

**CITY OF BILOXI
AGENDA ITEM
FACT SHEET**

Item No.: 5 Y

Council Meeting Date: September 5, 2017

ITEM TITLE: **RESOLUTION**
 INTRODUCED BY: **Mayor Andrew "FoFo" Gilich**
 CONTACT PERSON: **E. Michael Leonard, CAO** *qu*
Peter Abide, City Attorney

SUMMARY EXPLANATION:

Resolution authorizing the lease of surplus property with The Original Beignet Factory, LLC and Old Biloxi Library, LLC for Old Biloxi Library Property

Resolution Ordinance _____ Public Hearing _____ Routine Agenda _____

Exhibits for Review

Contract _____ Minutes _____ Plans/Maps _____ Deed _____ Lease

Other (Specify): Exhibit "A"- Legal Description
 Exhibit "B" - Lease Agreement- The Original Beignet Factory, LLC
 Exhibit "C"- Lease Agreement- Old Biloxi Library, LLC

Submittal Authorization: Council President _____ Mayor

STAFF RECOMMENDATION: **Staff recommends approval**

COUNCIL ACTION: Motion By: _____ Second By: _____

Vote:	<u>Councilmember</u>	<u>Yes</u>	<u>No</u>	<u>Other</u>	<u>Councilmember</u>	<u>Yes</u>	<u>No</u>	<u>Other</u>
	Lawrence	___	___	___	Tisdale	___	___	___
	Gines	___	___	___	Glavan	___	___	___
	Newman	___	___	___	Barrett	___	___	___
	Deming	___	___	___				

ACTION TAKEN:

Resolution No.

RESOLUTION AUTHORIZING THE LEASE OF SURPLUS PROPERTY WITH
THE ORIGINAL BEIGNET FACTORY, LLC and OLD BILOXI LIBRARY, LLC
FOR OLD BILOXI LIBRARY PROPERTY

WHEREAS, the City of Biloxi has deemed certain parcels described in Exhibit "A" hereto known as the Old Biloxi Library and adjacent lots ("the Old Biloxi Library property") as surplus property pursuant to Mississippi Code Section 21-17-1(2)(a), et. seq., and,

WHEREAS, pursuant to Mississippi Code Section 21-17-1(2)(b) the City commissioned at least two (2) appraisers, selected by the City to determine the fair market value of the Old Biloxi Library property, and,

WHEREAS, the City has determined that the fair market rental value of the Old Biloxi Library property based upon appraisals obtained by the City is Seven Thousand Five Hundred and No/100 Dollars (\$7,500.00), per month, and,

WHEREAS, the City has received an offer from The Original Beignet Factory, LLC to lease the second floor of the Old Biloxi Library property at the monthly rate of Four Thousand Seven Hundred and No/100 Dollars (\$4,700.00) and an offer from Old Biloxi Library, LLC to lease the first floor of the Old Biloxi Library property at the monthly rate of Two Thousand Eight Hundred and No/100 Dollars (\$2,800.00) per month in exchange for the City leasing these portions of the Old Biloxi Library property described in Exhibit "A" pursuant to the terms of the two Lease Agreements attached hereto as Exhibit "B" and Exhibit "C", and,

WHEREAS, each lease contains an option to purchase the Old Biloxi Library property from and after the third anniversary of each Lease Agreement for the sum of

Six Hundred Sixty Thousand and No/100 Dollars (\$660,000.00) or the average of two appraisals performed by two appraisers selected by the City as of the date of the exercise of the option to purchase, whichever is higher; and

WHEREAS, the Lessees intend to develop and operate a beignet shop and café, and a steak restaurant on the property being leased, thereby creating additional jobs and taxes for the City, and,

WHEREAS, the City has determined that the Old Biloxi Library property is no longer needed for municipal purposes and is not to be used in the operation of the City, that the lease or sale of the Old Biloxi Library property in the manner otherwise provided by law is not necessary or desirable for the financial welfare of the City, and that the use of the property for the purposes for which it is to be leased or sold will promote and foster the development and improvement of the community in which it is located and the civic, social and economic welfare of the City and the area; and,

WHEREAS, based upon the appraised value of the Old Biloxi Library property, the sum of \$7,500.00 per month is a fair value to receive given that the businesses proposed for operation on the premises are service and tourism related, and an offer to rent it for that amount has been made by The Original Beignet Factory, LLC and Old Biloxi Library, LLC;

WHEREAS, the City Council of the City of Biloxi, Mississippi having given full consideration, and finding it in the best interest of the City of Biloxi, Mississippi to:

Authorize the Mayor to execute the Lease Agreements attached hereto as Exhibit "B" and Exhibit "C".

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY

OF BILOXI, MISSISSIPPI, AS FOLLOWS:

Section 1: The findings, conclusions, and statements of fact contained in the preamble of this resolution are hereby ratified, approved, and adopted.

Section 2: The Mayor and Municipal Clerk are hereby authorized to execute a lease on behalf of the City of Biloxi of the second floor of the Old Biloxi Library property to The Original Beignet Factory, LLC, in substantially the form as the document attached as Exhibit "B" hereto, upon the terms and conditions stated therein, and to execute a lease on behalf of the City of Biloxi of the first floor of the Old Biloxi Library property to the Old Biloxi Library, LLC in substantially the form as the document attached hereto as Exhibit "C", upon the terms and conditions stated therein.

Exhibit "A"
Old Biloxi Library

Legal Description

PARCEL 1:

A parcel of land, and all improvements thereon and appurtenances thereunto belonging, known as Lot 2, Block 40, per Subdivision Plat, Downtown Revitalization Area, Central Business District, Urban Renewal Project No. Miss. R-30, City of Biloxi, Second Judicial District, Harrison County, Mississippi, being more particularly described as follows, to-wit:

COMMENCE at the Southeast intersection of Water Street and Lameuse Street, as they are both laid out and maintained as the POINT OF BEGINNING; thence run South 87°02'04" East, along the South margin of Water Street, for a distance of 100.00 feet to a point; thence run South 0°42'38" East, for a distance of 93.10 feet to a point; thence run North 89°00'35" East, for a distance of 69.54 feet to a point; thence run South 0°47'33" East, for a distance of 54.25 feet to a point; thence run South 89°05'40" West, for a distance of 169.71 feet to a point on the East margin of Lameuse Street; thence run North 0°35'55" West, along said East margin, for a distance of 154.00 feet to the POINT OF BEGINNING, containing 18,825 square feet, or 0.432 acres.

And

PARCEL 2:

A portion of a parcel of land known as Lot 2, Block 40, per Subdivision Plat, Downtown Revitalization Area, Central Business district, Urban Renewal Project No. Mississippi R-30, City of Biloxi Second Judicial District Harrison County, Mississippi, being more particularly described as follows, to-wit: Commencing at the Southeast intersection of Water Street and Lameuse Street as they are both laid out and maintained; thence run South 00°35'55" East for a distance of 154 feet to an iron pipe the Point of Beginning; run thence North 89°05'40" East 169.71 feet to a fence comer; run thence North 0°47'33" West for a distance of 54.25 feet to an iron rod; run thence South 89°00'35" West a distance of 69.54 feet to an iron rod; thence continue South 89°00'35" West for a distance of 100.17 feet, more or less, to a point on the East margin of Lameuse Street; run thence South 00°35'55" along said East margin, for a distance of 54.25 feet, more or less, to the POINT OF BEGINNING.

And

PARCEL 3:

A parcel of land commencing at the Southeast intersection of Water Street and Lameuse Street, as they are both laid out and maintained; running thence South 87°02'04" East, along the South margin of said Water Street, for a distance of 100.00 feet to the POINT OF BEGINNING; continuing thence South 87°02'04" East along said South margin for a distance of 69.52 feet to a point; running thence South 0°47'33" East for a distance of 88.33 feet to a point; running thence South 89°00'35" West for a distance of 69.54 feet to a point; running thence North 0°42'38" West for a distance of 93.10 feet to the POINT OF BEGINNING; containing approximately 6,295 square feet or 0.15 acres.

LEASE AGREEMENT BY AND BETWEEN

CITY OF BILOXI, MISSISSIPPI
AS LANDLORD

AND

THE ORIGINAL BEIGNET FACTORY, LLC,
D/B/A "LE CAFÉ BEIGNET", AS TENANT

FOR OLD BILOXI LIBRARY BUILDING
124 AND 122 LAMEUSE ST.
BILOXI, MS 39530

STATE OF MISSISSIPPI
COUNTY OF HARRISON
SECOND JUDICIAL DISTRICT

LEASE

THIS AGREEMENT (the "Lease Agreement") made and entered into this day between **CITY OF BILOXI, MISSISSIPPI**, a Mississippi municipal corporation, hereinafter referred to as "Landlord"; and **THE ORIGINAL BEIGNET FACTORY, LLC**, a Mississippi limited liability company, d/b/a "Le Café Beignet", hereinafter referred to as "Tenant".

WITNESSETH

For and in consideration of the rental payments, covenants and mutual promises contained herein, the Landlord leases to Tenant, and Tenant leases from Landlord the second floor of the building and certain common areas of the premises located on the real property and improvements thereon located, including, but not limited to the elevator providing access to the second floor, "as is, where is" at 124 and 122 Lameuse Street, Biloxi, MS 39530, being identified as Harrison County Tax Parcels #1410K-03-065.000, #1410K-03-066.000, and #1410K-03-065.000, and more fully described on that certain legal description stated on the attached Exhibit "A", which is made a part of this Lease Agreement (the "Leased Premises"). The Leased Premises are also known as the Old Biloxi Library, and the Leased Premises will be unoccupied and clean as of the date of Tenant taking possession.

1. TERM OF LEASE: The primary term of this Lease Agreement shall be a period of five (5) years commencing on the Rent Commencement date (hereinafter defined) (the "Term").

