FEDERAL PAYMENT IN LIEU OF	27,500	0	0	13,750	(13,750)	0
001-000-245.01-000-000 STATE WIRELESS FUND	8,657	0	8,657	4,329	4,328	100
001-000-247.02-000-000 BULLET PROOF VEST	0	0	4,103	0	4,103	0
001-000-250.00-000-000 MUNICIPAL-STATE AID	17,500	0	11,847	8,750	3,087	88
001-000-251.00-000-000 HOMESTEAD EXEMPTION REIMB.	150,000	84,437	84,437	75,000	9,437	56
001-000-260.00-000-000 GENERAL SALES TAX	4,170,045	350,157	2,237,577	2,085,023	152,554	54
001-000-262.01-000-000 MUN. FIRE REBATE FUND - FOR LTD	56,136	0	0	28,068	(28,068)	0
001-000-262.02-000-000 1/4 MILL LEVY FIRE PROTECTION	19,987	1,741	16,178	9,994	6,184	81
001-000-262.03-000-000 MUN. FIRE REBATE FUNDS-FOR CODE	1,831	0	0	916	(916)	0
001-000-263.00-000-000 POLICE MINIMUM STANDARDS	15,000	0	7,200	7,500	(300)	48
001-000-271.00-000-000 ROAD & BRIDGE TAXES	220,000	19,620	181,472	110,000	71,472	82
001-000-276.00-000-000 SCHOOL PATROL	120,696	0	111,522	60,348	51,174	92
001-000-289.00-000-000 MUN COURT WARRANT OFFICER	13,000	1,853	6,844	6,500	344	53
001-000-330.00-000-000 COURT FINES & FEES	303,000	45,529	162,650	151,500	11,150	54
001-000-334.00-000-000 SPECIAL POLICE SERVICE	22,500	1,710	12,087	11,250	837	54
001-000-335.00-000-000 POLICE EQUIP ASSESSMENTS	2,000	18	365	1,000	(635)	18
001-000-336.02-000-000 COURT EQUIPMENT	0	0	20	0	20	0
001-000-336.05-000-000 COLLECTION FEE	100	489	817	50	767	817
001-000-336.10-000-000 MUNICIPAL COURT EVIDENCE	10,200	1,762	6,612	5,100	1,512	65
001-000-340.00-000-000 INTEREST EARNED	20,000	1,759	7,368	10,000	(2,632)	37
001-000-355.00-000-000 MISCELLANEOUS INCOME	14,000	18,289	22,748	7,000	15,748	162
001-000-380.07-000-000 TRANSFER FROM CAPITAL PROJECTS FUND	80,879	0	17,000	40,440	(23,440)	21
001-000-393.04-000-000 SALE OF SCRAP METAL- MAINTENANCE	0	0	184	0	184	0
Total Revenues	8,035,143	706,843	4,874,823	4,017,576	857,247	61
Expenditures						
Municipal Council Expenses	67,163	7,502	32,453	33,583	1,130	48
PERSONNEL						

16

**GF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 3/31/2015**

Run: 4/30/2015 at 9:07 AM

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
SUPPLIES	500	0	499	280	(249)	100
OUTSIDE SERVICES	54,750	1,577	30,141	27,375	(2,766)	55
CAPITAL OUTLAY	1,449	0	1,449	1,449	0	100
Total Municipal Council Expenses	123,862	9,179	64,542	62,657	(1,585)	52
Municipal Court Expenses						
PERSONNEL	288,606	29,142	130,474	134,304	3,830	49
SUPPLIES	4,250	0	1,570	2,125	555	37
OUTSIDE SERVICES	68,125	6,481	38,065	34,063	(4,002)	56
Total Municipal Court Expenses	340,981	35,623	170,109	170,492	383	50
City Attorney Expenses						
PERSONNEL	19,616	1,113	4,743	9,810	5,067	24
OUTSIDE SERVICES	20,000	393	6,441	10,000	3,559	32
Total City Attorney Expenses	39,616	1,506	11,184	19,810	8,626	28
City Manager Expenses						
PERSONNEL	98,290	11,364	48,978	49,147	169	50
SUPPLIES	6,000	237	1,141	3,000	1,859	19
OUTSIDE SERVICES	15,300	600	3,363	7,651	4,288	22
Total City Manager Expenses	119,590	12,201	53,482	59,798	6,316	45
General Services Expenses						
PERSONNEL	17,307	1,899	8,370	8,655	285	48
SUPPLIES	7,700	302	2,126	3,850	1,724	28
OUTSIDE SERVICES	200,173	5,901	147,877	100,087	(47,790)	74
CAPITAL OUTLAY	6,500	0	0	0	0	0
Total General Services Expenses	231,780	8,102	158,373	112,592	(45,781)	68
Financial Expenses						
PERSONNEL	141,525	16,412	70,627	70,765	138	50
SUPPLIES	7,500	159	1,276	3,750	2,474	17
OUTSIDE SERVICES	63,025	8,350	25,855	34,813	8,958	41
Total Financial Expenses	212,050	24,921	97,758	109,328	11,570	46
Grant Expenses						
PERSONNEL	20,793	2,416	10,465	10,398	(67)	50
SUPPLIES	4,000	80	476	2,000	1,524	12
OUTSIDE SERVICES	7,950	781	4,312	4,475	163	54
Total Grant Expenses	32,743	3,277	15,253	16,873	1,620	47
Code Enforcement Expenses						
PERSONNEL	150,905	17,698	76,068	75,454	(614)	50
SUPPLIES	4,300	326	1,721	2,150	429	40
OUTSIDE SERVICES	51,650	8,849	32,430	30,825	(1,605)	63
Total Code Enforcement Expenses	206,855	26,873	110,219	108,429	(1,790)	53
Police Administration Expenses						
PERSONNEL	126,602	14,925	64,731	63,302	(1,429)	51
SUPPLIES	7,500	128	1,249	3,750	2,501	17

17

**GF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 3/31/2015**

Run: 4/30/2015 at 9:07 AM

	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Financial Report						
OUTSIDE SERVICES	56,025	3,579	23,822	28,013	4,191	43
CAPITAL OUTLAY	8,657	8,657	4,329	4,328	(4,328)	100
Total Police Administration Expenses	198,784	27,290	98,459	99,394	935	50
<u>Patrol & Investigations Expenses</u>						
PERSONNEL	1,398,337	161,485	666,281	699,169	12,888	49
SUPPLIES	136,750	8,372	46,080	68,375	22,295	34
OUTSIDE SERVICES	100,906	16,280	49,822	50,453	631	49
Total Patrol & Investigations Expenses	1,635,993	186,137	782,183	817,997	35,814	48
<u>Domestic Violence Grant Expenses</u>						
SUPPLIES	1,000	0	0	500	500	0
Total Domestic Violence Grant Expenses	1,000	0	0	500	500	0
<u>Custody of Prisoners Expenses</u>						
PERSONNEL	170,227	16,511	73,685	86,115	11,430	43
SUPPLIES	61,500	563	18,349	30,750	12,401	30
OUTSIDE SERVICES	128,500	1,600	37,319	45,750	8,432	29
Total Custody of Prisoners Expenses	360,227	18,674	129,353	161,615	32,263	36
<u>Alcohol Countermeasures Grant Expenses</u>						
<u>Records & Communications Expenses</u>						
PERSONNEL	357,332	42,155	180,414	178,668	(1,746)	50
SUPPLIES	6,500	9	1,229	3,250	2,021	19
OUTSIDE SERVICES	20,300	875	10,732	10,150	(582)	53
Total Records & Communications Expenses	384,132	43,039	192,375	192,068	(307)	50
<u>School Patrol Expenses</u>						
PERSONNEL	173,763	16,883	80,682	86,884	6,202	46
SUPPLIES	6,000	433	3,747	3,000	(747)	62
OUTSIDE SERVICES	3,750	212	1,334	1,875	541	36
Total School Patrol Expenses	183,513	17,528	85,763	91,759	5,996	47
<u>Animal Control Expenses</u>						
PERSONNEL	30,601	3,567	15,213	15,302	89	50
SUPPLIES	2,780	219	1,249	1,390	141	45
OUTSIDE SERVICES	42,650	3,425	24,649	18,825	(5,824)	58
Total Animal Control Expenses	76,031	7,211	41,111	35,517	(5,594)	54
<u>Fire Department Expenses</u>						
PERSONNEL	2,006,143	226,688	1,010,888	1,003,074	(7,814)	50
SUPPLIES	54,600	2,409	15,161	27,300	12,139	28
OUTSIDE SERVICES	82,889	13,939	53,764	41,446	(12,318)	65
Total Fire Department Expenses	2,143,632	243,036	1,079,813	1,071,820	(7,993)	50
<u>Streets & Drainage Expenses</u>						
PERSONNEL	328,630	38,444	167,206	164,317	(2,889)	51
SUPPLIES	169,105	67,872	84,554	84,554	16,682	40
OUTSIDE SERVICES	302,050	28,318	175,349	151,026	(24,323)	58

18

**GF Statement of Activity - MTD and YTD with Budget
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For 3/31/2015**

	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Financial Report						
CAPITAL OUTLAY	49,500	0	41,840	49,500	7,860	84
Total Streets & Drainage Expenses	849,285	78,136	452,067	449,397	(2,670)	53
<u>Grounds & Beautification Expenses</u>						
PERSONNEL	344,870	36,725	157,198	172,437	15,239	46
SUPPLIES	94,844	7,338	30,339	47,423	17,084	32
OUTSIDE SERVICES	20,950	2,236	10,761	10,475	(286)	51
Total Grounds & Beautification Expenses	460,664	46,299	198,298	230,335	32,037	43
<u>Equipment Maintenance Expenses</u>						
PERSONNEL	46,331	3,729	16,087	23,168	7,081	35
SUPPLIES	14,110	136	1,278	7,055	5,777	9
OUTSIDE SERVICES	10,300	566	3,537	5,150	1,613	34
CAPITAL OUTLAY	184	0	184	184	0	100
Total Equipment Maintenance Expenses	70,925	4,431	21,086	35,557	14,471	30
<u>Transfers Expenses</u>						
OUTSIDE SERVICES	433,318	5,750	311,954	216,659	(95,295)	72
Total Transfers Expenses	433,318	5,750	311,954	216,659	(95,295)	72
<u>Aid to Other Govts Expenses</u>						
OUTSIDE SERVICES	19,280	1,607	9,640	9,640	0	50
Total Aid to Other Govts Expenses	19,280	1,607	9,640	9,640	0	50
Total Expenditures	8,124,261	800,820	4,083,022	4,072,237	(10,784)	50
Excess Revenue Over (Under) Expenditures	(89,118)	(89,977)	791,801	(54,861)	868,031	888

**UF Statement of Activity - MTD and YTD with Budget
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For 3/31/2015**

Run: 4/30/2015 at 9:07 AM

Page: 1

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
405-000-340.00-000-000 INTEREST INCOME	7,500	1,102	5,168	3,750	1,418	69
405-000-340.04-000-000 2013 REVENUE BOND INTEREST EARNED	2,640	99	814	1,320	(506)	31
405-000-351.02-000-000 MISC TAP INCOME	25,000	1,050	10,100	12,500	(2,400)	40
405-000-352.00-000-000 PRCUA BILLING/AMR PAYMENTS	54,000	4,633	27,748	27,000	748	51
405-000-355.00-000-000 MISC INCOME	112,000	8,459	40,639	56,000	(15,361)	36
405-000-355.01-000-000 MISC INCOME BAGS	4,000	348	1,576	2,000	(424)	39
405-000-360.01-000-000 METERED SALES WATER	1,721,138	124,835	768,781	860,569	(91,788)	45
405-000-360.02-000-000 METERED SALES GAS	2,235,400	302,704	1,811,714	1,117,700	694,014	81
405-000-362.00-000-000 SERVICE CONNECTION CHARGES	2,000	200	886	1,000	(114)	44
405-000-364.00-000-000 UTILITY LATE CHARGES	145,000	12,555	78,829	72,500	6,329	54
405-000-365.00-000-000 GARBAGE REVENUE	915,000	82,411	491,275	457,500	33,775	54
405-000-393.02-000-000 SALE OF EQUIPMENT & MACHINERY	0	784	23,463	0	23,463	0
Total Revenues	5,223,678	539,180	3,260,993	2,611,839	649,154	62
Expenditures						
Intrafund Transfers Expenses						
TRANSFERS	100,000	8,333	50,000	50,000	0	50
Total Intrafund Transfers Expenses	100,000	8,333	50,000	50,000	0	50
Utility Administration Expenses						
PERSONNEL	564,707	69,711	296,262	282,355	(13,907)	52
SUPPLIES	23,000	1,364	10,722	14,500	3,778	37
OUTSIDE SERVICES	185,250	19,525	99,876	92,625	(7,251)	54
Total Utility Administration Expenses	778,957	90,600	406,860	389,480	(17,380)	52
Director of Public Works Expenses						
PERSONNEL	159,997	18,853	81,098	79,999	(1,099)	51
SUPPLIES	16,616	705	4,134	8,616	4,482	25
OUTSIDE SERVICES	72,915	10,148	34,527	33,108	(1,419)	47
CAPITAL OUTLAY	32,366	59	9,484	31,366	21,883	29
Total Director of Public Works Expenses	281,894	29,765	129,243	153,089	23,847	46
Water Regulations Expenses						
PERSONNEL	44,627	6,771	31,203	22,315	(8,888)	70
SUPPLIES	39,950	4,551	17,194	19,975	2,781	43
OUTSIDE SERVICES	6,608	(1,612)	1,648	3,304	1,656	25
Total Water Regulations Expenses	91,185	9,710	50,045	45,594	(4,451)	55
Well and Pump Maintenance Expenses						
SUPPLIES	18,975	0	4,127	9,488	5,361	22
OUTSIDE SERVICES	94,582	6,277	42,512	47,291	4,779	45
Total Well and Pump Maintenance Expenses	113,557	6,277	46,639	56,779	10,140	41

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Run: 4/30/2015 at 9:07 AM

Page: 2

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Sewer Construction Expenses						
Utility Construction Expenses	200,877	18,885	82,838	114,379	31,540	41
PERSONNEL	40,135	1,360	18,506	20,088	1,562	46
SUPPLIES	30,630	52	7,995	15,315	7,320	26
OUTSIDE SERVICES						
Total Utility Construction Expenses	271,642	20,297	109,339	149,762	40,422	40
Water Operations Expenses						
PERSONNEL	311,668	27,977	119,546	148,866	29,320	38
SUPPLIES	139,025	3,846	80,398	69,513	(10,865)	58
OUTSIDE SERVICES	20,350	1,342	15,253	10,175	(5,078)	75
CAPITAL OUTLAY	168,856	0	0	91,929	91,929	0
Total Water Operations Expenses	639,899	33,165	215,197	320,483	105,286	34
Gas Operations Expenses						
PERSONNEL	227,433	33,280	149,421	106,748	(42,674)	66
SUPPLIES	1,436,600	123,107	944,225	718,300	(225,925)	66
OUTSIDE SERVICES	80,300	1,471	32,865	40,150	7,285	41
CAPITAL OUTLAY	2,407,670	128,311	1,079,861	1,203,835	123,974	45
Total Gas Operations Expenses	4,152,003	286,169	2,206,372	2,069,033	(137,340)	53
Garbage Expenses						
GARBAGE EXPENSES	810,000	72,414	434,660	405,000	(29,660)	54
Total Garbage Expenses	810,000	72,414	434,660	405,000	(29,660)	54
Loan Interest Expenses						
INTEREST EXPENSE	87,957	3,534	64,095	43,981	(20,114)	73
Total Loan Interest Expenses	87,957	3,534	64,095	43,981	(20,114)	73
Total Expenditures	7,327,094	560,264	3,712,450	3,683,201	(29,250)	51
Excess Revenue Over (Under) Expenditures	(2,103,416)	(21,084)	(451,457)	(1,071,362)	678,404	(21)

21

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouquet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO BUY BACK CEMETERY PLOTS FROM THE ESTATE OF ELGIE V TRAVIS

Motion was made by Council Member Stevens, seconded by Council Member Valente to buy back cemetery plots from the Estate of Elgie V. Travis described as Lot 54, Plots 5 & 6, Block N of the New Palestine Cemetery in the amount of \$120.00.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ORDER TO APPROVE DOCKET

Motion was made by Council Member Bumpers, seconded by Council Member Stevens to approve the docket for May 5, 2015 in the amount of \$ 560,597.62.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

PROCLAIM MAY 3-9, 2015 AS NATIONAL GOODWILL WEEK

Motion was made by Council Member Stevens, seconded by Council Member Bumpers to proclaim the week of May 3-9, 2015 as National Goodwill Week.

