

PORT COMMISSION MINUTES
MAY 20, 2010

Be it remembered that a regular meeting of the Port Commission of the City of Long Beach, Mississippi, was begun and held at the Long Beach School District Central Office, 19148 Commission Road, in said City at 5:30 o'clock p.m., it being the third Thursday in May, 2010, and the same being the time, date, and place fixed for holding said meeting.

There were present and in attendance on said Commission and at the meeting the following named persons: Commission President Phil Kies, Vice President James Hancock, Secretary Barbara Reed, Commissioners David Marks, Vernon Ehlers, Danny Hansen, Rod Rishel, Barney Hill, Harbormaster Michael White, and Deputy City Clerk Stacey Dahl.

Absent the meeting were Commissioners Charles Purchner and Port Attorney James C. Simpson, Jr.

There being a quorum present and sufficient to transact the business of the Port Commission, the following proceedings were had and done.

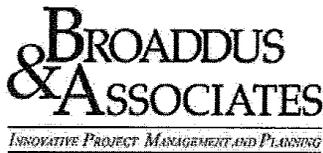
The meeting was called to order and there were no amendments to the agenda.

Commissioner Ehlers made motion seconded by Commissioner Hansen and unanimously carried to approve the Port Commission regular minutes of April 15, 2010, and the recess meeting and executive session minutes of April 22, 2010, as submitted.

The commission recognized Mr. Ron Robertson, Project Manager, Broaddus and Associates. Mr. Robertson submitted project updates as follows:

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Long Beach Port Commission
Phil Kies, President

May 20, 2010

RE: Project Updates

1. Harbor Master Building:

Awarded to H. Gordon Myrick on 8-19-2009 for \$1,044,092.00. Contractor has completely enclosed the building, installed all windows but two, currently installing hardi plank siding and metal roofing. Harbor Master Building project is 85% complete and on schedule to be completed in July 2010. Budget Funding Analysis is attached.

- Change Order #2 needs board decision for an outside walkway (\$24,585) on the West end of the Harbormaster building plus revisions to the public shower (\$5,961) to accommodate handicap. See attached change order.
- Pending change order for water and sewer connections for the new bait shop location.
 - A- Sewer, water and electrical for location North of Harbormaster building. (completed)
 - B- Connections for phone and cable routed to the west side under the boat launch ramp. Must be done. (est. \$1,200)
 - C- Provide stub-out to supply sewer to the east side of the roadway. Decision needed by board. Nominal cost (est. \$950).
- The structural engineering for the bait shop support slab design is currently "on-hold." Need a decision by board as to final location.

Options:

- A- Leave bait shop on East side of roadway, opposite the harbormaster building.
 - B- Install bait shop underneath the harbormaster building
 - C- Add slab on North side surrounded by a wooden bulkhead.
 - D- Other?
- Contents budget is comprised of \$12,500 from insurance and \$8,500 FEMA funded. The insurance must be depleted before FEMA funding will take over. Need for harbormaster to provide list of items needed with cost estimate.

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- Received second quote on the Security Camera System from ADT. ADT quote did not provide for electrical installation or large screen TV. Total installed Cost will be approximately \$10,000. Further analysis will be required.

2. Harbor Dredging:

Phase-1 or Emergency dredging was awarded to Matthews Marine in July 2009 with a final cost of \$27,593, for dredging of 525 CY from the inlet channel.

Phase-2 Dredging was also awarded to Matthews Marine. Dredging of the main inlet channel is and work inside the Harbor next to the fueling station is now complete. Final cost was \$194,341 for removing 6,306 CY. Removal of debris was an additional cost of \$10,548.

Total cost of everything was \$232,482. FEMA funding will be from \$218,889 to a low of \$194,721. Tidelands Grant will contribute approximately \$13,600 to \$37,800. A construction cost funding analysis is attached.

- ### 3. Harbor Pier #2 and Pier #4 revisions.
- Final Engineering drawings and the bid package was submitted May 7th to MEMA/FEMA for review and approval prior to advertising for bids. Estimate for contract award August 2010.