2. RENTAL PAYMENTS; LATE PAYMENT PENALTY; DEPOSIT AMOUNT;
PAYMENT OF HALF COST OF TWO APPRAISALS:

A. For the Term, the Tenant agrees to pay as rent to Landlord the annual sum of Fifty-Six Thousand Five Hundred Dollars (\$56,500.00). Annual rent for the Term shall be paid in equal monthly payments of Four Thousand Seven Hundred Dollars (\$4,700.00) each month in advance, with the payment to be made on the first business day of each month; however, the first monthly payment shall be pro-rated in an amount equal to the percentage determined by the number of days of occupancy by the Tenant in the first month, beginning on the Rent Commencement Date and ending on the last day of the first month, divided by thirty (30). The first payment shall be made on the Rent Commencement Date. Rent payments shall be made in advance to the Landlord at 140 Lameuse Street, Biloxi, MS 39530 or at such other address as the Landlord may designate in writing to the Tenant.

B. The monthly installments of rent are due on the first (1st) day of each month during the term(s) hereof but rental payments shall not be considered to be delinquent if payment thereof is received by the Landlord on or prior to the fifteenth (15th) day of the same month for which such rent due. For any monthly rental which shall not be paid by Tenant and received by Landlord by the fifteenth (15) day of the month (after becoming due on the first), Landlord shall be entitled to recover a late charge in the amount of 5% of overdue amount. Landlord shall have the right to refuse to accept partial rent payments, and may decline to accept any payment less than the full sum required to pay all rentals and late charges then due.

C. Landlord shall have the right to charge Tenant a service charge of Twenty-Five Dollars (\$25.00) for any check of Tenant received by Landlord for payment of rent or additional

rent which shall not be honored when presented for payment. And, should Landlord receive a check from Tenant which is, in fact, dishonored when presented for payment, Landlord shall have the right to thereafter refuse to accept payment of rent, late charges and/or additional rent by personal check.

D. In the event of a default by Tenant in the performance or observance of any of the terms and conditions hereof as applicable to it, and in the event this Lease shall be placed in the hands of an attorney for appropriate action, Tenant agrees to pay all costs or expenses incident thereto, including reasonable attorney's fees.

E. Tenant further agrees to pay to the Landlord in trust a deposit of \$4,500.00 on the date of signing of this lease. This deposit shall be a security deposit to be held and disbursed, if needed, by Landlord for Tenant damages to the Leased Premises or other defaults under this Lease Agreement, if any.

F. Tenant delivered to Landlord a \$5,000.00 bank check as earnest money with its response to the City's Request for Proposals regarding the Leased Premises. The two appraisals obtained by the City for estimates of fair market value of the Leased Premises cost at total of \$4,900.00, for which the Tenant is responsible for paying one-quarter (\$1,225.00) as a tenant of the second floor of the building. Tenant and Landlord agree that Landlord shall disburse, on the date of full execution of this Lease Agreement, the Tenant's \$5,000.00 Earnest Money as follows: (a) Landlord shall deposit \$1,225.00 to Landlord's account as receipt of payment in full of Tenant's obligation to pay one-quarter of the cost of the two appraisals regarding this transaction, and (b) Landlord shall deposit the remaining \$2,550.00 to the Landlord's account as a credit paid by the Tenant towards Tenant's first monthly rental under the Lease Agreement.

3. OPTION TO PURCHASE: Subject to the provisions of paragraph 5 of this Lease Agreement, from and after the third anniversary of the Rent Commencement Date and ending on the last day of the Term, Tenant may exercise its option to purchase fee simple title to the real property described herein as the Lease Premises, subject to the right of first refusal of the tenant of the first floor to purchase Parcel 2, on the following basic terms and conditions plus other ordinary and reasonable terms and conditions for a contract of sale and purchase of commercial real property:

(a) Tenant shall notify Landlord in writing of its intent to exercise the option to purchase by giving no more than ninety (90) days and no less than sixty (60) days written notice to the Landlord, stating a closing date to be within the sixty-to-ninety-day notice period; if the notice is sent on the last day of the Term, the closing shall be not later than sixty (60) days after the last day of the Term; if the closing date is after the Term, Tenant shall continue to pay rent until closing;

(b) The purchase price shall be the greater of (1) the average of two appraisals of fair market value estimated by two appraisers selected by the Landlord and approved by the Tenant, with the fair market value determined as of the date of the notice of intent, or (2) Six Hundred Sixty Thousand Dollars (\$660,000.00), whichever is higher;

(c) The deed of conveyance will provide that the property conveyed is subject to all state, federal and municipal laws, codes, covenants and restrictions of record, including, but not limited to, the Historic Preservation Easement granted by the City of Biloxi to the Mississippi Department of Archives and History by Resolution adopted by the City Council on March 1, 2011 and the related requirements pertaining to the Old Biloxi Library as a Mississippi

Landmark in accordance with the State Antiquities Law, Miss. Code of 1972, §§39-7-3, et seq. and recorded in the Land Deed Records of Harrison County, Second Judicial District, Mississippi as Instrument No. 2017-4023D-J2.

4. RENT COMMENCEMENT DATE; POSSESSION; RESTRICTIONS ON CHANGES TO THE LEASED PREMISES; DEPOSIT AMOUNT: The "Rent Commencement Date" and the date of first possession by the Tenant shall be the latter date of (a) September 15, 2017, or (b) the date the Tenant complies with the requirements of the Mississippi Department of Archives and History under the Historic Preservation Easement and Mississippi Landmark rules applicable to the Leased Premises.

5. RIGHT OF SALE OR TRANSFER: (a) The Landlord retains the full and complete authority to sell or transfer all or part of the real property described on Exhibit "A" that constitutes the Leased Premises at any time after the third anniversary of the Rent Commencement Date of this Lease Agreement, except during the ninety-to-sixty-day period of Tenant's notice of intent to exercise its option to purchase under paragraph 3, above, of this Lease Agreement, if exercised, and further subject to the Tenant's Right of First Refusal stated in this paragraph.

(b) Before the Landlord (owner) may sell fee simple title to all or part of the real property in Exhibit "A" that constitutes the Leased Premises, the Tenant shall have the right of first refusal to purchase it on the terms and conditions set forth in this sub-paragraph 5(b) (the "Right of First Refusal"), as follows: The Landlord (owner) shall deliver to the Tenant a written notice (the "Notice") stating: (i) the Landlord's (owner's) bona fide intention to sell the fee simple ownership of the Leased Premises to a third party; (ii) the bona fide cash price or other consideration for which the Landlord (owner) proposes to sell the property (the "Offered Price");

(iii) the material terms and conditions of the proposed sale (the "Offer Terms"); and (iv) an offer to sell the subject property at the Offered Price and on the Offer Terms to the Tenant. At any time within thirty (30) days after receipt of the Notice, the Tenant may, by giving written notice to the Landlord (owner), elect to purchase the Lot at the Offered Price and on the Offer Terms.

6. TENANT'S USE: Tenant and any approved sub-tenants shall use and operate the Leased Premises exclusively for retail food-service café and/or restaurant (including the sale of alcoholic beverages), retail gifts, retail antiques, and any and all lawful business incident thereto. Tenant shall have the joint use of the outdoor area lying on the west side of the building and all parking areas with the tenant on the first floor of the building. Tenant shall not have the right to use the outdoor area lying on the south and north side of the building, except such areas as are jointly used for parking.

7. UTILITIES: The Tenant agrees and covenants to pay or cause to be paid one-half (1/2) of all bills, charges, and sur-charges for all utilities on the Leased Premises during the Term of this Lease Agreement, including but not limited to water, sewer, gas, cable, Internet and electricity, until such time as two separate meters are installed for the first floor and the second floor. After installation of separate meters, Tenant shall be responsible for all utilities on Tenant's Leased Premises. Tenant shall further indemnify, defend and hold Landlord harmless for all such payments and shall discharge the same in a timely manner. Landlord may require separate meters for one or more of the utilities serving the Tenant's Leased Premises.

8. REPAIRS AND MAINTENANCE: Except for replacement, maintenance and repair to the roof and exterior walls of the Leased Premises and replacement, maintenance and repair to the Leased Premises required by reason of the intentional or negligent acts of Landlord,

its employees, agents, invitees, licensees, or contractors, the Tenant, at its sole cost and expense, shall be responsible for all replacement, maintenance and repair to the Leased Premises and shall keep the Leased Premises in good commercial condition and state of repair during the term of this Lease Agreement, ordinary wear and tear excepted. Tenant covenants that it will not cause or allow any waste to occur on the Leased Premises at any time during the term of this Lease Agreement. Reasonable notice from Tenant of the need for Landlord to perform a repair to the roof or exterior walls of the Leased Premises shall be a condition to Landlord commencing such repair. The provisions of this subsection shall not apply in the case of damage or destruction by fire or other casualty, or by Eminent Domain, that are controlled by other provisions of this Lease Agreement. Tenant shall be solely responsible for the repair, upkeep and maintenance of the elevator servicing the building.

9. IMPROVEMENTS: Subject to the provisions of the Historic Preservation Easement, the Mississippi Landmark requirements referenced in this Lease Agreement, and any other applicable laws, codes, covenants and restrictions, Tenant may at its sole cost and expense make additions, improvements, alterations or changes necessary for the business of the Tenant, provided that the Tenant has obtained all necessary governmental approvals and permits and has obtained the Landlord's prior written consent and provided that such work shall be completed in a good and workmanlike manner. Tenant agrees and covenants that it will not allow any liens to be placed against the subject property as a result of said construction. This includes but is not limited to contractor's liens, materialman's/mechanics liens, lis pendens notices or security interests in any property which may become fixed to the realty. Tenant shall further be solely responsible for obtaining and paying for all necessary permits, applications and approvals for any

contemplated repairs and/or modifications to the Leased Premises, and the Tenant will, in all respects and at all times comply with all applicable codes, ordinances, rules, and regulations.

Tenant will promptly pay, when due, all bills and charges incurred for labor and materials utilized in the performance by the Lessee of alterations and improvements, upon, or within the leased premises as herein permitted to be accomplished by Tenant, and Tenant will not suffer or permit any lien to attach to or against the leased premises by reason of its nonpayment of same. The enrollment or notice to Landlord of any lien imposed or threatened for Tenant's nonpayment of bills and/or charges for labor or materials incorporated into the leased premises shall constitute a default by Tenant entitling the Landlord to impose the rights and remedies to which it is entitled hereunder or under the laws of the State of Mississippi for any other default.