**PROCLAMATION
FOR
NATIONAL GOODWILL WEEK
MAY 3-9, 2015**

WHEREAS, Goodwill Industries International is a network of 186 community-based autonomous member organizations that services people with workplace disadvantages and disabilities by providing job training and employment services, as well as job placement opportunities and post-employment support: and

WHEREAS, with location in the United States, Canada and 23 other countries, Goodwill Industries enhance the quality and dignity of life for individuals, families, and communities on a global basis, through the power of work, by eliminating barriers to opportunity for people with special needs, and by facilitating empowerment, self-help, and service through dedicated, autonomous local organizations: and

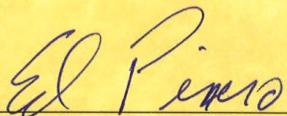
WHEREAS, the vision statement of Goodwill Industries International is: GOODWILL INDUSTRIES WILL BE SATISFIED ONLY WHEN EVERY PERSON IN THE GLOBAL COMMUNITY HAS THE OPPORTUNITY TO ACHIEVE HIS/HER FULLEST POTENTIAL AS AN INDIVIDUAL AND TO PARTICIPATE AND CONTRIBUTE FULLY IN ALL ASPECTS OF A PRODUCTIVE LIFE;

NOW, THEREFORE, I, Ed Pinero, Mayor of the City of Picayune, hereby proclaim the week beginning May 3 and ending May 9, 2015 as

**GOODWILL INDUSTRIES INTERNATIONAL WEEK
In the**

CITY OF PICAYUNE, MS.

ADOPTED this 5th day of May 2015.


ED PINERO
MAYOR

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouquet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE THE MOUNTAINEER COMPUTER SYSTEMS, INC MAINTENANCE AND SUPPORT AGREEMENT

Motion was made by Council Member Bumpers, seconded by Council Member Stevens to approve the Mountaineer Computer Systems, Inc. Maintenance and Support

Agreement for the period of July 1, 2015 through June 30, 2016 and authorize City Clerk to sign said documents.



MOUNTAINEER

Computer Systems, Inc.
PO Box 982
Lewisburg, West Virginia 24901

James H. Copland, Pres.
(540) 491-2546
Cell: (304) 667-5992
Fax: (866) 891-1361
E-mail: jim@mcsvw.com

Jeffrey S. Feamster, VP
(304) 647-5980
Cell: (304) 667-5990
Fax: (801) 640-8611
E-mail: jeff@mcsvw.com

MAINTENANCE AND SUPPORT AGREEMENT

Following are the terms and conditions of the Maintenance and Support Plan offered by Mountaineer Computer Systems, Inc. to the **City of Picayune** for the period July 1, 2015 through June 30, 2016.

For the consideration as outlined below, Mountaineer Computer Systems, Inc. will provide the support services as detailed below:

1. Unlimited telephone support in connection with all applications, including operating systems, when they are provided by Mountaineer Computer Systems, Inc., excluding exceptions noted below. ****(Operator Training is Not covered under phone support agreement.)****
2. Remote support via internet at the reduced hourly rate of \$155.00 per hour where applicable. Examples of billable charges include, but are not limited to, items such as, correcting payroll errors, assistance with bank reconciliations, recurring assistance with ordinary daily processing; correcting operator billing errors, assistance with audit preparation and audit adjustments, custom report creation, etc. (Requires an internet connection on your computer.)
3. Reduced hourly rate of \$155.00 per hour (including travel time) for **all** on-site assistance and training with application software provided by Mountaineer Computer Systems, Inc. Please note that unless agreed to prior to service, the minimum charge for on-site assistance will be \$600.00 per day plus up to \$175.00 daily expenses where an overnight stay is required.
4. Reduced hourly rate of \$155.00 per hour for all support in connection with application software (including meter reading applications) purchased from sources other than Mountaineer Computer Systems, Inc.
5. Reduced hourly rate of \$155.00 per hour for all custom report design and implementation.
6. Your data and system software are not covered by any agreement in case of loss, **regardless of the reason for loss**. It is your responsibility to do regular and systematic back-ups of your data, as well as confirming the integrity of those backups. This agreement includes backup of up to 25 gigabytes of data from your AccuFund server through our internet backup provider. Additional storage and/or computers are billed separately.

In the event of system failure, any assistance with data recovery can be billed at the rate of \$155.00 per hour plus out-of-pocket expenses. However, we will not and cannot guarantee the recovery of your data in the event of a system failure.

7. You also authorize Mountaineer Computer Systems, Inc. to make backup copies of your AccuFund data to be used on our computers for support and testing. At times, your data may also be used for software demonstration purposes for prospective AccuFund clients.
8. We reserve the right to charge for AccuFund version upgrades that are performed via the internet. The complexity of the upgrade and the amount of conversion time will determine whether charges are involved.
9. We reserve the right to pass on any charges incurred on your behalf with AccuFund, Inc. in the event that you have chosen not to participate in AccuFund's limited maintenance and support program.

Experts in Governmental Computerized Accounting and Information Systems.



MOUNTAINEER

Computer Systems, Inc.
PO Box 982
Lewisburg, West Virginia 24901

James H. Copland, Pres.
(540) 491-2546
Cell: (304) 667-5992
Fax: (866) 891-1361
E-mail: jim@mcsww.com

Jeffrey S. Feamster, VP
(304) 647-5980
Cell: (304) 667-5990
Fax: (801) 640-8611
E-mail: jeff@mcsww.com

10. This agreement does not cover any out-of-the-ordinary repairs due to operator negligence, misuse or abuse, fire, theft, water damage, power surges, blackout damage, damage caused by computer viruses, spyware, malware, etc. Removal and recovery from damage caused by viruses, spyware and malware is charged at the standard hourly rate. Excessive dirt in the vents due to cigarette smoke, dust, etc. resulting in failures caused from overheating or contact damage will result in billable charges.
11. The **City of Picayune** is responsible for insuring that its employees are adequately trained to operate the AccuFund System. In the event of a change in personnel, Mountaineer Computer Systems, Inc. will at the request of the City of Picayune provide additional on-site training at the rate of \$155.00 per hour. However, new employees **will not** be trained via phone support. (See Item 2).
12. Mountaineer Computer Systems, Inc. reserves the right to terminate this agreement for non-payment for services previously rendered. Finance charges at the rate of 2% per month apply to all balances over 30 days old.

The charge for this service is as follows based upon the payment plan that you choose.

Annual	\$ 5675.00
Quarterly	\$ 1545.03
Monthly	\$ 509.55
Discounted	\$ 5448.00

Acknowledged and Accepted by:

Signature

Title

City Clerk

Experts in Governmental Computerized Accounting and Information Systems.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gougnet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE MAYOR'S SIGNATURE ON DATA SERVICE AND EQUIPMENT AGREEMENT BETWEEN CSPIRE WIRELESS AND MISSISSIPPI DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES

Motion was made by Council Member Valente, seconded by Council Member Stevens to authorize Mayor's signature on Governing Authority Supplement to Master Cellular Voice and Data Service Equipment Agreement between CSpire Wireless and Mississippi Department of Information Technology Services as Contracting Agent for the Agencies and Institutions of the State of Mississippi.

**GOVERNING AUTHORITY SUPPLEMENT TO
MASTER CELLULAR VOICE AND DATA SERVICE AND EQUIPMENT
AGREEMENT
BETWEEN
CELLULAR SOUTH, INC. D/B/A C SPIRE WIRELESS
AND
MISSISSIPPI DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES
AS CONTRACTING AGENT FOR THE
AGENCIES AND INSTITUTIONS OF THE STATE OF MISSISSIPPI**

This document shall serve as a Governing Authority Supplement (the "Supplement") to the original Master Cellular Voice and Data Service and Equipment Agreement executed June 26, 2007, and amended on September 5, 2007, January 21, 2009, September 2, 2009, December 1, 2009, February 16, 2010, October 8, 2010, March 29, 2011, June 16, 2011, October 18, 2011, and November 11, 2011 (hereinafter collectively referred to as "Master Agreement") between Cellular South, Inc. d/b/a C Spire Wireless, a Mississippi corporation having its principal offices at 1018 Highland Colony Parkway, Suite 520, Ridgeland, Mississippi 39157, (hereinafter referred to as "Contractor"), and the Mississippi Department of Information Technology Services, having its principal place of business at 3771 Eastwood Drive, Jackson, Mississippi 39211 (hereinafter referred to as "ITS"), as contracting agent for the governmental agencies, educational institutions and governing authorities of the State of Mississippi. It is understood that this Supplement is entered into as of the date it is signed by all Parties (the "Effective Date") by and between Contractor and City of Picayune having its principal offices at 203 Goodyear Boulevard, Picayune, MS 39466 (hereinafter referred to as "Governing Authority"). Contractor and Governing Authority are sometimes referred to collectively herein as the "Parties" and individually as a "Party".

WHEREAS, ITS, pursuant to Request for Proposals ("RFP") No. 3489, requested proposals for the acquisition of master agreements containing the terms and conditions which will govern any orders placed by ITS or other designated entities during the term of this Master Agreement for cellular voice and data service (collectively referred to as "Services") and Products, which will be administered by ITS;

WHEREAS, the Contractor was the successful proposer in an open, fair and competitive procurement process to provide the above-mentioned Services and Products;

WHEREAS, the Master Agreement is E-Rate qualified for those Products and Services that are E-Rate reimbursable; and

WHEREAS, Contractor and Governing Authority desire to enter into the Supplement to specify certain terms and conditions upon which Governing Authority may purchase the Products and Services from Contractor;

NOW THEREFORE, in consideration of the mutual understandings, promises, consideration and agreements set forth, the Parties hereto agree as follows:

01441174

Page 1 of 4

Master Cellular Voice and Data Service & Equipment Agreement: Supplement for Governing Authorities-Oct2012

1) The initial term of this Supplement begins on the Effective Date and continues for a period of two (2) years (the "Initial Term"). At the end of the Initial Term this Supplement may, upon the written agreement of the Parties, be renewed on a month to month basis or such other term as the Parties may agree upon (each a "Renewal Term") until such time as either Party gives the other Party thirty (30) days prior written notice of termination. The Initial Term and any Renewal Term are sometimes collectively referred to herein as the "Term".

2) It is understood and agreed that during the Term, Contractor shall be the designated provider of all Services and Products for Governing Authority. Any exceptions will be on a case-by-case basis for specific Products for which adequate coverage cannot be provided by Contractor or for specific business requirements for which functionality cannot be provided by Contractor.

3) During the Term, Governing Authority may purchase Products which are free ("Free Products") under the terms and conditions set forth in the Master Agreement.

4) During the Term, Governing Authority may purchase Products which have an initial purchase price ("Purchased Products") under the terms and conditions of the Master Agreement and on the same terms and conditions Contractor provides to its other customers as updated from time to time on Contractor's website at www.cspire.com (the "Contractor Terms"). The Contractor Terms include, but are not limited to, requirements for contract terms, liquidated damages termination fees, and upgrade policies and fees. By executing this Supplement, Governing Authority acknowledges and agrees that Governing Authority is agreeing to be bound by such Contractor Terms as are in effect at the time of Governing Authority's or its employees' activation of such Purchased Products. For example, Governing Authority could elect to purchase a particular Purchased Product for full retail price, in which case no liquidated damages termination fees would apply, or Governing Authority could elect to purchase a particular Purchased Product at the promotional price. If Governing Authority elected to purchase such Purchased Product at the promotional price, then Governing Authority must agree to maintain Service with Contractor for a set period of time (currently two (2) years) or else prorated liquidated damages termination fees would apply if Governing Authority terminated Service earlier than two (2) years after activation of the Purchased Product, regardless of the Term of this Supplement. This means that if Governing Authority activated a Purchased Product at the promotional price within the last three (3) months of the Term, for example, and Governing Authority subsequently terminated this Supplement at the end of the Term, then Governing Authority would owe Contractor a liquidated damages termination fee equal to the remainder of the promotional contract term (21 months) times the applicable liquidated damages termination fee. Governing Authority's right to purchase Purchased Products as set forth in this Section 4 is in addition to Governing Authority's right to purchase Free Products under the terms of the Master Agreement.

5) Contractor shall provide the Products and Services detailed in Exhibit A to this Supplement, at the prices shown therein. Except as expressly set forth in this Supplement, the terms and conditions of the Master Agreement shall remain in full force and effect. In the event of any conflict between the terms of this Supplement and the terms of the Master Agreement, the terms of this Supplement shall prevail but only to the extent of the conflict. Any additional

01441174

Page 2 of 4

Master Cellular Voice and Data Service & Equipment Agreement: Supplement for Governing Authorities-Oct2012

REGULAR MEETING MAY 5, 2015

discounts or price decreases negotiated under the Master Agreement and/or additional Products and Service plans added to the Master Agreement will be made available to Governing Authority by Contractor under this Supplement.

6) This Supplement has been duly authorized by both Parties and it represents a binding obligation of both Parties.

7) This Supplement may only be amended in a writing executed by both Parties. This Supplement may be executed in counterparts and sent via facsimile or email, and the counterparts, when combined, shall constitute one binding instrument.

8) Any notice required or permitted to be given under this Supplement shall be in writing and personally delivered or sent by electronic means provided that the original of such notice is sent by certified United States mail, postage prepaid, return receipt requested, or overnight courier with signed receipt, to the Party to whom the notice should be given at their address set forth below:

If to Contractor: Cellular South, Inc. d/b/a C Spire Wireless
1018 Highland Colony Parkway, Suite 520
Ridgeland, MS 39157
Attention: Janice Fitzgerald
Manager, Government Accounts
Email: msgov@cspire.com

If to Governing Authority: City of Picayune
203 Goodyear Boulevard
Picayune, MS 39466
Email: mayor@picayune.ms.us

Notice shall be deemed given when actually received or when refused. Either Party may change their address by giving the other Party written notice of such address change in compliance with this Section.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Supplement to be executed by their authorized undersigned representatives effective as of the Effective Date.

Governing Authority:

City of Picayune

By: 
Authorized Signature

Printed Name: Dr. Ed Pinero

Title: Mayor

Date: 5/5/15

Supplemental Term Dates:
April 23, 2015 – June 30, 2016

Contractor:

Cellular South, Inc. d/b/a C Spire Wireless

By: 
Authorized Signature

Printed Name: Brian Caraway

Title: Senior Vice President

Date: 5/22/2015

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE BUDGET AMENDMENTS

Motion was made by Council Member Breland, seconded by Council Member Stevens to approve budget amendments for the General Fund, Utility Fund, Water Contingency Fund and Capital Projects Fund.



