CITY OF BILOXI
AGENDA ITEM
FACT SHEET

Item No.: 5N

Council Meeting Date: January 27, 2026

ITEM TITLE: RESOLUTION

INTRODUCED BY: Mayor Andrew "FoFo" Gilich

CONTACT PERSON: Richard Weaver, Chief Administrative Officer

SUMMARY EXPLANATION:

Resolution approving entry into Lease Agreement with Biloxi Yacht Club for lease of the real property located at 124 Lameuse Street, Biloxi, Mississippi, identified as Tax Parcel No. 1410K-03-065.000, 1410K-03-065.002, and 1410K-03-066.000, and commonly referred to as the Old Biloxi Library

Resolution ✓ **Ordinance** _____ **Public Hearing** _____ **Routine Agenda** _____

Exhibits for Review

Contract ✓ **Minutes** _____ **Plans/Maps** _____ **Deed** _____ **Lease** _____

Other (Specify): Exhibit A: Bid
Exhibit B: Recommendation
Exhibit C: Lease

Submittal Authorization: **Council President** _____ **Mayor** ✓

STAFF RECOMMENDATION: Staff recommends approval

COUNCIL ACTION: **Motion By:** _____ **Second By:** _____

Vote:	Councilmember	Yes	No	AFR	ABST	Councilmember	Yes	No	AFR	ABST
	Gray	___	___	___	___	Tisdale	___	___	___	___
	Marshall	___	___	___	___	Glavan	___	___	___	___
	Nail	___	___	___	___	Shoemaker	___	___	___	___
	Creel	___	___	___	___					

ACTION TAKEN:

012726lcon

Resolution No.

RESOLUTION APPROVING ENTRY INTO LEASE AGREEMENT WITH BILOXI YACHT CLUB FOR LEASE OF THE REAL PROPERTY LOCATED AT 124 LAMEUSE STREET, BILOXI, MISSISSIPPI, IDENTIFIED AS TAX PARCEL NO. 1410K-03-065.000, 1410K-03-065.002, AND 1410K-03-066.000, AND COMMONLY REFERRED TO AS THE OLD BILOXI LIBRARY

WHEREAS, by Resolution No. 444-17, the City of Biloxi (the "City") declared a certain parcel of real property located at 124 Lameuse Street, Biloxi, Mississippi, identified as Tax Parcel No. 1410K-03-065.000, 1410K-03-065.002, and 1410K-03-066.000, and commonly referred to as the Old Biloxi Library, to be surplus municipal property;

WHEREAS, the City of Biloxi (the "City") advertised a Request for Proposals for the lease of the Old Biloxi Library and opened said proposals on October 15, 2025;

WHEREAS, the City received one (1) proposal from the Biloxi Yacht Club ("BYC"), a copy of which is attached hereto as Exhibit "A";

WHEREAS, the City's selection committee convened on January 21, 2026, as stated in Exhibit "B," determined that, based on the criteria stated in the Request for Proposals, the proposal received from BYC fulfills the requirements and is consistent with the City's objectives;

WHEREAS, it is appropriate that the City enter into the Lease Agreement (the "Agreement"), the form of which is attached hereto as Exhibit "C," with BYC for the lease of the Old Biloxi Library, under the terms and conditions stated therein; and

WHEREAS, it is the recommendation of Richard Weaver, Chief Administrative Officer, that the City enter the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF BILOXI, MISSISSIPPI, THAT:

SECTION ONE: The findings, conclusions, and statements of fact contained in the foregoing preamble are hereby adopted, ratified, and incorporated herein.

SECTION TWO: The declaration of real property located at 124 Lameuse Street, Biloxi, Mississippi, identified as Tax Parcel No. 1410K-03-065.000, 1410K-03-065.002, and 1410K-03-066.000, and commonly referred to as the Old Biloxi Library by Resolution No. 444-17, is hereby reaffirmed and ratified.

SECTION THREE: The Mayor, on behalf of the City of Biloxi, is authorized to execute the Lease Agreement, in substantially the form as attached hereto as Exhibit "C," with Biloxi Yacht Club for lease of the real property located at 124 Lameuse Street, Biloxi, Mississippi, identified as Tax Parcel No. 1410K-03-065.000, 1410K-03-065.002, and 1410K-03-066.000, and commonly referred to as the Old Biloxi Library.

SECTION FOUR: This resolution shall take effect and be in force from and after adoption.

EXHIBIT A

Old Biloxi Library Lease

Submission Form

State the proposed monthly lease payment amount to be paid to the City: (attach additional information, if necessary)

RESPONSE: BYC proposes an initial rent of $2,000.00 per month for the first four months of the Lease Term to allow for a reasonable period of time to complete the initial building improvements detailed in the BYC's proposal. Following the expiration of this four-month period, the initial term rent would be equal to $5,000.00 per month for the initial term. See also Attachment 3 – Comments to Sample Lease Agreement for further proposed terms regarding monthly lease payments and credits. See Attachment 4 for BYC's "proof of funds" in compliance with the Minimum Lease Payment Section of the City's RFP.