Any work to or upon the premises which shall be done or performed by or at the instance of the Tenant shall be done at such times and in such manner that the conduct of the work does not unreasonably interfere with the use and enjoyment of other premises by the Landlord's other tenants.

10. INSURANCE AND TAXES: The Landlord shall maintain casualty insurance insuring the real property of the Leased Premises in such amounts as the Landlord shall deem appropriate.

The Tenant shall at its sole cost and expense maintain casualty insurance on its personal property, fixtures and equipment located within the Leased Premises during this Lease Agreement, in such amounts as the Tenant shall deem appropriate.

Tenant shall maintain, at Tenant's sole cost and expense, Workers Compensation insurance pertaining to its employees according to the provisions of Mississippi law.

Tenant shall pay all ad valorem real property taxes due on Tenant's Leased Premises, as the same shall become due and payable. Tenant shall pay all ad valorem personal property taxes, as applicable, on its fixtures, furniture or equipment as the same shall become due and payable. Tenant shall provide the Landlord with receipts for said payment of real and personal taxes on or before February 15th of each calendar year.

11. INDEMNITY AND LIABILITY INSURANCE: Tenant shall procure and keep in effect at all times during the term(s) hereof, public liability insurance for the Leased Premises for the protection of the Tenant in which the limits of public liability shall be in a minimum of \$500,000.00 per single occurrence and \$1,000,000.00 in aggregated coverage, and shall cause Landlord to be named as one of the insured.

Tenant shall deliver to Landlord copies of policies of insurance or certificates thereof with evidence of the payment of premiums therefore not less than thirty (30) days prior to the expiration of existing coverage. In default of obtaining such required insurance, Landlord, at its option, may procure the same for the account of the Landlord and the cost thereof shall be immediately reimbursed to the Landlord by the Tenant upon the billing therefore to the Tenant. In the event such debt is not reimbursed within thirty (30) days after billing, the Landlord may declare the same as a default by Tenant under the terms hereof entitling Landlord to all of the rights and remedies provided for herein or under the laws of the State of Mississippi in case of a default by a Tenant.

Policies of insurance required to be procured and maintained by the parties under any of the provisions of this Lease Agreement contract will contain a clause that the insurer will not cancel or change the insurance without first giving both parties prior written notice. And either party shall have the right to furnish insurance required under any of the terms of this lease

contract by way of a blanket policy or separate policies issued by a company licensed to do business in the State of Mississippi.

To the extent not covered by insurance carried in favor of Landlord, Tenant shall keep and hold harmless Landlord from and against any and all claims, demands, suits, judgments, costs and expenses asserted by any person or persons, including agents or employees of Landlord or Tenant, by reason of death or injury to persons or loss or damage to property, resulting from Tenant's operations, or any thing done or omitted by Tenant, under this Lease Agreement except to the extent that such claims, demands, suits, judgments, cost and expenses may be attributed to the acts or omissions of Landlord or its agents or employees.

12. WAIVER OF SUBROGATION: Landlord or Tenant severally waive any and every claim which arises or may arise in its favor against the other during the term of this Lease Agreement for any and all loss of, or damage to, any of its property located within or upon, or constituting a part of, the premises, which loss or damage is covered by valid and collectible insurance policies, to the extent that such loss or damage is recoverable thereunder. Inasmuch as the above mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation (or otherwise) to an insurance company (or any other person), Landlord and Tenant severally agree immediately to give each insurance company which has issued its policies of insurance, written notice of the terms of said mutual waivers, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers.

13. "TRIPLE NET" LEASE: It is agreed between the parties that this is a "triple net" Lease Agreement, with the Tenant to pay taxes attributable to Tenant's Lease Premises, repairs,

maintenance and insurance as more definitively provided in paragraphs 7, 8, 9, 10, and 11 of this Lease Agreement. It is further agreed that the Landlord shall receive rent herein free from all charges and expenses imposed upon or by reason of the Leased Premises. Tenant may not for any reason withhold or reduce Tenant's required rental payments by right of set-off or otherwise.

14. INDEMNIFICATION: To the extent permitted by governing law, Tenant shall indemnify, defend and hold harmless the Landlord from and against any and all losses, liabilities, costs and expenses, including reasonable attorney fees, judgments and other claims arising from injury, death or damage to any person or property regarding or in any way related to the Leased Premises which was (a) occasioned by any act, failure to act or omission of the Tenant, its agents, servants, employees, contractors, invitees and licensees, (b) caused by Tenant's use and/or occupancy of the Leased Premises, and/or (c) caused by Tenant's breach of any provision of this Lease Agreement.

15. FURNITURE AND EQUIPMENT: All furniture, equipment, and other items of personal property purchased by Tenant that are not permanently affixed to the Leased Premises shall remain the sole property of the Tenant.

16. DEFAULT: Upon the occurrence of any one or more of the events described below which shall constitute a default, the Landlord shall have the absolute right, but not the obligation to (a) cancel and terminate this Lease Agreement, and thereupon re-enter and take possession of the Leased Premises; and/or (b) re-enter and re-lease said Leased Premises from time to time, as an agent of the Tenant, but such re-entry and re-leasing shall not operate as a release or discharge of the Tenant from liability or obligations hereunder, except that the net rents collected as a result of such re-leasing shall be a credit against the Tenant's liability for rents under the Lease Agreement.

Default Events:

(a) In the event that Tenant should fail to pay one or more of said rental installments when the same become due and payable.

(b) In the event an execution, pending execution or other legal proceeding is commenced against the goods, furniture, or other property of the Tenant or a sub-tenant or against said Leased Premises or upon the interest of the Tenant in this Lease Agreement or any sub-tenant.

(c) In the event of a petition in bankruptcy (voluntary or involuntary) by or against the Tenant or any sub-tenant.

(d) In the event of an appointment of a Receiver of Tenant's property or a sub-tenant's property, or in the case of an assignment for the benefit of creditor's by the Tenant or sub-tenant.

(e) In the event the Leased Premises is used for any unlawful activity, or any other activity that in the sole discretion of the Landlord constitutes a nuisance, or any activity contrary to the use provisions of paragraph 6 of this Lease Agreement.

(f) In the event that the Tenant or any sub-tenant establishes or allows to be established any lien against the Leased Premises, including but not limited to Materialman's, Mechanic's and Contractor's Liens.

(g) In the event that the Tenant fails to pay any additional rent items including but not limited to assessments for taxes; insurance, repairs, etc.

Notwithstanding the above default events, no default hereunder shall be deemed to have occurred on the part of the Tenant until ten (10) days after the first written notice of a monetary default or thirty (30) days after the first written notice of a non-monetary default shall have been given to Tenant, and within such time, Tenant has failed to cure said default. If any non-monetary default by Tenant cannot reasonably be cured with thirty (30) days after notice, then Tenant shall have an additional thirty (30) days to effect such cure; provided however, the Tenant commences immediate action to cure said default within the original thirty (30) day notice period and works diligently, prudently and with reasonable commercial dispatch to complete the necessary actions to cure such default. The reasonableness (or lack thereof) of any such curative action shall be judged by the sole discretion of the Landlord. It is agreed and understood that should the Tenant commit any default event in breach of this Lease Agreement (whether monetary or non-monetary) after having previously received one written notice of default the Landlord may immediately terminate this Lease Agreement by providing written notice as described herein and the Tenant shall immediately surrender the Leased Premises.

It is expressly agreed by the parties that upon Tenant's default under the terms of this Lease Agreement and failure to cure said default within the time period allowed, all rents due hereunder for the entire lease Term and any other monies owed shall be and become immediately due and payable without regard as to whether the Leased Premises shall have been surrendered to or taken by the Landlord.

In the event Landlord fails to comply with any term, provision, warranty or covenant of this Lease Agreement and such breach or failure is not cured within thirty (30) days after written notice by Tenant to Landlord, the Tenant shall have the right to terminate this Lease Agreement

and will further have any and all other rights and remedies granted under this Lease Agreement or allowed by law, which rights and remedies will be cumulative.

17. ATTORNEY FEES: In the event it becomes necessary for either party to employ an attorney for the enforcement of this Lease Agreement or to defend any matters arising from the Lease Agreement, the prevailing or non-breaching party shall recover reasonable attorney's fee and all related costs associated with the action or defense from the non-prevailing or breaching party.

18. TENANT'S RIGHT OF QUIET ENJOYMENT: Landlord hereby warrants and covenants that it has the right to lease the Leased Premises to Tenant for the purposes stated herein, and that Tenant shall, while Tenant is not in default of the terms of this Lease Agreement, peacefully and quietly hold the Leased Premises during this Lease Agreement, without interference or hindrance from Landlord or those claiming by or through Landlord.

19. DAMAGE OR DESTRUCTION OF PREMISES: In the event of a partial destruction of the real property of the Leased Premises during the term of this Lease Agreement from any cause, Landlord shall promptly repair such damage, provided the repairs can be made within One Hundred Eighty (180) days under the laws and regulations of the applicable governmental authorities. Any partial destruction shall not void this Lease Agreement, except that Tenant shall be entitled to a reduction of rent while the repairs are being made, any apportionment reduction being based upon the extent to which the making of repairs shall interfere with the business carried on by the Tenant at the Leased Premises, including a complete and total abatement of rent, as may be applicable. If the Landlord does not elect to make repairs

that can be made within the time specified or, in the alternative, those repairs cannot be made within the time specified herein, this Lease Agreement may be terminated by either party.

20. CONDEMNATION: If there is a partial taking of a material portion of the Leased Premises by condemnation or eminent domain or some other taking by any governmental authority for any purpose, then this Lease Agreement shall be voidable by the Tenant as of the date possession shall be taken by such authority and the rent shall be due and payable only for the period prior to the date of the taking.

21. PROHIBITION OF SUBLEASE & ASSIGNMENT: Tenant shall not sublease the subject premises or any portion thereof during the term of this Lease Agreement and shall not assign its interest in this Lease Agreement to any third party, unless prior written approval for such sub-lease or assignment has first been obtained from the Landlord, which approval will not be unreasonably withheld. Any sub-lease or assignment will not relieve the original Tenant of its obligations hereunder.

22. BROKERAGE: The parties agree that there are no brokers or agents relating to the subject Lease Agreement and that no person is due any broker's or agent's commission.