	ADOPTED FY 2015 GENERAL FUND	AMEND #1 FY 2015 GENERAL FUND	AMEND #2 FY 2015 GENERAL FUND
LICENSE & PERMITS	\$ 755,340	755,340	755,340
INTERGOVERNMENTAL REVENUES	5,336,388	5,746,888	6,026,888
			<small>Increase in sales tax & Additional \$'s for MDOT</small>
CHARGES FOR SERVICES	28,100	28,100	28,100
FINES & FORFEITS	350,700	350,700	350,700
MISCELLANEOUS	14,000	34,189	49,549
			<small>CALEA Refund & Donation from FNBOP</small>
TRANSFERS	80,879	180,879	208,379
			<small>Match \$'s for MDOT Hwy 43 Lighting/Memorial Blvd., \$'s for ATY</small>
INTEREST EARNINGS	20,000	20,000	20,000
PROCEEDS FROM LOANS	0	0	0
TOTAL FROM ALL SOURCES, OTHER THAN TAXES	6,585,407	7,116,096	7,438,956
AMOUNT TO BE RAISED BY AD VALOREM TAX	1,994,934	1,994,934	1,994,934
TOTAL REVENUES	8,580,341	9,111,030	9,433,890

	ADOPTED FY 2015 GENERAL FUND	AMEND #1 FY 2015 GENERAL FUND	AMEND #2 FY 2015 GENERAL FUND
BEGINNING CASH	690,713	690,713	690,713
RESERVE (CD)	1,500,000	1,500,000	1,500,000
TOTAL FROM ALL SOURCES	\$ 10,771,054	11,301,743	11,624,603

EXPENDITURES:

GENERAL GOVERNMENT

PERSONNEL	\$ 784,205	784,205	784,205
SUPPLIES	34,250	34,250	34,250
OTHER SERVICES & CHARGES	476,573	477,573	480,973
CAPITAL OUTLAY	0	1,449	8,049
			Reclass to Capital Outlay - New server City Hall, increase in property cleanup
			Reclass from Services - New server City Hall
TOTALS	1,295,028	1,297,477	1,307,477

PUBLIC SAFETY - POLICE

PERSONNEL	\$ 2,306,594	2,306,594	2,306,594
SUPPLIES	222,030	222,030	222,030
OTHER SERVICES & CHARGES	229,794	277,794	352,794
CAPITAL OUTLAY	8,657	8,657	12,095
			O/S Inmate Medical Bills
			Police Server
TOTALS	2,767,075	2,815,075	2,893,513

PUBLIC SAFETY - FIRE

PERSONNEL	\$ 2,006,143	2,006,143	2,006,143
SUPPLIES	54,600	54,600	54,600
OTHER SERVICES & CHARGES	82,889	82,889	82,889
CAPITAL OUTLAY	0	0	0
TOTALS	2,143,632	2,143,632	2,143,632

	ADOPTED FY 2015 GENERAL FUND	AMEND #1 FY 2015 GENERAL FUND	AMEND #2 FY 2015 GENERAL FUND	
<u>PUBLIC WORKS</u>				
PERSONNEL	719,829	719,829	726,039	Sidewalk assessment temp. employee - approved 4.7.15
SUPPLIES	278,059	278,059	278,559	Supplies for sidewalk assessment
OTHER SERVICES & CHARGES	333,300	333,300	345,442	Travel for sidewalk assessment, E. Canal Lighting (FNBOP)
CAPITAL OUTLAY	36,000	82,500	90,000	Purchase of ATV
TOTALS	1,367,188	1,413,688	1,440,040	
<u>GRANTS</u>				
CAPITAL OUTLAY	554,820	1,065,320	1,165,320	Additional \$\$ for MDOT Hwy 43 Lighting/Memorial Blvd
TOTALS	554,820	1,065,320	1,165,320	
<u>AID TO OTHER GOVERNMENTS</u>				
TRANSFERS TO OTHER FUNDS	19,280	19,280	19,280	
OTHER	433,318	433,318	439,391	Debt Service - Lease Pmt. tractor approved 1.06.15
TOTAL EXPENDITURES	0	0	0	
ENDING CASH BALANCE	8,580,341	9,187,791	9,408,653	
TOTAL EXPENDITURES & ENDING CASH BALANCE	2,190,713	2,113,953	2,215,950	
	\$ 10,771,054	11,301,743	11,624,603	



UTILITY FUND
FY 2015
ADOPTED BUDGET

ADOPTED
UTILITY FUND
FY 2015

AMEND #1
UTILITY FUND
FY 2015

AMEND #2
UTILITY FUND
FY 2015

RECEIPTS:

INTERGOVERNMENTAL REVENUES	\$	99,000	99,000	99,000
CHARGES FOR UTILITY SERVICES		4,871,538	4,871,538	4,871,538
MISCELLANEOUS		288,000	288,000	288,000
INTEREST EARNINGS		10,140	10,140	10,140
TRANSFERS		0	0	5,000 Transfer from Water Contingency Fund
PROCEEDS FROM LOANS		0	0	0
TOTAL REVENUES		5,268,678	5,268,678	5,273,678
BEGINNING CASH		2,340,672	2,340,672	2,340,672
CASH RESTRICTED-REVENUE BOND MONEY		2,407,660	2,407,660	2,407,660
TOTAL FROM ALL SOURCES	\$	10,017,010	10,017,010	10,022,010

	<u>ADOPTED UTILITY FUND FY 2015</u>	<u>AMEND #1 UTILITY FUND FY 2015</u>	<u>AMEND #2 UTILITY FUND FY 2015</u>
EXPENDITURES:			
<u>UTILITY ADMINISTRATION</u>			
PERSONNEL	564,707	564,707	564,707
SUPPLIES	29,000	29,000	29,000
OTHER SERVICES & CHARGES	185,250	185,250	185,250
CAPITAL OUTLAY	0	0	0
TOTALS	778,957	778,957	778,957
<u>DIRECTOR OF PUBLIC WORKS</u>			
PERSONNEL	159,997	159,997	159,997
SUPPLIES	16,000	16,000	16,000
OTHER SERVICES & CHARGES	79,615	79,615	79,615
CAPITAL OUTLAY	2,000	2,000	2,000
TOTALS	257,612	257,612	257,612
<u>WATER OPERATIONS</u>			
PERSONNEL	504,765	504,765	504,765
SUPPLIES	223,433	223,433	223,433
OTHER SERVICES & CHARGES	130,247	130,247	130,247
CAPITAL OUTLAY	268,656	288,656	293,656
TOTALS	1,127,101	1,147,101	1,152,101

Water Well Repair

	ADOPTED UTILITY FUND FY 2015	AMEND #1 UTILITY FUND FY 2015	AMEND #2 UTILITY FUND FY 2015
<u>GAS OPERATIONS</u>			
PERSONNEL	\$ 375,903	375,903	375,903
SUPPLIES	1,370,483	1,370,483	1,370,483
OTHER SERVICES & CHARGES	95,615	95,615	95,615
CAPITAL OUTLAY	2,407,670	2,407,670	2,420,420 USDOT Grant
TOTALS	4,249,671	4,249,671	4,262,421
<u>GARBAGE</u>			
PERSONNEL	\$		
SUPPLIES			
OTHER SERVICES & CHARGES	810,000	810,000	810,000
CAPITAL OUTLAY			
TOTALS	810,000	810,000	810,000
<u>COST OF LIVING RAISES</u>			
DEBT PAYMENTS	\$ 373,028	373,028	379,101 Lease pmt for tractor, approved 1.06.15
AID TO OTHER GOVERNMENTS			
TRANSFER TO CONTINGENCY FUNDS	100,000	100,000	100,000
OTHER			
TOTAL EXPENDITURES	7,696,369	7,716,369	7,740,192
ENDING CASH BALANCE	2,320,641	2,300,641	2,281,818
TOTAL EXPENDITURES & ENDING CASH BALANCE	\$ 10,017,010	10,017,010	10,022,010



CITY OF PICAYUNE
ADOPTED WATER CONTINGENCY
FUND BUDGET
FY 2015

	ADOPTED FY 2015 WATER CONTINGENCY FUND	AMEND #1 FY 2015 WATER CONTINGENCY FUND
RECEIPTS:		
INTEREST INCOME	\$ 500	500
TRANSFER FROM UTILITY FUND	75,000	75,000
TOTAL REVENUES	75,500	75,500
BEGINNING CASH	290,022	290,222
TOTAL FROM ALL SOURCES	\$ 365,522	\$ 365,722
EXPENDITURES:		
PERSONNEL	0	0
SUPPLIES	0	0
OTHER SERVICES & CHARGES	0	0
CAPITAL OUTLAY	166,000	166,000
TOTALS	166,000	166,000
COST OF LIVING RAISES	0	0
DEBT PAYMENTS	0	0
AID TO OTHER GOVERNMENTS	0	0
TRANSFERS TO OTHER FUNDS	0	5,000
OTHER	0	0
TOTAL EXPENDITURES	166,000	171,000
ENDING CASH BALANCE	199,522	194,722
TOTAL EXPENDITURES & ENDING CASH BALANCE	\$ 365,522	\$ 365,722



CITY OF PICAYUNE
ADOPTED
CAPITAL PROJECTS FUND BUDGET
FY 2015

ADOPTED AMEND #1
FY 2015
CAP PROJECTS CAP PROJECTS
FUND FUND

RECEIPTS:

MISCELLANEOUS	0	11,000	Donations for MDA Parking Lot Phase II
TRANSFERS	0	0	
INTEREST	500	500	
TOTAL REVENUES	500	11,500	
BEGINNING CASH	214,006	214,006	
TOTAL FROM ALL SOURCES	\$ 214,506	225,506	

EXPENDITURES:

2010 STREET PAVING PROJECT	0	0	
CITY HALL RENOVATION/EXPANSION	0	0	
CECILE STREET DRAINAGE	0	0	
TRANSFERS	180,880	219,380	MDOT grant match plus green space match plus MDA & donations plus MDOT additional grant \$ and purchase of ATV for Parks
TOTAL EXPENDITURES	180,880	219,380	
ENDING CASH BALANCE	33,526	6,126	
TOTAL EXPENDITURES & ENDING CASH BALANCE	\$ 214,506	225,506	

*Transfer to General Fund for matching funds of the Safe Routes to School and Federal Surface Transportation grants. The ending cash balance reflects available \$\$ for capital projects, pending approval by Council.

60

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouquet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE REQUEST TO ASSESS COURT COSTS

Motion was made by Council Member Valente, seconded by Council Member Stevens to assess court costs to dismissed or passed to file charges.

Court Equipment \$10
Court Maintenance \$5
Court Fee \$35

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AT THIS TIME COUNCIL MEMBER VALENTE RECUSED HERSELF AND LEFT THE MEETING

APPROVE COMPROMISE OF DISPUTED CLAIM FOR UTILITY BILL

Motion was made by Council Member Breland, seconded by Council Member Stevens to approve a compromise of disputed claim for utility billing account number 18320.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero and Council Member Valente

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AT THIS TIME COUNCIL MEMBER VALENTE RETURNED TO THE MEETING

APPROVE REQUEST TO ADVERTISE FOR REQUESTS FOR PROPOSALS FOR THE PICAYUNE MUNICIPAL AIRPORT

Motion was made by Council Member Stevens, seconded by Council Member Breland to approve the advertisement of Requests for Proposals (RFP) from qualified companies to provide professional airport planning, engineering, and airport construction management services for the Picayune Municipal Airport.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPOINT A SELECTION COMMITTEE TO REVIEW AND RATE THE PROPOSALS FROM QUALIFIED COMPANIES

Motion was made by Council Member Breland, seconded by Council Member Valente to appoint a selection committee to review and rate the proposals from qualified companies for airport planning, engineering, and airport construction management services. The selection committee will consist of Amber Hinton, Harvey Miller and Andy Greenwood.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE REQUEST TO RESCIND DENIAL OF REQUEST FROM JIMMY STOCKSTILL FOR A CONDITIONAL USE

Motion was made by Council Member Valente, seconded by Council Member Stevens to approve request to rescind the denial of request made from Jimmy Stockstill dated March 17, 215 for a Conditional Use for property located at 102 Meadowgreen Blvd.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE REQUEST TO ALLOW JIMMY STOCKSTILL TO SUBMIT PLANS AND SPECS TO SITE REVIEW AND RESUBMIT TO PLANNING COMMISSION FOR A CONDITIONAL USE

Motion was made by Council Member Valente, seconded by Council Member Stevens to allow Jimmy Stockstill to submit plans and specs to Site Review for 102 Meadowgreen Blvd. and resubmit to the Planning Commission for a Conditional Use once property has been approved by Site Review Committee. Property is zoned C-3.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT DONATIONS OF LANDSCAPING MATERIALS FROM WAL-MART

Motion was made by Council Member Breland, seconded by Council Member Valente to accept donations of landscaping supplies from Wal-Mart as follows: 19 bags Mulch, 46 bags top soil, 15 bags potting soil, 2 ½ pallets peat moss, 1 bag rocks, 3 bags clay sand, and 2 pallets colored play sand.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE REQUEST TO ENTER INTO A CONSTRUCTION AGREEMENT AND LEASE OF LIGHTING WITH MS POWER CO

Motion was made by Council Member Stevens, seconded by Council Member Valente to approve request to enter into a construction agreement and lease of lighting with MS Power Co. for the West Canal Lighting Project and authorize City Manager to sign the same.

2992 West Beach Boulevard
P. O. Box 4079
Gulfport, Mississippi 39502-4079
Tel 228-867-1065



April 30th, 2015

City of Picayune
203 Goodyear Blvd
Picayune, MS 39466

To Whom It May Concern:

Mississippi Power Company (MPC) would like to propose an underground lighting installation for West Canal Street in Picayune.

The advantages of using MPC to provide your lighting maintenance includes our 24 hour call center, over 70 years of lighting experience, quick response from local experienced employees, utility-grade material, low monthly maintenance fee that is included on your existing light bill, and our existing lighting material inventory.

Work Scope:

Install

- (14) Black Concrete Decorative Poles
- (14) 150W Metal Halide Fixtures
- (14) Fiberglass Electrical Pull Boxes
- Underground conduit and conductor*

Payment

- ❖ Up-Front Installation Differential Cost: **\$12,500**
- ❖ Estimated Monthly Cost For Poles and Fixtures: **\$531.30/month****

**Customer is responsible for concrete work around poles after work is completed*

***5 year minimum term required and includes complete maintenance of lighting system. Monthly payment includes energy consumption. Applicable taxes not included.*

The pricing in this proposal is good for 60 days. Typical lead time for material is 8-10 weeks. This document contains trade secrets proprietary to Mississippi Power and shall not be disclosed to any other party.

Once you are ready to move forward with the installation or if you have any questions, please give us a call. Thank you again for the opportunity to work with you to provide your lighting needs.

Sincerely,
Dondi Sawyer
Office: (228) 865-5817
Cell: (228) 861-1016
Fax: (228) 865-5843
dsawyer@southernco.com

Proprietary and Confidential Information

gc

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AWARD HUEY STOCKSTILL, INC. AS THE LOWEST AND BEST BIDDER FOR THE MEMORIAL BLVD OVERLAY AND HWY 43 NORTH LIGHTING PROJECT

Motion was made by Council Member Breland, seconded by Council Member Valente to award Huey Stockstill, Inc. as the lowest and best bidder for the Federal Aid Project No. STP-0400-00 (030) LPA 106715/70100 Memorial Blvd. Overlay and Hwy 43 North Lighting Project.



