

**RECESSED REGULAR MEETING OF THE CITY COUNCIL
TUESDAY, JULY 17, 2012, AT 6:00 P. M.
CITY HALL, PASCAGOULA, MISSISSIPPI**

The City Council of the City of Pascagoula, Mississippi, met at City Hall in a recessed regular meeting on Tuesday, July 17, 2012, at 6:00 p.m. Mayor Pro Tem Abston called the meeting to order with the following officials present:

Mayor Pro Tem Joe Abston
Councilman Frank Corder
Councilman Jim Milstead
Councilman Robert Stallworth, Sr.
Councilman Harold Tillman, Jr.
Councilman George L. Wolverton, Sr.

Mayor Robert H. Maxwell was absent.

City Manager Joe Huffman
City Attorney Eddie Williams
Asst. City Clerk Brenda Reed
City Clerk/Comptroller Robert J. Parker

Mayor Pro Tem Abston welcomed everyone to the meeting. Councilman Corder then gave the invocation and the pledge of allegiance was recited before the commencing of business.

At this time, Mayor Pro Tem Abston recognized Coach Jeff Bowman and the U12 – D2 boys’ soccer team (“Blackhawks”) who won first place recently at the Mississippi state games in Meridian. The Council congratulated the group and they received City of Pascagoula tee shirts and certificates.

The lineup for the U12 - D2 team was as follows:

1. Hunter [Torjusen](#)
2. Jacob Langston
3. Ty Tingle
4. Kevin Madrid
5. Patrick Lee
6. Troy McGinnis
7. [John Trotter](#)
8. Jordan [Cobb](#)
9. Josh Laboy
10. Max Law
11. Noah Criddle

- 12. Edward Boland
- 13. Joey Green

The Council thanked them for attending the meeting tonight.

Mike McElhaney addressed the Council regarding the Dixie Youth 7-8 year olds who will be traveling on Friday, July 20, 2012, to Searcy, Arkansas, for the World Series games. Michelle Thomas advised that the total cost will be approximately \$8,400.00 and any support from the City of Pascagoula would be appreciated. The Council extended best wishes to the team in the World Series.

Councilman Corder then made a motion to advertise the resources of the City of Pascagoula for \$250.00 in support of the Dixie Youth 7-8 year olds who will be traveling to Searcy, Arkansas, for the upcoming World Series games. The motion was seconded by Councilman Milstead and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

Councilman Corder then made a motion to approve a manual check for \$250.00 for the Dixie Youth 7-8 year old team to advertise the resources of the City of Pascagoula as they travel to Searcy, Arkansas, to participate in the World Series games.. The motion was seconded by Councilman Wolverton and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

Casey Martin, owner of Pin-Up Spa & Boutique, 303 Delmas Avenue, Suite I (Anchor Square), addressed the Council regarding an alcohol permit for her business to serve light wine and beer to their clients Monday through Saturday between the hours of 11 a.m. and 7 p.m.

Councilman Corder made a motion to approve an alcohol permit for Casey Martin, dba Pin-Up Spa and Boutique, 303 Delmas Avenue, Suite I (Anchor Square), for the sale, consumption, or possession of light wine and beer on City property and with the following stipulations:

Rule 14 – security deposit paid by the applicant for rental of the property is deemed sufficient to meet the requirements of Rule 14

Rule 8 – no additional onsite security will be required

The motion was seconded by Councilman Stallworth and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "NAY", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

(A copy of the related documents is filed in the minute file of this meeting and incorporated herein by reference.)

Dick Dixon addressed the Council regarding the need for dredging work at the Inner Harbor to allow boats to have better ingress and egress at the mouth of the harbor. Mr. Dixon advised that approximately 41% of the time some of the boats cannot get in or out of the harbor. He gave a Power Point presentation regarding the matter and discussed the following priorities:

Priority #1 – dredge the channel into Lake Yazoo from East Pascagoula River – increase safe harbor availability

Priority #2 – dredge the dock areas – increase dock accessibility

Les Osborne and David Tadlock, slip renters at the Inner Harbor, also expressed concerns about the harbor situation and offered to meet with the City staff to discuss funding options, solutions, etc.

The Council, City Manager, and City Attorney led a question and answer session with the group. Options for funding, requests for assistance from various agencies, and equipment needs for this project were discussed. The City Manager advised that he has also been working with Jackson County Supervisor Mike Mangum in an effort to resolve the problem, and he will continue to work on this matter.

Minutes of the Planning Board meeting held on July 11, 2012, are spread on the minutes as follows:

**REGULAR MEETING OF THE PASCAGOULA PLANNING BOARD
WEDNESDAY, JULY 11, 2012, AT 6:00 P.M.
CITY OF PASCAGOULA, MISSISSIPPI**

The Planning Board of the City of Pascagoula, Mississippi, met at City Hall in a regular meeting on Wednesday, July 11, 2012, at 6:00 P. M.

The following official(s) were present:

Linda Tillman
Wesley Smith (Chairman)
Mike Gilly
Joseph Odom
Steven “Matt” Parker (Vice-Chairman)
Alan Wiley

Other officials present:

Eddie Williams, City Attorney
Jaci Turner, Program Manager/City Planner

Mark Savasta, Building Inspector

Other official(s) not present:

Etienne Melcher

Angelia Kimbrough, Administrative Assistant

A. PUBLIC HEARINGS:

1. Kim & Nadine Dawkins

2025 Old Mobile Hwy. The property is zoned Community Commercial (CC) and Mixed Residential (MR3). The request is for Preliminary Plat Approval for the Lornea Heights Subdivision.

Kim and Nadine Dawkins were present to explain the application. The Staff made a recommendation to “APPROVE” the amendment with the condition that requirements of the UDO will be incorporated into the design documents, Site Plan permit review and approval process, and Final Plat if necessary. Doug Ross expressed objections to the development and concerns with drainage, which will need to be considered in site plan review. A discussion followed regarding drainage design as it will apply to this project.

After hearing Mrs. Dawkins’s request, and there being no further protest, a motion was made by Mike Gilly to “APPROVE” the application. The motion was seconded by Linda Tillman and the vote thereupon was as follows: Linda Tillman “AYE”, Mike Gilly “AYE”, Wesley Smith “AYE”, Alan Wiley “AYE”, Joseph Odom “AYE”, Stephen Parker “AYE”.

The application will go to the City Council with the recommendation to “**APPROVE**”.

COUNCIL ACTION:

Jaci Turner, Program Manager, discussed the request and advised that the staff has recommended approval.

Councilman Stallworth made a motion to “APPROVE” the preliminary plat for Lornea Heights Subdivision as recommended by the Planning Board. The motion was seconded by Councilman Milstead and received the following vote: Mayor Maxwell “ABSENT”. Mayor Pro Tem Abston “AYE”. Councilmen Corder “AYE”, Milstead “AYE”, Stallworth “AYE”, Tillman “AYE”, and Wolverton “AYE”. (Approved 7-17-12)

2. The City of Pascagoula

A Text Amendment to the Unified Development Ordinance (UDO) to modify limitations regarding boat storage in front yards.

Jaci Turner was present to explain the application. The Staff made a recommendation to “APPROVE” the text amendment as presented. There was discussion regarding application of the proposed changes.

After hearing the Staff's request, and there being no protest, a motion was made by Linda Tillman to "APPROVE" the application. The motion was seconded by Alan Wiley and the vote thereupon was as follows: Linda Tillman "AYE", Mike Gilly "AYE", Wesley Smith "AYE", Alan Wiley "AYE", Joseph Odom "AYE", Stephen Parker "AYE".

The application will go to the City Council with the recommendation to "**APPROVE**".

COUNCIL ACTION:

Jaci Turner, Program Manager, briefed the Council on the text amendment and then opened the floor for a public hearing on the matter. Comments were received from citizens who were in attendance. A question and answer session followed. The City Attorney advised the Council they are only considering boat storage regarding this request.

After discussion, Councilman Corder made a motion to remand this matter to the Planning Board for further review and possible inclusion of other vehicles. The motion was seconded by Councilman Milstead and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "NAY". (Tabled 7-17-12)

The Council then considered the following consent agenda:

The first item for consideration was the minutes of the Council meeting of July 3, 2012, as recommended by Brenda Reed, Asst. City Clerk.

Councilman Corder made a motion to adopt and approve the minutes of the Council meeting of July 3, 2012, as recommended. The motion as seconded by Councilman Tillman and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

Minutes of the Main Street Board meeting of March 12, 2012, were acknowledged by the Council.

Minutes of the Recreation Commission meeting of June 6, 2012, were acknowledged by the Council.

Minutes of the Pascagoula Redevelopment Authority meeting of June 22, 2012, were acknowledged by the Council.

The next item for consideration was a Vendor Permit Application for the Parks & Recreation Department as recommended by Darcie Crew, Parks & Recreation Director. Ms.

Crew advised her department would issue vendor permits at the parks based on the following rules and forms:

PASCAGOULA PARKS & RECREATION
P.O. Drawer 908
Pascagoula, MS 39568
PH (228) 938-2356 FAX (228) 938-2355

VENDOR PERMITS

1. Availability for vendors to set up at the park will be as follows:
 - A. City of Pascagoula Special Event - One Day Vendor
 - B. Monthly Vendor
 - C. One Week Vendor
 - D. One Day Vendor
2. Food items and/or merchandise sales must be approved by the Pascagoula Parks & Recreation Department prior to the issuing of any permit. There will be no duplication of services between vendors.
3. The vendor assumes all liability associated with the sale of the approved items.
4. The vendor agrees to turn in all sales tax collected from the sale of goods to the City of Pascagoula, Parks & Recreation Department at the end of the event period. This may be daily or weekly but no later than each Friday by 5pm.
5. Any damage to the facility is the responsibility of the vendor. There is no parking on the grass and any damage to the facility due to driving on the grass is the responsibility of the vendor.
6. The vendor is responsible for leaving the facility in a clean state. All sales will be confined to the vendor's permitted area. Displays should be kept in a neat and tidy manner.
7. **NO GLASS BOTTLES OR ALCOHOLIC BEVERAGES ARE ALLOWED ON THE PREMISES.** Alcoholic beverages are prohibited on all City property and violators will be prosecuted.
8. Vendor must pay fees no later than 72 hours prior to the date of sales unless other arrangements have been approved by the Parks & Recreation Director. Vendors will not receive keys to any facilities. **Refunds will only be given for natural disasters.**
9. Vendors who want to be in a park for an event or more than one day will be required to have a City of Pascagoula Business License.
10. All vendors must hold a MS State Tax Identification number.