State the proposed duration of the lease.

RESPONSE: BYC proposes an initial construction term of four months followed by an initial lease term of five years. BYC's proposal further adopts without modification the renewal terms contained in Article II.B of the Sample Lease Agreement.

Attach a narrative describing the following items: proposed use of the property and:

- **i) The proposed use of the property**
- **ii) Any proposed renovations, additions, alterations, or improvements to the property;**
- **iii) How the proposed use promotes and fosters the development and improvement of the community and the civic, social, educational, cultural, moral, and economic benefits of the City and its citizens; and**
- **iv) Any other pertinent information**

RESPONSE: See BYC's Enclosed Proposal for the Adaptive Reuse of the Old Biloxi Library and accompanying attachments for a comprehensive and detailed response to the above questions.

Lessee's Contact Information

Name: Biloxi Yacht Club
Address: P.O. Box 634 Biloxi, Mississippi 39533
Phone: (228) 374-6344
Email: biloxiyachtclub@gmail.com

Signature

Commodore, Biloxi Yacht Club
Title

BILOXI YACHT CLUB

Established 1849

Post Office Box 634 | Biloxi, Mississippi 39533 | Phone: 228-374-6344 | Email: BiloxiYachtClub@gmail.com

Proposal for the Adaptive Reuse of the Old Biloxi Library

Submitted by the Biloxi Yacht Club (BYC) in response to the City of Biloxi's Request for Proposals dated August 21, 2025, for the lease of the Old Biloxi Library located at 124 Lameuse Street, Biloxi, Mississippi.

Introduction

The BYC, one of the oldest yacht clubs in the United States and a cornerstone of Biloxi's cultural and maritime history, is honored to present this proposal for the adaptive reuse of the Old Biloxi Library. Recognizing the Library's designation as a Mississippi Landmark property, BYC has taken proactive steps to align its proposal with the City's objectives of historic preservation, community engagement, and sustainable economic revitalization.

BYC has engaged Eley Guild Hardy Architects (EGH Architects), a respected Biloxi-based firm with decades of local expertise, and Principal David Hardy has already initiated discussions with the Mississippi Department of Archives and History (MDAH). This proactive engagement ensures compliance with both municipal and state preservation requirements from the outset. BYC's Proposal contains the following attachments:

Attachment 1 – Illustrative Diagrams
Attachment 2 – Narrative of Compliance with City Objectives
Attachment 3 – Legal Comments to Sample Lease Agreement
Attachment 4 – Proof of Funds

Description of Bidder

The BYC is a 501(c)(6) company established in 1849, making it one of, if not the oldest continuously operating organizations in the City of Biloxi. The BYC is a charter member of the Gulf Yachting Association, established in 1920, with member clubs spanning the entire Gulf region. The BYC's governing documents establish its core mission of promoting yachting in the vicinity of Biloxi in particular and along the Mississippi Sound in general. Since its inception, the BYC has occupied five locations, all in Biloxi, and has served an important role in enhancing and maintaining the City's world-renowned maritime heritage and culture.

Statement of Proposed Use

The BYC membership is excited at the prospect of moving its clubhouse to downtown Biloxi to a historic building that appropriately reflects the steeped history of the BYC. Specifically, BYC's

proposed use would include operating a private club with food and beverage operations, social and educational events for members and non-members, and other civic-minded activities and functions. It is expected that a move to downtown will be beneficial to many stakeholders: the City can have a reliable long-term tenant in a newly renovated building that can be expected to generate sales tax revenue for the City; the BYC can relocate to an area with synergies that will increase membership interest and satisfaction; and the downtown area can benefit from the rehabilitation of an aged building and increased business from additional presence in the downtown area. The BYC is also excited about the opportunities that can be leveraged from being in close proximity to the City's Small Craft Harbor. The BYC has already been in discussions with the Port Manager about ways to enhance access to yachting facilities to a broader public through the Small Craft Harbor.

The BYC has sufficient liquidity to fund normal operations for several years and also devote to capital improvements to the building and site. The conceptual drawings accompanying this submission evidence the scope and commitment the BYC is agreeable to invest to make the current Library property a revitalized and proud addition to the City's downtown district. The attached "Narrative of Compliance with City Objectives" describes in detail the immediate and longer-term plans for the site. Of course, all improvements would be subject to City zoning and code approvals, as applicable, and as evidenced in the materials enclosed, the BYC is already coordinating with the MDAH.

Summary of Alignment with City Objectives

Attachment 2 provides a comprehensive narrative of how the BYC's proposal complies with the City's stated objectives. A summary of this statement is provided below.

1. Preservation of Historic Resources

The Old Biloxi Library, shown at the heart of Illustrative Site Plan Diagram C, stands as a vital cultural asset. Its preservation anchors the surrounding neighborhood revitalization, symbolizing Biloxi's dedication to heritage.

BYC will restore the architectural integrity of the Library, guided by the Secretary of the Interior's Standards for Rehabilitation.