Scope of work: Pier #2 will be revised to provide 15 slips for 16' wide boats on the north side, 8 slips for 16' wide boats on the south side plus 8 slips for 14' wide boats on the south side. No work will be planned for Pier #4. Eight new 50 amp services will be in the base bid with option to add more if the budget will allow. New pilings at the fuel dock station and a new pier adjacent to the west side of the harbormaster building are also included in the base bid. Also, additional RIP-Rap will be placed east of the main inlet channel to prevent erosion and sand drift into the recently dredged channel.

4. Port Commission needs to approval Resolution to spend Insurance proceeds on Harbormaster Building.
5. Letter to State Insurance Commissioner requesting waiver on Excess Flood Insurance. No action required, just need signature.

Please contact me at your convenience with any questions.

Best Regards,



Ron Robertson, P. E.
Project Manager

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**Harbormaster Building
Budget Funding Analysis**

May 20, 2010

	<u>FEMA PA Funding</u>	<u>Insurance Funded</u>	<u>Tidelands Funded</u>
Superstructure & ADA portion	467,933		
Building and bathrooms	277,335	60,000	
Bulkhead and fill			173,469
Concrete over Basement (brick pavers)			7,158
Hardi Plank Siding			3,413
Metal roof			6,906
CO-1 Rock Fill			46,688
CO-2 Catwalk west end + SHW revision			30,546
CO-3 Sewer, Water and Electrical for North			1,800
CO-4 Connections for Phone and Cable			1,200
CO-5 Sewer stub-out for east side			950
Bulkhead Engineering			15,000

TOTALS	\$ 745,268	\$ 60,000	\$ 287,130
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Bait Shop	70,000		
Contents	8,500	12,500	
Antenna			

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Long Beach Harbor Dredging Project		May 20, 2010
Cost Funding Analysis		
Dredging Phase-1		Total Cost \$27,593
<p>Note: Mobilization is an actual cost on dredging projects. The unit cost for Phase-1 must have had mobilization expenses included. For this analysis the expenses above the unit cost of Phase-2 will be applied to Mobilization charges for Phase-1 (\$2,220).</p>		
Dredged Material removed; 525 CY less 7.5%	486 CY	\$ 28.75
Bathymetric Survey	1	L.S.
Mobilization	1	L.S.
		\$ 13,973
		11,400
		2,220
	Requested from FEMA	\$ 27,593
Tidelands Cost Share		
Best Case Scenario	Worst Case Scenario	
0	\$13,620	
Debris Removal		Total Cost \$10,548
Actual Cubic Yards Debris Removed	879 CY	\$ 12.00
		\$ 10,548
	Requested from FEMA	\$ 10,548
Tidelands Cost Share		
Best Case Scenario	Worst Case Scenario	
0	\$10,584	
Dredging Phase-2		Total Cost \$194,341
Dredged Material removed; 6,306 CY less 7.5%	5,833 CY	\$ 28.75
Bathymetric Survey	1	L.S.
Mobilization	1	L.S.
		\$ 167,699
		8,050
		5,000
	Requested from FEMA	\$ 180,749
Tidelands Cost Share		
Best Case Scenario	Worst Case Scenario	
\$13,600	\$13,600	
Grand Total PW 10680 - Best Case Scenario		\$ 218,889
Tidelands Cost Share		
Best Case Scenario	Worst Case Scenario	
\$13,600	\$37,800	
		FEMA
		\$ 194,721

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Civil - Structural

April 30, 2010

S&C 0630/3.4

Mayor William Skellie, Jr.
City Of Long Beach
P.O. Box 929
Long Beach, MS 39560

**Re: Harbormaster Building – Change Order No. 2
Long Beach, Ms**

Dear Mayor Skellie:

Enclosed are four copies of documents for Change Order No. 2. The documents include:

1. Engineer's Change Order Summary Form
2. Letter from Contractor dated 4/27/2010
3. Letter from Contractor dated 4/29/2010
4. Request for Cost Proposal for Changes from Simpson & Costelli, Inc.

The change to the shower is due to the need to upgrade to ADA status as a result of the City obtaining a grant at the Harbor. The addition of the balcony was requested by the Harbormaster and Commission to improve the line of sight by Harbor staff to the launching ramp operations.

Please return one fully executed copy to this office.

We respectfully request that the Board review and approve this change order. If there are any questions, please feel free to contact me at any time.