11. All vendors must hold a MS State Dept. of Health permit if they are selling food items.

12. Vendors for special events will be considered on an as needed basis.

Fees:

<u>Facility</u>	<u>For Profit</u>	<u>Non-Profit</u>	<u>Based Per</u>
Parks	\$ 40.00	\$ 20.00	Day
	\$200.00	\$100.00	Week
	\$500.00	\$300.00	Month
Special Events	\$ 75.00	\$ 50.00	Daily

City leagues, with a current facility use agreement on file, who are hosting tournaments, must also require vendors to seek permits from the Dept. The league will be responsible to collect sales tax from the vendor.

Updated July 17, 2012

The vendor permit is spread on the minutes as follows:

Pascagoula Parks & Recreation
P.O. Drawer 908
PASCAGOULA, MS 39568
PH (228) 938-2356 FAX (228) 938-2355

VENDOR PERMIT

Name of Person and Organization Requesting Facility

Street City State Zip

Home Phone Work Phone Cell Phone

Facility Requested Date Requested Time (From-To)

Items to be sold

Pascagoula Permit # Dept. of Health Certificate #

PLEASE READ CAREFULLY BEFORE SIGNING:

1. VENDOR represents that it is fully aware of all of the applicable laws, ordinances and rules pertaining to the use of this property and vendor will fully abide by such laws, rules and ordinances.
2. VENDOR further represents that it will not conduct nor allow to be conducted any improper or unlawful act or deed in or on the premises of the _____ and specifically that it will not violate such laws, rules and ordinances concerning curfew, minor rights, disorderly conduct, alcoholic beverages, or like or similar activities, or deed and in consideration of lease of premises does further indemnify and hold harmless the City of Pascagoula, the Pascagoula Parks & Recreation Dept., its officers, agents, and employees.
3. VENDOR further agrees, if permission is granted, to abide by the rules and regulations of the City and to assume responsibility and liability, and to be answerable for any and all accidents or injuries to persons or damages to property resulting from the use of the facility.

Signature of Responsible Party	Date
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-----OFFICE USE ONLY-----

Date Permit Issued

Vendor Fee Amount	Date Fee Paid	Cash/Check
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Signature of PPRD Representative	Evaluation or Comments
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Councilman Corder made a motion to approve the Vendor Permit Application for the Parks & Recreation Department as recommended. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell “ABSENT”. Mayor Pro Tem Abston “AYE”. Councilmen Corder “AYE”, Milstead “AYE”, Stallworth “AYE”, Tillman “AYE”, and Wolverton “AYE”. (Approved 7-17-12)

The next item for consideration was an award of Annual Bid #322 – backflow preventers to Consolidated Pipe, Pascagoula, MS, for 3/4 backflow preventers at \$29.29 each and accept the low bid from H. D. Supply, Theodore, AL, for one inch backflow preventers at \$37.54 each as recommended by Steve Mitchell, Operations Manager. The contract dates are July 18, 2012 – July 17, 2013, with a one-year renewal option.

Councilman Corder made a motion to approve Annual Bid #322 for the low bid for 3/4 inch backflow preventers at \$29.29 each to Consolidated Pipe and accept the low bid for 1 inch backflow preventers at \$37.54 each to H. D. Supply with contract dates from July 18, 2012 – July 17, 2013, with a one-year renewal option as recommended. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell “ABSENT”. Mayor Pro Tem Abston “AYE”. Councilmen Corder “AYE”, Milstead “AYE”, Stallworth “AYE”, Tillman “AYE”, and Wolverton “AYE”. (Approved 7-17-12)

The next item for consideration was an agreement with Goula Joe’s Eco-Adventures, LLC, for a kayak vendor at Beach Park as recommended by Darcie Crew, Parks & Recreation Director. The effective dates will be July 18 – October 31, 2012. The agreement is spread on the minutes as follows:

**KAYAK RENTAL VENDOR AGREEMENT
CITY OF PASCAGOULA
PARKS AND RECREATION DEPARTMENT
PASCAGOULA, MISSISSIPPI**

The City of Pascagoula, hereinafter “City”, and Goula Joe's Eco Adventures, LLC, hereinafter “Vendor”, hereby enter into a professional service agreement for kayak rentals at the City’s Beach Park Facility, hereinafter “Facility”. The respective duties and obligations of the parties are set forth herein below.

I. VENDOR OBLIGATIONS

1. Vendor shall be responsible for operating the Facility located at 600 City Park Street. Vendor shall provide professional staff for the operation of the Facility and the rental of kayaks therein.
2. Vendor shall be responsible for providing any and all equipment necessary to the operation including but not limited to the following: single and tandem kayaks, stand up paddle boards, life jackets, floatation devices, whistles, paddles and all other materials and supplies needed by Vendor for the operation the Facility.
3. Vendor shall be responsible for all labor involved in operation of the Facility and shall be responsible for all related employee expenses, including any benefits that Vendor chooses to offer for the employees and the requisite Worker’s Compensation Insurance.
4. Vendor shall be responsible for reporting all sales taxes generated by sales at the Facility and shall make available to City monthly reports of sales and sales tax remittances.
5. Vendor shall acquire all business licenses. All licensing documents shall be prominently displayed at the Facility and shall remain in place throughout the use of the Facility by the Vendor. Failure of the Vendor to obtain the proper licensing shall result in the immediate termination of this contract.
6. The hours of operation for the Facility shall be as follows:
 - a. July 18 – August 7, 2012: Tuesday through Saturday, 10:00am-6:00pm and Sundays 12:00 pm until 6:00pm.

- b. August 9-October 31, 2010: weekends only with hours being on Saturday from 10:00 am until 6:00 pm and on Sunday 12:00 pm until 6:00 pm.
 - c. Should the Vendor desire additional hours of operation, then a written request for the same with reasons therefor shall be presented to the City Parks and Recreation Director for consideration and approval.
 - d. In the event of inclement weather, it is understood that the Vendor will not be open for operation.
7. Vendor shall maintain the Facility in a clean and orderly manner at all times ensuring that the kayak rental area is neat, tidy and free from any hazards to the public.
8. For the use of the Facility, Vendor shall pay over to the City a sum equal to 10% of Vendor's gross monthly sales. Vendor shall furnish the City with a monthly sales report and shall make available to the City, upon reasonable request, all books of account kept by the Vendor so that the City may determine compliance with this part of the agreement.

II. CITY OBLIGATIONS

1. City shall be responsible for furnishing Vendor with access to the Park and to the Facility at all times necessary to Vendor's operations. To this end, Vendor shall be furnished with keys to the Park and to the Facility. These keys shall be for the sole and exclusive use of the Vendor and shall not be given to any third parties for any reason whatsoever.
2. The City shall be responsible for the maintenance, repairs and upkeep of the Facility. Should any repairs to the park be necessary, the Vendor shall immediately notify the City of same.
3. City shall retain keys to the park.
4. Prior to the commencement of this agreement, the City and the Vendor shall meet at the park to determine the appropriate location for the kayak rentals. The City will conduct and inventory an inspection of the Facility and shall note any and all defects, if any, therein.
5. City shall provide water and electricity at no cost to Vendor.

III. MISCELLANEOUS

1. The parties to the agreement acknowledge that this is an "independent contractor" arrangement and that the Vendor does not operate as an employee or agent for the City. Vendor remains fully responsible for the payment of its employees and for the operation of the Facility subject only to the terms of this agreement.
2. The initial term of this agreement shall commence July 18, 2012, and continue through October 31, 2012, at which time, by mutual agreement between the Vendor and the City, the agreement may be renewed for an additional one-year term ending October 31, 2013. Each year thereafter, and by mutual agreement of the parties, the agreement may be renewed for successive one-year terms each ending on the 31st day of October in each successive year. Either party to this agreement may terminate the same upon thirty (30) days written notice of such party's intent to terminate the agreement. Should termination occur prior to the end of any term of this agreement, then, in such event, Vendor shall be responsible to pay to the City a sum equal to 10% of the Vendor's gross sales through the date of the termination of the agreement.

3. Vendor agrees that upon termination of this contract, Vendor will immediately surrender the Facility to the City in as good condition as it was at the time of the commencement of the contract, normal wear and tear excepted. On termination of the agreement, Vendor shall surrender all keys to the City and shall promptly remove from the Facility any and all equipment and materials belonging to Vendor. If any equipment or materials remain in the Facility for more than ten (10) days after the date of termination, the City shall have the right to remove the same and to dispose of it as City shall see fit.
4. Vendor agrees to indemnify and hold the City harmless from any and all claims, causes of action, assessments or other matters that may arise from Vendor's use of the Facility and which may be attributable to the either deliberate acts, or negligence, of any of Vendor's employees during the operation of the Facility. This agreement to indemnify shall extend to all costs of litigation, if the same becomes necessary, including attorney fees, court costs and any judgments that might be rendered against the City as a result of such litigation.
5. In the event that the City should place the Vendor on notice of a breach by the Vendor of any of the terms and conditions set forth in this contract, then in such event, the Vendor shall have ten (10) calendar days from date of such notice within which to cure the breach by the Vendor. Failure by the Vendor to cure the breach of the agreement within ten (10) calendar days after notice being given by the City, shall result in the immediate termination of this contract and the immediate relinquishment of possession of the Facility by the Vendor.
6. A waiver of any term or condition of this contract by either party shall not be deemed a waiver of any other terms and conditions and further shall not be deemed to be a waiver of such term or condition in the future. Should any term or condition of this contract be determined to be void or unenforceable, then such invalidity or unenforceability of such term or condition shall not operate to invalidate, or render unenforceable, any of the remaining terms and conditions of this agreement.
7. Vendor acknowledges that it is fully responsible for compliance with this contract and for the operation of the Facility as set forth herein. No sub-leasing or assignment of this contract by the Vendor will be allowed except upon approval by the City Council after a written request therefor being made by the Vendor. The City, for its part, covenants and agrees that it will not unreasonably withhold permission to sub-let or assign any portion of this agreement.
8. Vendor is prohibited from making any physical modifications to the Facility without first obtaining the written permission of the City to do so. Vendor shall be allowed to post signage near the kayak rentals. These signs shall be removed each day at the close of business. The City agrees, however, that Vendor may display its logo on a removable sign attached to the exterior of the Facility. In this regard, Vendor shall comply with all of the sign ordinance regulations of the City and shall obtain a permit for such sign from the Code Enforcement Department.
9. The terms and conditions of this contract shall be construed in accordance with the laws of the State of Mississippi. The parties agree that venue for any litigation that might arise from any breach of this agreement shall be commenced in the Circuit Court of Jackson County, Mississippi.
10. No modifications or alterations of this agreement shall be allowed except in writing properly authorized and executed by the respective parties.