23. FORCE MAJEURE: Landlord shall be excused for the period of any delay and shall not be in default with respect to the performance of any of the terms or conditions of this Lease Agreement, when prevented from so doing by cause or causes beyond the Landlord's control, which shall include, without limitation, all labor disputes, governmental regulations or controls, city and municipal regulation or controls, fire, hurricane or other casualty, inability to obtain any material, services, acts of God, or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Landlord.

24. GOVERNMENTAL REGULATIONS: Tenant shall, at Tenant's sole cost and

expense, (a) comply with all of the requirements of all governmental authorities, pertaining to the Leased Premises.

25. NOTICES: Any notice which is required or desired to be given in accordance with the terms of this Lease Agreement shall be deemed to have been properly give when such notice(s) shall be sent by registered or certified mail, postage prepaid and addressed as follows:

To Landlord at: CITY OF BILOXI
Attn: Mayor Andrew "FoFo" Gilich
City Hall
140 Lameuse St.
Biloxi, MS 39530

To Tenant at: THE ORIGINAL BEIGNET FACTORY, LLC
c/o Michael F. Cavanaugh
Attn: Sita La'Cap
131 Rue Magnolia
Biloxi, MS 39530

26. APPLICABLE LAW/VENUE; CONSTRUCTION OF LEASE: This Lease Agreement shall be governed by, and construed and enforced according to the laws of the State of Mississippi, regardless of the residency of the parties or the place of execution of this Lease Agreement; jurisdiction and venue shall be in the Second Judicial District of Harrison County, Mississippi.

The covenants, terms, conditions, provisions and undertakings in this Lease Agreement shall extend to and be binding upon the parties hereto and upon their heirs, executors, administrators, successors and assigns as if they were in every case named and designated, and the same shall be considered as covenants running with the land.

This Lease Agreement, together with and including any attachments or exhibits, and the documents referred to herein, contains the entire agreement between the parties and may not be

modified, amended or in any way altered orally but only by an agreement or amendment in writing signed by the party or parties against whom enforcement of any waiver, change, amendment, modification or discharge is sought.

27. SECURITY INTEREST IN IMPROVEMENTS TO THE STRUCTURE: The Tenant hereby covenants and agrees to execute any and all documents reasonably necessary in order to grant the Landlord a collateral security interest in the Tenant's improvements to the Leased Premises.

28. RIGHT OF ENTRY: The Landlord hereby expressly reserves the right to enter on and inspect the Leased Premises during the term of this Lease Agreement. The Landlord shall only enter the Leased Premises during normal business hours and shall do so in a manner that will not interfere with the Tenant's or sub-tenant's operation of business.

29. MODIFICATION: No modification, alteration or amendment of this Lease Agreement shall be binding unless in writing and executed by the parties.

30. BINDING EFFECT: This Lease Agreement shall be binding upon the parties and their respective heirs, assigns, and successors in interest.

31. HEADINGS: The headings and captions contained herein are included for convenience and reference only, and shall not be considered as any indication of priority or construction of the Lease Agreement.

32. ENTIRE AGREEMENT: This Lease Agreement contains the entire agreement between the parties. Neither the Tenant nor Landlord has relied upon any statements, promises, or agreements in conflict with the terms of this document.

33. SIGNAGE. Tenant may construct, at its sole cost and expense, one lighted and visible sign stand according to design and specifications approved by Landlord through the

requirements of the City of Biloxi's applicable codes and the covenants, conditions, and restrictions of this Lease Agreement.

34. NON-WAIVER OF DEFAULT: Waiver by either party hereto of any breach or violation of terms, conditions or covenants of this lease or the non-performance of same for any particular time shall not be construed as a waiver of any succeeding breach or violation of the same or another term, condition or covenant hereof, and the consent, approval or acquiescence by Landlord or Tenant of any breach or violation shall not waive or render unnecessary such consent or approval of any subsequent breach.

35. INVALIDATION: Should any clause or provisions of this Lease Agreement be invalid, void or voidable for any reason, such invalid, void or voidable clause or provisions shall not affect the whole of this instrument, but the balance of the provisions hereof shall remain in full force and effect.

36. HOLDING OVER: If Tenant holds over after termination or expiration of this lease, the tenancy thereafter shall be from month to month at a monthly rental rate of \$5,000.00 per month, subject to all other terms, conditions and covenants of this Lease Agreement.

37. BREACH OF CONTRACT: Any assent, expressed or implied, by the Landlord to any breach of any covenant or condition herein contained, shall operate as such only in the specific instances and shall not be construed as an assent or waiver of any such covenant or condition generally, or of any subsequent breach thereof.

38. CUMULATIVE RIGHTS: The various rights, powers, elections and remedies of the Landlord contained in this Lease Agreement shall be construed as cumulative, and no one of them is exclusive of the other, or exclusive of any rights or priorities allowed by law and no

rights shall be exhausted by being exercised on one or more occasion.

39. DEFINITIONS:

A. "Improvements" - shall mean all structures or improvements which shall be hereafter constructed by Lessee on the land, including buildings, parking facilities, driveways, walkways, and gardens, and all fixtures affixed thereto or used in connection therewith.

B. "Land" - shall mean that certain real property described herein, together with all tenements, hereditaments and appurtenances thereunto belonging, but excluding the improvements.

C. "Lease Agreement" - shall mean this Lease Agreement, as the same may be from time to time amended, as provided herein.

D. "Lease Year" - shall mean the period of twelve (12) consecutive months commencing on the date stated herein or any succeeding twelve (12) month period during the term of this Lease.

E. "Premises" - shall mean the land and the improvements.

F. "Rent Commencement Date" - The Rent Commencement Date and the date of first possession by the Tenant shall be the latter date of (a) September 15, 2017, or (b) the date the Tenant complies with the requirements of the Mississippi Department of Archives and History under the Historic Preservation Easement and Mississippi Landmark rules applicable to the Leased Premises.

40. BENEFIT OF CONTRACT: This contract and the terms, conditions and covenants herein contained shall inure to the benefits of and be binding upon the parties, their respective heirs, administrators, executors, representatives, successors and assigns.

41. PERSONAL GUARANTY: ROSITA M. LE'CAP shall sign a Personal Guaranty

Agreement guaranteeing the obligations of Tenant under this Lease Agreement.

42. MISCELLANEOUS:

A. Upon the reasonable request of the other party, each party shall join in the execution of a short form lease memorandum setting forth the basic terms and conditions of this Lease Agreement and such short form memorandum may be recorded in the office of the Chancery Clerk of Harrison County, Mississippi.

B. If any term, condition, or covenant of this Lease Agreement shall be held to be invalid by a court of competent jurisdiction, the remaining terms of the Lease Agreement shall remain in full force and effect.

C. This Lease Agreement may be executed in any number of counterparts, each of which when signed by both parties will be deemed an original.

D. Landlord and Tenant shall not be considered or deemed to be joint venturers or partners, and neither shall have the power to bind or obligate the other except as may be provided by law.

E. In the event this Lease Agreement is terminated pursuant to a right to do so herein contained, neither party hereto shall thereafter have any further obligations or liability one to the other, and this Lease Agreement shall be of no further force or effect.

F. Words of any gender used in this Lease Agreement shall be construed to include any other gender, and words in the singular shall include the plural and vice versa, unless the context otherwise requires.

G. Tenant agrees to provide guaranteed business income insurance naming the Landlord as the insured in an amount equal to the monthly Rental.

H. All parking areas existing as of the date of execution of this Lease Agreement are to be shared with other tenants.

IN WITNESS WHEREOF, the parties have made and signed this Lease Agreement in duplicate in the City of BILOXI, State of Mississippi, this the 22 day of April, 2017.

Landlord: CITY OF BILOXI, MISSISSIPPI

BY: _____ DATE _____
ANDREW "FOFO" GILICH, MAYOR

Tenant: THE ORIGINAL BEIGNET FACTORY, LLC

BY: _____
ROSITA M. LAYCAP, MANAGING MEMBER

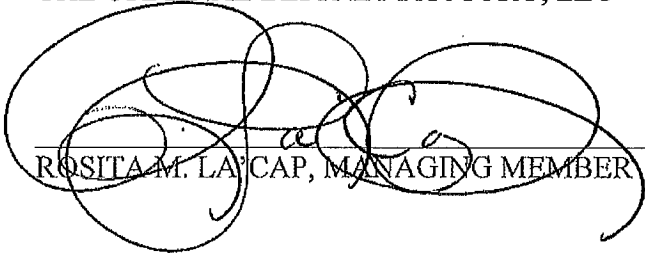


Exhibit "A"
Old Biloxi Library

Legal Description

PARCEL 1:

A parcel of land, and all improvements thereon and appurtenances thereunto belonging, known as Lot 2, Block 40, per Subdivision Plat, Downtown Revitalization Area, Central Business District, Urban Renewal Project No. Miss. R-30, City of Biloxi, Second Judicial District, Harrison County, Mississippi, being more particularly described as follows, to-wit:

COMMENCE at the Southeast intersection of Water Street and Lameuse Street, as they are both laid out and maintained as the POINT OF BEGINNING; thence run South 87°02'04" East, along the South margin of Water Street, for a distance of 100.00 feet to a point; thence run South 0°42'38" East, for a distance of 93.10 feet to a point; thence run North 89°00'35" East, for a distance of 69.54 feet to a point; thence run South 0°47'33" East, for a distance of 54.25 feet to a point; thence run South 89°05'40" West, for a distance of 169.71 feet to a point on the East margin of Lameuse Street; thence run North 0°35'55" West, along said East margin, for a distance of 154.00 feet to the POINT OF BEGINNING, containing 18,825 square feet, or 0.432 acres.

And

PARCEL 2:

A portion of a parcel of land known as Lot 2, Block 40, per Subdivision Plat, Downtown Revitalization Area, Central Business district, Urban Renewal Project No. Mississippi R-30, City of Biloxi Second Judicial District Harrison County, Mississippi, being more particularly described as follows, to-wit: Commencing at the Southeast intersection of Water Street and Lameuse Street as they are both laid out and maintained; thence run South 00°35'55" East for a distance of 154 feet to an iron pipe the Point of Beginning; run thence North 89°05'40" East 169.71 feet to a fence corner; run thence North 0°47'33" West for a distance of 54.25 feet to an iron rod; run thence South 89°00'35" West a distance of 69.54 feet to an iron rod; thence continue South 89°00'35" West for a distance of 100.17 feet, more or less, to a point on the East margin of Lameuse Street; run thence South 00°35'55" along said East margin, for a distance of 54.25 feet, more or less, to the POINT OF BEGINNING.