Sincerely yours,


Michael R. Costelli, PE
President

cc: Phil Kies, David Ball, H. Gordon Myrick, Inc.

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CHANGE ORDER

No. Two (2)

DATE OF ISSUANCE : April 29, 2010

EFFECTIVE DATE: April 29, 2010

OWNER	City of Long Beach		
CONTRACTOR	H. Gordon Myrick, Inc.		
Contract:	Harbormaster Building Bulkhead		
Project:	Harbormaster Building Bulkhead		
OWNER's Contract No.		ENGINEER's Contract No.	0630
ENGINEER	Simpkins & Costelli, Inc.		

You are directed to make the following changes in the Contract Documents:
 Description: 1. Modify Shower Room 204 as follows: Delete sheet rock, FRP, cove tile base and plywood ceiling, lower the ceiling height to 8', install concrete backer-board on all walls and ceiling, install cultured marble at walls and ceiling and furnish and install robe hook, grab bar, shower seats and shower curtain.
 2. Furnish and install a structural steel balcony system.

Reason for Change Order: Upgrade shower to ADA status to comply with City grant.
 Balcony requested by Harbormaster and Commission to improve line of sight to launching ramp operations.

- Attachments: (List documents supporting change)
 1. 4/27/2010 letter from H. Gordon Myrick, Inc.
 2. 4/29/2010 letter from H. Gordon Myrick, Inc.
 3. Request for Cost Proposal for changes from Simpkins & Costelli, Inc.

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price \$ 996,214.00	Original Contract Times: Substantial Completion: _____ Ready for final payment: 270 days (days or dates)
Net Increase (Decrease) from previous Change Orders No. 1 to ____: \$ 48,688.00	Net change from previous Change Orders No. 1 to No. ____: Substantial Completion: _____ Ready for final payment: 21 days (days)
Contract Price prior to this Change Order: \$ 1,044,902.00	Contract Times prior to this Change Order: Substantial Completion: _____ Ready for final payment: 291 days (days or dates)
Net increase of this Change Order: \$ 30,546.00	Net increase this Change Order: Substantial Completion: _____ Ready for final payment: 17 days
Contract Price with all approved Change Orders: \$ 1,075,448.00	Contract Times with all approved Change Orders: Substantial Completion: _____ Ready for final payment: 308 days (days or dates)

RECOMMENDED: Simpkins & Costelli, Inc. By: <u>M. Costelli</u> ENGINEER (Authorized Signature)	APPROVED: City of Long Beach By: _____ OWNER (Authorized Signature)	ACCEPTED: H. Gordon Myrick, Inc. By: <u>H. Gordon Myrick</u> CONTRACTOR (Authorized Signature)
Date: <u>4/20/10</u>	Date: _____	Date: <u>4/30/10</u>

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HGM

CONTRACTOR, INC

We build trust.

April 27, 2010

Mr. Michael Costelli
Simpkins & Costelli, Inc.
401 32-1/2 Street
Gulfport, MS 39507

RE: Harbormaster Building - 2nd Floor Balcony
Long Beach, MS

Dear Mr. Costelli,

Per your request, please accept this quotation to furnish and install a structural steel balcony system for this project.

Our price to complete the work per the structural drawings provided by Simpkins & Costelli, Inc. is \$24,585. We request an additional 10 days to our contract time to complete this work. This price includes labor, materials, equipment and applicable taxes and insurance.

Please call me with any questions or comments.