Witness the signatures of the parties by their duly authorized representatives on this the _____ day of _____, 2012.

GOULA JOE'S ECO ADVENTURES, LLC

BY: _____

ALICE HAYDOCK, OWNER

CITY OF PASCAGOULA, MISSISSIPPI

BY: _____

JOSEPH HUFFMAN, CITY MANAGER

Councilman Corder made a motion to approve an agreement with Goula Joe's Eco-Adventures, LLC, for a kayak vendor at Beach Park as recommended and authorize the City Manager to execute the related document. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

(A copy of the related document is filed in the minute file of this meeting and incorporated herein by reference.)

Next for consideration was a request for an extension of the Grounds Maintenance Agreement for Highly Visible Medians with Turf Masters Lawn Care, Inc., Pascagoula, MS, for two (2) years beginning August 1, 2012, and ending July 31, 2014, as recommended by Darcie Crew, Parks & Recreation Director. The amount of the agreement shall be \$98,752.50, which includes a five percent (5%) increase over the last three years.

Councilman Corder made a motion to approve the extension of the Grounds Maintenance Agreement for Highly Visible Medians with Turf Masters Lawn Care, Inc., Pascagoula, MS, for two (2) years starting August 1, 2012, and ending July 31, 2014, for \$98,752.50 as recommended and authorize the City Manager to execute the related documents. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

(A copy of the related document is filed in the minute file of this meeting and incorporated herein by reference.)

The next item for consideration was a request for an extension of the Grounds Maintenance Agreement #1 with Turf Masters Lawn Care, Inc., Pascagoula, MS, for two years

beginning August 2, 2012, and ending August 1, 2014, as recommended by Darcie Crew, Parks & Recreation Director. The amount of the agreement shall be \$227,143.61. This includes adjustments to reflect the actual costs per parcel, a two percent (2%) increase over the last three years, and the addition of seven (7) rights of way to be cut at eight (8) times per year. Ms. Crew advised they would also like to add terminology to the contract that says “The City reserves the right to re-direct services to additional sites as needed, provided such re-direction does not increase the costs approved herein”.

Councilman Corder made a motion to approve the extension of the Grounds Maintenance Agreement #1 with Turf Masters Lawn Care, Inc. for two years beginning August 2, 2012, and ending August 1, 2014, as recommended and authorize the City Manager to execute the related documents. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell “ABSENT”. Mayor Pro Tem Abston “AYE”. Councilmen Corder “AYE”, Milstead “AYE”, Stallworth “AYE”, Tillman “AYE”, and Wolverton “AYE”.
(Approved 7-17-12)

(A copy of the related document is filed in the minute file of this meeting and incorporated herein by reference.)

The next item for consideration was a request for an extension of the Grounds Maintenance Agreement #2 with Turf Masters Lawn Care, Inc., Pascagoula, MS, for two years beginning August 9, 2012, and ending August 8, 2014, as recommended by Darcie Crew, Parks & Recreation Director. The amount of the agreement shall be \$465,181.97. This includes adjustments to reflect actual cost per parcel, a two percent (2%) increase over the last three years, and the addition of Lighthouse Park and the Riverfront Development. Ms. Crew advised they would also like to add terminology to the contract that says “The City reserves the right to re-direct services to additional sites as needed, provided such re-direction does not increase the costs approved herein”.

Councilman Corder made a motion to approve the extension of the Grounds Maintenance Agreement #2 with Turf Masters Lawn Care, Inc., for two years beginning August 9, 2012, and ending August 8, 2014, as recommended and authorize the City Manager to execute the related document. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell “ABSENT”. Mayor Pro Tem Abston “AYE”. Councilmen Corder “AYE”, Milstead “AYE”, Stallworth “AYE”, Tillman “AYE”, and Wolverton “AYE”.
(Approved 7-17-12)

(A copy of the related document is filed in the minute file of this meeting and incorporated herein by reference.)

Next for consideration was a bid award for Annual Bid #321 for C900 water pipe to Consolidated Pipe & Supply, Pascagoula, MS, as recommended by Steve Mitchell, Operations Manager, as follows:

4 inch @ \$1.95/ft.
6 inch @ \$3.85/ft.
8 inch @ \$6.65/ft.
10 inch @ \$10.05/ft.
12 inch @ \$14.15/ft.

The contract dates are July 18, 2012, to July 17, 2013, with a one-year renewal option.

Councilman Corder made a motion to approve a bid award of Annual Bid #321 for C900 water pipe to Consolidated Pipe & Supply, Pascagoula, MS, as recommended below:

4 inch @ \$1.95/ft.
6 inch @ \$3.85/ft.
8 inch @ \$6.65/ft.
10 inch @ \$10.05/ft.
12 inch @ \$14.15 ft.

The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

(A copy of the related document is filed in the minute file of this meeting and incorporated herein by reference.)

The next item for consideration was the Mississippi Development Authority (MDA) Sustainable Communities closeout documents for Grant # SEP01-GT12-0112-0003 as recommended by Jen Dearman, Grants Administrator.

Councilman Corder made a motion to approve the Mississippi Development Authority (MDA) Sustainable Communities closeout documents for Grant # SEP01-GT12-0112-0003 as recommended and authorize the Mayor to execute the related documents. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

(A copy of the related document is filed in the minute file of this meeting and incorporated herein by reference.)

Next for consideration was a revised (second revision) Supplemental Agreement No. 2 with D & D Construction Company, Inc., Lucedale, MS, for the Historic Pathways and Boat Launch Project No. STP-0370-00(018)/105401-701000 as recommended by Jaci Turner, Program Manager. The only change from the previously approved versions (May 15, 2012 and June 5, 2012) is the timeline. The adjustment was requested by the Mississippi Department of Transportation (MDOT) to align with their approval process.

Councilman Corder made a motion to approve a revised (second revision) Supplemental Agreement No. 2 with D & D Construction Company, Inc., Lucedale, MS, for the Historic Pathways and Boat Launch Project No. STP-0370-00(018)/105401-701000 as recommended and authorize the City Manager to execute the documents upon receipt of approval from MDOT. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

(A copy of the related document is filed in the minute file of this meeting and incorporated herein by reference.)

The next item for consideration was a request to accept the award documents for the FY 2011 Port Security Grant from the Department of Homeland Security as recommended by Aleta Raley, Grants Accountant, and Captain Shannon Broom, Pascagoula Police Department. The grant is for \$357,127.00 and no match is required. The grant funds will be used for the purchase of the approved Hazardous Material Response Vehicle that the Police Department submitted for the FY 2011 Port Security Grant funding request.

Councilman Corder made a motion to accept the award documents for the FY 2011 Port Security Grant from Department of Homeland Security for \$357,127.00 with no match as recommended and authorize the Mayor to execute the related documents. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

(A copy of the related document is filed in the minute file of this meeting and incorporated herein by reference.)

The next item for consideration was a request to accept the award documents for the FY 2012 Edward Byrne Memorial Justice Assistance Grant (JAG) Program from the Department of Justice as recommended by Aleta Raley, Grants Accountant, and Captain Shannon Broom, Pascagoula Police Department. The grant is for \$13,208.00 with no match. The Police Department plans to use the funds to purchase digital portable radios.

Councilman Corder made a motion to accept the award documents for the FY 2012 Edward Byrne Memorial Justice Assistance Grant (JAG) Program from the Department of Justice as recommended and authorize the Mayor to execute the related documents. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

(A copy of the related document is filed in the minute file of this meeting and incorporated herein by reference.)

The next item for consideration was a Public Trust Tidelands Lease Agreement with the State of Mississippi by the Secretary of State for the Pascagoula Harbor (Lowery Island Harbor) as recommended by Darcie Crew, Parks & Recreation Director. The lease would be effective July 1, 2012, for a period of 40 years (with a 25 year extension possibility).

Councilman Corder made a motion to approve a Public Trust Tidelands Lease Agreement with the State of Mississippi by the Secretary of State for the Pascagoula Harbor (Lowery Island Harbor) as recommended effective July 1, 2012, for a period of 40 years (with a 25 year extension possibility) and authorize the Mayor to execute the related documents. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

The lease agreement is spread on the minutes as follows:

PREPARED BY:
Secretary of State
Post Office Box 97
Gulfport, MS 39502
(228) 864-0254

RETURN TO:
Secretary of State
Post Office Box 97
Gulfport, MS 39502
(228) 864-0254

STATE OF MISSISSIPPI
COUNTY OF JACKSON

PUBLIC TRUST TIDELANDS LEASE AGREEMENT
TO CITY OF PASCAGOULA, MISSISSIPPI

(Pascagoula Harbor)

THIS AGREEMENT, made and entered into this the 1st day of July, 2012, by and between

THE STATE OF MISSISSIPPI
By the Secretary of State
Public Lands Division
Post Office Box 136
Jackson, Mississippi 39205-0136
Telephone: (601) 359-6373

With approval of the GOVERNOR,

(“STATE” or “LESSOR”)

AND

THE CITY OF PASCAGOULA, MISSISSIPPI

By the City Council

PO Drawer 908

Pascagoula MS 39568-0908

(228) 762-4345

With approval of the MAYOR

(“CITY” or “LESSEE”)

IN CONSIDERATION of the covenants, conditions, and obligations herein provided and to be observed and performed by CITY, STATE does hereby lease and rent unto CITY, pursuant to the authority of MISS. CODE ANN. §29-1-107 (Supp. 2011), and CITY does hereby lease and rent for the purposes pursuant to MISS. CODE ANN. §29-15-13 (Supp. 2011) the following described submerged land or tideland, hereinafter referred to as LEASE PREMISES, to-wit:

All of the submerged lands, tidelands or fastlands as described in Exhibit 2 attached to this LEASE, and further as depicted on Exhibit 3 attached to this LEASE, said survey description and survey map provided by LESSEE.

1. TERM.

1.1 The primary term of this lease shall be for forty (40) years, beginning on the 1st day of July, 2012, and terminating on the 30th day of June, 2052.