Collaborating with MDAH, BYC will ensure all modifications respect the historic and fabric of the community while introducing modern functionality to enhance long-term use of the entire site.

2. Adaptive Reuse for Community Benefit

Illustrative Ground Floor Reuse Diagram A demonstrates the creative reprogramming of the library's first floor into flexible, multipurpose spaces such as junior meeting rooms, exercise and locker facilities, and board/office rooms. These spaces will serve not only BYC members but also host civic meetings, youth activities, and community programming. The BYC has a long history of hosting civic organizations, community meetings, social events and the like.

Illustrative Main Floor Reuse Diagram B highlights how the upper level transforms into active

community gathering areas: a dining room, commodores lounge, and chart room that celebrate Biloxi's maritime heritage while providing accessible spaces for public events, civic celebrations, and cultural gatherings.

The result is a landmark structure that is public-facing and inclusive, ensuring wide community benefit while securing BYC's stewardship role.

3. Economic Revitalization and Sustainable Partnerships

BYC's proposal, illustrated in Diagram C, integrates the Old Biloxi Library within a broader site activation plan that includes a pool, lounge pool, pickleball court, and outdoor gathering spaces. Together, these facilities create an attraction that will draw residents and visitors to downtown Biloxi, increasing foot traffic, generating tax revenue, and supporting local businesses.

Construction and ongoing operations will create local jobs and stimulate hospitality, retail, and tourism activity.

Partnerships with preservation agencies, local government, and community stakeholders ensure a multi-faceted approach, blending historic designation, financial incentives, and grassroots participation.

4. Empowerment of Citizens and Public Entities

Through BYC's stewardship, the Old Biloxi Library becomes a shared civic asset. Diagrams A and B illustrate how the programmatic mix empowers different age groups and community segments—from youth to seniors—with spaces for learning, recreation, and cultural exchange.

BYC's partnership with MDAH ensures rigorous preservation standards, while the Club's legacy of civic leadership ensures long-term commitment to safeguarding this landmark.

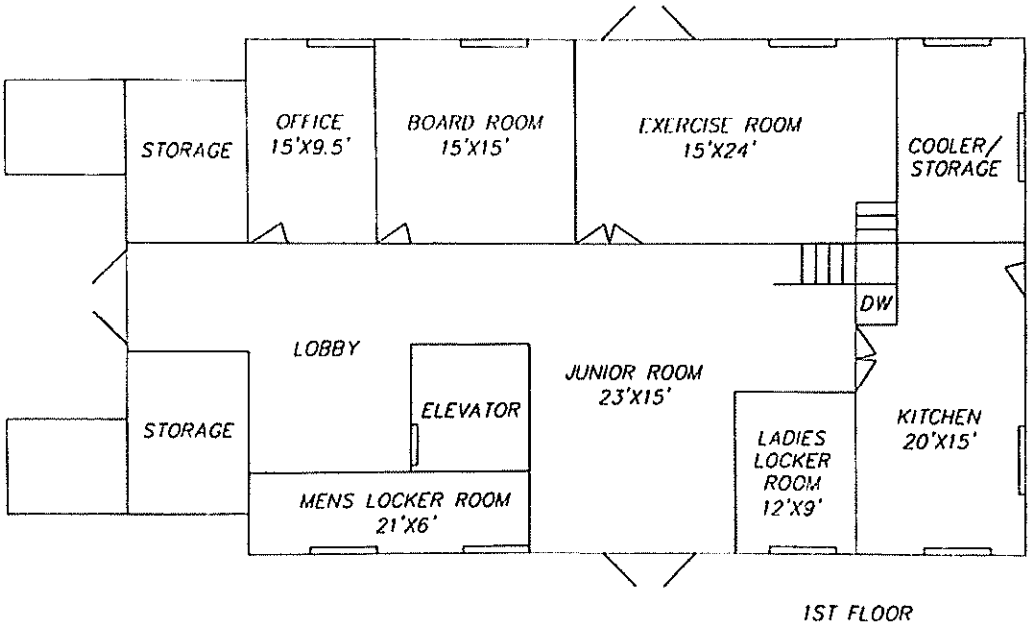
This collaboration empowers both private citizens and public entities, exemplifying a sustainable preservation model where community groups are entrusted with stewarding historic assets for future generations.

Conclusion

The Biloxi Yacht Club's proposal is more than a lease—it is a visionary investment in Biloxi's cultural and architectural legacy. As demonstrated in Illustrative Diagrams A, B, and C, BYC has a comprehensive, well-thought-out plan that ensures the Old Biloxi Library is preserved, reactivated, and celebrated as a dynamic civic hub. Through historic preservation, adaptive reuse, economic revitalization, and community empowerment, BYC is uniquely positioned to deliver on the City's objectives. Awarding this RFP to BYC ensures the Old Biloxi Library will not only endure but will thrive as a landmark for generations to come.