City of Picayune
 Highway 43 South-Maintenance Overlay
 Highway 43 North-Street Lighting
 Federal Aid Project No. STP-0400-00(030) LPA106715-701000
 Pearl River County, MS
 April 30, 2015 - 10:00 AM



Certified Bid Tabulation

ITEM NO.	ITEM	UNIT	QTY.	Engineer's Estimate		Huey Stockstill, Inc.	
				UNIT PRICE	TOTAL AMOUNT	UNIT PRICE	TOTAL AMOUNT
STP-0400-00(030) LPA106715-701000							
406-A001	COLD MILLING OF BITUMINOUS PAVEMENT, ALL DEPTHS	SY	5,141	\$ 4.00	\$ 20,564.00	\$ 6.00	\$ 30,846.00
619-A3003	TEMPORARY TRAFFIC STRIPE, SKIP WHITE, TYPE 1 OR 2 TAPE	LF	1,450	\$ 1.00	\$ 1,450.00	\$ 0.30	\$ 435.00
620-A001	MOBILIZATION	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 27,000.00	\$ 27,000.00
682-A010	UNDERGROUND BRANCH CIRCUIT, AWG 10, 4 CONDUCTOR	LF	700	\$ 2.00	\$ 1,400.00	\$ 2.00	\$ 1,400.00
682-A032	UNDERGROUND BRANCH CIRCUIT, AWG 6, 4 CONDUCTOR	LF	2,065	\$ 2.50	\$ 5,162.50	\$ 3.35	\$ 6,917.75
682-A037	UNDERGROUND BRANCH CIRCUIT, AWG 8, 4 CONDUCTOR	LF	1,030	\$ 2.50	\$ 2,625.00	\$ 3.00	\$ 3,150.00
682-B032	UNDERGROUND BRANCH CIRCUIT, JACKED OR BORED, AWG 6, 4 CONDUCTOR	LF	690	\$ 22.00	\$ 15,180.00	\$ 24.00	\$ 16,560.00
682-B037	UNDERGROUND BRANCH CIRCUIT, JACKED OR BORED, AWG 8, 4 CONDUCTOR	LF	330	\$ 22.00	\$ 7,260.00	\$ 23.00	\$ 7,590.00
682-E001	UNDERGROUND JUNCTION BOX	EA	18	\$ 800.00	\$ 14,400.00	\$ 500.00	\$ 9,000.00
907-403-A018	ASPHALT PAVEMENT, ST. 12.5-MM MIXTURE	TON	470	\$ 110.00	\$ 51,700.00	\$ 115.00	\$ 54,050.00
907-403-A019	ASPHALT PAVEMENT, ST. 19.0-MM MIXTURE	TON	18	\$ 200.00	\$ 3,600.00	\$ 260.00	\$ 4,680.00
907-403-B012	ASPHALT PAVEMENT, ST. 9.5-MM MIXTURE, LEVELING	TON	210	\$ 120.00	\$ 25,200.00	\$ 126.00	\$ 26,460.00
907-407-A001	ASPHALT FOR TACK COAT	GALLON	500	\$ 5.00	\$ 2,500.00	\$ 4.00	\$ 2,000.00
907-618-A001	MAINTENANCE OF TRAFFIC	SF	1	\$ 20,000.00	\$ 20,000.00	\$ 9,500.00	\$ 9,500.00
907-618-B001	ADDITIONAL CONSTRUCTION SIGNS	SF	1	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
907-682-F002	SECONDARY POWER CONTROLLER, AS PER PLANS	EA	2	\$ 1,500.00	\$ 3,000.00	\$ 1,400.00	\$ 2,800.00

Certification this a true and correct tabulation of bids for the City of Picayune, received by the Mayor and City Council on April 30, 2015 at 10:00 am at which time said bids were opened and read aloud.

Vernon Moore
 Vernon Moore, P. E.



City of Picaune
 Highway 43 South-Maintenance Overlay
 Highway 43 North-Street Lighting
 Federal Aid Project No. STP-0400-00(030) LPA/106715-701000
 Pearl River County, MS
 April 30, 2015 - 10:00 AM



83

Certified Bid Tabulation

ITEM NO.	ITEM	UNIT	QTY.	Engineer's Estimate		Huey Stockstill, Inc.	
				UNIT PRICE	TOTAL AMOUNT	UNIT PRICE	TOTAL AMOUNT
STP-0400-00(030) LPA/106442-701000							
907-683-PP001	LIGHTING ASSEMBLY, LOW MAST, AS PER PLANS	EA	14	\$ 7,000.00	\$ 98,000.00	\$ 7,300.00	\$ 102,200.00
907-626-A004	6" THERMOPLASTIC TRAFFIC STRIPE, SKIP WHITE	LF	1,450	\$ 1.00	\$ 1,450.00	\$ 1.00	\$ 1,450.00
907-626-C008	6" THERMOPLASTIC EDGE STRIPE, CONTINUOUS WHITE	LF	1,280	\$ 1.00	\$ 1,280.00	\$ 1.00	\$ 1,280.00
907-626-F008	6" THERMOPLASTIC EDGE STRIPE, CONTINUOUS YELLOW	LF	800	\$ 2.00	\$ 1,600.00	\$ 2.00	\$ 1,600.00
907-626-G004	THERMOPLASTIC DETAIL STRIPE WHITE	LF	112	\$ 2.00	\$ 224.00	\$ 3.00	\$ 336.00
907-626-G005	THERMOPLASTIC DETAIL STRIPE YELLOW	LF	426	\$ 2.00	\$ 852.00	\$ 3.00	\$ 1,278.00
907-626-H004	THERMOPLASTIC LEGEND, WHITE	LF	192	\$ 4.00	\$ 768.00	\$ 4.00	\$ 768.00
BASE BID TOTAL:					\$ 288,225.50		\$ 311,310.75

Certification this a true and correct tabulation of bids for the City of Picaune, received by the Mayor and City Council on April 30, 2015 at 10:00 am at which time said bids were opened and read aloud.

Verion Moore

Verion Moore, P.E.



City of PicaYune
 Highway 43 South-Maintenance Overlay
 Highway 43 North-Street Lighting
 Federal Aid Project No. STP-0400-00(030) LPA/106715-701000
 Pearl River County, MS
 April 30, 2015 - 10:00 AM



MS

Certified Bid Tabulation

ITEM NO.	ITEM	UNIT	QTY.	Engineer's Estimate		Huey Stockstill, Inc.	
				UNIT PRICE	TOTAL AMOUNT	UNIT PRICE	TOTAL AMOUNT
STP-0400-00(028) LPA/106442-701000							
ADD OPTION #1							
682-A010	UNDERGROUND BRANCH CIRCUIT, AWG 10, 4 CONDUCTOR	LF	200	\$ 2.00	\$ 400.00	\$ 2.00	\$ 400.00
907-683-PP001	LIGHTING ASSEMBLY, LOW MAST, AS PER PLANS	EA	4	\$ 7,000.00	\$ 28,000.00	\$ 7,000.00	\$ 28,000.00
ADD OPTION #1 TOTAL:					\$ 28,400.00		\$ 28,400.00
ADD OPTION #2							
682-A010	UNDERGROUND BRANCH CIRCUIT, AWG 10, 4 CONDUCTOR	LF	200	\$ 2.00	\$ 400.00	\$ 2.00	\$ 400.00
682-A037	UNDERGROUND BRANCH CIRCUIT, AWG 8, 4 CONDUCTOR	LF	720	\$ 2.50	\$ 1,800.00	\$ 3.00	\$ 2,160.00
682-B037	UNDERGROUND BRANCH CIRCUIT, JACKED OR BORED, AWG 8, 4 CONDUCTOR	LF	175	\$ 22.00	\$ 3,850.00	\$ 23.00	\$ 4,025.00
682-E001	UNDERGROUND JUNCTION BOX	EA	4	\$ 800.00	\$ 3,200.00	\$ 525.00	\$ 2,100.00
907-683-PP001	LIGHTING ASSEMBLY, LOW MAST, AS PER PLANS	EA	4	\$ 7,000.00	\$ 28,000.00	\$ 7,300.00	\$ 29,200.00
ADD OPTION #2 TOTAL:					\$ 37,250.00		\$ 37,885.00
				BASE BID AND ADD OPTION NUMBER 1:	\$ 316,625.50		\$ 339,710.75
				BASE BID AND ADD OPTION NUMBER 2:	\$ 325,475.50		\$ 349,195.75
				BASE BID AND ADD OPTION NUMBER 1 AND ADD OPTION NUMBER 2:	\$ 359,875.50		\$ 377,595.75

Certification this a true and correct tabulation of bids for the City of PicaYune, received by the Mayor and City Council on April 30, 2015 at 10:00 am at which time said bids were opened and read aloud.

Vernon Moore
 Vernon Moore, P.E.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gougnet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE OUT OF STATE TRAVEL FOR CHIEF BRYAN DAWSEY, CAPT. RAY CARLISLE AND CITY MANAGER JIM LUKE

Motion was made by Council Member Breland, seconded by Council Member Stevens to authorize out of state travel for Chief Bryan Dawsey, Capt. Ray Carlisle and City Manager Jim Luke to attend ROCIC Training Conference July 12-15, 2015 in Springdale, Arkansas.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE OUT OF STATE TRAVEL FOR CHIEF KEITH BROWN

Motion was made by Council Member Breland, seconded by Council Member Stevens to authorize out of state travel for Chief Keith Brown to Birmingham, AL, June 16-21, 2015 for the purpose of attending a Southeast Association of Fire Chief's Conference

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AT THIS TIME COUNCIL MEMBER VALENTE RECUSED HERSELF AND LEFT THE MEETING

APPROVE FINAL VERSION OF INDIVIDUAL GROUND LEASES BY AND BETWEEN THE CITY OF PICAYUNE AND G4, LLC AND ANGEL AVIATION, LLC AND CLOUD NINE AVIATION

Motion was made by Council Member Stevens, seconded by Council Member Bumpers to authorize Mayor to sign the final version of the individual ground leases by and between the City of Picayune and G4, LLC, Angel Aviation, LLC and Cloud Nine Aviation, Inc.

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made between the City of Picayune, Mississippi ("Landlord") and Angel Aviation, LLC, a Mississippi limited liability company ("Tenant").

In consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Premises. Landlord hereby leases to Tenant and Tenant takes and leases from Landlord, upon the terms and conditions set forth in this Lease, a parcel of land on the property of the Picayune Municipal Airport in Pearl River County, Mississippi, as more particularly described in Exhibit A attached hereto (the "Premises").

2. Term.

(a) Initial Term. The initial term of this Lease shall be fifteen (15) years (the "Initial Term") commencing on June 1, 2015 (the "Commencement Date").

(b) Renewal. Upon the expiration of the Initial Term, the Tenant shall have the option to renew this Lease for two (2) additional periods of fifteen (15) years (each an "Extended Term"), upon the same terms and conditions, with the exception of Rent, provided not less than sixty (60) days prior to the expiration of the then-existing Term Tenant gives written notice to Landlord of Tenant's election to extend the Term and Tenant is not then in default beyond any cure period at the time of the delivery of said extension notice. (The Initial Term and Extended Term(s) hereinafter referred to as the "Term").

3. Rent. Tenant agrees to pay Landlord for the Initial Term of this Lease an annual rental payment of \$0.15 per square foot ("Rent"). The parties acknowledge and agree that the Premises is comprised of 7,200 square feet, consisting of two 3,600 square foot units. For each Extended Term, the Landlord shall have the right to determine any reasonable increase in the Rent. Notwithstanding any provision to the contrary in this Lease, this Lease shall be a so-called "true net lease" and Landlord shall receive the Rent free from, without limitation, all expenses of ownership or occupancy, taxes, assessments, fees, impositions, expenses, roof replacement or repair, parking lot repair or replacement, HVAC system repair or replacement, deductions of any and every kind, costs arising from the utilities, maintenance, repair, replacement, operation of the Premises, or property insurance with respect to the Premises.

4. Rent Payments. Rent shall be payable in advance, without demand, on the first day of each and every year during this Lease in immediately available funds, with an initial prorated payment on the Commencement Date. All Rent payments shall be made to Landlord at its mailing address as set forth in Section 26 of this Lease or such other address as Landlord shall notify Tenant in writing. Tenant shall not for any reason withhold, reduce or set off Tenant's

Page 1 of 12
Landlord Initials EP
Tenant Initials AP

required payments of Rent and/or other charges provided under this Lease. In the event Rent, charges or other sums provided for herein shall be paid more than five (5) days after the due date thereof, a late charge of 5% of the sum due shall immediately be due from Tenant, and overdue rent shall accrue interest at the rate of 1.5% per month or the highest lawful interest rate, whichever is lower. This late charge and finance rate shall be in addition to, and not in lieu of, any other remedies of the Landlord.

5. Use of Premises. The Landlord and Tenant have entered into this Lease pursuant to Miss. Code Ann. §61-5-11. Tenant agrees that the Premises shall be used only for lawful commercial purposes, and that Tenant shall make no other use of the Premises without the written consent of the Landlord.

6. Maintenance and Repair. Tenant shall be responsible for maintaining the Premises in good and clean condition and repair, including, but not limited to, (i) the roof of the building, (ii) exterior of the building, (iii) plumbing, (iv) any heating units and air conditioning units, (v) electrical units and wiring of the building, and (vi) areas surrounding the building on the Premises. All damage or injury to the Premises resulting from neglect or improper conduct of Tenant, its employees, invitees or licensees shall be repaired promptly by Tenant at its sole cost and expense, to the satisfaction of Landlord. With respect to all maintenance and repairs made by Tenant, all such work shall be performed in a good and workmanlike manner and subject to and in accordance with all applicable federal, state, county and city building and/or fire department codes, ordinances, laws, and regulations. All required alterations performed in connection with such work to meet said codes, ordinances, laws, and regulations shall be performed by Tenant at Tenant's sole cost and expense. Tenant shall obtain Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, with respect to any third-party contractor Tenant desires to engage for the performance of any such work within or about the Premises.

7. Quiet Enjoyment. The Landlord covenants that the Tenant shall have quiet, peaceful and uninterrupted possession of the Premises so long as Tenant shall keep and perform all of the covenants and obligations of the Tenant hereunder.

8. Landlord's Right of Entry. Landlord and its authorized agents shall have the right to enter the Premises for any reason upon reasonable notice to the Tenant. Landlord shall have the right to enter the Premises without prior notice to Tenant if Landlord reasonably believes that an emergency exists.

9. Utilities. Tenant shall pay, prior to delinquency, all charges for utility service to the Premises, including, but not limited to, water, sewer, gas, power and electric current, telephone, cable and internet and all other services and materials used by Tenant in, on or about the Premises from and after the delivery of possession of the Premises by Landlord, together with any taxes thereon. If any such charges are not paid when due Landlord may pay the same, and any amount so paid by Landlord, together with interest thereon, shall thereupon become due

Page 2 of 12
Landlord Initials EP
Tenant Initials aw

to Landlord from Tenant as Rent. Tenant agrees to keep the Premises lighted, heated and air conditioned at such levels as may be reasonably required by the Landlord to protect the buildings, utility conduits, and other portions of the Premises. Landlord does not warrant that any of the utility services above-mentioned will be free from interruptions arising from causes beyond the reasonable control of Landlord. Any such interruption of service shall not be deemed an eviction or disturbance of Tenant's use and possession of the Premises, or any part thereof, or render Landlord liable to Tenant for damages, or relieve Tenant from the performance of Tenant's obligations under this Lease. Landlord shall have no responsibility or liability for the failure of any public or private utility to supply sufficient or adequate utility services to the Premises.

10. Insurance.

(a) Insurance Generally. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord. Each policy shall name Landlord and any other parties reasonably requested by Landlord (including but not limited to its mortgagees), as an additional insured as its interest may appear. Tenant shall deliver certificates or duplicate originals of all policies to Landlord. All policies of insurance must contain a provision that the company writing said policy will give to Landlord thirty (30) day notice in writing in advance of any modification, cancellation or lapse or reduction in the amounts of insurance. All public liability, property damage and other casualty insurance policies shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

(b) Property and Casualty Insurance. At all times during the Term hereof, Tenant shall maintain in effect policies of property and casualty insurance covering (i) all buildings and other improvements in, on or to the Premises whether existing as of the Commencement Date or made thereafter and (ii) fixtures, merchandise and other personal property from time to time in, on or upon the Premises. Such policies shall be in the broadest available "special form" or "all risks" coverage in an amount not less than one hundred percent (100%) of the full replacement cost thereof from time to time during the Term of this Lease.

(c) Liability Insurance. Tenant shall at all times during the Term hereof at its own cost and expense obtain and continue in force commercial general liability insurance covering bodily or personal injury liability and property damage liability insurance coverage to protect against liability for injury to or death of any person in connection with the activities of Tenant in, on or about the Premises or with the use, operation or condition of the Premises. Such insurance at all times shall be in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence for bodily or personal injury or property damage and with not less than Two Million Dollars (\$2,000,000) aggregate. The limits of such insurance do not limit the liability of Tenant hereunder.

Page 3 of 12
Landlord Initials EP
Tenant Initials AP

11. Waiver of Subrogation Rights. Tenant, on its own behalf and on behalf of any insurer or other person claiming through them by way of subrogation, waive any claim against the other for any loss or cost arising out of damage that would be insured against under standard commercial forms of fire and extended coverage insurance, regardless of whether the party suffering the loss carries such insurance, whether the amount of the insurance is sufficient to cover the loss, or any deductibles.

12. Other Covenants of Tenant. Tenant further covenants and agrees:

(a) Tenant will not create or allow any nuisance to exist in or about the Premises. Tenant agrees to take good care of the Premises and to keep same free from waste at all times.