1.2 If at the expiration of the primary term, CITY has faithfully complied with all terms, covenants, conditions, and obligations of this lease, then CITY shall have the right and option to extend this lease for an additional twenty-five (25) years (SECONDARY TERM) subject to such terms and provisions as may then be agreed upon by STATE and CITY.

1.3 If at the expiration of the SECONDARY TERM, CITY faithfully complied with all terms, covenants, conditions and obligations of the LEASE as renewed, then CITY shall have the prior right, exclusive of all other persons to re-lease LEASE PREMISES subject to such terms and provisions as may then be agreed upon by STATE and CITY.

1.4 It is expressly agreed and understood that during the SECONDARY TERM of this LEASE and during the term of any future leases entered pursuant to Paragraph 1.3, CITY shall fully comply with all laws of the State of Mississippi applicable to the Lessee and the property which is the subject of this lease governing the leasing of submerged lands and tidelands in effect at the time of renewal or re-leasing.

1.5 If STATE and CITY cannot reach mutual agreement on terms and provisions of the renewal lease or any new lease under Paragraphs 1.2 or 1.3 hereof, then either STATE or CITY may apply to a court of the State of Mississippi of competent jurisdiction and venue for a judicial determination of those lease terms and provisions upon which the parties cannot agree.

2. USE OF LEASE PREMISES.

2.1 It is specifically agreed that the CITY will use LEASE PREMISES only for the purposes of:

(a) The Pascagoula Harbor or City Harbor (HARBOR USE or USE) for the purposes including but not limited to a municipal harbor; boat slips for recreational and commercial boating and fishing; and for harbor infrastructure, to include parks, green space, wharfs, piers, docks, boat slips, parking areas, boat launches, and access road, all of which serve a higher public purpose of promoting the public access to and public use of the public trust tidelands and submerged lands; and

(b) Related Commercial Development (DEVELOPMENT USE) which shall be limited to low impact retail businesses activities related to tourism and recreation and which support boating and fishing activities; all of which would be appropriate and complementary for a working municipal harbor and waterfront development integrated into the city, including casual or fine dining restaurants. Any DEVELOPMENT USE shall be approved by the LESSOR and the LESSEE. For purposes of DEVELOPMENT USE low impact shall include, but shall not be limited to, uses that do not materially, directly or indirectly, (i) impair the natural character of tidelands within the LEASE PREMISES or adjacent thereto, (ii) interrupt the public use of the tidelands within the LEASE PREMISES or adjacent thereto, (iii) require filling of tidelands, (iv) interfere with other harbor activities and operations, (v) create noise, odors, environmental hazards or unsightly conditions or (vi) make a disproportionate demand on infrastructure, utilities and services.

(c) HARBOR USE and DEVELOPMENT USE shall serve a higher public purpose of promoting the public access to and public use of the public trust tidelands and submerged lands and may be referred to collectively as USES.

(d) USES must be in compliance with existing zoning regulations or ordinances.

2.2 USES of the tidelands will not impede or detract from the right of any member of the general public, and will complement the access of the public, to use and enjoyment of the harbor, waterfront, fishing piers, park and adjacent lands, and does not impede or detract from the existence and beauty of the adjacent lands (PUBLIC USE).

(a) CITY will provide STATE a complete copy of any application for construction activities in or on the LEASE PREMISES made to the Mississippi Department of Marine Resources (MDMR).

(b) STATE will, within the lesser of the time allowed by the MDMR or within thirty (30) days of receipt of a complete copy of any application for construction activities in or on the LEASE PREMISES made to the MDMR, provide to the CITY written concurrence to or objection to the proposed improvement.

(c) CITY agrees to provide STATE, if requested by STATE, additional information

necessary for STATE to evaluate the proposal as a PUBLIC USE.

(d) If CITY and STATE cannot reach mutual agreement within said thirty day period that an improvement, alteration or addition proposed by CITY is PUBLIC USE, then either CITY or STATE may apply to a court of State of Mississippi of competent jurisdiction and venue for a judicial determination that the proposed improvement, alteration or addition is a Public Use consistent with the terms of this LEASE.

2.3 STATE and CITY agree that gambling, gaming operations, games of chance and casinos are not permitted USES under the terms of this LEASE.

2.4 STATE and CITY agree that any lease of LEASE PREMISES or other Public Trust Lands at the Pascagoula Harbor location for GAMING shall - in addition to all other applicable regulations (including zoning and building codes and restrictions), determinations or permissions of other federal, state and local agencies as required by law - require a first party lease between the gaming entity and the State of Mississippi acting by and through the Secretary of State with the approval of the Governor as STATE. STATE reserves the exclusive authority and right to execute leases for GAMING on LEASE PREMISES. The STATE, in its sole discretion, shall decide whether or not a GAMING lease will be offered. However, in the event that the STATE tidelands GAMING lease covers any part of the LEASED PREMISES where CITY has constructed structures for its harbor, then it will first be necessary for the gaming entity to obtain agreement of CITY for a release of that portion of LEASE PREMISES from this LEASE. All revenues from any STATE GAMING lease shall be paid to the Public Trust Tidelands Fund or as otherwise may be directed pursuant to the Laws of the State of Mississippi as they may be amended from time to time.

2.5 LEASE PREMISES shall not be used in such a manner so as to obstruct normal navigation of any artificial, normal or natural channel.

2.6 Except as provided in Paragraph 12 hereof, if CITY abandons permitted USES defined in Paragraph 2.1, above, of the LEASE PREMISES for a period of more than one year, then this lease may be terminated by STATE upon one-hundred twenty (120) days' notice. If after receiving notice of cancellation, CITY within said one-hundred twenty (120) day period, provides STATE with a viable plan for resumption of permitted USES of LEASE PREMISES and thereafter undertakes and continues, without unreasonable delay, work to resume such USES, then this LEASE shall not be cancelled by STATE.

3. CONSIDERATION

3.1 The CITY and STATE agree:

- (a) The LEASE PREMISES contains submerged lands, tidelands and fast lands.
- (b) CITY shall be exempt from any use or rental fees pursuant to Miss. Code Ann. §29-15-13 (Supp. 2009).
- (c) The CITY, in conjunction with the operation of the LEASE PREMISES for

HARBOR USE, may rent boat slips for recreational and commercial boating and fishing upon such terms and conditions as the CITY deems proper and appropriate. The terms and conditions, including the rental and fee amounts, of the boat slip rental agreements between the CITY and any occupant of a boat slip (SLIP AGREEMENTS) shall be established by the CITY.

(d) Any sub-lessee shall pay fair and adequate consideration for all DEVELOPMENT USE on the LEASE PREMISES.

3.2 The CITY shall be entitled to retain all revenues from rentals and fees from SLIP AGREEMENTS and DEVELOPMENT USE within LEASE PREMISES, so long as such revenues are used by the CITY for the operation, debt service, capital improvements and maintenance cost of the LEASE PREMISES pursuant to the terms provided in this subsection and in Exhibit 1 attached to this LEASE.

(a) All revenues received from SLIP AGREEMENTS and DEVELOPMENT USE shall be deposited in a Pascagoula Harbor Fund or an already existing harbor identified enterprise account. The account used shall be deemed a public account and shall be subject to audit by the State Auditor.

(i) The account used shall be used for the operations, debt service and capital improvements to the Pascagoula Harbor and any other public harbor operated by CITY pursuant to a Tidelands lease with STATE, as well as maintenance costs as illustrated in Exhibit 1.

(ii) If city funds from other sources are placed in this account, funds retained from SLIP AGREEMENTS and DEVELOPMENT USE shall be first used for any maintenance and operational expenses.

(b) Sub-paragraph not used.

(c) CITY shall provide STATE

(i) A copy of the relevant part of all budgets or similar documents, such as the City of Pascagoula annual budget, solely as the budgets or similar documents relate to the revenues and expenses of the operation and maintenance of the Pascagoula Harbor as a result of the USE of LEASE PREMISES contemporaneous with the documents being produced.

(ii) A copy of the relevant part of any audit report solely as the audit report concerns activities affecting the Pascagoula Harbor or the Pascagoula Harbor Fund contemporaneous with the documents being produced by or provided to the CITY.

3.3 Except as provided in Paragraph 3.2 (c), the CITY will not be required to produce reports or audits to the STATE.

3.4 (a) The STATE at its own expense shall have the right to an accounting and audit of the records related to the revenues and expenses of the operations and maintenance of the Pascagoula Harbor. Notice of said accounting and audit shall be made in writing with five (5) days business notice to the CITY at the address provided in this LEASE. The STATE shall

designate the persons or agencies who shall conduct the accounting or audit.

(b) CITY and all sublessees shall make available to STATE all required documents and information required by STATE'S auditors.

4. & 5. PARAGRAPHS NOT USED.

6. TRANSFERABILITY OF LEASE.

6.1 Except as provided in Paragraph 6.1(a) and 6.1(b) hereof, CITY shall not sublease or otherwise transfer its rights or obligations under this LEASE without prior approval of STATE.

(a) The City of Pascagoula may enter into an agreement providing for operations (including the collection of rents), improvements, and management of the Harbor, the terms of which shall not be inconsistent the terms of this lease.

(b) CITY may enter SLIP AGREEMENTS pursuant to Paragraph 3.1(c) without approval of the STATE.

7. PUBLIC ACCESS ASSURED.

7.1 CITY agrees to maintain free public access to LEASE PREMISES during the term of the LEASE, subject to rules and regulations reasonably necessary to ensure the safety and convenience of all users and normal operations of the harbor.

8. DEFAULT.

8.1 The parties expressly agree that in the event of default in any term, provision, condition, covenant or condition imposed on CITY under this LEASE, enforcement shall be pursuant to the following methods. STATE shall give notice to the CITY of the default of the LEASE provisions in writing as provided in Paragraph 21. CITY shall have ninety (90) days from receipt of the written notification of the default(s) in which to seek a judicial determination by a proceeding in a court of competent Jurisdiction of the existence of the default(s). During such ninety (90) days, the STATE shall not initiate any action to terminate this LEASE. Should CITY seek a judicial determination of the existence of the default(s), any further stay of action by the STATE to enforce or terminate the LEASE shall be determined by the court in which the CITY sought the judicial determination. If CITY does not seek a judicial determination of the existence of the default(s) or cure the default(s) within the provided ninety (90) day period, STATE may proceed to enforce or terminate this LEASE. STATE shall have all rights and remedies available to Landlords at law or in equity, including but not limited to, the right to restrain violations, compel compliance or terminate this LEASE, and the election to pursue one remedy shall not be deemed to have waived other available remedies.