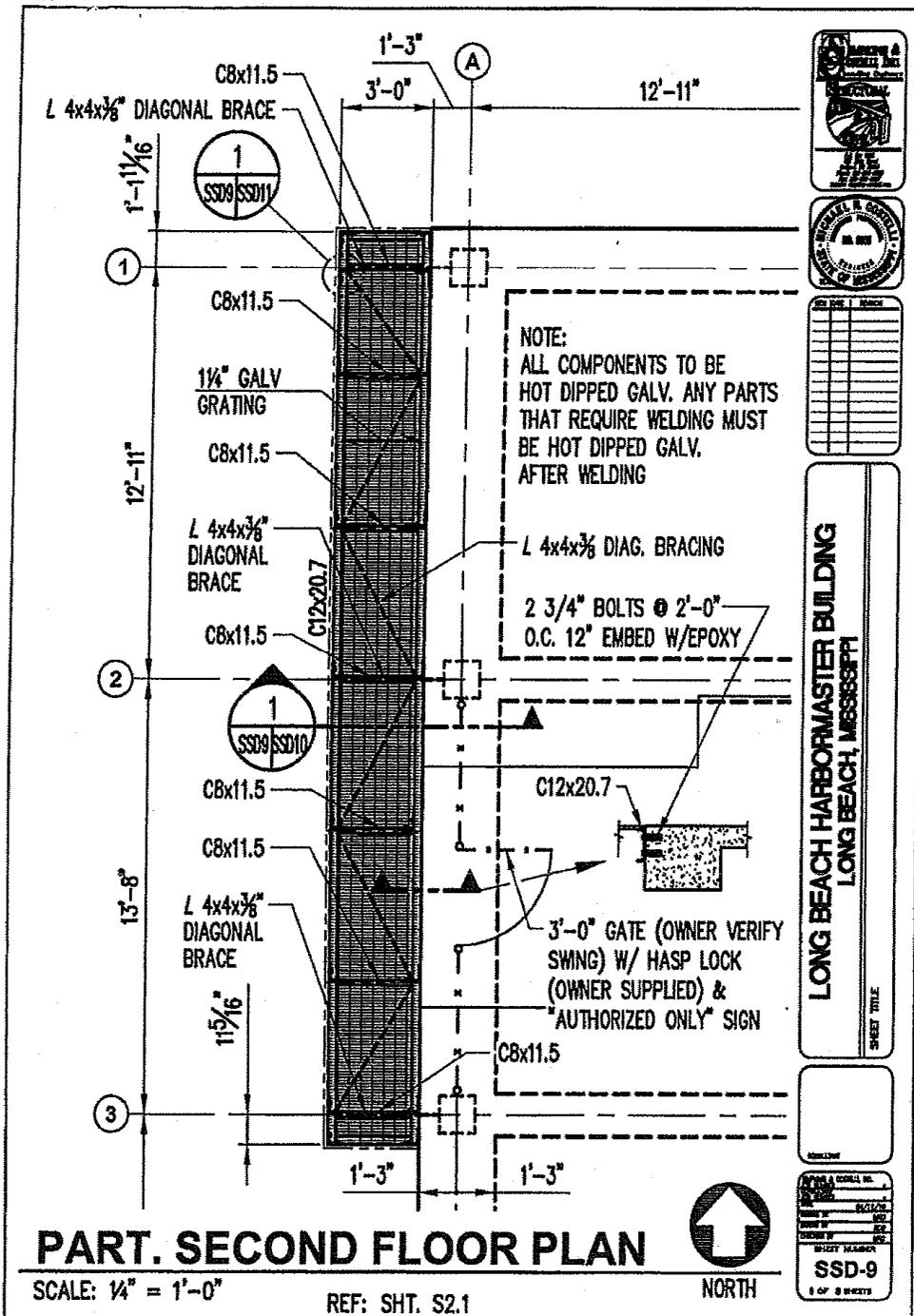
Sincerely,

H. GORDON MYRICK, INC.

Michael Penny

Michael Penny

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HGM

CONTRACTOR, INC

We build trust.

April 28, 2010

Mr. Michael Costelli
Simpkins & Costelli, Inc.
401 32-1/2 Street
Gulfport, MS 39507

RE: Harbormaster Building – Shower Changes
Long Beach, MS

Dear Mr. Costelli,

Per your request, please accept this quotation to change shower room 204. Per the drawing Simpkins & Costelli, Inc. provided, we propose to delete the sheet rock, FRP, cove tile base and plywood ceiling, lower the ceiling height to 8', install concrete backer-board on all walls and ceiling, install cultured marble at walls and ceiling and furnish and install robe hook, grab bar, shower seats and shower curtain as specified.

Our price to complete this work is \$5,961. We request an additional 7 days to our contract time to complete this work. This price includes labor, materials, equipment and applicable taxes and insurance.

Please call me with any questions or comments.