(b) Tenant will, upon the expiration or termination of this Lease, promptly remove its personal property and deliver to the Landlord the Premises in good and clean condition. Tenant shall repair any damage caused by the installation and/or removal of any property described herein. Tenant shall deliver all keys for the Premises to Landlord and inform Landlord of all combinations on locks, safes and vaults, if any, in the Premises. If Tenant shall fail to remove its personal property, as provided herein, such property shall be deemed abandoned by Tenant and, at the option of Landlord, shall become the property of Landlord or removed and disposed of by Landlord at Tenant's expense. Landlord may, at its election, repair any damage to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, alterations, improvements and installations, and all costs for such repairs shall be at Tenant's expense.

13. Holding Over. Any continuation by Tenant in possession after expiration or termination of this Lease shall constitute a month-to-month tenancy at 200% of the Rent set forth herein but otherwise subject to all other provisions of this Lease.

14. Alterations. Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord. All such work performed by Tenant shall be at the sole cost and expense of the Tenant and in a good and workmanlike manner and subject to and in accordance with all applicable federal, state, county and city building and/or fire department codes, ordinances, laws, and regulations. All required alterations performed in connection with such work to meet said codes, ordinances, laws, and regulations shall be performed by Tenant at Tenant's sole cost and expense. Tenant shall obtain Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, with respect to any third-party contractor Tenant desires to engage for the performance of any such work within or about the Premises. All additions, fixtures and improvements, whether temporary or permanent in character made in or upon the Premises, shall immediately become a part of the Premises and be and remain Landlord's property and shall remain upon the Premises at the expiration or earlier termination of this Lease, with no compensation to Tenant. Landlord

Page 4 of 12
Landlord Initials EP
Tenant Initials CP

reserves the right to require Tenant to remove any such improvements, fixtures or additions at the termination of this Lease or within fifteen (15) days thereafter.

15. Compliance with Laws. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force regarding the condition, use or occupancy of the Premises, including, but not limited to, compliance with the **Minimum Standards and/or Regulations** adopted by the City.

16. Destruction of Premises. If, during the Term of this Lease, the Premises shall be destroyed or damaged in whole or in part by fire, windstorm or any other casualty whatsoever, Tenant shall (i) give Landlord prompt notice thereof, and (ii) repair, reconstruct or replace the Premises, or the portion thereof so destroyed or damaged (whichever is reasonably required), so as to make the Premises at least equal in value to the Premises existing immediately prior to the casualty and as similar in character as is practicable and reasonable. Landlord shall in no way be responsible for any damage or destruction of the Premises or any personal property of Tenant. Except as otherwise expressly provided in this Lease, all such work required of Tenant under this Lease shall be started and completed as soon as reasonably practicable, at Tenant's sole cost and expense. Tenant shall, promptly take such action as is necessary to assure that the Premises (or any portion thereof) do not constitute a nuisance or otherwise present a health or safety hazard. Upon Landlord's written request, Tenant shall obtain and make receipted bills available to Landlord, and, upon completion of said work, full and final releases or waivers of lien. In the event of a casualty resulting in a loss payment for the Premises, the insurance proceeds shall be paid directly to Tenant, and Tenant shall apply such proceeds towards the costs of repair, reconstruction and restoration or demolition if needed. Nothing contained herein shall relieve Tenant of its obligations under this Section if the destruction or damage is not covered, either in whole or in part, by insurance. Notwithstanding any provision to the contrary contained in this Lease, Landlord or Tenant may terminate this Lease by giving written notice to the other party within sixty (60) days following the date of any such casualty, and, in the event of such termination all Rent shall be payable only through the date of such casualty, and any Rent paid in advance shall be promptly refunded by Landlord to Tenant. Even in the event of termination, Tenant remains responsible for the costs of repair, reconstruction and restoration or demolition if needed.

17. Indemnity. Tenant hereby agrees to indemnify, defend, and hold Landlord, its officers, officials, employees, representatives, affiliates, successors and assigns harmless from and against any and all claims, actions, damages, liability and expense in connection with the loss of life, personal injury, damages to property and/or any other damages or any administrative or criminal action by a governmental agency arising from or out of: (a) the operation, use or occupancy of the Premises; (b) any occurrence caused by the act, omission, negligence, misconduct or violation of any law, regulation or ordinance by Tenant, Tenant's, employees, agents or contractors; and/or (c) any breach of this Lease by Tenant. The foregoing indemnity

Page 5 of 12

Landlord Initials

Tenant Initials



obligations of Tenant shall include reasonable legal fees and all other reasonable costs and expenses incurred by Landlord from the first notice of any claim or demand. The provisions of this Section shall survive the expiration or termination of this Lease.

18. Environmental. Tenant makes the following covenants regarding environmental laws and regulations.

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

(b) Tenant shall give prompt written notice to Landlord of: (1) any proceeding or inquiry by any governmental authority with respect to the presence of any solid wastes or hazardous substance on the Premises or the migration thereof from or to other property; (2) all claims made or threatened by any third party against Tenant or the Premises relating to any solid wastes or hazardous substance; and (3) Tenant's discovery of any occurrence or condition that would cause the Premises to be subject to any restrictions on the ownership, occupancy, transferability or use of the Premises under any Environmental Laws.

(c) Tenant shall have first and primary responsibility for any remediation resulting from violation of the environmental provisions of this Lease, including the provisions of this Section, and shall expend such funds as may be necessary to comply with such provisions or with any requirements of law, provided that Landlord's approval of such action is first obtained. Without limitation on the foregoing, Tenant shall protect, indemnify and hold harmless and, upon Landlord's request, defend Landlord, its officers, officials, employees, representatives, affiliates, successors and assigns from and against any and all loss, damage, costs or liability (including legal fees) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, discharge, disposal or presence of a hazardous substance or pollutant on, under or about the Premises or any solid, liquid or gaseous wastes not disposed of according to Environmental Laws, including, without limitation, the costs of any required or necessary repair, cleanup or detoxification of the Premises and the implementation of any remedial or required plans. The provisions of this Section 18 shall survive the expiration or termination of this Lease.

(d) For the purposes of this Agreement, "Environmental Laws" means any and all applicable laws, rules, regulations and licenses issued, promulgated or entered into by any local, state or federal governmental authority and all codes of practice and guidance notes relating to the environment, human health or the health of animals or plants or concerning health and safety matters or the generation, treatment, use, discharge, storage or disposal of any material (including hazardous materials), chemical, or substance that, whether because of its nature, form, condition or quantity, is regulated under applicable Environmental Laws. Environmental Laws include, without limitation, the Clean Air Act (42 U.S.C. section 7401 et

Page 6 of 12
Landlord Initials EP
Tenant Initials CP

seq.), the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. section 9601 et seq.), the Federal Water Pollution Control Act (33 U.S.C. section 1251 et seq.), the Occupational Safety and Health Act (29 U.S.C. section 651 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. section 1801 et seq.), the Clean Water Act (33 U.S.C. section 1251 et seq.) and the Toxic Substance Control Act (15 U.S.C. section 2600 et seq.)

19. Default. Any of the following events shall constitute an immediate default of this Lease, at Landlord's option, without notice or demand: (a) Tenant shall fail to pay any installment of Rent when due, or any other payment to Landlord required herein when due, and such failure shall continue for a period of fifteen (15) days from the date such payment was due; (b) Tenant breaches any other covenant or obligation herein expressed which is not cured within thirty (30) days after written notice has been given, or in cases where the breach cannot be cured within thirty (30) days, Tenant does not begin to cure the breach within thirty (30) days after written notice has been given; (c) Tenant shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors; (d) Tenant shall file a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder; (e) a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant; (f) Tenant shall do or permit to be done anything which creates a lien upon the Premises; or (g) Tenant shall abandon the Premises for ten (10) days. Landlord's failure to assert any grounds for default shall not be deemed a waiver of the right to do so at any time. Landlord shall have no obligation to notify Tenant of any repeated violations of this Lease on more than two (2) occasions during any calendar year, and an event of default shall be deemed to have occurred hereunder in such circumstances without the necessity of any prior notice by Landlord or opportunity to cure by Tenant.

20. Remedies. In the event of Tenant's breach of any obligation herein expressed and such default is not corrected within the time allowed, if any, then Landlord shall have the following rights and may exercise any one or more of the following remedies in addition to such other rights, remedies, and liens as may be allowed at law or in equity:

(a) Landlord may declare this Lease terminated and may then enter upon and take possession of the Premises.

(b) Landlord may permit this Lease to remain in force but shall have, at its option, the immediate right of re-entry and possession.

(c) Regardless of whether Landlord elects to terminate this Lease or to continue the same in force, Landlord may at its option: (1) declare all Rent for the remaining term of this Lease to be immediately due and payable at the rate and amount in effect when the default occurred; or (2) collect all sums due under this Lease in intervals as they accrue.

Page 7 of 12
Landlord Initials EP
Tenant Initials (2)

(d) Landlord, after having regained possession of the Premises, shall use reasonable efforts to seek another tenant for the Premises. Notwithstanding any provision herein to the contrary, the phrase "shall use reasonable efforts" as it relates to Landlord's duty to seek another tenant shall require Landlord to do only the following: (1) notify Landlord's leasing agent in writing of the availability of the Premises for reletting, and (2) show the Premises to any prospective tenant who requests to see the Premises and to any prospective tenant specifically referred to Landlord by Tenant. Landlord shall not be required to relet all or any portion of the Premises before reletting any space at the Picayune Municipal Airport, nor shall Landlord be required to enter into any lease at below-market rates or upon any other terms which, in Landlord's reasonable discretion, would constitute an unreasonable burden, delay, or expense upon Landlord and, in connection with Landlord's review of any such lease proposal, Landlord shall be entitled to consider tenant quality and tenant-mix in making any leasing-related decision. Any subsequent lease may be granted for such term of years (which may shorter than or extend beyond the Term of this Lease) and containing such other provisions as Landlord in its sole discretion may consider to be in the best interests of Landlord. In such event, Tenant shall be entitled to a credit for the amounts actually received by Landlord pursuant to any such subsequent lease, but not beyond the Term hereof, less reasonable expenses incurred by Landlord in insuring, repairing and maintaining the Premises and complying with the environmental covenants contained in this Lease and less broker's commissions, advertising costs, legal fees and expenses and all other expenses associated with the reletting and incurred from time to time. The potential availability of such credit shall not prevent Landlord from reducing to judgment and collecting all sums provided for in this Lease to be paid by Tenant by reason of default.

(e) Landlord may require specific performance of Tenant's obligations with respect to condition of the Premises or may hold Tenant liable for the cost of performing such obligations. With respect to such an event of default by Tenant regarding Tenant's failure to make any payment or perform any other act required of Tenant hereunder, Landlord may (but shall not be obligated to do so), and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act.

In the event that a default by Tenant causes Landlord to enforce any of the terms and conditions of this Lease by an action at law or in equity, including any appeal, Tenant agrees to pay Landlord's reasonable attorneys' fees and expenses and court costs. Tenant will also pay Landlord's attorneys' fees and expenses incurred in connection with a Tenant default even though litigation does not result.

21. Condition Of Premises. Taking possession of the Premises by Tenant is conclusive evidence that Tenant:

- (a) accepts the Premises as suitable for the purposes for which it is leased;

Page 8 of 12
Landlord Initials EP
Tenant Initials (RP)

(b) accepts the Premises and any structure on the Premises and every part and appurtenance thereof AS IS, with all faults; and

(c) waives any and all claims against Landlord in respect of defects in the Premises, their habitability or suitability for any permitted purposes.

22. Assignment.

(a) Assignment by Landlord. The Landlord shall have the right to convey, assign, encumber, or otherwise dispose of the Premises and its interest under the Lease at any time, and from time to time, and the Landlord shall not be subject to any liability resulting from any act, omission, or event occurring after such conveyance.

(b) Assignment by Tenant. Tenant shall not assign or sublet all or any part of the Premises without Landlord's prior written consent, which shall be given at the sole discretion of the Landlord. This Lease and the terms and conditions contained herein shall inure to the benefit of and be binding upon Landlord and Tenant and each of their respective heirs, executors, administrators, successors and permitted assigns. Tenant agrees to reimburse Landlord up to an amount of \$2,000.00 for Landlord's attorneys' fees and costs incurred in connection with the processing and documentation of each assignment or sublease request made pursuant to this Section.

23. Termination of Lease. This Lease may be terminated by Tenant upon thirty (30) days prior written notice to Landlord. This Lease may be terminated by Landlord, only if Tenant breaches, violates, or fails to perform any of the covenants or obligations of this Lease, and any breach, violation, or failure to perform any of those covenants or obligations continues for a period of thirty (30) days after written notice thereof has been delivered by Landlord to Tenant, or, in cases where the breach, violation, or failure to perform cannot be cured within thirty (30) days, Tenant does not begin to cure the breach, violation or failure to perform within thirty (30) days after receiving Landlord's written notice. In the event of termination as set forth in this Section 23, the Tenant shall quit and surrender the Premises and remove any and all personal property in accordance with Section 12(b).

24. Mississippi Law; Severability. This Lease is governed by the laws of the State of Mississippi without regard to its conflicts of law principles. If any provisions hereof shall be unenforceable or illegal, the remaining provisions hereof shall remain in full force and effect, and this Lease shall be construed as if such unenforceable or illegal provision had not been contained herein.

25. Entire Agreement. This Lease constitutes the entire agreement between the parties and may be amended only by a written amendment signed by the Landlord and Tenant. This Lease supersedes any and all prior lease agreements between the parties.

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26. Notices. All notices hereunder shall be in writing and personally delivered to, or mailed by certified or registered mail, with all postage prepaid, to the parties hereto at the addresses first set forth below. Either party may change its address by appropriate notice given to the other. Notices shall be deemed given at the time of delivery.

<u>Landlord:</u>	<u>Tenant:</u>
City of Picayune/Picayune Municipal Airport	Angel Aviation, LLC
Attention: Director of Operations	Attention: David Futrell, member
148 Runway Road	814 Highway 43 N
Picayune, MS 39556 466	Picayune, MS 39556 466

27. Brokers. Each party represents to the other that no broker's commission will be payable as a result of this Lease. Each party agrees to indemnify and hold the other harmless from and against the claims of any third person, firm or entity claiming any brokerage commission, finder's fee or similar compensation based on any alleged negotiations or dealings with the indemnifying party.

28. Counterparts; Facsimile Signatures. This Lease and any amendment, waiver, approval or consent relating hereto may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The delivery by any party of an executed signature page to this Lease or any amendment, waiver, approval or consent relating hereto by facsimile transmission or by electronic email in Adobe Corporation's Portable Document Format (or PDF) shall be deemed to be, and shall be enforceable to the same extent as, an original signature page hereto or thereto. Any party who delivers such a signature page agrees to later deliver an original counterpart to any party that requests it.

29. Mechanics' Liens. Tenant hereby agrees to hold Landlord harmless from any mechanics' or materialman's lien filed against the Premises that result from any work contracted by Tenant. If any such lien is filed against the Premises, Tenant shall promptly remove the lien from the Premises by a bond or otherwise in accordance with statutory procedures for removal of liens under the laws of Mississippi. The hold harmless agreement set forth above includes Tenant's agreement to promptly reimburse Landlord's reasonable costs and expenses (including attorney's fees) incurred in connection with any analysis, defense or payment made by Landlord on account of any such lien. The provisions of this paragraph shall survive the expiration or early termination of this Lease.

[Signature Page Follows]

Page 10 of 12
Landlord Initials EP
Tenant Initials af

IN WITNESS WHEREOF, this Lease is executed by the Tenant and Landlord effective s
of the day first written above.

-LANDLORD-

CITY OF PICAYUNE

By: Edward Pinero

Print Name: Edward Pinero

Title: Mayor

-TENANT-

Angel Aviation, LLC

David Futrell
David Futrell
Title: President - Angel Aviation, LLC

Page 11 of 12
Landlord Initials EP
Tenant Initials _____

EXHIBIT A

Premises

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Page 12 of 12
Landlord Initials SP
Tenant Initials dy

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made between the City of Picayune, Mississippi ("Landlord") and Cloud Nine Aviation, Inc., a Mississippi corporation ("Tenant").

In consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Premises. Landlord hereby leases to Tenant and Tenant takes and leases from Landlord, upon the terms and conditions set forth in this Lease, a parcel of land on the property of the Picayune Municipal Airport in Pearl River County, Mississippi, as more particularly described in Exhibit A attached hereto (the "Premises").

2. Term.

(a) Initial Term. The initial term of this Lease shall be fifteen (15) years (the "Initial Term") commencing on June 1, 2015 (the "Commencement Date").

(b) Renewal. Upon the expiration of the Initial Term, the Tenant shall have the option to renew this Lease for two (2) additional periods of fifteen (15) years (each an "Extended Term"), upon the same terms and conditions, with the exception of Rent, provided not less than sixty (60) days prior to the expiration of the then-existing Term Tenant gives written notice to Landlord of Tenant's election to extend the Term and Tenant is not then in default beyond any cure period at the time of the delivery of said extension notice. (The Initial Term and Extended Term(s) hereinafter referred to as the "Term").

3. Rent. Tenant agrees to pay Landlord for the Initial Term of this Lease an annual rental payment of \$0.15 per square foot ("Rent"). The parties acknowledge and agree that the Premises is comprised of 3,000 square feet. For each Extended Term, the Landlord shall have the right to determine any reasonable increase in the Rent. Notwithstanding any provision to the contrary in this Lease, this Lease shall be a so-called "true net lease" and Landlord shall receive the Rent free from, without limitation, all expenses of ownership or occupancy, taxes, assessments, fees, impositions, expenses, roof replacement or repair, parking lot repair or replacement, HVAC system repair or replacement, deductions of any and every kind, costs arising from the utilities, maintenance, repair, replacement, operation of the Premises, or property insurance with respect to the Premises.

4. Rent Payments. Rent shall be payable in advance, without demand, on the first day of each and every year during this Lease in immediately available funds, with an initial prorated payment on the Commencement Date. All Rent payments shall be made to Landlord at its mailing address as set forth in Section 26 of this Lease or such other address as Landlord shall notify Tenant in writing. Tenant shall not for any reason withhold, reduce or set off Tenant's required payments of Rent and/or other charges provided under this Lease. In the event Rent, charges or other sums provided for herein shall be paid more than five (5) days after the due date thereof, a late charge of 5% of the sum due shall immediately be due from Tenant, and overdue

Page 1 of 12

Landlord Initials EP

Tenant Initials MM

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rent shall accrue interest at the rate of 1.5% per month or the highest lawful interest rate, whichever is lower. This late charge and finance rate shall be in addition to, and not in lieu of, any other remedies of the Landlord.

5. Use of Premises. The Landlord and Tenant have entered into this Lease pursuant to Miss. Code Ann. §61-5-11. Tenant agrees that the Premises shall be used only for lawful commercial purposes, and that Tenant shall make no other use of the Premises without the written consent of the Landlord.

6. Maintenance and Repair. Tenant shall be responsible for maintaining the Premises in good and clean condition and repair, including, but not limited to, (i) the roof of the building, (ii) exterior of the building, (iii) plumbing, (iv) any heating units and air conditioning units, (v) electrical units and wiring of the building, and (vi) areas surrounding the building on the Premises. All damage or injury to the Premises resulting from neglect or improper conduct of Tenant, its employees, invitees or licensees shall be repaired promptly by Tenant at its sole cost and expense, to the satisfaction of Landlord. With respect to all maintenance and repairs made by Tenant, all such work shall be performed in a good and workmanlike manner and subject to and in accordance with all applicable federal, state, county and city building and/or fire department codes, ordinances, laws, and regulations. All required alterations performed in connection with such work to meet said codes, ordinances, laws, and regulations shall be performed by Tenant at Tenant's sole cost and expense. Tenant shall obtain Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, with respect to any third-party contractor Tenant desires to engage for the performance of any such work within or about the Premises.

7. Quiet Enjoyment. The Landlord covenants that the Tenant shall have quiet, peaceful and uninterrupted possession of the Premises so long as Tenant shall keep and perform all of the covenants and obligations of the Tenant hereunder.

8. Landlord's Right of Entry. Landlord and its authorized agents shall have the right to enter the Premises for any reason upon reasonable notice to the Tenant. Landlord shall have the right to enter the Premises without prior notice to Tenant if Landlord reasonably believes that an emergency exists.

9. Utilities. Tenant shall pay, prior to delinquency, all charges for utility service to the Premises, including, but not limited to, water, sewer, gas, power and electric current, telephone, cable and internet and all other services and materials used by Tenant in, on or about the Premises from and after the delivery of possession of the Premises by Landlord, together with any taxes thereon. If any such charges are not paid when due Landlord may pay the same, and any amount so paid by Landlord, together with interest thereon, shall thereupon become due to Landlord from Tenant as Rent. Tenant agrees to keep the Premises lighted, heated and air conditioned at such levels as may be reasonably required by the Landlord to protect the buildings, utility conduits, and other portions of the Premises. Landlord does not warrant that any of the utility services above-mentioned will be free from interruptions arising from causes beyond the reasonable control of Landlord. Any such interruption of service shall not be deemed

Page 2 of 12
Landlord Initials EP
Tenant Initials MM

an eviction or disturbance of Tenant's use and possession of the Premises, or any part thereof, or render Landlord liable to Tenant for damages, or relieve Tenant from the performance of Tenant's obligations under this Lease. Landlord shall have no responsibility or liability for the failure of any public or private utility to supply sufficient or adequate utility services to the Premises.

10. Insurance.

(a) Insurance Generally. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord. Each policy shall name Landlord and any other parties reasonably requested by Landlord (including but not limited to its mortgagees), as an additional insured as its interest may appear. Tenant shall deliver certificates or duplicate originals of all policies to Landlord. All policies of insurance must contain a provision that the company writing said policy will give to Landlord thirty (30) day notice in writing in advance of any modification, cancellation or lapse or reduction in the amounts of insurance. All public liability, property damage and other casualty insurance policies shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

(b) Property and Casualty Insurance. At all times during the Term hereof, Tenant shall maintain in effect policies of property and casualty insurance covering (i) all buildings and other improvements in, on or to the Premises whether existing as of the Commencement Date or made thereafter and (ii) fixtures, merchandise and other personal property from time to time in, on or upon the Premises. Such policies shall be in the broadest available "special form" or "all risks" coverage in an amount not less than one hundred percent (100%) of the full replacement cost thereof from time to time during the Term of this Lease.

(c) Liability Insurance. Tenant shall at all times during the Term hereof at its own cost and expense obtain and continue in force commercial general liability insurance covering bodily or personal injury liability and property damage liability insurance coverage to protect against liability for injury to or death of any person in connection with the activities of Tenant in, on or about the Premises or with the use, operation or condition of the Premises. Such insurance at all times shall be in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence for bodily or personal injury or property damage and with not less than Two Million Dollars (\$2,000,000) aggregate. The limits of such insurance do not limit the liability of Tenant hereunder.

11. Waiver of Subrogation Rights. Tenant, on its own behalf and on behalf of any insurer or other person claiming through them by way of subrogation, waive any claim against the other for any loss or cost arising out of damage that would be insured against under standard commercial forms of fire and extended coverage insurance, regardless of whether the party suffering the loss carries such insurance, whether the amount of the insurance is sufficient to cover the loss, or any deductibles.

12. Other Covenants of Tenant. Tenant further covenants and agrees:

Page 3 of 12
Landlord Initials EP
Tenant Initials MM

(a) Tenant will not create or allow any nuisance to exist in or about the Premises. Tenant agrees to take good care of the Premises and to keep same free from waste at all times.

(b) Tenant will, upon the expiration or termination of this Lease, promptly remove its personal property and deliver to the Landlord the Premises in good and clean condition. Tenant shall repair any damage caused by the installation and/or removal of any property described herein. Tenant shall deliver all keys for the Premises to Landlord and inform Landlord of all combinations on locks, safes and vaults, if any, in the Premises. If Tenant shall fail to remove its personal property, as provided herein, such property shall be deemed abandoned by Tenant and, at the option of Landlord, shall become the property of Landlord or removed and disposed of by Landlord at Tenant's expense. Landlord may, at its election, repair any damage to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, alterations, improvements and installations, and all costs for such repairs shall be at Tenant's expense.

13. Holding Over. Any continuation by Tenant in possession after expiration or termination of this Lease shall constitute a month-to-month tenancy at 200% of the Rent set forth herein but otherwise subject to all other provisions of this Lease.

14. Alterations. Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord. All such work performed by Tenant shall be at the sole cost and expense of the Tenant and in a good and workmanlike manner and subject to and in accordance with all applicable federal, state, county and city building and/or fire department codes, ordinances, laws, and regulations. All required alterations performed in connection with such work to meet said codes, ordinances, laws, and regulations shall be performed by Tenant at Tenant's sole cost and expense. Tenant shall obtain Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, with respect to any third-party contractor Tenant desires to engage for the performance of any such work within or about the Premises. All additions, fixtures and improvements, whether temporary or permanent in character made in or upon the Premises, shall immediately become a part of the Premises and be and remain Landlord's property and shall remain upon the Premises at the expiration or earlier termination of this Lease, with no compensation to Tenant. Landlord reserves the right to require Tenant to remove any such improvements, fixtures or additions at the termination of this Lease or within fifteen (15) days thereafter.

15. Compliance with Laws. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force regarding the condition, use or occupancy of the Premises, including, but not limited to, compliance with the **Minimum Standards and/or Regulations** adopted by the City.

16. Destruction of Premises. If, during the Term of this Lease, the Premises shall be destroyed or damaged in whole or in part by fire, windstorm or any other casualty whatsoever, Tenant shall (i) give Landlord prompt notice thereof, and (ii) repair, reconstruct or replace the

Page 4 of 12

Landlord Initials

Tenant Initials

Handwritten initials for Landlord and Tenant. The Landlord initials appear to be 'SP' and the Tenant initials appear to be 'WJ'.

Premises, or the portion thereof so destroyed or damaged (whichever is reasonably required), so as to make the Premises at least equal in value to the Premises existing immediately prior to the casualty and as similar in character as is practicable and reasonable. Landlord shall in no way be responsible for any damage or destruction of the Premises or any personal property of Tenant. Except as otherwise expressly provided in this Lease, all such work required of Tenant under this Lease shall be started and completed as soon as reasonably practicable, at Tenant's sole cost and expense. Tenant shall, promptly take such action as is necessary to assure that the Premises (or any portion thereof) do not constitute a nuisance or otherwise present a health or safety hazard. Upon Landlord's written request, Tenant shall obtain and make receipted bills available to Landlord, and, upon completion of said work, full and final releases or waivers of lien. In the event of a casualty resulting in a loss payment for the Premises, the insurance proceeds shall be paid directly to Tenant, and Tenant shall apply such proceeds towards the costs of repair, reconstruction and restoration or demolition if needed. Nothing contained herein shall relieve Tenant of its obligations under this Section if the destruction or damage is not covered, either in whole or in part, by insurance. Notwithstanding any provision to the contrary contained in this Lease, Landlord or Tenant may terminate this Lease by giving written notice to the other party within sixty (60) days following the date of any such casualty, and, in the event of such termination all Rent shall be payable only through the date of such casualty, and any Rent paid in advance shall be promptly refunded by Landlord to Tenant. Even in the event of termination, Tenant remains responsible for the costs of repair, reconstruction and restoration, or demolition if needed.

17. Indemnity. Tenant hereby agrees to indemnify, defend, and hold Landlord, its officers, officials, employees, representatives, affiliates, successors and assigns harmless from and against any and all claims, actions, damages, liability and expense in connection with the loss of life, personal injury, damages to property and/or any other damages or any administrative or criminal action by a governmental agency arising from or out of: (a) the operation, use or occupancy of the Premises; (b) any occurrence caused by the act, omission, negligence, misconduct or violation of any law, regulation or ordinance by Tenant, Tenant's, employees, agents or contractors; and/or (c) any breach of this Lease by Tenant. The foregoing indemnity obligations of Tenant shall include reasonable legal fees and all other reasonable costs and expenses incurred by Landlord from the first notice of any claim or demand. The provisions of this Section shall survive the expiration or termination of this Lease.

18. Environmental. Tenant makes the following covenants regarding environmental laws and regulations.

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

(b) Tenant shall give prompt written notice to Landlord of: (1) any proceeding or inquiry by any governmental authority with respect to the presence of any solid wastes or hazardous substance on the Premises or the migration thereof from or to other property; (2) all

Page 5 of 12

Landlord Initials

Tenant Initials




claims made or threatened by any third party against Tenant or the Premises relating to any solid wastes or hazardous substance; and (3) Tenant's discovery of any occurrence or condition that would cause the Premises to be subject to any restrictions on the ownership, occupancy, transferability or use of the Premises under any Environmental Laws.

(c) Tenant shall have first and primary responsibility for any remediation resulting from violation of the environmental provisions of this Lease, including the provisions of this Section, and shall expend such funds as may be necessary to comply with such provisions or with any requirements of law, provided that Landlord's approval of such action is first obtained. Without limitation on the foregoing, Tenant shall protect, indemnify and hold harmless and, upon Landlord's request, defend Landlord, its officers, officials, employees, representatives, affiliates, successors and assigns from and against any and all loss, damage, costs or liability (including legal fees) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, discharge, disposal or presence of a hazardous substance or pollutant on, under or about the Premises or any solid, liquid or gaseous wastes not disposed of according to Environmental Laws, including, without limitation, the costs of any required or necessary repair, cleanup or detoxification of the Premises and the implementation of any remedial or required plans. The provisions of this Section 18 shall survive the expiration or termination of this Lease.

(d) For the purposes of this Agreement, "Environmental Laws" means any and all applicable laws, rules, regulations and licenses issued, promulgated or entered into by any local, state or federal governmental authority and all codes of practice and guidance notes relating to the environment, human health or the health of animals or plants or concerning health and safety matters or the generation, treatment, use, discharge, storage or disposal of any material (including hazardous materials), chemical, or substance that, whether because of its nature, form, condition or quantity, is regulated under applicable Environmental Laws. Environmental Laws include, without limitation, the Clean Air Act (42 U.S.C. section 7401 et seq.), the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. section 9601 et seq.), the Federal Water Pollution Control Act (33 U.S.C. section 1251 et seq.), the Occupational Safety and Health Act (29 U.S.C. section 651 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. section 1801 et seq.), the Clean Water Act (33 U.S.C. section 1251 et seq.) and the Toxic Substance Control Act (15 U.S.C. section 2600 et seq.)

19. Default. Any of the following events shall constitute an immediate default of this Lease, at Landlord's option, without notice or demand: (a) Tenant shall fail to pay any installment of Rent when due, or any other payment to Landlord required herein when due, and such failure shall continue for a period of fifteen (15) days from the date such payment was due; (b) Tenant breaches any other covenant or obligation herein expressed which is not cured within thirty (30) days after written notice has been given, or in cases where the breach cannot be cured within thirty (30) days, Tenant does not begin to cure the breach within thirty (30) days after written notice has been given; (c) Tenant shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors; (d) Tenant shall file a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any

Page 6 of 12
Landlord Initials EP
Tenant Initials WW

similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder; (e) a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant; (f) Tenant shall do or permit to be done anything which creates a lien upon the Premises; or (g) Tenant shall abandon the Premises for ten (10) days. Landlord's failure to assert any grounds for default shall not be deemed a waiver of the right to do so at any time. Landlord shall have no obligation to notify Tenant of any repeated violations of this Lease on more than two (2) occasions during any calendar year, and an event of default shall be deemed to have occurred hereunder in such circumstances without the necessity of any prior notice by Landlord or opportunity to cure by Tenant.

20. Remedies. In the event of Tenant's breach of any obligation herein expressed and such default is not corrected within the time allowed, if any, then Landlord shall have the following rights and may exercise any one or more of the following remedies in addition to such other rights, remedies, and liens as may be allowed at law or in equity:

(a) Landlord may declare this Lease terminated and may then enter upon and take possession of the Premises.

(b) Landlord may permit this Lease to remain in force but shall have, at its option, the immediate right of re-entry and possession.