8.2 If any subleases are in effect at the time of cancellation, termination or forfeiture of this LEASE, then such subleases shall remain in full force and effect subject to state law, and all rights of CITY under said subleases shall accrue to STATE.

9. IMPROVEMENTS AND MAINTENANCE, FUTURE DEVELOPMENT.

9.1 STATE acknowledges that the improvements which exist on LEASE PREMISES on the effective date of this LEASE or which may be constructed on the LEASE PREMISES by the CITY under the terms of this lease are not and shall not be the property of STATE unless forfeited to STATE pursuant to Paragraph 23.

9.2 CITY or CITY'S sublessees will operate and maintain all existing improvements on LEASE PREMISES and will construct, operate and maintain all future improvements on LEASE PREMISES. No material or substantial improvement, alteration or addition to the LEASE PREMISES shall be constructed, placed or assembled and maintained on LEASE PREMISES until CITY has first submitted such proposed improvement, alteration or addition in writing to STATE pursuant to Paragraph 2.2 and that such improvement, alteration or addition is established as a public use pursuant to the procedure set out in Paragraph 2.2, and thereafter CITY may proceed to construct such improvements. Such modifications must (a) be consistent with USES allowed under this LEASE, (b) not violate any local, state or federal law or regulation, (c) be approved by all necessary permitting authorities, and (d) not be inconsistent with or prohibited by any term or provision of this LEASE.

9.3 (a) CITY agrees to provide STATE a complete set of construction plans of the proposed improvement, alteration or addition to the LEASE PREMISES prior to the start of construction of any improvement, alteration or addition after the date hereof.

(b) CITY agrees to provide STATE with an "as built" survey and a complete set of "as built" plans showing all improvements, alterations or additions.

9.4 STATE and CITY share in the public interest in establishing and maintaining an attractive view of the waterfront on the Pascagoula River. Accordingly, CITY agrees that any improvements, alterations or additions to the LEASE PREMISES shall be constructed and maintained for visual and aesthetic appeal. CITY agrees that it shall, at all times, maintain said view of the waterfront in a manner consistent with the public interests and intentions set forth in this Paragraph 9.4. Without limitation, CITY acknowledges this is a material provision of this LEASE.

9.5 All improvements, alterations or additions to improvements on LEASE PREMISES shall be constructed in a workmanlike manner and shall be operated and maintained at CITY'S or sublessee's expense, and shall be maintained in a good state of repair and in a clean, orderly, and attractive condition with due regard to public health and safety.

9.6 STATE and CITY agree that it is in the public interest that all improvements constructed on LEASE PREMISES be completed in a timely manner to the end that such improvements shall not remain in a partly constructed condition any longer than reasonably necessary.

10. COMPLIANCE WITH APPLICABLE LAWS AND RESTRICTIONS ON USE.

10.1 CITY shall comply with any and all federal, state, county or city laws, statutes,

regulations, building codes, building requirements, safety or conservation regulations, fire codes, ordinances, environmental and health laws and regulations, zoning regulations and permits applicable to the Lessee and the property which is the subject of this lease (collectively "RESTRICTIONS"). If CITY is charged with a violation of such RESTRICTIONS and the violations complained of do not pose an immediate threat to the public health or safety or damage or destruction to or waste of LEASE PREMISES, then CITY shall have the right to contest a complaint of violation of such RESTRICTIONS in the manner provided by law, without such contest constituting a default under this LEASE. However, nothing herein shall be deemed or construed to prohibit or limit LEASSOR'S right to take any action available in equity or law to protect LEASE PREMISES and adjoining State property from damage, waste or destruction.

10.2 To the extent provided in the Mississippi Torts Claim Act, and subject to the limitations and immunities allowed there under, the CITY shall be liable for any claims or damages arising as a result of a breach of the covenants of Paragraph 10.1 and from all costs, expenses and charges arising there from including, without limitation, attorney fees and court costs incurred by CITY in connection therewith. This provision shall survive the expiration or termination of this LEASE.

10.3 Without first giving STATE all notices required by applicable law, ordinance or rule, CITY shall not change or attempt any change in zoning, or obtain or apply for a conditional use permit, zoning variance or exception or other similar approval with respect to the use or development of the LEASE PREMISES not expressly allowed under Paragraph 2; and shall not use, develop or attempt to use or develop the LEASE PREMISES or any portion thereof not expressly allowed under Paragraph 2.

10.4 CITY shall not under the terms of this LEASE construct any building, structure or pier of any type on State property adjacent to or adjoining LEASE PREMISES without a Tidelands Lease.

10.5 CITY shall not use LEASE PREMISES in violation of any state or federal regulation pertaining to coastal wetlands.

10.6 The LEASE PREMISES shall be subject to inspection by STATE or his representative at any time.

10.7 It is expressly agreed by and between the parties that CITY will not occupy or use, nor permit to be occupied or used, LEASE PREMISES for any activity deemed hazardous or for any unlawful purposes.

11. PARAGRAPH NOT USED.

12. CATASTROPHIC DESTRUCTION.

12.1 In the event of catastrophic destruction by natural causes of any CITY owned improvements on the LEASE PREMISES, CITY may terminate this LEASE at its option, provided the CITY removes any and all debris from the LEASE PREMISES if the CITY receives federal or state funding for such activity.

12.2 In the event of catastrophic destruction by natural causes of any CITY owned improvements on the LEASE PREMISES, CITY may, but shall not be obligated to, restore or replace any portion of such improvements lost or damaged. The CITY may use funds from the capital improvements funds held in trust rebuilding and recovery from Catastrophic Destruction on LEASE PREMISES.

12.3 STATE reserves the right to terminate the LEASE with one-hundred twenty (120) days' notice unless CITY notifies STATE within five (5) years after the catastrophic destruction of its intent to rebuild. If after receiving notice of cancellation, CITY, provides STATE with a viable plan for rebuilding and resumption of permitted USES of LEASE PREMISES and thereafter undertakes and continues, without unreasonable delay, work to rebuild and resume such USES, then this LEASE shall not be cancelled by STATE.

12.4 In the event that this LEASE is terminated by STATE under Paragraph 12.3 hereof, CITY agrees to remove any and all debris from the LEASE PREMISES if the CITY receives federal or state funding for such debris removal.

12.5 The parties understand and agree that the ability of the CITY to rebuild after catastrophic damage to improvements will depend upon the availability of federal funding, and that the timing of the availability of that funding for reconstruction is beyond the control of either party. As a result, for purposes of the right of termination for non-resumption of use, during the time period beginning when the CITY files a Project Worksheet with the federal government (FEMA or its successor agency) for the reconstruction project and the time when the federal government either grants or denies funding for that Project Worksheet, the CITY shall be considered to have undertaken and to continue to undertake work to rebuild and resume use.

13. PROTECTION OF LEASE PREMISES.

13.1 CITY and any sublessee of CITY shall exercise due diligence in the protection of LEASE PREMISES against damage or waste from any and all causes. CITY and any sublessee of CITY shall not use LEASE PREMISES in such a manner that it causes waste or damage to other property of the STATE in the vicinity of LEASE PREMISES.

13.2 Neither the CITY nor any sublessee shall deposit any refuse, waste or substances regulated under local, state or federal environmental and health laws on LEASE PREMISES. Nor shall CITY or any sublessee of CITY make any such deposits on, or damage any submerged lands or tidelands or other property belonging to the State of Mississippi adjacent to or adjoining LEASE PREMISES. Disposition of refuse and waste shall be consistent with local, state and federal environmental and health laws and regulations. Failure to comply with such laws and regulations shall be deemed to be a material breach of this LEASE or any sublease.

14. PARAGRAPH NOT USED.

15. QUIET AND PEACEFUL POSSESSION.

15.1 CITY shall have quiet and peaceful possession of LEASE PREMISES so long as CITY is in compliance with the terms and provisions of this LEASE.

16. RIGHT OF ENTRY / INSPECTION RIGHTS.

16.1 STATE or its authorized representative shall have the right to enter onto LEASE PREMISES or improvements thereon at any reasonable hour to inspect LEASE PREMISES for purposes of verifying compliance with the terms and provisions of this LEASE.

16.2 CITY grants unto STATE rights of ingress and egress to LEASE PREMISES in, over, across and through uplands and facilities on uplands owned or controlled by CITY, upon reasonable times, for purposes of entering onto and inspecting LEASE PREMISES.

16.3 In any sublease granted by CITY, CITY will require that a provision is included granting STATE and CITY the right of access as provided in Paragraph 16.

17. STATE NOT RESPONSIBLE.

17.1 CITY assumes full responsibility for the condition of the PREMISES and STATE shall not be liable or responsible for any damages or injuries caused by any vices or defects to the CITY or to any occupant or to anyone on the LEASE PREMISES who derives his right to be thereon from CITY.

18. LIABILITY INSURANCE.

18.1 LESSEE shall secure and maintain throughout the term of the lease a liability insurance policy providing coverage in a commercially reasonable amount to be determined by LESSEE against accidents, death or bodily injury or loss or damage to property occurring on or in connection to LEASE PREMISES, or LESSEE'S improvements, or arising out of or associated with any activity of LESSEE on LEASE PREMISES. LESSEE shall annually supply a certificate evidencing said insurance to LESSOR. In the alternative, LESSEE shall secure and maintain throughout the term of the lease a policy of liability coverage from the Mississippi Municipal Liability Plan or any similar group approved pursuant to MISS. CODE ANN. §11-46-1, et seq. (Supp. 2010), providing coverage in the amount legally required against accidents, death, bodily injury or loss or damage to property occurring on or in connection to LEASE PREMISES, or LESSEE'S improvements, or arising out of or associated with any activity of LESSEE on LEASE PREMISES.

18.2 In any sublease granted by CITY, CITY will require that a provision is included providing the sublessee will maintain commercially available insurance in an amount approved by STATE and provide proof to the STATE in a manner similar to Paragraph 18.1.

19. RESERVATION OF MINERAL RIGHTS.

19.1 CITY further covenants and agrees that this lease and interest of CITY shall not include any mineral, oil or gas, coal, lignite, or other subterranean rights whatsoever.