And

PARCEL 3:

A parcel of land commencing at the Southeast intersection of Water Street and Lameuse Street, as they are both laid out and maintained; running thence South 87°02'04" East, along the South margin of said Water Street, for a distance of 100.00 feet to the POINT OF BEGINNING; continuing thence South 87°02'04" East along said South margin for a distance of 69.52 feet to a point; running thence South 0°47'33" East for a distance of 88.33 feet to a point; running thence South 89°00'35" West for a distance of 69.54 feet to a point; running thence North 0°42'38" West for a distance of 93.10 feet to the POINT OF BEGINNING; containing approximately 6,295 square feet or 0.15 acres.

LEASE AGREEMENT BY AND BETWEEN

CITY OF BILOXI, MISSISSIPPI
AS LANDLORD

AND

OLD BILOXI LIBRARY, LLC
AS TENANT

FOR OLD BILOXI LIBRARY BUILDING
124 AND 122 LAMEUSE ST.
BILOXI, MS 39530

EXHIBIT C

STATE OF MISSISSIPPI
COUNTY OF HARRISON
SECOND JUDICIAL DISTRICT

LEASE

THIS AGREEMENT (the "Lease Agreement") made and entered into this day between **CITY OF BILOXI, MISSISSIPPI**, a Mississippi municipal corporation, hereinafter referred to as "Landlord"; and **OLD BILOXI LIBRARY, LLC**, a Mississippi limited liability company, hereinafter referred to as "Tenant".

WITNESSETH

For and in consideration of the rental payments, covenants and mutual promises contained herein, the Landlord leases to Tenant, and Tenant leases from Landlord the first floor of the building and certain common areas of the premises located on the real property and improvements thereon located, "as is, where is" at 124 and 122 Lameuse Street, Biloxi, MS 39530, being identified as Harrison County Tax Parcels #1410K-03-065.000, #1410K-03-066.000, and #1410K-03-065.000, and more fully described on that certain legal description stated on the attached Exhibit "A", which is made a part of this Lease Agreement (the "Leased Premises"). The Leased Premises are also known as the Old Biloxi Library, and the Leased Premises will be unoccupied and broom clean and in good order as of the date of Tenant taking possession.

1. TERM OF LEASE:

A. PRIMARY TERM: The primary term of this Lease Agreement shall be a period of five (5) years commencing on the Rent Commencement date (hereinafter defined) (the "Primary Term").

B. RENEWAL TERM: Tenant shall have the right to renew this lease for one (1) additional term of sixty (60) months from the date of expiration of the Primary Term hereof on the condition that no material breach or default under the terms of this lease shall have occurred during the Primary Term (the "Renewal Term"). Tenant must notify Landlord of its intent to renew this lease within sixty (60) days of the expiration of the primary term.

2. RENTAL PAYMENTS; LATE PAYMENT PENALTY; DEPOSIT AMOUNT:

A. For the Term, the Tenant agrees to pay as rent to Landlord the annual sum of Thirty-Three Thousand Six Hundred Dollars (\$33,600.00). Annual rent for the Term shall be paid in equal monthly payments of Two Thousand Eight Hundred Dollars (\$2,800.00) each month in advance, with the payment to be made on the first business day of each month; however, the first monthly payment shall be pro-rated in an amount equal to the percentage determined by the number of days of occupancy by the Tenant in the first month, beginning on the Rent Commencement Date and ending on the last day of the first month, divided by thirty (30). The first payment shall be made on the Rent Commencement Date. Rent payments shall be made in advance to the Landlord at 140 Lameuse Street, Biloxi, MS 39530 or at such other address as the Landlord may designate in writing to the Tenant.

B. The monthly installments of rent are due on the first (1st) day of each month during the term(s) hereof but rental payments shall not be considered to be delinquent if payment thereof is received by the Landlord on or prior to the fifteenth (15th) day of the same month for which such rent due. For any monthly rental which shall not be paid by Tenant and received by Landlord by the fifteenth (15) day of the month (after becoming due on the first), Landlord shall be entitled to recover a late charge in the amount of 5% of overdue amount. Landlord shall have

the right to refuse to accept partial rent payments, and may decline to accept any payment less than the full sum required to pay all rentals and late charges then due.

C. Landlord shall have the right to charge Tenant a service charge of Twenty-Five Dollars (\$25.00) for any check of Tenant received by Landlord for payment of rent or additional rent which shall not be honored when presented for payment. And, should Landlord receive a check from Tenant which is, in fact, dishonored when presented for payment, Landlord shall have the right to thereafter refuse to accept payment of rent, late charges and/or additional rent by personal check.

D. In the event of a default by Tenant in the performance or observance of any of the terms and conditions hereof as applicable to it, and in the event this Lease shall be placed in the hands of an attorney for appropriate action, Tenant agrees to pay all costs or expenses incident thereto, including reasonable local attorney's fees.

E. Tenant further agrees to pay to the Landlord in trust a deposit of \$5,600.00 on the date of signing of this Lease Agreement. Landlord shall apply one-half (1/2) of the deposit as Tenant's first month's rent. The balance of this deposit shall be a security deposit to be held in a City account and disbursed, if needed, by Landlord for Tenant damages to the Leased Premises or other defaults under this Lease Agreement, if any.

F. The two appraisals obtained by the Landlord for estimates of fair market value of the Leased Premises cost at total of \$4,900.00, for which the Tenant is responsible for paying one-quarter, or \$1,225.00 as a Tenant of the first floor of the building. Tenant agrees to pay Landlord \$1,225.00 as Tenant's one-quarter of the cost of the appraisals on the date of signing of this Lease Agreement.

3. OPTION TO PURCHASE OR DEVELOP: Subject to the provisions of paragraph 5 of this Lease Agreement, from and after the third anniversary of the Rent Commencement Date and ending on the last day of the Term, unless said time period is shortened at the sole option of the Landlord, on the condition that Tenant is not otherwise in default under the terms of this Lease Agreement, Tenant may exercise its option to purchase fee simple title to Parcel 2 of the Leased Premises as described in Exhibit "A" attached hereto, being Tax Parcel No. 1410K-03-066.000, and being the vacant lot south of the parcel on which the Old Biloxi Library is situated, on the following basic terms and conditions plus other ordinary and reasonable terms and conditions for a contract of sale and purchase of commercial real property:

(a) Tenant shall notify Landlord in writing of its intent to exercise the option to purchase by giving no more than ninety (90) days and no less than sixty (60) days written notice to the Landlord, stating a closing date to be within the sixty-to-ninety-day notice period; if the notice is sent on the last day of the Term, the closing shall be not later than sixty (60) days after the last day of the Term; if the closing date is after the Term, Tenant shall continue to pay rent until closing;

(b) The purchase price shall be the average of two appraisals of fair market value estimated by two appraisers selected by the Landlord and approved by the Tenant, the cost of which shall be split by Tenant and Landlord, with the fair market value determined as of the date of the notice of intent;

(c) The deed of conveyance will provide that the property conveyed is subject to all state, federal and municipal laws, codes, covenants and restrictions of record, including, but not limited to, the Historic Preservation Easement granted by the City of Biloxi to the

Mississippi Department of Archives and History by Resolution adopted by the City Council on March 1, 2011 and the related requirements pertaining to the Old Biloxi Library as a Mississippi Landmark in accordance with the State Antiquities Law, Miss. Code of 1972, §§39-7-3, et seq. and recorded in the Land Deed Records of Harrison County, Second Judicial District, Mississippi as Instrument No. 2017-4023D-J2.

(d) In the event Tenant elects to develop Parcel 2 rather than purchase Parcel 2, Tenant shall provide notice as set forth in (a) above, and Landlord and Tenant shall negotiate a separate lease agreement for said parcel with the rental price to be based upon the average of two (2) appraisals of fair market value estimated by two appraisers selected by Landlord and approved by Tenant, the cost of which to be split by Tenant and Landlord, with the fair market value determined as of the date of the notice of intent. Tenant's obligations under the terms of this Lease Agreement shall remain in full force and effect.

(e) In the event Tenant elects either (a) to purchase, or (b) to develop Parcel 2, the amount of rent due under this Lease Agreement will be recalculated based on the average of two appraisals performed by licensed appraiser selected by Landlord, taking into account any permanent improvements made by Tenant during the term of this Lease Agreement. Landlord and Tenant will each pay one-half (1/2) of the cost of said appraisals. Tenant's obligations under the terms of this Lease Agreement shall remain in full force and effect.

4. RENT COMMENCEMENT DATE; POSSESSION; RESTRICTIONS ON CHANGES TO THE LEASED PREMISES; DEPOSIT AMOUNT: The "Rent Commencement Date" shall be January 1, 2018 and the date of first possession by the Tenant shall be November 1, 2017. Tenant agrees to comply with the requirements of the Mississippi Department of Archives and History under the Historic Preservation Easement recorded in the Land Deed

Records of Harrison County, Second Judicial District, Mississippi as Instrument No. 2017-4023D-J2 and Mississippi Landmark rules applicable to the Leased Premises. Landlord shall vacate the Leased Premises on or before November 1, 2017. In the event Tenant requires possession prior to November 1, 2017, Landlord will vacate on or before October 15, 2017.

5. RIGHT OF SALE OR TRANSFER: (a) The Landlord retains the full and complete authority to sell or transfer all or part of the real property described on Exhibit "A" that constitutes the Leased Premises at any time after the third anniversary of the Rent Commencement Date of this Lease Agreement, except during the ninety-to-sixty-day period of Tenant's notice of intent to exercise its option to purchase Parcel 2 under paragraph 3, above, of this Lease Agreement, if exercised, and further subject to the Tenant's Right of Second Refusal stated in this paragraph, after The Original Beignet Factory, LLC's Right of First Refusal.