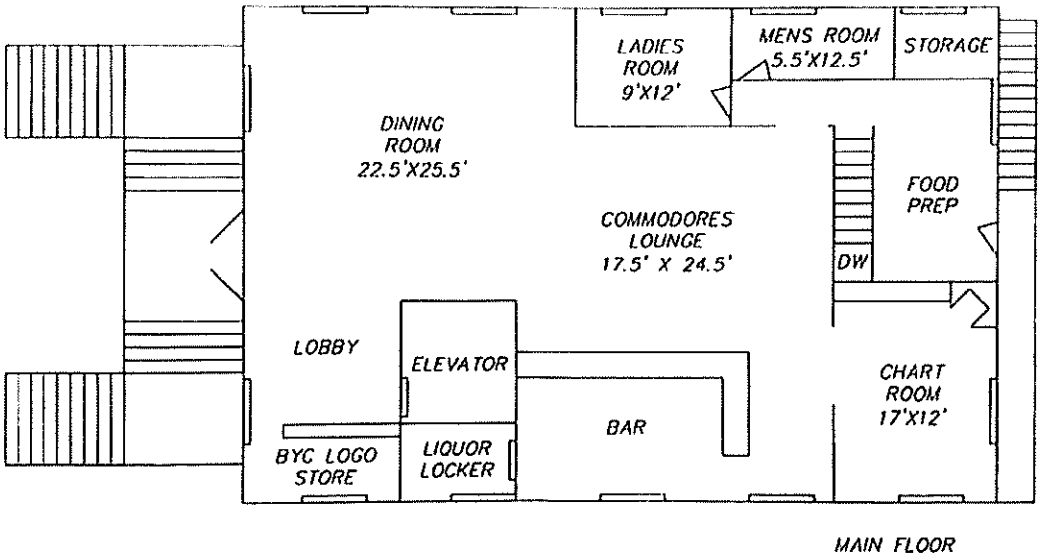
Attachment 1 - Illustrative Diagrams

Diagram A: Illustrative Ground Floor Reuse



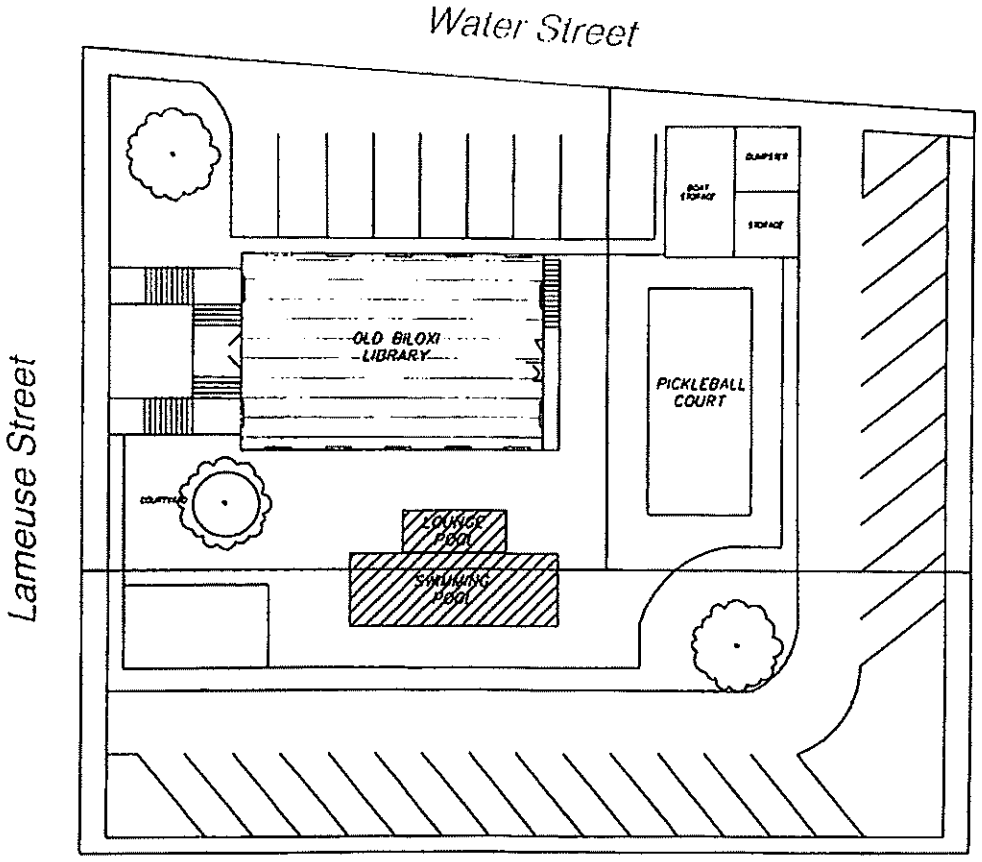
Illustrative Ground Floor Reuse Diagram A demonstrates the adaptive reuse concept for the first floor of the Old Biloxi Library.