20. WAIVER NOT A DISCHARGE.

20.1 No failure, or successive failures, on the part of STATE to enforce any term or provision of this LEASE, nor any waiver or successive waivers by STATE of any term or provision of this LEASE, shall operate as a discharge thereof or render the same inoperative or impair the right of STATE to enforce the same in the event of subsequent or continuing breach or breaches or upon any renewal thereof.

21. NOTICE.

21.1 (a) All notifications or submissions required under the terms of this LEASE shall be made by U.S. Mail or by rapid delivery courier service to the parties at the following addresses:

Secretary of State:

Assistant Secretary of State
Public Lands Division

(By U. S. Mail)
Post Office Box 136
Jackson, Mississippi 39205-0136

(By [courier](#))
700 North Street
Jackson, Mississippi 39207

[Telephone: \(601\) 359-5156](#)
[Facsimile: \(601\) 359-1461](#)

City of Pascagoula:

[Attention: Mayor](#)

(By U.S. [Mail](#))
PO Drawer 908
Pascagoula MS 39568-0908

[\(By courier\)](#)
[603 Watts Avenue](#)
[Pascagoula, Mississippi 39567](#)
[Telephone: \(228\) 4762-4345](#)

(b) Notices shall be effective upon receipt by the receiving party. Upon written request, STATE and CITY agree that they will promptly acknowledge in writing to the other receipt of any notice received pursuant to any provision of this LEASE.

21.2 STATE or CITY may change the identity of the party designated to receive notices under this LEASE by delivering, in the manner provided in Paragraph 21, notification of such change. The notice of change in party designated to receive notice shall clearly state the name, title or office, address for U.S. Mail delivery and address for courier delivery, telephone number and facsimile number of the new party designated to receive notices under this LEASE. Neither STATE nor CITY shall be entitled to designate, at any one time, more than one party to receive notices under this LEASE. Any such notice of change in the party designated to receive notice under this LEASE shall be effective upon receipt of such notice.

22. LAWS OF MISSISSIPPI TO GOVERN.

22.1 This LEASE and any sublease of this LEASE are to be governed by the laws of the State of Mississippi, both as to interpretation and performance.

22.2 Jurisdiction and venue shall be as provided by law.

23. CANCELLATION OR TERMINATION OF LEASE.

23.1 In the event of the invalidation of any material provision of this LEASE by a final, non-appealable judgment or court order, STATE and CITY may, within ninety (90) days of the entry of such judgment or order, renegotiate this LEASE on mutually agreeable terms not in conflict with such judgment or order. In the event STATE and CITY are unable to reach agreement on such terms then either STATE or CITY may, within said ninety (90) day period, apply to a court of the State of Mississippi of competent jurisdiction and venue for a judicial determination of any term or provision upon which the parties cannot agree.

23.2 Paragraph not used.

23.3 If not sooner cancelled or terminated, this LEASE shall terminate at 11:59 P.M. central (standard or daylight savings) time on the last day of the primary term, or if renewed pursuant to Paragraph 1.2, then this LEASE shall terminate at 11:59 P.M. central (standard or daylight savings) time on the last day of the secondary term.

23.4 Immediately upon the cancellation or termination of this LEASE for any reason, STATE shall be entitled to take possession of LEASE PREMISES, custom and usage to the contrary notwithstanding, and CITY covenants and agrees immediately and peaceably to quit, deliver up and surrender possession of LEASE PREMISES to STATE subject to the provisions hereof.

23.5 CITY shall have one hundred and eighty (180) days from the date this LEASE is cancelled or terminated for any reason to remove CITY'S improvements, structures and

equipment from the LEASE PREMISES. CITY may, before the end of the one hundred and eighty (180) day period, sell, transfer or convey the improvements to another lessee approved by the STATE. STATE and the new lessee shall execute a Public Tidelands Lease on mutually agreeable terms. If for any reason CITY does not remove the improvements, structures and equipment or does not sale, transfer or convey the same, then said improvements, structures and equipment will be deemed forfeited by CITY, and may be removed and/or sold by STATE. The manner and time of removal or sale and the price for which said improvements, structures, materials and equipment may be sold shall be in the sole discretion of STATE. In the event of such forfeiture by CITY, STATE shall not be obligated to remove said improvements, structures and equipment or bear any liability to CITY in the event the same are not removed. Any costs incurred by STATE in the removal of such improvements, structures and equipment or restoring LEASE PREMISES shall be paid for from the proceeds of sale of such improvements, structures and equipment. If at the time of cancellation or termination of this LEASE, CITY is entitled to receive funds from the federal government or from the state for such removal and thereafter receives such funds, then said funds shall be used for the removal of said improvements, structures and equipment and restoration of LEASE PREMISES, notwithstanding this LEASE previously terminated.

24. MISCELLANEOUS.

24.1 CITY covenants and binds itself, its successors and its assigns to the extent allowed by the Laws of the State of Mississippi to faithfully and timely comply with all the terms and provisions of this LEASE.

24.2 The remedies set forth in this LEASE are not exclusive, and the election of one remedy by STATE shall not be deemed or construed as a waiver of any other remedy available to STATE. In addition to the remedies provided in this LEASE, STATE shall be entitled to whatever remedies it may have otherwise at law or in equity.

24.3 STATE and CITY agree that they will execute and deliver, at the request of the other, any and all such documents or other written instruments as may be reasonably necessary or appropriate to carry out and effectuate the intent and purpose of this LEASE.

24.4 No amendments or additions to LEASE shall be binding unless in writing and signed by all parties.

24.5 All covenants and agreements herein shall bind and inure to the benefit of the parties hereto and to their successors and assigns.

24.6 STATE and CITY, for all purposes under this LEASE, accept the description of the LEASE PREMISES attached hereto as Exhibit 2.

24.7 This instrument constitutes the entire agreement between STATE and CITY and supersedes all prior understandings, previous negotiations, and any memoranda of understanding with respect to the subject matter hereof.

24.8 Each individual executing this LEASE on behalf of CITY represents and warrants that he is duly authorized to do so on behalf of the said CITY, and CITY shall, at STATE'S request, deliver a certified copy of its Board's resolution authorizing said execution.

24.9 STATE and CITY agree that CITY is hereby granted and has the right and authority to exercise for the STATE all duties and obligations as may relate to communication, interaction and application with the Federal Emergency Management Agency (FEMA) for issues related solely and only to the destruction, damage, repair and maintenance of the LEASE PREMISES.

25. DEFINITIONS.

25.1 CITY shall mean City of Pascagoula, Mississippi, and shall be the LESSEE.

25.2 HARBOR USE or USE shall have the meaning set forth in Paragraph 2.1(a).

25.3 Paragraph not used.

25.4 LEASE shall mean that lease agreement by and between the State of Mississippi, by the Secretary of State, with the approval of the Governor, and the City of Pascagoula, effective July 1, 2012, for certain submerged lands, tidelands or fastlands referred to as LEASE PREMISES.

25.5 LEASE PREMISES shall mean all of the submerged lands, tidelands or fastlands as described in Exhibit 2 attached to this LEASE, and further as depicted on Exhibit 3 attached to this LEASE, said survey description and survey map provided by LESSEE.

25.6 LEASE YEAR begins on the calendar date the LEASE becomes effective and each succeeding anniversary date, and extends for 365 days, but in the case of leap years, extends for 366 days.

25.7 PUBLIC USE shall have the meaning set forth in Paragraph 2.2.

25.8 RESTRICTIONS shall mean any and all federal, state, county, district or city laws, statutes, regulations, building codes, building requirements, safety or conservation regulations, fire codes, ordinances, environmental and health laws and regulations, zoning regulations and permits applicable to the CITY and the property which is the subject of this lease and to CITY'S use of and activities on LEASE PREMISES.

25.9 SECONDARY TERM shall have the meaning set forth in Paragraph 1.2.

25.10 SLIP AGREEMENT shall have the meaning set forth in Paragraph 3.1(c).

25.11 STATE shall mean the State of Mississippi, acting by and through the Secretary of State with the approval of the Governor, and shall be the LESSOR.

25.12 USES shall have the meaning set forth in Paragraph 2.1 herein.

26. STATE LAW

26.1 (a) In the event the laws of the State of Mississippi are changed or amended to grant ownership of the harbor or any area adjacent there to, those laws shall be incorporated, effective with the effective date of the law, into the LEASE or if a lease is no longer required by Mississippi law, this LEASE shall terminate on the effective date of said law.

(b) In the event the laws of the State of Mississippi are changed or amended to allow for the term of any lease of State Public Trust Tidelands to a county or city for a county, city or municipal harbor subject to Section 29-15-13 to exceed the maximum term of this lease, the CITY may request this LEASE be amended to that term and STATE shall amend this LEASE accordingly.

(c) In the event that a court of competent jurisdiction by a final, non-appealable judgment or court order should determine that title to the LEASE PREMISES is not vested in STATE, or that CITY is otherwise empowered by law to continue its operation of the LEASE PREMISES without a lease from STATE, then this LEASE shall terminate on the date such judgment or order becomes final.

26.2 CITY and STATE agree that this LEASE will not operate as evidence in any judicial action to determine ownership of the LEASE PREMISES.

26.3 In the event STATE executes a Public Trust Tidelands lease agreement for a municipal small craft harbor containing more favorable terms than contained in this LEASE, then CITY may request the same terms and STATE shall amend this LEASE accordingly.

IN WITNESS WHEREOF, this lease is executed by STATE and CITY, this the _____ day of _____, ____.

CITY:

CITY OF PASCAGOULA

BY: _____
Print Name _____
Office _____

STATE OF MISSISSIPPI
COUNTY OF HARRISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for said county and state, on this ____ day of _____, ____, within my jurisdiction the within named _____, personally known to me to be the _____ of the

CITY OF PASCAGOULA, who acknowledged that he/she executed the above and foregoing LEASE AGREEMENT as the act and deed of said county, on the date and for the purposes therein stated, being first duly authorized to so do.

NOTARY PUBLIC

My Commission Expires:

STATE:

STATE OF MISSISSIPPI
C. DELBERT HOSEMANN, JR.
SECRETARY OF STATE

BY: _____
C. DELBERT HOSEMANN, JR.

STATE OF MISSISSIPPI
COUNTY OF HINDS

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for said county and state, on this ____ day of _____, _____, within my jurisdiction the within named. C. DELBERT HOSEMANN, JR, personally known to me to be the SECRETARY OF STATE of the STATE OF MISSISSIPPI, who acknowledged that he executed the above and foregoing LEASE AGREEMENT as the act and deed of said SECRETARY OF STATE for and on behalf of the STATE OF MISSISSIPPI, on the date and for the purposes therein stated, being first duly authorized to so do.