(b) Before the Landlord (owner) may sell fee simple title to all or part of the real property in Exhibit "A" that constitutes the Leased Premises, the Tenant shall have the right of second refusal to purchase it on the terms and conditions set forth in this sub-paragraph 5(b) (the "Right of Second Refusal"), as follows: In the event the tenant of the second floor, The Original Beignet Factory, LLC elects not to exercise its Right of First Refusal, the Landlord (owner) shall deliver to the Tenant a written notice (the "Notice") stating: (i) the Landlord's (owner's) bona fide intention to sell the fee simple ownership of the Leased Premises to a third party; (ii) the bona fide cash price or other consideration for which the Landlord (owner) proposes to sell the property (the "Offered Price"); (iii) the material terms and conditions of the proposed sale (the "Offer Terms"); and (iv) an offer to sell the subject property at the Offered Price and on the Offer Terms to the Tenant. At any time within thirty (30) days after receipt of the Notice, the

Tenant may, by giving written notice to the Landlord (owner), elect to purchase the Lease Premises at the Offered Price and on the Offer Terms.

6. TENANT'S USE: Tenant and any approved sub-tenants shall use and operate the Leased Premises exclusively for retail food-service café and/or restaurant (including the sale of alcoholic beverages), bar, tavern or similar establishment, retail gifts, retail antiques, and any and all lawful business incident thereto. Tenant shall have joint use of the outdoor area lying on the west side of the building and all parking areas with the tenant on the second floor of the building. Tenant shall have the exclusive use of the outdoor area lying on the south and north side of the building, except such areas as are jointly used for parking.

7. UTILITIES: The Tenant agrees and covenants to pay or cause to be paid one-half (1/2) of all bills, charges, and sur-charges for all utilities on the Leased Premises during the Term of this Lease Agreement, including but not limited to water, sewer, gas, cable, Internet and electricity, until such time as two separate meters are installed for the first floor and the second floor. After installation of separate meters, Tenant shall be responsible for all utilities on Tenant's Leased Premises. Tenant shall further indemnify, defend and hold Landlord harmless for all such payments and shall discharge the same in a timely manner. Landlord may require separate meters for one or more of the utilities serving the Tenant's Leased Premises.

8. REPAIRS AND MAINTENANCE: Except for replacement, maintenance and repair to the roof and exterior walls of the Leased Premises, major exterior plumbing repair and interior wiring repair, and replacement, maintenance and repair to the Leased Premises required by reason of the intentional or negligent acts of Landlord, its employees, agents, invitees, licensees, or contractors, the Tenant, at its sole cost and expense, shall be responsible for all routine replacement, maintenance and repair to the Leased Premises and shall keep the

Leased Premises in good commercial condition and state of repair during the term of this Lease Agreement, (including maintenance of exterior entrances, all glass and show window molding) and all partitions, doors, fixtures, equipment and appurtenances thereof (including lighting, heating and plumbing fixtures, and any air conditioning system) clean and in good order, condition and repair (including changing of air conditioning filters of the proper size monthly, ordinary wear and tear excepted. Tenant covenants that it will not cause or allow any waste to occur on the Leased Premises at any time during the term of this Lease Agreement. Reasonable notice from Tenant of the need for Landlord to perform a repair to the roof or exterior walls of the Leased Premises shall be a condition to Landlord commencing such repair. The provisions of this subsection shall not apply in the case of damage or destruction by fire or other casualty, or by Eminent Domain, that are controlled by other provisions of this Lease Agreement. If Landlord is required to make repairs to structural portions by reason of the Lessee's negligent acts or omission to act, Landlord may add the cost of such repairs to the rent which shall thereafter become due. If Lessee refuses or neglects to repair property as required hereunder and to the reasonable satisfaction of Landlord as soon as reasonably possible after written demand, Landlord may make such repairs and upon completion thereof, Lessee shall pay Landlord cost for making such repairs upon presentation of bill therefore, as additional rent. Tenant's deposit shall be utilized to pay for said repair, with any balance remaining after application of the deposit to be paid by Tenant at the rate of \$700.00 per month until paid in full. Tenant shall replace the deposit applied to any such repair within four (4) months at the rate of \$700.00 per month. Landlord shall provide Tenant ten (10) days written notice of Landlord's intent to solicit a minimum of two bids for any such repair and shall award a contract for such repairs unless

Tenant shall have completed said repairs within fourteen (14) days of Landlord's receipt of the bids. Any repairs made by Lessor whether structural or otherwise, will be made without liability to Lessee for any loss or damage that may accrue to Lessee's merchandise, fixtures, or other property or to Lessee's business by reason thereof. The Tenant shall have no responsibility for securing the elevator entrance at ground level.

9. IMPROVEMENTS: Subject to the provisions of the Historic Preservation Easement, the Mississippi Landmark requirements referenced in this Lease Agreement, and any other applicable laws, codes, covenants and restrictions, Tenant may at its sole cost and expense make additions, improvements, alterations or changes necessary for the business of the Tenant, provided that the Tenant has obtained all necessary governmental approvals and permits and has obtained the Landlord's prior written consent, which consent shall not be unreasonably withheld, and provided that such work shall be completed in a good and workmanlike manner. Tenant agrees and covenants that it will not allow any liens to be placed against the subject property as a result of said construction. This includes but is not limited to contractor's liens, materialman's/mechanics liens, lis pendens notices or security interests in any property which may become fixed to the realty. Tenant shall further be solely responsible for obtaining and paying for all necessary permits, applications and approvals for any contemplated repairs and/or modifications to the Leased Premises, and the Tenant will, in all respects and at all times comply with all applicable codes, ordinances, rules, and regulations.

Tenant will promptly pay, when due, all bills and charges incurred for labor and materials utilized in the performance by the Lessee of alterations and improvements, upon, or within the leased premises as herein permitted to be accomplished by Tenant, and Tenant will not suffer or permit any lien to attach to or against the leased premises by reason of its

nonpayment of same. The enrollment or notice to Landlord of any lien imposed or threatened for Tenant's nonpayment of bills and/or charges for labor or materials incorporated into the leased premises shall constitute a default by Tenant entitling the Landlord to impose the rights and remedies to which it is entitled hereunder or under the laws of the State of Mississippi for any other default.

Any work to or upon the premises which shall be done or performed by or at the instance of the Tenant shall be done at such times and in such manner that the conduct of the work does not unreasonably interfere with the use and enjoyment of other premises by the Landlord's other tenants.

10. INSURANCE AND TAXES: The Landlord shall maintain casualty insurance insuring the real property of the Leased Premises in such amounts as the Landlord shall deem appropriate.

The Tenant shall at its sole cost and expense maintain casualty insurance on its personal property, fixtures and equipment located within the Leased Premises during this Lease Agreement, in such amounts as the Tenant shall deem appropriate.

Tenant shall maintain, at Tenant's sole cost and expense, Workers Compensation insurance pertaining to its employees according to the provisions of Mississippi law.

Tenant shall pay all ad valorem real property taxes on Tenant's Leased Premises, as the same shall become due and payable. Tenant shall pay all ad valorem personal property taxes, as applicable, on its fixtures, furniture or equipment as the same shall become due and payable. Tenant shall provide the Landlord with receipts for said payment of real and personal taxes on or before February 15th of each calendar year.

11. INDEMNITY AND LIABILITY INSURANCE: Tenant shall procure and keep in effect at all times during the term(s) hereof, public liability insurance for the Leased Premises for the protection of the Tenant in which the limits of public liability shall be in a minimum of \$500,000.00 per single occurrence and \$1,000,000.00 in aggregated coverage, and shall cause Landlord to be named as one of the insured.

Tenant shall deliver to Landlord copies of policies of insurance or certificates thereof with evidence of the payment of premiums therefore not less than thirty (30) days prior to the expiration of existing coverage. In default of obtaining such required insurance, Landlord, at its option, may procure the same for the account of the Landlord and the cost thereof shall be immediately reimbursed to the Landlord by the Tenant upon the billing therefore to the Tenant. In the event such debt is not reimbursed within thirty (30) days after billing, the Landlord may declare the same as a default by Tenant under the terms hereof entitling Landlord to all of the rights and remedies provided for herein or under the laws of the State of Mississippi in case of a default by a Tenant.

Policies of insurance required to be procured and maintained by the parties under any of the provisions of this Lease Agreement contract will contain a clause that the insurer will not cancel or change the insurance without first giving both parties prior written notice. And either party shall have the right to furnish insurance required under any of the terms of this lease contract by way of a blanket policy or separate policies issued by a company licensed to do business in the State of Mississippi.

To the extent not covered by insurance carried in favor of Landlord, Tenant shall keep and hold harmless Landlord from and against any and all claims, demands, suits, judgments, costs and expenses asserted by any person or persons, including agents or employees of

Landlord or Tenant, by reason of death or injury to persons or loss or damage to property, resulting from Tenant's operations, or any thing done or omitted by Tenant, under this Lease Agreement except to the extent that such claims, demands, suits, judgments, cost and expenses may be attributed to the acts or omissions of Landlord or its agents or employees.

12. WAIVER OF SUBROGATION: Landlord or Tenant severally waive any and every claim which arises or may arise in its favor against the other during the term of this Lease Agreement for any and all loss of, or damage to, any of its property located within or upon, or constituting a part of, the premises, which loss or damage is covered by valid and collectible insurance policies, to the extent that such loss or damage is recoverable thereunder. Inasmuch as the above mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation (or otherwise) to an insurance company (or any other person), Landlord and Tenant severally agree immediately to give each insurance company which has issued its policies of insurance, written notice of the terms of said mutual waivers, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers.

13. "TRIPLE NET" LEASE: It is agreed between the parties that this is a "triple net" Lease Agreement, with the Tenant to pay taxes attributable to Tenant's Lease Premises, repairs, maintenance and insurance as more definitively provided in paragraphs 6, 7, 8, 9, and 10 of this Lease Agreement. It is further agreed that the Landlord shall receive rent herein free from all charges and expenses imposed upon or by reason of the Leased Premises. Tenant may not for any reason withhold or reduce Tenant's required rental payments by right of set-off or otherwise,

unless otherwise provided by applicable Mississippi law, including Section 89-8-15, Mississippi Code Annotated.