Sincerely,

H. GORDON MYRICK, INC.

Michael Penny

Michael Penny

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H. GORDON MYRICK, INC.		April, 2010				
LONG BEACH HARBORMASTER BUILDING Change Shower Room from FRP to Cultured Marble Walls						
CODE	DESCRIPTION	LABOR	MAT'L	EQUIP	SUB	TOTAL
1000	SPECIAL & GENERAL	200	0	0	0	200
	Cultured Marble Walls	0	0	0	4,250	4,250
	Ceiling / Backer Board	0	0	0	389	389
	Gypsum Wallboard / FRP	0	0	0	-448	-448
	Specialty Items	150	1,311	0	0	1,461
	Delete Tile Base	0	0	0	-98	-98
	Plumbing - Shower Enclosure	0	0	0	-300	-300
TOTALS:		380	1,311	0	3,793	5,454

SCOPE OF WORK	SUBTOTAL DIRECT COST.....	5,454
	MS Sales Tax (3.5%).....	209
	Profit & Overhead (5%).....	298
	TOTAL COST.....	5,961

After considerable discussion, Commissioner Kies made motion seconded by Commissioner Hill and unanimously at carried to approve Change Order #2, as set forth above.

* * * * *

Commissioner Ehlers left and was temporarily absent the public meeting.

* * * * *

Upon further discussion, Commissioner Hill made motion seconded by Commissioner Reed and unanimously carried to approve Option A – Lease Bait Shop on east side of roadway, opposite the harbormaster building and to provide stub-out to supply sewer to east side of roadway.

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The Long Beach Port Commission took up the matter of storm damages to the Harbormaster Building and for related purposes. After a discussion of the subject, Commissioner Reed offered and moved the adoption of the following resolution:

**RESOLUTION OF COMMITMENT OF INSURANCE FUNDS TO KATRINA
DISASTER RECOVERY PROJECTS**

WHERE AS, the Port Commission of the City of Long Beach does hereby commit the City to pay the amount of \$60,000.00 which to the best of my knowledge is the full amount received in an insurance settlement for the storm damages to the Harbormaster Building which is being constructed at 720 So. Cleveland Avenue. The insurance sums will be paid on an incremental basis in accordance with the schedule approved by MEMA and MDA. We understand that if insurance payments are not applied to the project in accordance with the schedule, MEMA and MDA reserve the right to withhold further project funds, either at the time of invoice or request for reimbursement at project closeout, until the insurance payments have been made.

RESOLVED, this the _____ day of _____, 2010

ATTEST:

LONG BEACH, MISSISSIPPI

Stacey Dahl
Port Commission Clerk

Phil Kies, President
Long Beach Port Commission

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**ATTEST:
CITY CLERK**

By: _____

Date: _____

LONG BEACH, MISSISSIPPI

By: _____

Title: _____

APPROVED AS TO FORM:

City Attorney

By: _____

**STATE OF MISSISSIPPI
MISSISSIPPI EMERGENCY MANAGEMENT AGENCY**

By: _____
Director

Date: _____

Commissioner Hancock seconded the motion and, the question being put to a roll call vote, the result was as follows:

Commissioner Phil Kies	voted	Aye
Commissioner James Hancock	voted	Aye
Commissioner Barbara Reed	voted	Aye
Commissioner David Marks	voted	Aye
Commissioner Vernon Ehlers	voted	Absent, Not Voting
Commissioner Danny Hansen	voted	Aye
Commissioner Rod Rishel	voted	Aye
Commissioner Charles Purcher	voted	Absent, Not Voting

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Commissioner Barney Hill voted Aye

The question having received the affirmative vote of all the Commissioners present and voting, the Commission President declared the motion carried and said resolution adopted and approved this the 20th day of May, 2010.

Commissioner Hancock made motion seconded by Commissioner Rishel and unanimously carried to spread the **signed AMENDMENT TO AMENDED AND RESTATED LEASE AGREEMENT by and between the Long Beach Port Commission and Blue Ridge Properties LLC** upon the minutes of this meeting in words and figures as follows:

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STATE OF MISSISSIPPI
COUNTY OF HARRISON
FIRST JUDICIAL DISTRICT

**AMENDMENT TO AMENDED AND
RESTATED LEASE AGREEMENT**

THIS AMENDMENT TO THE AMENDED AND RESTATED LEASE AGREEMENT (this "Amendment") is made and entered into this May 10, 2010, but by agreement of the parties shall be considered to be effective as of February 11, 2010 (the "Effective Date") of the AMENDED AND RESTATED LEASE AGREEMENT by and between the LONG BEACH PORT COMMISSION (hereinafter referred to as "Lessor") and BLUE RIDGE PROPERTIES LLC, a Mississippi limited liability company (hereinafter referred to as "Lessee").