NOTARY PUBLIC

My Commission Expires:

APPROVED BY THE GOVERNOR of the State of Mississippi on the ____ day of _____, ____.

PHIL BRYANT, GOVERNOR

STATE OF MISSISSIPPI
COUNTY OF HINDS

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for said county and state, on this ____ day of _____, _____, within my jurisdiction the within named PHIL BRYANT, personally known to me to be the GOVERNOR of the STATE OF MISSISSIPPI, who acknowledged that he executed the above and foregoing LEASE AGREEMENT as the act and deed of said GOVERNOR for and on behalf of the STATE OF MISSISSIPPI, on the date and for the purposes therein stated, being first duly authorized to so do.

NOTARY PUBLIC

My Commission Expires:

PUBLIC TRUST TIDELANDS LEASE AGREEMENT
CITY OF PASCAGOULA

(Pascagoula Harbor)

EXHIBIT 1

1. Harbor operation and maintenance costs for which the revenues from USES of the LEASE PREMISES (the "Revenues") may be used shall be paid from a Pascagoula Harbor Fund pursuant to Paragraph 3.2 of the LEASE.

2. The Revenues may be used by the CITY for any and all expenses related to the operation, debt service and maintenance cost of the Pascagoula Harbor, including the harbor related surrounding fast lands. The following categories and examples are not to be construed as all inclusive or to be read as a limitation. The categories and examples are provided as a guide to the type of expenditures which would normally be associated with a small craft harbor in the nature of that made subject to the LEASE. When the need for records or documentation is indicated, records or documents which conform to the annual audit standards for an audit as identified in Paragraph 3.3 of the LEASE will be sufficient.

a. Salaries: Reasonable salaries for employees, to include the harbor master, and others solely dedicated to the operation and maintenance of the Harbor can be paid from the Revenues. All employees paid from the Revenues should be detailed only for harbor operations and maintenance and shall be designated and identified in the City of Pascagoula's personnel roster

or employment chart. If employees who are assigned operation and maintenance duties at the Harbor are also detailed or assigned other non-Harbor duties, accurate duty assignment records and time records should be maintained to support the salaries paid from the Revenues.

b. Employee Benefits: Normal and usual employee benefits associated with a compensation package or which are normally and regularly paid by an employer if a part of a compensation plan use by a government entity of the State of Mississippi, to include employee related retirement benefits, medical insurance benefits, and life insurance benefits; taxes normally and usually assess to an employer to include worker's compensation insurance, unemployment insurance, and social security payments can be paid from the Revenues. Withholdings which are normally and usually paid from the employee's earnings may not be paid from the Revenues. If employees who are assigned operation and maintenance duties at the Harbor are also detailed or assigned other non-Harbor duties, accurate duty assignment records and time records should be maintained to support the benefits paid from the Revenues.

c. Vehicles, Machinery and Equipment: Reasonable expenses related to vehicles, machinery and equipment which are used in the operations and maintenance of the harbor may be paid from the Revenues. Vehicles should be those which are necessary and essential for harbor operations and maintenance, and may not be used for personal or non-business reasons. Vehicles cannot be provided for employee transportation to and from work. Machinery and equipment should be dedicated to the repair and upkeep of the harbor, to include bulkheads, piers, utilities, safety devices, landscape adjacent to and in the immediate vicinity of the harbor, and buildings at the harbor and related to harbor operations. Mileage for use of personal vehicle should not be paid from the revenues; any off site (away from the harbor) travel should be accomplished with harbor dedicated vehicles. Equipment can include a limited number of county owned small boats and necessary motors in order to access harbor areas from the water for the purpose of maintenance and repair.

d. Fuel & Oil: Reasonable expenses for fuel and oil which are related to vehicles, machinery and equipment used in the operations and maintenance of the harbor as outlined in this Exhibit can be paid from the Revenues. Fuel and oil paid from the Revenues should be for the operations and maintenance and is not for use by any vehicle or boat not owned by the City of Pascagoula for harbor use and cannot be sold to any person.

e. Maintenance & Repairs: Reasonable expenses related to the maintenance and repairs of the harbor and related facilities and equipment can be paid from the Revenues. Maintenance and repairs must be related to the repair and upkeep of the harbor, to include harbor buildings, bulkheads, boat launches, piers and docks, utilities, office equipment, safety devices, landscape adjacent to and in the immediate vicinity of the harbor. Maintenance dredging must be confined to the enclosed harbor area and any harbor access channel as permitted by the Mississippi Department of Marine Resources and the Commission on Marine Resources and as it extends from the harbor to the nearest main traffic or navigation channel.

f. Utilities: Reasonable expenses for gas, electricity and sewer directly related to the operations of the harbor master's office and related facilities and equipment, piers and docks, boat launches, safety equipment and operations, and other operation and maintenance activities directly related to the harbor can be paid from the Revenues. Utilities associated with boats berthed in the

harbor's rental slips cannot be paid for from the Revenues unless such costs are collected as a portion or part of the berth or slip rental. If so, then the amount collected as a portion or part of the berth or slip rental will fully cover the rental's associated utilities cost.

g. Telephone: Reasonable expenses for telephones, facsimile devices, computer services, marine radios, and other similar communication devices and services directly related to the operations of the harbor, to include those services and items necessary for the efficient operations of the harbor master's office can be paid from the Revenues. Such costs associated with boats berthed in the harbor's rental slips cannot be paid for from the Revenues unless such costs are collected as a portion or part of the berth or slip rental. If so, then the amount collected as a portion of the berth or slip rental will fully cover the rental's associated cost. Cellular telephone equipment and service shall not be paid from the Revenues, except that the harbor master and all harbor related personnel can be provided cellular equipment and service for harbor business and no personal business. All communication service provided to the harbor operations or to the harbor master should be monitored via a call log or call report obtained from the service provider.

h. Garbage: Reasonable expenses for refuse collection or garbage service directly related to harbor operations can be paid from the Revenues. Such collection or service associated with boats berthed in the harbor's rental slips cannot be paid for from the Revenues unless such costs are collected as a portion or part of the berth or slip rental. If so, then the amount collected as a portion or part of the berth or slip rental will fully cover the rental's associated cost. The harbor can provide the necessary refuse collection cans in order to maintain an attractive, safe and sanitary location.

i. Insurance: Reasonable expenses for harbor building and building, contents and equipment insurance related to the operations and maintenance of the harbor can be paid from the Revenues, including insurance to meet the requirements of Paragraph 18 and paragraph 2.b of this exhibit.

j. General Office Supplies: Reasonable expenses for general office expenses, including office supplies such as paper, pens, pencils, notebooks, registers, log books, receipt books and stamp pads and stamp markers; office furniture such as desk, chairs, lights and filing cabinets; and miscellaneous items such as light bulbs, clocks, calendars, cleaning supplies and cleaning equipment, all of which should be related to and used for the operations and maintenance of the harbor can be paid from the Revenues.

k. Debt Service: Debt Service related to obligations entered by the CITY for maintenance and improvements to the Pascagoula Harbor located on the LEASE PREMISES can be paid from the Revenues. Debt service should be in an amount which can be amortized no longer than twenty (20) years by anticipated revenue from SLIP AGREEMENTS and DEVELOPMENT USE which is an excess of the yearly expenses anticipated in Paragraph 2 (a) thru (j).

PUBLIC TRUST TIDELANDS LEASE AGREEMENT

CITY OF PASCAGOULA

(Pascagoula Harbor)

EXHIBIT 2

The submerged lands, tidelands or fastlands being a 10.37 acre tract of land situated in Section 3, Township 8 South, Range 6 West, City of Pascagoula, Jackson County, Mississippi, and being more particularly described as follows:

Commencing at the southeast corner of Section 3, Township 8 South, Range 6 West, Jackson County, Mississippi;

Thence, North 89 degrees 42 minutes 09 seconds West a distance of 4,003.71 feet, to a point for corner;

Thence, North 00 degrees 00 minutes 00 seconds East a distance of 1,718.43 feet, to a point on the north right-of-way line of U.S. Highway 90, said point also being the Point of Beginning of the herein described tract;

Thence, North 14 degrees 56 minutes 55 seconds East a distance of 13.11 feet, to the northwest corner of a pier;

Thence, along the northerly edge of the pier, South 72 degrees 30 minutes 49 seconds East a distance of 37.03 feet, to a point for corner;

Thence, North 12 degrees 07 minutes 32 seconds East a distance of 12.14 feet, to the northwest corner of a pier;

Thence, along the edge of the pier, South 78 degrees 25 minutes 08 seconds East a distance of 23.40 feet, to a point for corner;

Thence, North 06 degrees 23 minutes 26 seconds East a distance of 25.06 feet, to a point for corner;

Thence, North 59 degrees 25 minutes 51 seconds West a distance of 10.62 feet, to a point for corner;

Thence, North 33 degrees 57 minutes 56 seconds West a distance of 12.74 feet, to the southeast corner of a dock;

Thence, along the southerly edge of the dock, North 72 degrees 35 minutes 02 seconds West a distance of 43.19 feet, to the southwest corner of said dock;

Thence, along the westerly edge of said dock, North 18 degrees 47 minutes 04 seconds East a distance of 70.83 feet, to the northwest corner of said dock;

Thence, along the northerly edge of said dock, South 73 degrees 19 minutes 59 seconds East a distance of 35.77 feet, to the northeast corner of said dock;

Thence, North 25 degrees 40 minutes 27 seconds East a distance of 59.43 feet, to a point for corner;

Thence, North 10 degrees 11 minutes 13 seconds East a distance of 124.13 feet, to a point for corner;

Thence, North 05 degrees 59 minutes 07 seconds West a distance of 138.81 feet, to a point for corner;

Thence, North 05 degrees 59 minutes 50 seconds East a distance of 140.36 feet, to a point for corner;

Thence, North 16 degrees 30 minutes 37 seconds East a distance of 94.15 feet, to a point for corner;
Thence, North 36 degrees 24 minutes 45 seconds East a distance of 59.59 feet, to a point for corner;
Thence, North 53 degrees 55 minutes 23 seconds East a distance of 81.75 feet, to a point for corner;
Thence, North 29 degrees 14 minutes 46 seconds East a distance of 25.78 feet, to a point for corner;
Thence, North 60 degrees 33 minutes 24 seconds West a distance of 499.37 feet, to a point for corner;
Thence, South 22 degrees 40 minutes 01 seconds West a distance of 937.35 feet, to a point on the northerly right-of-way line of the aforementioned U.S. Highway 90;
Thence, continuing along said northerly right-of-way line, South 72 degrees 32 minutes 32 seconds East a distance of 564.55 feet, to the Point of Beginning and containing 10.37 acres of land.