(c) Regardless of whether Landlord elects to terminate this Lease or to continue the same in force, Landlord may at its option: (1) declare all Rent for the remaining term of this Lease to be immediately due and payable at the rate and amount in effect when the default occurred; or (2) collect all sums due under this Lease in intervals as they accrue.

(d) Landlord, after having regained possession of the Premises, shall use reasonable efforts to seek another tenant for the Premises. Notwithstanding any provision herein to the contrary, the phrase "shall use reasonable efforts" as it relates to Landlord's duty to seek another tenant shall require Landlord to do only the following: (1) notify Landlord's leasing agent in writing of the availability of the Premises for reletting, and (2) show the Premises to any prospective tenant who requests to see the Premises and to any prospective tenant specifically referred to Landlord by Tenant. Landlord shall not be required to relet all or any portion of the Premises before reletting any space at the Picayune Municipal Airport, nor shall Landlord be required to enter into any lease at below-market rates or upon any other terms which, in Landlord's reasonable discretion, would constitute an unreasonable burden, delay, or expense upon Landlord and, in connection with Landlord's review of any such lease proposal, Landlord shall be entitled to consider tenant quality and tenant-mix in making any leasing-related decision. Any subsequent lease may be granted for such term of years (which may shorter than or extend beyond the Term of this Lease) and containing such other provisions as Landlord in its sole discretion may consider to be in the best interests of Landlord. In such event, Tenant shall be entitled to a credit for the amounts actually received by Landlord pursuant to any such subsequent lease, but not beyond the Term hereof, less reasonable expenses incurred by Landlord in insuring, repairing and maintaining the Premises and complying with the

Page 7 of 12

Landlord Initials

Tenant Initials

EP
[Signature]

environmental covenants contained in this Lease and less broker's commissions, advertising costs, legal fees and expenses and all other expenses associated with the reletting and incurred from time to time. The potential availability of such credit shall not prevent Landlord from reducing to judgment and collecting all sums provided for in this Lease to be paid by Tenant by reason of default.

(e) Landlord may require specific performance of Tenant's obligations with respect to condition of the Premises or may hold Tenant liable for the cost of performing such obligations. With respect to such an event of default by Tenant regarding Tenant's failure to make any payment or perform any other act required of Tenant hereunder, Landlord may (but shall not be obligated to do so), and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act.

In the event that a default by Tenant causes Landlord to enforce any of the terms and conditions of this Lease by an action at law or in equity, including any appeal, Tenant agrees to pay Landlord's reasonable attorneys' fees and expenses and court costs. Tenant will also pay Landlord's attorneys' fees and expenses incurred in connection with a Tenant default even though litigation does not result.

21. Condition Of Premises. Taking possession of the Premises by Tenant is conclusive evidence that Tenant:

- (a) accepts the Premises as suitable for the purposes for which it is leased;
- (b) accepts the Premises and any structure on the Premises and every part and appurtenance thereof AS IS, with all faults; and
- (c) waives any and all claims against Landlord in respect of defects in the Premises, their habitability or suitability for any permitted purposes.

22. Assignment.

(a) Assignment by Landlord. The Landlord shall have the right to convey, assign, encumber, or otherwise dispose of the Premises and its interest under the Lease at any time, and from time to time, and the Landlord shall not be subject to any liability resulting from any act, omission, or event occurring after such conveyance.

(b) Assignment by Tenant. Tenant shall not assign or sublet all or any part of the Premises without Landlord's prior written consent, which shall be given at the sole discretion of the Landlord. This Lease and the terms and conditions contained herein shall inure to the benefit of and be binding upon Landlord and Tenant and each of their respective heirs, executors, administrators, successors and permitted assigns. Tenant agrees to reimburse Landlord up to an amount of \$2,000.00 for Landlord's attorneys' fees and costs incurred in connection with the processing and documentation of each assignment or sublease request made pursuant to this Section.

Page 8 of 12
Landlord Initials EP
Tenant Initials MM

23. Termination of Lease. This Lease may be terminated by Tenant upon thirty (30) days prior written notice to Landlord. This Lease may be terminated by Landlord, only if Tenant breaches, violates, or fails to perform any of the covenants or obligations of this Lease, and any breach, violation, or failure to perform any of those covenants or obligations continues for a period of thirty (30) days after written notice thereof has been delivered by Landlord to Tenant, or, in cases where the breach, violation, or failure to perform cannot be cured within thirty (30) days, Tenant does not begin to cure the breach, violation or failure to perform within thirty (30) days after receiving Landlord's written notice. In the event of termination as set forth in this Section 23, the Tenant shall quit and surrender the Premises and remove any and all personal property in accordance with Section 12(b).

24. Mississippi Law; Severability. This Lease is governed by the laws of the State of Mississippi without regard to its conflicts of law principles. If any provisions hereof shall be unenforceable or illegal, the remaining provisions hereof shall remain in full force and effect, and this Lease shall be construed as if such unenforceable or illegal provision had not been contained herein.

25. Entire Agreement. This Lease constitutes the entire agreement between the parties and may be amended only by a written amendment signed by the Landlord and Tenant. This Lease supersedes any and all prior lease agreements between the parties.

26. Notices. All notices hereunder shall be in writing and personally delivered to, or mailed by certified or registered mail, with all postage prepaid, to the parties hereto at the addresses first set forth below. Either party may change its address by appropriate notice given to the other. Notices shall be deemed given at the time of delivery.

Landlord:

City of Picayune/Picayune
Attn: Director of Operations
Municipal Airport
148 Runway Rd, Picayune,
MS 39556
39466

Tenant:

Cloud Nine Aviation, Inc.
Wayne Wilson, President
135 Kendrick Lane
Picayune, MS 39466

27. Brokers. Each party represents to the other that no broker's commission will be payable as a result of this Lease. Each party agrees to indemnify and hold the other harmless from and against the claims of any third person, firm or entity claiming any brokerage commission, finder's fee or similar compensation based on any alleged negotiations or dealings with the indemnifying party.

28. Counterparts; Facsimile Signatures. This Lease and any amendment, waiver, approval or consent relating hereto may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The delivery by any party of an executed signature page to this Lease or any amendment, waiver, approval or consent relating hereto by facsimile transmission or by electronic email in Adobe Corporation's Portable Document Format

Page 9 of 12
Landlord Initials SP
Tenant Initials WW

(or PDF) shall be deemed to be, and shall be enforceable to the same extent as, an original signature page hereto or thereto. Any party who delivers such a signature page agrees to later deliver an original counterpart to any party that requests it.

29. Mechanics' Liens. Tenant hereby agrees to hold Landlord harmless from any mechanics' or materialman's lien filed against the Premises that result from any work contracted by Tenant. If any such lien is filed against the Premises, Tenant shall promptly remove the lien from the Premises by a bond or otherwise in accordance with statutory procedures for removal of liens under the laws of Mississippi. The hold harmless agreement set forth above includes Tenant's agreement to promptly reimburse Landlord's reasonable costs and expenses (including attorney's fees) incurred in connection with any analysis, defense or payment made by Landlord on account of any such lien. The provisions of this paragraph shall survive the expiration or early termination of this Lease.

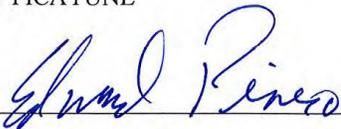
[Signature Page Follows]

Page 10 of 12
Landlord Initials EP
Tenant Initials MM

IN WITNESS WHEREOF, this Lease is executed by the Tenant and Landlord effective s of the day first written above.

-LANDLORD-

CITY OF PICAYUNE

By: 

Print Name: Edward Pinero

Title: Mayor

-TENANT-

CLOUD NINE AVIATION, INC.

By: WAYNE WILSON 

Title: PRESIDENT

Page 11 of 12
Landlord Initials 
Tenant Initials 

EXHIBIT A

Premises

Page 12 of 12
Landlord Initials SP
Tenant Initials MM

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made between the City of Picayune, Mississippi ("Landlord") and G4, LLC, a Mississippi limited liability company ("Tenant").

In consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Premises and Buildings. Landlord hereby leases to Tenant and Tenant takes and leases from Landlord, upon the terms and conditions set forth in this Lease, a parcel of land on the property of the Picayune Municipal Airport in Pearl River County, Mississippi, as more particularly described in Exhibit A attached hereto (the "Premises").

2. Term.

(a) Initial Term. The initial term of this Lease shall be fifteen (15) years (the "Initial Term") commencing on June 1, 2015 (the "Commencement Date").

(b) Renewal. Upon the expiration of the Initial Term, the Tenant shall have the option to renew this Lease for two (2) additional periods of fifteen (15) years (each an "Extended Term"), upon the same terms and conditions, with the exception of Rent, provided not less than sixty (60) days prior to the expiration of the then-existing Term Tenant gives written notice to Landlord of Tenant's election to extend the Term and Tenant is not then in default beyond any cure period at the time of the delivery of said extension notice. (The Initial Term and Extended Term(s) hereinafter referred to as the "Term").

3. Rent. Tenant agrees to pay Landlord for the Initial Term of this Lease an annual rental payment of \$0.15 per square foot ("Rent"). The parties acknowledge and agree that the Premises is comprised of 15,000 square feet. For each Extended Term, the Landlord shall have the right to determine any reasonable increase in the Rent. Notwithstanding any provision to the contrary in this Lease, this Lease shall be a so-called "true net lease" and Landlord shall receive the Rent free from, without limitation, all expenses of ownership or occupancy, taxes, assessments, fees, impositions, expenses, roof replacement or repair, parking lot repair or replacement, HVAC system repair or replacement, deductions of any and every kind, costs arising from the utilities, maintenance, repair, replacement, operation of the Premises, or property insurance with respect to the Premises.

4. Rent Payments. Rent shall be payable in advance, without demand, on the first day of each and every year during this Lease in immediately available funds, with an initial prorated payment on the Commencement Date. All Rent payments shall be made to Landlord at its mailing address as set forth in Section 26 of this Lease or such other address as Landlord shall notify Tenant in writing. Tenant shall not for any reason withhold, reduce or set off Tenant's required payments of Rent and/or other charges provided under this Lease. In the event Rent, charges or other sums provided for herein shall be paid more than five (5) days after the due date thereof, a late charge of 5% of the sum due shall immediately be due from Tenant, and overdue rent shall accrue interest at the rate of 1.5% per month or the highest lawful interest rate,

Page 1 of 12

Landlord Initials SP

Tenant Initials _____

whichever is lower. This late charge and finance rate shall be in addition to, and not in lieu of, any other remedies of the Landlord.

5. Use of Premises. The Landlord and Tenant have entered into this Lease pursuant to Miss. Code Ann. §61-5-11. Tenant agrees that the Premises shall be used only for lawful commercial purposes, and that Tenant shall make no other use of the Premises without the written consent of the Landlord.

6. Maintenance and Repair. Tenant shall be responsible for maintaining the Premises in good and clean condition and repair, including, but not limited to, (i) the roof of the building, (ii) exterior of the building, (iii) plumbing, (iv) any heating units and air conditioning units, (v) electrical units and wiring of the building, and (vi) areas surrounding the building on the Premises. All damage or injury to the Premises resulting from neglect or improper conduct of Tenant, its employees, invitees or licensees shall be repaired promptly by Tenant at its sole cost and expense, to the satisfaction of Landlord. With respect to all maintenance and repairs made by Tenant, all such work shall be performed in a good and workmanlike manner and subject to and in accordance with all applicable federal, state, county and city building and/or fire department codes, ordinances, laws, and regulations. All required alterations performed in connection with such work to meet said codes, ordinances, laws, and regulations shall be performed by Tenant at Tenant's sole cost and expense. Tenant shall obtain Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, with respect to any third-party contractor Tenant desires to engage for the performance of any such work within or about the Premises.

7. Quiet Enjoyment. The Landlord covenants that the Tenant shall have quiet, peaceful and uninterrupted possession of the Premises so long as Tenant shall keep and perform all of the covenants and obligations of the Tenant hereunder.

8. Landlord's Right of Entry. Landlord and its authorized agents shall have the right to enter the Premises for any reason upon reasonable notice to the Tenant. Landlord shall have the right to enter the Premises without prior notice to Tenant if Landlord reasonably believes that an emergency exists.

9. Utilities. Tenant shall pay, prior to delinquency, all charges for utility service to the Premises, including, but not limited to, water, sewer, gas, power and electric current, telephone, cable and internet and all other services and materials used by Tenant in, on or about the Premises from and after the delivery of possession of the Premises by Landlord, together with any taxes thereon. If any such charges are not paid when due Landlord may pay the same, and any amount so paid by Landlord, together with interest thereon, shall thereupon become due to Landlord from Tenant as Rent. Tenant agrees to keep the Premises lighted, heated and air conditioned at such levels as may be reasonably required by the Landlord to protect the buildings, utility conduits, and other portions of the Premises. Landlord does not warrant that any of the utility services above-mentioned will be free from interruptions arising from causes beyond the reasonable control of Landlord. Any such interruption of service shall not be deemed an eviction or disturbance of Tenant's use and possession of the Premises, or any part thereof, or render Landlord liable to Tenant for damages, or relieve Tenant from the performance of

Page 2 of 12

Landlord Initials EP

Tenant Initials _____

Tenant's obligations under this Lease. Landlord shall have no responsibility or liability for the failure of any public or private utility to supply sufficient or adequate utility services to the Premises.

10. Insurance.

(a) Insurance Generally. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord. Each policy shall name Landlord and any other parties reasonably requested by Landlord (including but not limited to its mortgagees), as an additional insured as its interest may appear. Tenant shall deliver certificates or duplicate originals of all policies to Landlord. All policies of insurance must contain a provision that the company writing said policy will give to Landlord thirty (30) day notice in writing in advance of any modification, cancellation or lapse or reduction in the amounts of insurance. All public liability, property damage and other casualty insurance policies shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

(b) Property and Casualty Insurance. At all times during the Term hereof, Tenant shall maintain in effect policies of property and casualty insurance covering (i) all buildings and other improvements in, on or to the Premises whether existing as of the Commencement Date or made thereafter and (ii) fixtures, merchandise and other personal property from time to time in, on or upon the Premises. Such policies shall be in the broadest available "special form" or "all risks" coverage in an amount not less than one hundred percent (100%) of the full replacement cost thereof from time to time during the Term of this Lease.

(c) Liability Insurance. Tenant shall at all times during the Term hereof at its own cost and expense obtain and continue in force commercial general liability insurance covering bodily or personal injury liability and property damage liability insurance coverage to protect against liability for injury to or death of any person in connection with the activities of Tenant in, on or about the Premises or with the use, operation or condition of the Premises. Such insurance at all times shall be in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence for bodily or personal injury or property damage and with not less than Two Million Dollars (\$2,000,000) aggregate. The limits of such insurance do not limit the liability of Tenant hereunder.

11. Waiver of Subrogation Rights. Tenant, on its own behalf and on behalf of any insurer or other person claiming through them by way of subrogation, waive any claim against the other for any loss or cost arising out of damage that would be insured against under standard commercial forms of fire and extended coverage insurance, regardless of whether the party suffering the loss carries such insurance, whether the amount of the insurance is sufficient to cover the loss, or any deductibles.

12. Other Covenants of Tenant. Tenant further covenants and agrees:

Page 3 of 12
Landlord Initials EP
Tenant Initials _____

(a) Tenant will not create or allow any nuisance to exist in or about the Premises. Tenant agrees to take good care of the Premises and to keep same free from waste at all times.

(b) Tenant will, upon the expiration or termination of this Lease, promptly remove its personal property and deliver to the Landlord the Premises in good and clean condition. Tenant shall repair any damage caused by the installation and/or removal of any property described herein. Tenant shall deliver all keys for the Premises to Landlord and inform Landlord of all combinations on locks, safes and vaults, if any, in the Premises. If Tenant shall fail to remove its personal property, as provided herein, such property shall be deemed abandoned by Tenant and, at the option of Landlord, shall become the property of Landlord or removed and disposed of by Landlord at Tenant's expense. Landlord may, at its election, repair any damage to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, alterations, improvements and installations, and all costs for such repairs shall be at Tenant's expense.