WHEREAS, the parties have previously entered into an AMENDED AND RESTATED LEASE AGREEMENT with an Effective date of February 11, 2010, such agreement being recorded March 1, 2010 as Instrument Number 2010 1735 -D-J1 in the office of the Chancery Clerk of Harrison County, Mississippi, First Judicial District; and

WHEREAS, the parties wish to amend said AMENDED AND RESTATED LEASE AGREEMENT for the purposes stated below, it is therefore agreed as follows:

WITNESSETH:

FOR AND IN CONSIDERATION of the mutual covenants herein contained and for other good, lawful and valuable consideration given and received by each of the parties to be bound hereby, the parties agree that the AMENDED AND RESTATED LEASE AGREEMENT between them as referenced above shall be amended as

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follows:

1. Article 3 shall read as follows:

ARTICLE 3

RENT

Section 3.1 Rent. Lessee shall pay Lessor rent for the Leased Premises as

follows:

A. Base Rent. Lessee shall pay to Lessor base rent of One Thousand Three Hundred Five & no/100 Dollars (\$1,305.00) per month (the "Base Rent"), payable in advance on the first day of each month. The Base Rent will be increased by three percent (3%) for each year of the Initial Term of this Lease. At the end of the Initial Term the Base Rent shall be redetermined by appraisals obtained by Lessor of the fair market value of the Leased Premises, and upon receipt thereof shall notify the Lessee of the fair market rental rate as determined by the appraisers. Lessee shall have Thirty (30) days from its receipt of the notice of fair market rental rate to exercise its option to renew the term of the Lease under the new Base Rent. In each year following the Base Rent adjustment date, the Base Rent shall increase by 3% for that year.

B. Non-Gaming Percentage Rent. In addition to the Base Rent, Lessee shall pay Lessor as additional percentage rent calculated annually an amount equal to two percent (2%) of the annual gross sales of between \$2,000,000.00 and \$3,000,000.00 generated from any commercial, non-gaming operations located on the Leased Premises during the Term; three percent (3%) of the annual gross sales of between \$3,000,000.00 and \$4,000,000.00 generated from any

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commercial, non-gaming operations located on the Leased Premises during the Term, and an amount equal to four percent (4%) of the annual gross sales of over \$4,000,000 from any commercial, non-gaming operations located on the Leased Premises during the Term (collectively, the "Non-Gaming Percentage Rent"). For the purpose of verifying the Non-Gaming Percentage Rent, Lessee shall promptly provide to Lessor all sales tax returns of Lessee at the same time such sales tax returns are provided to the Mississippi State Tax Commission. Lessee shall pay the Non-Gaming Percentage Rent to Lessor for each calendar quarter, or portion thereof for the beginning or end of the Term, at the same time as periodic Mississippi State Sales Tax returns are due to be filed within thirty (30) days after the end of each calendar quarter

C. Pre-Paid Rent. Lessor acknowledges receipt from Lessee of pre-paid base rent and Non-Gaming Percentage Rent, as applicable, in the amount of Ten Thousand Dollars (\$10,000.00) (the "Pre-Paid Rent"). The Pre-Paid Rent shall be credited dollar for dollar towards Lessee's liability for base rent and Non-Gaming Percentage Rent from the Commencement Date, and the cost of the appraisals of Parcels B and C, and shall be non refundable in the event of termination of the Lease for any reason.