The basis of bearings for this description is the Mississippi State Plane Coordinate System, East Zone (2301), NAD 83, grid values, using a scale factor of 0.999958039 and a convergence angle of 00 degrees 08 minutes 04 seconds determined specifically for this project using GPS methods from a base station located at N314,238.3112, E1,074,634.9061 obtained by an OPUS solution.

AND

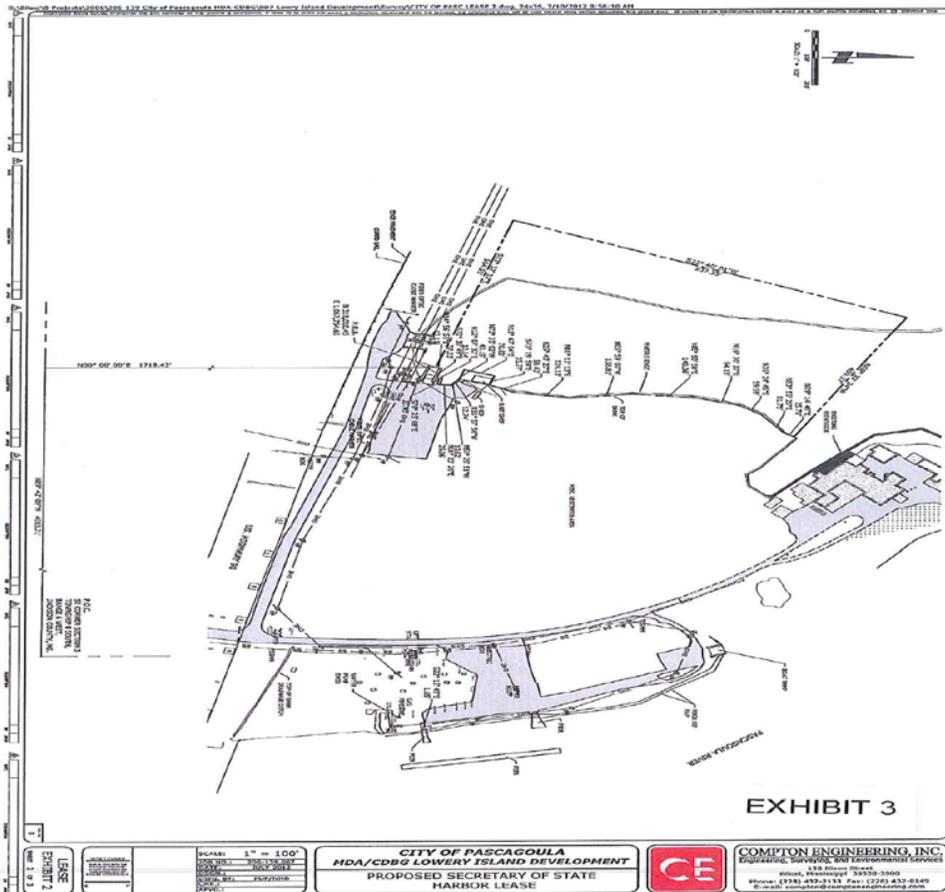
Said description does not include (less) any area currently subject to a lease agreement, including the area under lease to Clark Seafood, Inc., and the area under lease for the Miller Bait Shop; and

Said description is subject to any easements or rights of way, whether recorded, implied, by prescription or discoverable upon reasonable inspection.

CITY OF PASCAGOULA

(Pascagoula Harbor)

EXHIBIT 3



(A copy of the related documents is filed in the minute file of this meeting and incorporated herein by reference.)

Next for consideration were two Anchor Square Tenant Lease Agreements as recommended by Lalinda Grace, Information Center Coordinator. The tenants are as follows:

- Unit F – Kaylee Russell - The Carpenter’s Daughter
- Unit O – Blakney Freeman – Reel Local

Councilman Corder made a motion to approve the two Anchor Square Tenant Lease Agreements with Kaylee Russell (The Carpenter’s Daughter – Unit F) and Blakney Freeman (Reel Local – Unit O), and authorize the Mayor to execute leases for the two tenants at Anchor Square as recommended. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell “ABSENT”. Mayor Pro Tem Abston “AYE”. Councilmen Corder “AYE”, Milstead “AYE”, Stallworth “AYE”, Tillman “AYE”, and Wolverton “AYE”. (Approved 7-17-12)

(A copy of the related documents is filed in the minute file of this meeting and incorporated herein by reference.)

Next for consideration were LaFont Inn Redevelopment Project expenses and a request to approve manual checks to pay three invoices as recommended by Jaci Turner, Program Manager. The invoices are as follows:

L.J. Construction – one invoice - \$58,907.77

Neel-Schaffer – two invoices - \$3,312.00 (Bidding and Construction Admin) and
+\$6,529.15 (Resident Project Representation Services)
\$9,841.15

TOTAL PAYMENTS: \$68,748.92

Councilman Corder made a motion to approve manual checks to pay three invoices: one to L.J. Construction for \$58,907.77, and two to Neel-Schaffer, Inc. for \$3,312.00 (Bidding and Construction Admin) and \$6,529.15 (Resident Project Representation Services) as recommended for total payments of \$68,748.92. The motion was seconded by Councilman Tillman and received the following vote: Mayor Maxwell “ABSENT”. Mayor Pro Tem Abston “AYE”. Councilmen Corder “AYE”, Milstead “AYE”, Stallworth “AYE”, Tillman “AYE”, and Wolverton “AYE”. (Approved 7-17-12)

(A copy of the related documents is filed in the minute file of this meeting and incorporated herein by reference.)

The financial reports for the month of June 2012 were filed by the City Clerk and acknowledged by the City Council.

The following new business items were considered by the Council.

The first new business item for consideration was the selection of public service organizations for CDBG 2012 funding as presented by Jen Dearman, Grants Administrator. Ms. Dearman briefed the Council on the various requests from several organizations that the City has received.

After a lengthy discussion, Councilman Tillman made a motion to approve the following selection of public service organizations for CDBG 2012 funding:

Family Promise of Jackson County	\$5,000.00
Gulf Coast Women’s Center for Nonviolence, Inc.	\$5,000.00
New Beginnings Domestic Violence Program, Inc.	\$5,000.00
TOTAL	\$15,000.00

The motion was seconded by Councilman Stallworth and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

(A copy of the related documents is filed in the minute file of this meeting and incorporated herein by reference.)

The City Manager requested Council consideration of a one-year extension of an Elevator Maintenance Agreement (# 40102595) with KONE, Inc., Mobile, AL, as recommended Police Chief Kenny Johnson. The agreement would be effective June 1, 2012. The elevator is located at the Pascagoula Police Department.

Councilman Wolverton made a motion to approve a one-year extension of an Elevator Maintenance Agreement (# 40102595) with KONE, Inc. effective June 1, 2012, as recommended and authorize the City Manager to execute the related documents. The motion was seconded by Councilman Corder and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". (Approved 7-17-12)

(A copy of the related documents is filed in the minute file of this meeting and incorporated herein by reference.)

The next item for consideration was an Order for the Docket of Claims. Councilman Milstead stated that he objected to payment of annexation expenses of \$24,309.95 to Slaughter & Associates, PLLC, for May 2012.

The Order is spread on the minutes as follows:

ORDER

WHEREAS, the attached docket of claims for the period of June 29, 2012, through July 13, 2012, has been presented to the City Council for allowance and approval; and

WHEREAS, the below claim numbers 06-12-01, 06-22-02, and 06-03 have also been presented to the City Council for allowance and approval:

<u>June 8, 2012</u>		<u>Claim # 06-12-01</u>
010	General Fund	\$ 478,864.94
400	Pascagoula Utilities	21,547.99
480	Solid Waste Mgmt.	<u>500.29</u>

Total \$ 500,913.22

<u>June 22, 2012</u>		<u>Claim # 06-22-02</u>
010	General Fund	\$ 447,402.79
400	Pascagoula Utilities	21,988.40
480	Solid Waste Mgmt.	<u>555.89</u>
	Total	<u>\$ 469,947.07</u>

<u>Miscellaneous Claim</u>		<u>Claim # 06-03</u>
1000	City Share FICA	\$ 48,015.24
1100	City Share Medicare	11,229.33
7000	City Share PERS	<u>100,565.74</u>
	Total	\$ 159,810.31

WHEREAS, it appears that all of said claims are proper and should be allowed;

NOW, THEREFORE, IT IS ORDERED that all claims shown on said dockets are hereby allowed and approved for payment.

The above Order was introduced by Councilman Stallworth, seconded for adoption by Councilman Wolverton, and received the following vote: Mayor Maxwell "ABSENT". Mayor Pro Tem Abston "AYE". Councilmen Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE". The Mayor Pro Tem then declared the Order adopted on the 17th day of July, 2012.

Councilman Corder reported that the Dixie Youth League hosted the South State T-Ball Tournament last weekend and it was very successful.

The City Manager advised that the Jackson County Utility Authority has requested volunteers to serve on a committee regarding an Odor Assessment Study and Community Outreach Program. He recommended that names be submitted to the City Manager's office by August 1, 2012.

Mayor Pro Tem Abston advised that the 25th year class reunion of the Pascagoula High School class of 1987 was held at the Parks and Recreation Department gym last weekend, and it

was very successful. He thanked all of the City staff and departments who were involved for their help.

There being no further business to come before the Council at this time, Councilman Wolverton made a motion to adjourn. The motion was seconded by Councilman Corder and received the following vote: Mayor Maxwell "ABSENT". Councilmen Abston "AYE", Corder "AYE", Milstead "AYE", Stallworth "AYE", Tillman "AYE", and Wolverton "AYE".

The meeting ended at 7:20 p.m.

APPROVED:

Joe Abston, Mayor Pro Tem

Frank Corder, Councilman

Jim Milstead, Councilman

Robert Stallworth, Sr., Councilman

Harold Tillman, Jr., Councilman

George W. Wolverton, Sr., Councilman

ATTEST:

Brenda J. Reed, Asst. City Clerk