14. INDEMNIFICATION: To the extent permitted by governing law, Tenant shall indemnify, defend and hold harmless the Landlord from and against any and all losses, liabilities, costs and expenses, including reasonable local attorney fees, judgments and other claims arising from injury, death or damage to any person or property regarding or in any way related to the Leased Premises which was (a) occasioned by any act, failure to act or omission of the Tenant, its agents, servants, employees, contractors, invitees and licensees, (b) caused by Tenant's use and/or occupancy of the Leased Premises, and/or (c) caused by Tenant's breach of any provision of this Lease Agreement.

15. FURNITURE AND EQUIPMENT: All furniture, equipment, and other items of personal property purchased by Tenant that are not permanently affixed to the Leased Premises shall remain the sole property of the Tenant.

16. DEFAULT: Upon the occurrence of any one or more of the events described below which shall constitute a default, the Landlord shall have the absolute right, subject to Section 89-8-13 Mississippi Code Annotated, but not the obligation to (a) cancel and terminate this Lease Agreement, and thereupon re-enter and take possession of the Leased Premises; and/or (b) re-enter and re-lease said Leased Premises from time to time, as an agent of the Tenant, but such re-entry and re-leasing shall not operate as a release or discharge of the Tenant from liability or obligations hereunder, except that the net rents collected as a result of such re-leasing shall be a credit against the Tenant's liability for rents under the Lease Agreement. In the event of default, Landlord shall use its best efforts to mitigate its damages in the event Landlord re-enters and takes possession of the Leased Premises.

Default Events:

(a) In the event that Tenant should fail to pay one or more of said rental installments when the same become due and payable.

(b) In the event an execution, pending execution or other legal proceeding is commenced against the goods, furniture, or other property of the Tenant or a sub-tenant or against said Leased Premises or upon the interest of the Tenant in this Lease Agreement or any sub-tenant.

(c) In the event of a petition in bankruptcy (voluntary or involuntary) by or against the Tenant or any sub-tenant.

(d) In the event of an appointment of a Receiver of Tenant's property or a sub-tenant's property, or in the case of an assignment for the benefit of creditor's by the Tenant or sub-tenant.

(e) In the event the Leased Premises is used for any unlawful activity, or any other activity that in the reasonable discretion of the Landlord constitutes a nuisance, or any activity contrary to the use provisions of paragraph 6 of this Lease Agreement, subject provisions of applicable Mississippi law and the terms of the Lease Agreement.

(f) In the event that the Tenant or any sub-tenant establishes or allows to be established any lien against the Leased Premises, including but not limited to Materialman's, Mechanic's and Contractor's Liens.

(g) In the event that the Tenant fails to pay any additional rent items including but not limited to assessments for taxes; insurance, repairs, etc.

Notwithstanding the above default events, no default hereunder shall be deemed to have occurred on the part of the Tenant until ten (10) days after the first written notice of a monetary default or thirty (30) days after the first written notice of a non-monetary default shall have been given to Tenant, and within such time, Tenant has failed to cure said default. If any non-monetary default by Tenant cannot reasonably be cured with thirty (30) days after notice, then Tenant shall have an additional thirty (30) days to effect such cure; provided however, the Tenant commences immediate action to cure said default within the original thirty (30) day notice period and works diligently, prudently and with reasonable commercial dispatch to complete the necessary actions to cure such default. The reasonableness (or lack thereof) of any such curative action shall be judged by the discretion of the Landlord based upon reasonable business practices. It is agreed and understood that should the Tenant commit any default event in breach of this Lease Agreement (whether monetary or non-monetary) after having previously received one written notice of default the Landlord may immediately terminate this Lease Agreement by providing written notice as described herein and the Tenant shall immediately surrender the Leased Premises.

It is expressly agreed by the parties that upon Tenant's default under the terms of this Lease Agreement and failure to cure said default within the time period allowed, all rents due hereunder for the entire lease Term and any other monies owed shall be and become immediately due and payable without regard as to whether the Leased Premises shall have been surrendered to or taken by the Landlord.

In the event Landlord fails to comply with any term, provision, warranty or covenant of this Lease Agreement and such breach or failure is not cured within thirty (30) days after written notice by Tenant to Landlord, the Tenant shall have the right to terminate this Lease Agreement

and will further have any and all other rights and remedies granted under this Lease Agreement or allowed by law, which rights and remedies will be cumulative.

17. ATTORNEY FEES: In the event it becomes necessary for either party to employ an attorney for the enforcement of this Lease Agreement or to defend any matters arising from the Lease Agreement, the prevailing or non-breaching party shall recover reasonable local attorney's fee and all related costs associated with the action or defense from the non-prevailing or breaching party.

18. TENANT'S RIGHT OF QUIET ENJOYMENT: Landlord hereby warrants and covenants that it has the right to lease the Leased Premises to Tenant for the purposes stated herein, and that Tenant shall, while Tenant is not in default of the terms of this Lease Agreement, peacefully and quietly hold the Leased Premises during this Lease Agreement, without interference or hindrance from Landlord or those claiming by or through Landlord.

19. DAMAGE OR DESTRUCTION OF PREMISES: In the event of a partial destruction of the real property of the Leased Premises during the term of this Lease Agreement from any cause, Landlord shall promptly repair such damage, provided the repairs can be made within ninety (90) days under the laws and regulations of the applicable governmental authorities. Any partial destruction shall not void this Lease Agreement, except that Tenant shall be entitled to a reduction or abatement of rent while the repairs are being made, any apportionment reduction being based upon the extent to which the making of repairs shall interfere with the business carried on by the Tenant at the Leased Premises, including a complete and total abatement of rent, as may be applicable. If the Landlord does not elect to make repairs

that can be made within the time specified or, in the alternative, those repairs cannot be made within the time specified herein, this Lease Agreement may be terminated by either party.

20. CONDEMNATION: If there is a partial taking of a material portion of the Leased Premises by condemnation or eminent domain or some other taking by any governmental authority for any purpose, then this Lease Agreement shall be voidable by the Tenant as of the date possession shall be taken by such authority and the rent shall be due and payable only for the period prior to the date of the taking.

21. PROHIBITION OF SUBLEASE & ASSIGNMENT: Tenant shall not sublease the subject premises or any portion thereof during the term of this Lease Agreement and shall not assign its interest in this Lease Agreement to any third party, unless prior written approval for such sub-lease or assignment has first been obtained from the Landlord, which approval will not be unreasonably withheld. Any sub-lease or assignment will not relieve the original Tenant of its obligations hereunder.

22. BROKERAGE: The parties agree that there are no brokers or agents relating to the subject Lease Agreement and that no person is due any broker's or agent's commission.

23. FORCE MAJEURE: Landlord shall be excused for the period of any delay and shall not be in default with respect to the performance of any of the terms or conditions of this Lease Agreement, when prevented from so doing by cause or causes beyond the Landlord's control, which shall include, without limitation, all labor disputes, governmental regulations or controls, city and municipal regulation or controls, fire, hurricane or other casualty, inability to obtain any material, services, acts of God, or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Landlord. If such force majeure is related to the physical structure, rent shall be reduced or abated as provided in Paragraph 19 above.

24. GOVERNMENTAL REGULATIONS: Tenant shall, at Tenant's sole cost and expense, (a) comply with all of the requirements of all governmental authorities, pertaining to the Leased Premises.

25. NOTICES: Any notice which is required or desired to be given in accordance with the terms of this Lease Agreement shall be deemed to have been properly give when such notice(s) shall be sent by registered or certified mail, postage prepaid and addressed as follows:

To Landlord at: CITY OF BILOXI
Attn: Mayor Andrew "FoFo" Gilich
City Hall
140 Lameuse St.
Biloxi, MS 39530

To Tenant at: OLD BILOXI LIBRARY, LLC
c/o THAN NGUYEN
324 Oak Street
Biloxi, MS 39530

Copy to: Jennifer Field Nicaud
Copeland, Cook, Taylor and Bush, PA
P.O. Box 10
Gulfport, MS 39502

26. APPLICABLE LAW/VENUE; CONSTRUCTION OF LEASE: This Lease Agreement shall be governed by, and construed and enforced according to the laws of the State of Mississippi, regardless of the residency of the parties or the place of execution of this Lease Agreement; jurisdiction and venue shall be in the Second Judicial District of Harrison County, Mississippi.

The covenants, terms, conditions, provisions and undertakings in this Lease Agreement shall extend to and be binding upon the parties hereto and upon their heirs, executors, administrators, successors and assigns as if they were in every case named and designated, and

the same shall be considered as covenants running with the land.

This Lease Agreement, together with and including any attachments or exhibits, and the documents referred to herein, contains the entire agreement between the parties and may not be modified, amended or in any way altered orally but only by an agreement or amendment in writing signed by the party or parties against whom enforcement of any waiver, change, amendment, modification or discharge is sought.

27. SECURITY INTEREST IN IMPROVEMENTS TO THE STRUCTURE: The Tenant hereby covenants and agrees to execute any and all documents reasonably necessary in order to grant the Landlord a collateral security interest in the Tenant's improvements to the Leased Premises. Landlord's will agree to subordinate its interest hereunder at the request of Tenant's lender.

28. RIGHT OF ENTRY: The Landlord hereby expressly reserves the right to enter on and inspect the Leased Premises during the term of this Lease Agreement. The Landlord shall only enter the Leased Premises during normal business hours and shall do so in a manner that will not interfere with the Tenant's or sub-tenant's operation of business.

29. MODIFICATION: No modification, alteration or amendment of this Lease Agreement shall be binding unless in writing and executed by the parties.

30. BINDING EFFECT: This Lease Agreement shall be binding upon the parties and their respective heirs, assigns, and successors in interest.

31. HEADINGS: The headings and captions contained herein are included for convenience and reference only, and shall not be considered as any indication of priority or construction of the Lease Agreement.

32. ENTIRE AGREEMENT: This Lease Agreement contains the entire agreement between the parties. Neither the Tenant nor Landlord has relied upon any statements, promises, or agreements in conflict with the terms of this document.

33. SIGNAGE. Tenant may construct, at its sole cost and expense, one lighted and visible sign stand according to design and specifications approved by Landlord through the requirements of the City of Biloxi's applicable codes and the covenants, conditions, and restrictions of this Lease Agreement.