D. During the Initial Term and in addition to the Base Rent and the Non-Gaming Percentage Rent, Lessee will also to pay Lessor as additional percentage rent an amount equal to two percent (2%) of the annual gross gaming revenues derived from any gaming operations of Lessee located on the Leased Premises, and from any gaming operations of Lessee located on land adjacent to the Leased

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Premises and within applicable legal limits from the mean high-water line (as defined in Section 29-15-1, MCA) of the waters within the State of Mississippi in accordance with Section 87-1-5, MCA, as amended, but in no event less than Five Hundred Thousand Dollars (\$500,000) per year. From and after the beginning and through the remainder of the Secondary Term and in addition to the Base Rent and the Non-Gaming Percentage Rent, Lessee shall pay Lessor as additional rent percentage rent an amount equal to two and one-half percent (2.50%) of annual gross gaming revenues derived from any gaming operations of Lessee located on the Leased Premises, and from any gaming operations of Lessee located on land adjacent to the Leased Premises and within applicable legal limits feet from the mean high-water line (as defined in Section 29-15-1, MCA) of the waters within the State of Mississippi in accordance with Section 87-1-5, MCA, as amended, but in no event less than Five Hundred Thousand Dollars (\$500,000) per year (collectively, the "Gaming Percentage Rent", and the Base Rent, the Non-Gaming Percentage Rent and the Gaming Percentage Rent shall be referred to collectively as the "Rent"). Lessee shall pay the Gaming Percentage Rent to Lessor for each calendar quarter, or portion thereof for the beginning or end of the Term, within thirty (30) days after the end of each calendar quarter. This provision applies to any period of time during which gaming operations have occurred.

Section 3.2 Payments. All Rent shall be payable at Lessor's place of business or at such other place as Lessor may designate in writing.

Section 3.3 Other Items. It is the intention of Lessor and Lessee that the Rent

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herein specified shall be net to Lessor in each year during the Term of this Lease, that all costs, expenses, taxes charges and obligations of every kind relating to the Leased Premises, including, but not limited to the costs of maintaining and repairing the Leased Premises, which may arise or become due during the Term of this Lease shall be paid by Lessee, and that Lessor shall be indemnified by Lessee against such costs, taxes, expenses, charges and other obligations.

2. Article 4 shall read as follows:

ARTICLE 4

CONSTRUCTION, ALTERATIONS AND EQUIPMENT

Section 4.1 General. Lessee shall, at its sole cost and expense, construct a building on the Leased Premises for the uses described in Article 5 below having a minimum total investment including the development of plans, specifications, surveys and construction of not less than \$1,500,000.00, and a minimum of 4,000 square feet under roof, a minimum of 2,600 square feet of which shall be enclosed and heated and cooled. Lessee shall submit a rendering of the proposed building within 30 days of the Effective Date of this Lease. All such construction shall be done in good workmanlike manner and shall be in compliance with all applicable laws, codes, ordinances, rules, regulations and orders of federal, state and local governmental and public bodies and agencies having jurisdiction over the performance of such construction work. Lessor shall cooperate with Lessee's efforts in obtaining all governmental consents, approvals

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and permits, provided all costs thereof shall be paid by Lessee.

Section 4.2 Initial Construction. Prior to initial construction, final building plans and specifications shall be submitted to Lessor for approval, accompanied by an estimated construction cost budget or contract proving the minimum cost as described above. Provided such plans, specifications and cost are in substantial conformance with the drawings, renderings and/or plans furnished by Lessee and approved by Lessor as set forth in Section 4.1, such approval shall not be unreasonably withheld or delayed.

Section 4.3 Failure to Submit Plans, Commence Construction or Complete Construction. Lessee shall submit final building plans and specifications for approval to Lessor within ninety (90) days from Lessor's approval of the rendering of the proposed building. Lessee shall obtain a building permit from the City of Long Beach and commence actual construction of such building and permitted structure within sixty (60) days of final approval by Lessor of such plans and specifications and issuance of the building permit, and thereafter proceed with commercially reasonable diligence to complete such construction. Failure to comply with the stated deadlines shall be grounds for termination of this lease. Notwithstanding anything in this paragraph to the contrary, construction shall be completed not later than August 1, 2011. Failure to have such facility completed by August 1, 2011 and occupied by September 1, 2011 shall be considered an act of default hereunder.

In addition to any other remedies allowed herein, Lessee shall pay as liquidated damages the sum of \$1,000.00 per month for each month or partial

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month commencing on August 1, 2011 that the facility is not completed. For this purpose, completion shall be deemed to occur at the time and on the date a Certificate of Occupancy is issued for the building by the City Building Official.