Diagram B: Illustrative Main Floor Reuse



Illustrative Main Floor Reuse Diagram B shows the transformation of the main floor into dining, lounge, and cultural gathering spaces.

Diagram C: Illustrative Site Plan



Illustrative Site Plan Diagram C places the Old Biloxi Library within a broader revitalization plan, including outdoor amenities, pools, and pickleball courts.

Attachment 2 – Narrative of Compliance with City Objectives

Project: Adaptive Reuse of the Old Biloxi Library (Mississippi Landmark)

Team: Biloxi Yacht Club (Lessee/Operator) · EGH Architects (Architect of Record) — Principal David J. Hardy, AIA · City of Biloxi partners

Executive Summary

The BYC proposes to lease and sensitively adapt the Old Biloxi Library for club and community use, preserving the exterior intact, removing only non-contributing 1970s interior alterations, and restoring the 1925 reading room volume as a civic-quality assembly space. A modest outdoor pool is planned on the south lawn—sited to remain subordinate to the historic resource and designed as reversible work. BYC has already engaged EGH Architects and initiated coordination with the Mississippi Department of Archives & History (MDAH) to ensure the project meets both the City's objectives and Mississippi Landmark requirements. On Aug 27, 2025, EGH Principal David Hardy emailed MDAH's Mississippi Landmarks Coordinator requesting an on-site review of BYC's plans; MDAH acknowledged availability and willingness to meet with the City and project team.

How BYC Meets the City's Objectives

1) Preserve and enhance a designated historic resource

- No exterior alterations are proposed; character-defining Spanish Mission elements remain intact.
- Reversibility & restoration: remove later non-period interior archways/partitions and reestablish the 1925 reading room volume, light, and spatial clarity for public-facing gatherings.
- Mississippi Landmark process: obtain the Mississippi Landmark Permit and a City Certificate of Appropriateness, submitting drawings, scopes, and material data. All work will follow the Secretary of the Interior's Standards for Rehabilitation (Standards 1, 2, 5, 9).

2) Activate Downtown with year-round use and public benefit

- BYC brings a stable, member-supported operator with deep local history in boating culture and civic engagement.
- The restored reading room will host community meetings, heritage talks, regatta briefings, youth sailing awards, and partner events.
- Street-level activity increases day and evening while remaining respectful of neighbors and historic context.

3) Economic development with minimal City risk

- Capital improvements (interior restoration, systems renewal, pool installation) are BYC-funded through member capital, philanthropy, and—where eligible—historic incentives structured in consultation with MDAH.
- BYC assumes operations/maintenance costs and carries appropriate insurance, reducing City O&M burden and preserving asset value.

4) Partnerships & regulatory alignment

- EGH Architects leads design, code compliance, and submittals.
- MDAH: ongoing coordination to align scope with Mississippi Landmark protections and to leverage educational/interpretive opportunities.
- City departments (Historical, Community Development, Building) engaged early for schedule certainty.

5) Design excellence, code compliance, accessibility, and safety

- Work meets IBC/IRC, NFPA, ADA/2010 Standards, and City ordinances.
- Life-safety upgrades (alarms, egress clarity, lighting) and accessibility improvements are integrated without harming character-defining features.
- Pool: sited on the south lawn, screened/landscaped, outside principal sightlines; fencing and drainage designed to comply with code and to be visually reversible.

6) Sustainability and resilience

- Adaptive reuse respects embodied carbon versus new construction.
- Discreet MEP upgrades (high-efficiency HVAC, controls, LED) minimize energy use while protecting historic fabric.
- Coastal resilience measures (appropriate flood-resistant materials at non-character areas, site drainage) are incorporated without altering the historic exterior.

7) Community heritage and interpretation

- BYC will develop on-site interpretive displays in collaboration with MDAH and the City—covering the building's 1925 origins, architect Carl Matthis, the library's civic role, and Biloxi maritime heritage—educating visitors and reinforcing public value.
- The BYC has a long history of supporting maritime-centric community goals such as coordination with the Maritime & Seafood Industry Museum's Sea and Sale Camp. Hosting civic-centered regattas, including the Mayor's Cup, Special Olympics Regatta, and Great Biloxi Schooner Races.

Compliance Matrix (City Objective → BYC Commitment)

City Objective	BYC Commitment & Evidence
Preserve historic asset	No exterior changes; remove only non-contributing 1970s interior work; Landmark permit & COA; SOI Standards-based approach.
Downtown activation	Year-round programming; public-facing events.
Fiscal stewardship	BYC-funded improvements and O&M; pursuit of incentives; insurance; no City capital requested.
Partnerships	Active coordination with MDAH and City departments; EGH Architects engaged from day one.
Code/ADA/life-safety	Full compliance upgrades integrated sensitively; pool is reversible and subordinate.
Resilience/sustainability	Adaptive reuse, efficient systems, drainage and coastal considerations.
Community value	Interpretive exhibits, youth sailing outreach, heritage talks in restored reading room.