34. NON-WAIVER OF DEFAULT: Waiver by either party hereto of any breach or violation of terms, conditions or covenants of this lease or the non-performance of same for any particular time shall not be construed as a waiver of any succeeding breach or violation of the same or another term, condition or covenant hereof, and the consent, approval or acquiescence by Landlord or Tenant of any breach or violation shall not waive or render unnecessary such consent or approval of any subsequent breach.

35. INVALIDATION: Should any clause or provisions of this Lease Agreement be invalid, void or voidable for any reason, such invalid, void or voidable clause or provisions shall not affect the whole of this instrument, but the balance of the provisions hereof shall remain in full force and effect.

36. HOLDING OVER: If Tenant holds over after termination or expiration of this lease, the tenancy thereafter shall be from month to month at a monthly rental rate of \$3,000.00 per month, subject to all other terms, conditions and covenants of this Lease Agreement.

37. BREACH OF CONTRACT: Any assent, expressed or implied, by the Landlord to any breach of any covenant or condition herein contained, shall operate as such only in the

specific instances and shall not be construed as an assent or waiver of any such covenant or condition generally, or of any subsequent breach thereof.

38. CUMULATIVE RIGHTS: The various rights, powers, elections and remedies of the Landlord contained in this Lease Agreement shall be construed as cumulative, and no one of them is exclusive of the other, or exclusive of any rights or priorities allowed by law and no rights shall be exhausted by being exercised on one or more occasion.

39. DEFINITIONS:

A. "Improvements" - shall mean all structures or improvements which shall be hereafter constructed by Lessee on the land, including buildings, parking facilities, driveways, walkways, and gardens, and all fixtures affixed thereto or used in connection therewith.

B. "Land" - shall mean that certain real property described herein, together with all tenements, hereditaments and appurtenances thereunto belonging, but excluding the improvements.

C. "Lease Agreement" - shall mean this Lease Agreement, as the same may be from time to time amended, as provided herein.

D. "Lease Year" - shall mean the period of twelve (12) consecutive months commencing on the date stated herein or any succeeding twelve (12) month period during the term of this Lease.

E. "Premises" - shall mean the land and the improvements.

F. "Rent Commencement Date" - The Rent Commencement Date and the date of first possession by the Tenant shall be January 1, 2018.

40. BENEFIT OF CONTRACT: This contract and the terms, conditions and covenants herein contained shall inure to the benefits of and be binding upon the parties, their

respective heirs, administrators, executors, representatives, successors and assigns.

41. PERSONAL GUARANTY: THAN NGUYEN shall sign a Personal Guaranty Agreement guaranteeing the obligations of Tenant under this Lease Agreement.

42. MISCELLANEOUS:

A. Upon the reasonable request of the other party, each party shall join in the execution of a short form lease memorandum setting forth the basic terms and conditions of this Lease Agreement and such short form memorandum may be recorded in the office of the Chancery Clerk of Harrison County, Mississippi.

B. If any term, condition, or covenant of this Lease Agreement shall be held to be invalid by a court of competent jurisdiction, the remaining terms of the Lease Agreement shall remain in full force and effect.

C. This Lease Agreement may be executed in any number of counterparts, each of which when signed by both parties will be deemed an original.

D. Landlord and Tenant shall not be considered or deemed to be joint venturers or partners, and neither shall have the power to bind or obligate the other except as may be provided by law.

E. In the event this Lease Agreement is terminated pursuant to a right to do so herein contained, neither party hereto shall thereafter have any further obligations or liability one to the other, and this Lease Agreement shall be of no further force or effect.

F. Words of any gender used in this Lease Agreement shall be construed to include any other gender, and words in the singular shall include the plural and vice versa, unless the context otherwise requires.

G. Tenant agrees to provide guaranteed business interruption insurance naming the Landlord as the insured in an amount equal to the monthly Rental.

H. All parking areas existing as of the date of execution of this Lease Agreement are to be shared with other tenants.

IN WITNESS WHEREOF, the parties have made and signed this Lease Agreement in duplicate in the City of Biloxi, State of Mississippi, this the _____ day of _____, 2017.

Landlord: CITY OF BILOXI, MISSISSIPPI

BY: _____
ANDREW "FOFO" GILICH, MAYOR

Tenant: OLD BILOXI LIBRARY, LLC

BY: _____
THAN NGUYEN, MANAGING MEMBER

IN WITNESS WHEREOF, the parties have made and signed this Lease Agreement in duplicate in the City of Biloxi, State of Mississippi, this the _____ day of _____, 2017.

Landlord: CITY OF BILOXI, MISSISSIPPI

BY: _____
ANDREW "FOFO" GILICH, MAYOR

Tenant: Old Biloxi Library, LLC

BY: _____
, MANAGING MEMBER

Exhibit "A"
Old Biloxi Library

Legal Description

PARCEL 1:

A parcel of land, and all improvements thereon and appurtenances thereunto belonging, known as Lot 2, Block 40, per Subdivision Plat, Downtown Revitalization Area, Central Business District, Urban Renewal Project No. Miss. R-30, City of Biloxi, Second Judicial District, Harrison County, Mississippi, being more particularly described as follows, to-wit:

COMMENCE at the Southeast intersection of Water Street and Lameuse Street, as they are both laid out and maintained as the POINT OF BEGINNING; thence run South 87°02'04" East, along the South margin of Water Street, for a distance of 100.00 feet to a point; thence run South 0°42'38" East, for a distance of 93.10 feet to a point; thence run North 89°00'35" East, for a distance of 69.54 feet to a point; thence run South 0°47'33" East, for a distance of 54.25 feet to a point; thence run South 89°05'40" West, for a distance of 169.71 feet to a point on the East margin of Lameuse Street; thence run North 0°35'55" West, along said East margin, for a distance of 154.00 feet to the POINT OF BEGINNING, containing 18,825 square feet, or 0.432 acres.

And

PARCEL 2:

A portion of a parcel of land known as Lot 2, Block 40, per Subdivision Plat, Downtown Revitalization Area, Central Business district, Urban Renewal Project No. Mississippi R-30, City of Biloxi Second Judicial District Harrison County, Mississippi, being more particularly described as follows, to-wit: Commencing at the Southeast intersection of Water Street and Lameuse Street as they are both laid out and maintained; thence run South 00°35'55" East for a distance of 154 feet to an iron pipe the Point of Beginning; run thence North 89°05'40" East 169.71 feet to a fence corner; run thence North 0°47'33" West for a distance of 54.25 feet to an iron rod; run thence South 89°00'35" West a distance of 69.54 feet to an iron rod; thence continue South 89°00'35" West for a distance of 100.17 feet, more or less, to a point on the East margin of Lameuse Street; run thence South 00°35'55" along said East margin, for a distance of 54.25 feet, more or less, to the POINT OF BEGINNING.

G. Tenant agrees to provide guaranteed business interruption insurance naming the Landlord as the insured in an amount equal to the monthly Rental.

H. All parking areas existing as of the date of execution of this Lease Agreement are to be shared with other tenants.

IN WITNESS WHEREOF, the parties have made and signed this Lease Agreement in duplicate in the City of Biloxi, State of Mississippi, this the _____ day of _____, 2017.

Landlord: CITY OF BILOXI, MISSISSIPPI

BY: _____
ANDREW "FOFO" GILICH, MAYOR

Tenant: Old Biloxi Library, LLC

BY: _____
, MANAGING MEMBER

Exhibit "A"
Old Biloxi Library

Legal Description

PARCEL 1:

A parcel of land, and all improvements thereon and appurtenances thereunto belonging, known as Lot 2, Block 40, per Subdivision Plat, Downtown Revitalization Area, Central Business District, Urban Renewal Project No. Miss. R-30, City of Biloxi, Second Judicial District, Harrison County, Mississippi, being more particularly described as follows, to-wit:

COMMENCE at the Southeast intersection of Water Street and Lameuse Street, as they are both laid out and maintained as the POINT OF BEGINNING; thence run South 87°02'04" East, along the South margin of Water Street, for a distance of 100.00 feet to a point; thence run South 0°42'38" East, for a distance of 93.10 feet to a point; thence run North 89°00'35" East, for a distance of 69.54 feet to a point; thence run South 0°47'33" East, for a distance of 54.25 feet to a point; thence run South 89°05'40" West, for a distance of 169.71 feet to a point on the East margin of Lameuse Street; thence run North 0°35'55" West, along said East margin, for a distance of 154.00 feet to the POINT OF BEGINNING, containing 18,825 square feet, or 0.432 acres.

And

PARCEL 2:

A portion of a parcel of land known as Lot 2, Block 40, per Subdivision Plat, Downtown Revitalization Area, Central Business district, Urban Renewal Project No. Mississippi R-30, City of Biloxi Second Judicial District Harrison County, Mississippi, being more particularly described as follows, to-wit: Commencing at the Southeast intersection of Water Street and Lameuse Street as they are both laid out and maintained; thence run South 00°35'55" East for a distance of 154 feet to an iron pipe the Point of Beginning; run thence North 89°05'40" East 169.71 feet to a fence comer; run thence North 0°47'33" West for a distance of 54.25 feet to an iron rod; run thence South 89°00'35" West a distance of 69.54 feet to an iron rod; thence continue South 89°00'35" West for a distance of 100.17 feet, more or less, to a point on the East margin of Lameuse Street; run thence South 00°35'55" along said East margin, for a distance of 54.25 feet, more or less, to the POINT OF BEGINNING.

And

PARCEL 3:

A parcel of land commencing at the Southeast intersection of Water Street and Lameuse Street, as they are both laid out and maintained; running thence South 87°02'04" East, along the South margin of said Water Street, for a distance of 100.00 feet to the POINT OF BEGINNING; continuing thence South 87°02'04" East along said South margin for a distance of 69.52 feet to a point; running thence South 0°47'33" East for a distance of 88.33 feet to a point; running thence South 89°00'35" West for a distance of 69.54 feet to a point; running thence North 0°42'38" West for a distance of 93.10 feet to the POINT OF BEGINNING; containing approximately 6,295 square feet or 0.15 acres.