13. Holding Over . Any continuation by Tenant in possession after expiration or termination of this Lease shall constitute a month-to-month tenancy at 200% of the Rent set forth herein but otherwise subject to all other provisions of this Lease.

14. Alterations . Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord. All such work performed by Tenant shall be at the sole cost and expense of the Tenant and in a good and workmanlike manner and subject to and in accordance with all applicable federal, state, county and city building and/or fire department codes, ordinances, laws, and regulations. All required alterations performed in connection with such work to meet said codes, ordinances, laws, and regulations shall be performed by Tenant at Tenant's sole cost and expense. Tenant shall obtain Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, with respect to any third-party contractor Tenant desires to engage for the performance of any such work within or about the Premises. All additions, fixtures and improvements, whether temporary or permanent in character made in or upon the Premises, shall immediately become a part of the Premises and be and remain Landlord's property and shall remain upon the Premises at the expiration or earlier termination of this Lease, with no compensation to Tenant. Landlord reserves the right to require Tenant to remove any such improvements, fixtures or additions at the termination of this Lease or within fifteen (15) days thereafter.

15. Compliance with Laws . Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force regarding the condition, use or occupancy of the Premises, including, but not limited to, compliance with the **Minimum Standards and/or Regulations** adopted by the City.

16. Destruction of Premises . If, during the Term of this Lease, the Premises shall be destroyed or damaged in whole or in part by fire, windstorm or any other casualty whatsoever, Tenant shall (i) give Landlord prompt notice thereof, and (ii) repair, reconstruct or replace the Premises, or the portion thereof so destroyed or damaged (whichever is reasonably required), so

Page 4 of 12
Landlord Initials EP
Tenant Initials _____

as to make the Premises at least equal in value to the Premises existing immediately prior to the casualty and as similar in character as is practicable and reasonable. Landlord shall in no way be responsible for any damage or destruction of the Premises or any personal property of Tenant. Except as otherwise expressly provided in this Lease, all such work required of Tenant under this Lease shall be started and completed as soon as reasonably practicable, at Tenant's sole cost and expense. Tenant shall, promptly take such action as is necessary to assure that the Premises (or any portion thereof) do not constitute a nuisance or otherwise present a health or safety hazard. Upon Landlord's written request, Tenant shall obtain and make receipted bills available to Landlord, and, upon completion of said work, full and final releases or waivers of lien. In the event of a casualty resulting in a loss payment for the Premises, the insurance proceeds shall be paid directly to Tenant, and Tenant shall apply such proceeds towards the costs of repair, reconstruction and restoration or demolition if needed. Nothing contained herein shall relieve Tenant of its obligations under this Section if the destruction or damage is not covered, either in whole or in part, by insurance. Notwithstanding any provision to the contrary contained in this Lease, Landlord or Tenant may terminate this Lease by giving written notice to the other party within sixty (60) days following the date of any such casualty, and, in the event of such termination all Rent shall be payable only through the date of such casualty, and any Rent paid in advance shall be promptly refunded by Landlord to Tenant. Even in the event of termination, Tenant remains responsible for the costs of repair, reconstruction and restoration or demolition if needed.

17. Indemnity. Tenant hereby agrees to indemnify, defend, and hold Landlord, its officers, officials, employees, representatives, affiliates, successors and assigns harmless from and against any and all claims, actions, damages, liability and expense in connection with the loss of life, personal injury, damages to property and/or any other damages or any administrative or criminal action by a governmental agency arising from or out of: (a) the operation, use or occupancy of the Premises; (b) any occurrence caused by the act, omission, negligence, misconduct or violation of any law, regulation or ordinance by Tenant, Tenant's, employees, agents or contractors; and/or (c) any breach of this Lease by Tenant. The foregoing indemnity obligations of Tenant shall include reasonable legal fees and all other reasonable costs and expenses incurred by Landlord from the first notice of any claim or demand. The provisions of this Section shall survive the expiration or termination of this Lease.

18. Environmental. Tenant makes the following covenants regarding environmental laws and regulations.

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

(b) Tenant shall give prompt written notice to Landlord of: (1) any proceeding or inquiry by any governmental authority with respect to the presence of any solid wastes or hazardous substance on the Premises or the migration thereof from or to other property; (2) all claims made or threatened by any third party against Tenant or the Premises relating to any solid wastes or hazardous substance; and (3) Tenant's discovery of any occurrence or condition that

Page 5 of 12

Landlord Initials EP

Tenant Initials _____

would cause the Premises to be subject to any restrictions on the ownership, occupancy, transferability or use of the Premises under any Environmental Laws.

(c) Tenant shall have first and primary responsibility for any remediation resulting from violation of the environmental provisions of this Lease, including the provisions of this Section, and shall expend such funds as may be necessary to comply with such provisions or with any requirements of law, provided that Landlord's approval of such action is first obtained. Without limitation on the foregoing, Tenant shall protect, indemnify and hold harmless and, upon Landlord's request, defend Landlord, its officers, officials, employees, representatives, affiliates, successors and assigns from and against any and all loss, damage, costs or liability (including legal fees) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, discharge, disposal or presence of a hazardous substance or pollutant on, under or about the Premises or any solid, liquid or gaseous wastes not disposed of according to Environmental Laws, including, without limitation, the costs of any required or necessary repair, cleanup or detoxification of the Premises and the implementation of any remedial or required plans. The provisions of this Section 18 shall survive the expiration or termination of this Lease.

(d) For the purposes of this Agreement, "Environmental Laws" means any and all applicable laws, rules, regulations and licenses issued, promulgated or entered into by any local, state or federal governmental authority and all codes of practice and guidance notes relating to the environment, human health or the health of animals or plants or concerning health and safety matters or the generation, treatment, use, discharge, storage or disposal of any material (including hazardous materials), chemical, or substance that, whether because of its nature, form, condition or quantity, is regulated under applicable Environmental Laws. Environmental Laws include, without limitation, the Clean Air Act (42 U.S.C. section 7401 et seq.), the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. section 9601 et seq.), the Federal Water Pollution Control Act (33 U.S.C. section 1251 et seq.), the Occupational Safety and Health Act (29 U.S.C. section 651 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. section 1801 et seq.), the Clean Water Act (33 U.S.C. section 1251 et seq.) and the Toxic Substance Control Act (15 U.S.C. section 2600 et seq.)

19. Default. Any of the following events shall constitute an immediate default of this Lease, at Landlord's option, without notice or demand: (a) Tenant shall fail to pay any installment of Rent when due, or any other payment to Landlord required herein when due, and such failure shall continue for a period of fifteen (15) days from the date such payment was due; (b) Tenant breaches any other covenant or obligation herein expressed which is not cured within thirty (30) days after written notice has been given, or in cases where the breach cannot be cured within thirty (30) days, Tenant does not begin to cure the breach within thirty (30) days after written notice has been given; (c) Tenant shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors; (d) Tenant shall file a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder; (e) a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant; (f) Tenant shall do or permit

Page 6 of 12

Landlord Initials EP

Tenant Initials _____

to be done anything which creates a lien upon the Premises; or (g) Tenant shall abandon the Premises for ten (10) days. Landlord's failure to assert any grounds for default shall not be deemed a waiver of the right to do so at any time. Landlord shall have no obligation to notify Tenant of any repeated violations of this Lease on more than two (2) occasions during any calendar year, and an event of default shall be deemed to have occurred hereunder in such circumstances without the necessity of any prior notice by Landlord or opportunity to cure by Tenant.

20. Remedies. In the event of Tenant's breach of any obligation herein expressed and such default is not corrected within the time allowed, if any, then Landlord shall have the following rights and may exercise any one or more of the following remedies in addition to such other rights, remedies, and liens as may be allowed at law or in equity:

(a) Landlord may declare this Lease terminated and may then enter upon and take possession of the Premises.

(b) Landlord may permit this Lease to remain in force but shall have, at its option, the immediate right of re-entry and possession.

(c) Regardless of whether Landlord elects to terminate this Lease or to continue the same in force, Landlord may at its option: (1) declare all Rent for the remaining term of this Lease to be immediately due and payable at the rate and amount in effect when the default occurred; or (2) collect all sums due under this Lease in intervals as they accrue.

(d) Landlord, after having regained possession of the Premises, shall use reasonable efforts to seek another tenant for the Premises. Notwithstanding any provision herein to the contrary, the phrase "shall use reasonable efforts" as it relates to Landlord's duty to seek another tenant shall require Landlord to do only the following: (1) notify Landlord's leasing agent in writing of the availability of the Premises for reletting, and (2) show the Premises to any prospective tenant who requests to see the Premises and to any prospective tenant specifically referred to Landlord by Tenant. Landlord shall not be required to relet all or any portion of the Premises before reletting any space at the Picayune Municipal Airport, nor shall Landlord be required to enter into any lease at below-market rates or upon any other terms which, in Landlord's reasonable discretion, would constitute an unreasonable burden, delay, or expense upon Landlord and, in connection with Landlord's review of any such lease proposal, Landlord shall be entitled to consider tenant quality and tenant-mix in making any leasing-related decision. Any subsequent lease may be granted for such term of years (which may shorter than or extend beyond the Term of this Lease) and containing such other provisions as Landlord in its sole discretion may consider to be in the best interests of Landlord. In such event, Tenant shall be entitled to a credit for the amounts actually received by Landlord pursuant to any such subsequent lease, but not beyond the Term hereof, less reasonable expenses incurred by Landlord in insuring, repairing and maintaining the Premises and complying with the environmental covenants contained in this Lease and less broker's commissions, advertising costs, legal fees and expenses and all other expenses associated with the reletting and incurred from time to time. The potential availability of such credit shall not prevent Landlord from

Page 7 of 12
Landlord Initials EP
Tenant Initials _____

reducing to judgment and collecting all sums provided for in this Lease to be paid by Tenant by reason of default.

(e) Landlord may require specific performance of Tenant's obligations with respect to condition of the Premises or may hold Tenant liable for the cost of performing such obligations. With respect to such an event of default by Tenant regarding Tenant's failure to make any payment or perform any other act required of Tenant hereunder, Landlord may (but shall not be obligated to do so), and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act.

In the event that a default by Tenant causes Landlord to enforce any of the terms and conditions of this Lease by an action at law or in equity, including any appeal, Tenant agrees to pay Landlord's reasonable attorneys' fees and expenses and court costs. Tenant will also pay Landlord's attorneys' fees and expenses incurred in connection with a Tenant default even though litigation does not result.

21. Condition Of Premises. Taking possession of the Premises by Tenant is conclusive evidence that Tenant:

- (a) accepts the Premises as suitable for the purposes for which it is leased;
- (b) accepts the Premises and any structure on the Premises and every part and appurtenance thereof AS IS, with all faults; and
- (c) waives any and all claims against Landlord in respect of defects in the Premises, their habitability or suitability for any permitted purposes.

22. Assignment.

(a) Assignment by Landlord. The Landlord shall have the right to convey, assign, encumber, or otherwise dispose of the Premises and its interest under the Lease at any time, and from time to time, and the Landlord shall not be subject to any liability resulting from any act, omission, or event occurring after such conveyance.

(b) Assignment by Tenant. Tenant shall not assign or sublet all or any part of the Premises without Landlord's prior written consent, which shall be given at the sole discretion of the Landlord. This Lease and the terms and conditions contained herein shall inure to the benefit of and be binding upon Landlord and Tenant and each of their respective heirs, executors, administrators, successors and permitted assigns. Tenant agrees to reimburse Landlord up to an amount of \$2,000.00 for Landlord's attorneys' fees and costs incurred in connection with the processing and documentation of each assignment or sublease request made pursuant to this Section.

23. Termination of Lease. This Lease may be terminated by Tenant upon thirty (30) days prior written notice to Landlord. This Lease may be terminated by Landlord, only if Tenant breaches, violates, or fails to perform any of the covenants or obligations of this Lease, and any breach, violation, or failure to perform any of those covenants or obligations continues for a

Page 8 of 12

Landlord Initials EP

Tenant Initials _____

period of thirty (30) days after written notice thereof has been delivered by Landlord to Tenant, or, in cases where the breach, violation, or failure to perform cannot be cured within thirty (30) days, Tenant does not begin to cure the breach, violation or failure to perform within thirty (30) days after receiving Landlord's written notice. In the event of termination as set forth in this Section 23, the Tenant shall quit and surrender the Premises and remove any and all personal property in accordance with Section 12(b).

24. Mississippi Law; Severability. This Lease is governed by the laws of the State of Mississippi without regard to its conflicts of law principles. If any provisions hereof shall be unenforceable or illegal, the remaining provisions hereof shall remain in full force and effect, and this Lease shall be construed as if such unenforceable or illegal provision had not been contained herein.

25. Entire Agreement. This Lease constitutes the entire agreement between the parties and may be amended only by a written amendment signed by the Landlord and Tenant. This Lease supersedes any and all prior lease agreements between the parties.

26. Notices. All notices hereunder shall be in writing and personally delivered to, or mailed by certified or registered mail, with all postage prepaid, to the parties hereto at the addresses first set forth below. Either party may change its address by appropriate notice given to the other. Notices shall be deemed given at the time of delivery.

Landlord:

City of Picayune/Picayune
Attn: Director of Operations
Municipal Airport
148 Runway Road ,
Picayune, MS 39556

Tenant:

G4, LLC
Attn: Tyron E. Gill
2631 Highway 43 S, Suite A
Picayune, MS 39466

27. Brokers. Each party represents to the other that no broker's commission will be payable as a result of this Lease. Each party agrees to indemnify and hold the other harmless from and against the claims of any third person, firm or entity claiming any brokerage commission, finder's fee or similar compensation based on any alleged negotiations or dealings with the indemnifying party.

28. Counterparts; Facsimile Signatures. This Lease and any amendment, waiver, approval or consent relating hereto may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The delivery by any party of an executed signature page to this Lease or any amendment, waiver, approval or consent relating hereto by facsimile transmission or by electronic email in Adobe Corporation's Portable Document Format (or PDF) shall be deemed to be, and shall be enforceable to the same extent as, an original signature page hereto or thereto. Any party who delivers such a signature page agrees to later deliver an original counterpart to any party that requests it.

Page 9 of 12

Landlord Initials EP

Tenant Initials _____

29. Mechanics' Liens. Tenant hereby agrees to hold Landlord harmless from any mechanics' or materialman's lien filed against the Premises that result from any work contracted by Tenant. If any such lien is filed against the Premises, Tenant shall promptly remove the lien from the Premises by a bond or otherwise in accordance with statutory procedures for removal of liens under the laws of Mississippi. The hold harmless agreement set forth above includes Tenant's agreement to promptly reimburse Landlord's reasonable costs and expenses (including attorney's fees) incurred in connection with any analysis, defense or payment made by Landlord on account of any such lien. The provisions of this paragraph shall survive the expiration or early termination of this Lease.

[Signature Page Follows]

Page 10 of 12
Landlord Initials EP
Tenant Initials _____

IN WITNESS WHEREOF, this Lease is executed by the Tenant and Landlord effective s
of the day first written above.

-LANDLORD-

CITY OF PICAYUNE

By: Edward Pinero
Print Name: Edward Pinero
Title: Mayor

-TENANT-

G4, LLC

By: _____
Print Name: _____
Title: _____

Page 11 of 12
Landlord Initials EP
Tenant Initials _____

EXHIBIT A

Premises

ButlerSnow 25782356v1

Page 12 of 12
Landlord Initials EP
Tenant Initials _____

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouquet, Council Members Bumpers, Stevens, and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero and Council Member Valente

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AT THIS TIME COUNCIL MEMBER VALENTE RETURNED TO THE MEETING

MOTION TO RECESS

Motion was made by Council Member Valente, seconded by Council Member Stevens to recess until Tuesday, May 19, 2015 at 5:00 pm.

The following roll call was made:

VOTING YEA: Mayor Pro Temp Wayne Gouguet, Council Members Valente, Bumpers, Stevens and Breland

VOTING NAY: None

ABSENT AND NOT VOTING: Mayor Ed Pinero

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

Ed Pinero, Mayor

ATTEST:

Amber Hinton, City Clerk