Section 4.4 Mechanics or Workman's Liens. Lessee shall (1) keep the Leased Premises at all times during the Term hereof free from mechanics' liens and other liens of like nature created or claimed by reason of transactions made by Lessee, and (2) at all times fully protect and indemnify Lessor against all such liens or claims which may ripen into such liens and all expenses arising from such liens or claims. If Lessee shall elect to contest any such claim or lien, it shall, within thirty (30) days after written notice of such claim or lien, furnish Lessor a bond of a responsible corporate surety, in the amount claimed, conditioned on the discharge of said claim or lien. If a final judgment establishing the validity of said lien or claim for any amount is entered, Lessee shall pay and satisfy same at once. As to the mechanics' liens or other liens of like nature created or claimed by reason of transactions made by Lessor, Lessor shall keep the Leased Premises free of same, indemnify Lessee, furnish Lessee with a bond and pay and satisfy valid liens, all in accordance with the same requirements as are imposed repairs and replacements to all improvements constructed by Lessee on the Leased Premises which may be from time to time become necessary, including but not limited to repairs to the pipes, heating ventilation and air conditioning system, plumbing system, window glass, fixtures, and all appliances, appurtenances and equipment used by Lessee in connection with the occupancy of the Leased Premises. All such repairs and replacements

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shall be made promptly, as and when necessary. All repairs and replacements shall be of equal quality to the work and materials existing after the initial construction of such improvements. In the event of the failure of Lessee to make such repairs or replacements, Lessor may, but shall not be required to, make such repairs and replacements for Lessee's account, and the expense thereof shall constitute and be collectable as additional Rent; provided, however, Lessor must first give notice to Lessee to cure such default (i.e., make the repair) within a reasonable amount of time.

All other provisions, terms and conditions of the **AMENDED AND RESTATED LEASE AGREEMENT** shall remain unchanged, and in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed. As of the date hereof.

LONG BEACH PORT COMMISSION, Lessor:

Phil Kies Date 5/10/10

Phil Kies, President

NOTARY PUBLIC

Lessee:
BLUE RIDGE PROPERTIES, LLC

By: [Signature]

Date 5/10/10

Its: Manager

Stacey Dahl
NOTARY PUBLIC



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AND NOW COMES WILLIAM SKELLIE, JR., Mayor of the City of Long Beach, Mississippi, who signs herein below acknowledging the approval of this Lease by the City of Long Beach, Mississippi Board of Aldermen.

Date of Execution: 5/10/10

WITNESS OR ATTEST:

CITY OF LONG BEACH


Rebecca Scruff, City Clerk


William Skellie, Jr., Mayor


NOTARY PUBLIC
ID # 4842
STACEY DAHL
Commission Expires
Dec. 5, 2011
HARRISON COUNTY, MISSISSIPPI

The commission recognized Mr. Nick Conner and discussion was held regarding allowing live-a-boards in the Long Beach Harbor.

After considerable discussion, Commissioner Hancock made motion seconded by Commissioner Hansen and unanimously carried granting Mr. Connor permission to **temporarily** live-a-board his vessel pending the Commission drafting a lease/policy pertaining to live-a-boards.

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Commissioner Ehlers returned to the public meeting.

There came on for consideration Tidelands 2012 and the Commission recognized Project Manager, David Ball to discuss project applications for fiscal year 2012.

After considerable discussion, it was the consensus of the Commission to direct Mr. Ball to provide proposals for fiscal year 2012 project applications, as follows:

- Clean Marina
- Southeast Fishing Pier
- Deepen Boat Launch

Commissioner Rishel made motion seconded by Commissioner Hancock and unanimously carried to approve payment of invoices as listed in Docket of Claims number HBR050410 and HBR051810.

The Commission recognized Harbor Master Robert White for his report and action was taken as follows:

- Commissioner Ehlers made motion seconded by Commissioner Hancock and unanimously carried authorizing Harbor Master White to employ one additional part-time harbor guard;
- Harbor Master White is pursuing compliance with the "Clean Marina Program.

There being no further business to come before the Commission at this time, Commissioner Hancock made motion seconded by Commissioner Rishel and unanimously carried to adjourn until the next regular meeting in due course.

APPROVED:

Phil Kies, President

Date

ATTEST:

Stacey Dahl, Deputy City Clerk