Scope Overview (for Landmark review)

Interior (Rehabilitation/Restoration):

- Remove non-period arch/partition intervention (c. late 1970s/early 1980s).
- Restore reading room volume (plaster repair, compatible finishes).
- Upgrade MEP/lighting with minimal penetrations and concealed routing.

Site (Reversible/New Work):

- Outdoor pool on south lawn with low, compatible hardscape and landscape screening; enclosure clearly new, reversible, and subordinate to the historic building.
- No alteration to primary façades; no rooftop additions.

Approvals, Schedule, and Reporting

1. Concept review (completed/underway): BYC/EGH outreach to MDAH; coordination with City Historical Administrator and Community Development.
2. 60% Design Landmark Submittal: plans, elevations, interior demo/restoration details, MEP narrative, pool/site package; cost estimate and phasing plan.
3. Landmark Permit & Certificate of Appropriateness; Building Permits.
4. Construction (phased, minimally disruptive), with monthly reports to City & MDAH on schedule, cost, and preservation compliance.
5. Opening: reading room available for City/heritage events by agreement in the lease.

Illustrative timeline: Months 0–2 concept/alignment; Months 3–5 DD & permits; Months 6–12 construction/fit-out and interpretive program installation.

Operations, Maintenance, and Stewardship

- Preventive Maintenance Plan (envelope inspections, roof/drainage care, stucco monitoring) for the building.
- Any future scope will be pre-cleared with MDAH/City and documented to maintain integrity.
- BYC will designate a Historic Stewardship Liaison (EGH or BYC facilities lead) as the single point of contact for the City and MDAH.

Conclusion

BYC's proposal meets the City's objectives by safeguarding a signature Mississippi Landmark, activating a downtown treasure with community-serving uses, and doing so with private capital, expert partners, and transparent compliance. Early engagement with MDAH and the City demonstrates our commitment to preserving the Old Biloxi Library for future generations while giving it renewed civic life.

Appendix to Attachment 2 — Initial Outreach to MDAH (Email Excerpts)

From: David Hardy <dhardy@egh.ms> | Sent: Wed, Aug 27, 2025 5:29 PM

I am writing on behalf of the Biloxi Yacht Club (BYC) to coordinate an onsite, in-person meeting to review proposed plans to make adaptive reuse of the Old Biloxi Library as the new BYC location. The proposed project contemplates no exterior changes and anticipates minor interior changes primarily to remove a late 1970s/early 1980s interior intervention (colonnaded archways) that is not period correct. Removing it would restore the integrity of the 1925 reading room and allow it to serve BYC group functions. Other improvements would include an outdoor pool on the south lawn.

MDAH Reply (Clay Mapp, Mississippi Landmarks Coordinator):

We'd be happy to meet with y'all and the project professionals... available virtually next week (various times) and can check calendars for an in-person meeting.

Attachment 3 – Comments to Sample Lease Agreement

BYC proposes below initial comments to the terms and conditions of the Sample Lease Agreement included as an exhibit to the City's RFP that would be subject to further negotiation between the parties as contemplated by the City's RFP:

Article I.C. – Replace in its entirety with the following: "Within the Leased Premises, the Lessee shall have the right to establish and maintain a member-only clubhouse, provided it complies with all applicable ordinances, rules, regulations and laws."

Article III.A – To remain consistent with the RFP, BYC proposes an initial rent of $2,000.00 per month for the first four months of the Lease Term to allow for a reasonable period of time to complete the initial building improvements detailed in the BYC's proposal.[1] Following the expiration of this four-month period, the initial term rent would be equal to $5,000.00 per month for the initial term. BYC also proposes that rent be "stayed" for an initial period to allow for a reasonable period to obtain MDAH approval of the initial phase of building improvements proposed.

Article III.B – The BYC proposes to replace Article III.B: with a mutually-agreeable provision that eliminates or delays rent escalation for a defined period of time in recognition of BYC's extensive capital investment to the building and site contemplated by BYC's RFP proposal.

Article VII.A – To remain consistent with the terms of the RFP, BYC proposes to include the following at the end of subsection A: "Notwithstanding anything herein to the contrary, Lessor shall be responsible for the cost and expense of keeping and maintaining in good order, condition, and repair the main building exterior façade, roof, and related exterior fixtures."[2]

Article VII.M – To remain consistent with the RFP, BYC proposes to insert a new subsection M. that reads as follows: "Notwithstanding anything herein to the contrary, Lessee shall be entitled to a credit to the Rental Payments for any cost and expense incurred by Lessee for the replacement or repair of the fire suppression, heating, ventilation, air conditioning, ducts, and elevator systems, equipment and related facilities. Any credit to Rental Payments applied shall be capped at $1,000 per month until fully reimbursed for the total approved cost of the replacement or repair."[3]

Article XIX – Replace in its entirety with the following: "If Lessee holds over after termination or expiration of this lease, the tenancy thereafter shall be from month to month at a monthly rental

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[1] Please note this proposed provision, while not contemplated in the Sample Lease Agreement, is consistent with the "Minimum Lease Payment" Section of the City's RFP.
[2] Please note this proposed provision, while not contemplated in the Sample Lease Agreement, is consistent with the "Repairs & Maintenance" Section of the City's RFP.
[3] Please note this proposed provision, while not contemplated in the Sample Lease Agreement, is consistent with the "Repairs & Maintenance" Section of the City's RFP.

rate equal to the Rental Payment established by this Agreement at the time of said termination or expiration, subject to all other terms, conditions and covenants of this Agreement."

Attachment 4 – BYC's Proof of Funds

COMMUNITY BANK

October 13, 2025

City of Biloxi
P. O. Box 429
Biloxi, MS 39533

Re: Old Biloxi Library Lease Submission Form- Proof of Funds

To whom it may concern,

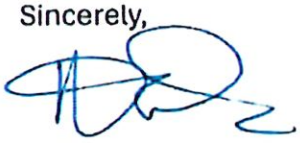
We can confirm that the Biloxi Yacht Club maintains a banking relationship with Community Bank, and has done so since 2019.

As of the date of this letter, they maintain a low seven figure balance in their account. Furthermore, the average balance over the last twelve months is a low seven figure balance as well.

Please note that this letter is being issued at the request of our client for the purpose of the Old Biloxi Library Lease proof of funds portion.

Should you require any further information, please do not hesitate to contact us.

Sincerely,



April Darden
Biloxi Office Manager

Biloxi®
established 1699

140 Lameuse Street
P. O. Box 429
Biloxi, Mississippi 39533
www.biloxi.ms.us

EXHIBIT B

January 21, 2026

In accordance with §31-7-13 et seq. of the Mississippi Code of 1972, Annotated, the City of Biloxi received sealed bids for lease of the Old Biloxi Library, on October 15, 2025. The Selection Committee convened on January 21, 2026. As only one bid was received, after having reviewed and discussed the proposal received, the Selection Committee determined that the proposal received from the Biloxi Yacht Club fulfills the requirements and is consistent with the City's objectives and a lease should be awarded to the Biloxi Yacht Club.

SELECTION COMMITTEE:

Richard Weaver
Chief Administrative Officer

Peter Abide
City Attorney

Rachel Quave
Contract Manager

STATE OF MISSISSIPPI
COUNTY OF HARRISON
SECOND JUDICIAL DISTRICT

EXHIBIT C

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Agreement"), effective the _____ day of _____, 2026 (the "Effective Date"), by and among the City of Biloxi, Mississippi, a Mississippi municipal corporation (hereinafter, "Lessor"), and Biloxi Yacht Club, a Mississippi nonprofit corporation (hereinafter, "Lessee").

WITNESSETH

WHEREAS, Lessor is the fee simple owner of certain real property, commonly known as Old Biloxi Library, located at 124 Lameuse Street, Biloxi, Mississippi 39530 in the City of Biloxi, Mississippi, being tax parcels 1410K-03-065.000, 1410K-03-065.002, and 1410K-03-066.000 (hereinafter, the "Leased Premises");

WHEREAS, Lessor did advertise a Request for Proposals and received one response to said request for the lease of the Leased Premises on October 14, 2025;

WHEREAS, upon receipt and review of the proposals received, Lessor, in its sole and absolute discretion, has determined that, based on the criteria stated in its Request for Proposals, Lessee's proposal best fulfills the requirements;

WHEREAS, Lessee is desirous of leasing the hereinafter described property on the terms and conditions set out, and Lessor is agreeable to leasing the same on said terms;

WHEREAS, it is appropriate that the following Agreement be entered into for the lease of the Leased Premises as it is consistent with City of Biloxi's objectives of promoting and fostering the development and improvement of the community and the civic, social, educational, cultural, moral, and economic benefits of the City and its citizens.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the good and valuable consideration as hereinafter set forth, Lessor and Lessee hereby agree as follows:

ARTICLE I - LEASE OF PREMISES

A. Lessor covenants that for and in consideration of the Rental Payments (as hereinafter defined) to be paid by Lessee and the performance and observance by Lessee of the covenants, conditions, and stipulations herein given by Lessee, Lessor has leased, let, and demised and does by these presents lease, let, and demise to Lessee the Leased Property.

B. The Leased Premises is accepted by Lessee in its present condition. Lessee specifically acknowledges and understands that Lessor makes no representations or warranties, whether expressed or implied, including, without limitation, no warranties that the Leased Premises is free from defects or deficiencies, whether hidden or apparent. Further, the Lessor makes no

representations regarding the fitness of the Leased Premises for any purpose. The Leased Premises is accepted "as is, where is" by the Lessee.

C. Within the Leased Premises, the Lessee shall have the right to establish and maintain a member-only clubhouse, provided it complies with all applicable ordinances, rules, regulations and laws.

ARTICLE II - TERM

A. Initial Term: The term of this Agreement (the "Initial Term") shall commence at 12:01 a.m. on the fourteenth (14th) day following receipt by Lessee of the Mississippi Landmark Permit from the Mississippi Department of Archives and History ("MDAH") (the "Commencement Date") and shall end at 11:59 p.m. on the fifth (5th) anniversary of the Commencement Date, or on whatever earlier date this Lease may be canceled or terminated as hereinafter set forth.

B. Renewal Terms: Provided that Lessee has not materially defaulted in any way and subject to the approval of Lessor and the conditions hereinafter set forth, Lessee shall have four (4) five (5) year options (each a "Renewal Term") to renew and extend the term of this Lease beyond the expiration of the Initial Term. Subject to the approval of Lessor, the Agreement may be so extended on the same terms and conditions, except that the Rentals may increase as hereinafter set forth.

ARTICLE III - RENTAL PAYMENTS

A. During the Term of this Agreement, Lessee shall pay Lessor monthly rent ("Rental Payments") in the amount of FIVE THOUSAND And 00/100 Dollars ($5,000.00), due and payable in full on the first (1st) day of each month during the term of this Agreement; *provided*, however, consistent with Lessor's request for proposal, the monthly rent for the first four (4) months of the Initial Term shall be equal to TWO THOUSAND and 00/100 Dollars ($2,000.00) in recognition of time necessary for Lessee to complete the initial improvements to the Leased Premises contemplated in Lessee's submitted proposal. Rental Payments shall be considered to be delinquent if payment thereof is not received by the Lessor on or before the fifteenth (15th) day of each month. For any Rental Payment not paid by Lessee and received by Lessor by the fifteenth (15th) day of each month, Lessor shall be entitled to recover a late charge in the amount of five percent (5%) of overdue amount. Lessor 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.

B. In the event Lessee exercises any Renewal Option, the Rental Payment due under this Agreement during the Renewal Term shall increase by 2.5% at the beginning of each Renewal Period.

C. Rental Payments shall be non-refundable in the event Lessee abandons or quits the Leased Premises or defaults on the Agreement prior to the expiration of the Term or any Renewal Term.

D. Lessee shall cause all Rental Payments to be delivered to Lessor at 135 Main Street, 3rd Floor, Biloxi, MS, 39530, or by mail to Post Office Box 429, Biloxi, Mississippi 39533, or such other place as the Lessor may designate in writing.

E. Lessor shall have the right to charge Lessee a service charge of Thirty-Five Dollars ($35.00) for any check of Lessee received by Lessor for payment of rent or additional rent which shall not be honored when presented for payment. Should Lessor receive a check from Lessee which is, in fact, dishonored when presented for payment, Lessor shall have the right to thereafter refuse to accept payment of rent, late charges and/or additional rent by personal check.

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

ARTICLE IV - ACCESS TO PREMISES

Upon reasonable notice to Lessee (which shall not be required in the event of an emergency), Lessor and its agents, contractors, and/or employees may enter the Leased Premises for any reason, provided, however, Lessor shall use all reasonable efforts to minimize any interference with Lessee's business operations at the Leased Premises.

ARTICLE V - IMPROVEMENTS AND RESTRICTIONS

A. Lessee understands and acknowledges that the Leased Premises is a designated historical landmark and is subject to the Mississippi Antiquities Law. **Proposed alterations to a Mississippi Landmark must be approved in advance by the Mississippi Landmark Review Committee of the MDAH Board of Trustees. A Mississippi Landmark Permit is required prior to the start of any project involving the Leased Premises.** Lessor agrees to cooperate in good faith with Lessee and to submit in a timely fashion any required information and documentation required by the MDAH to obtain any approvals and consents from the MDAH that may be required by law.

B. Concerning any and all Improvements on the premises that Lessee makes, Lessee shall conform to and observe, and require all of Lessee's architects, engineers, laborers, contractors, subcontractors, and materialmen to conform to and observe, all laws, statutes, building codes, rules, and regulations relating to such Improvements. Lessee shall be responsible for, and shall defend, hold harmless, and indemnify Lessor from and against, any and all claims, liabilities, and damages caused by Lessee's construction of any Improvements. Any and all Improvements that Lessee makes shall be performed (a) by experienced, licensed, bonded, and insured contractors, (b) in full compliance with all applicable laws, rules, regulations, building codes, and permit requirements, and (c) in a good and workmanlike manner, all at Lessee's sole cost and expense.

C. Lessee 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. Lessee 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 premises, and the Lessee will, in all respects and at all times comply with all applicable codes, ordinances, rules, and regulations. Lessee 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 Lessee, and Lessee 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 Lessor of any lien imposed or threatened for Lessee's nonpayment of bills and/or charges for labor or materials incorporated into the leased premises shall constitute a default by Lessee entitling the Lessor 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.

D. Upon termination or cancellation of this Agreement for any reason, all Improvements of whatever nature or kind placed by Lessee on the premises (excluding Lessee's movable trade fixtures) are and/or shall remain or become the property of Lessor and be surrendered with the premises as a part thereof without disturbance, molestation, or injury and without Lessor being required or obligated to make any payment or reimbursement whatsoever to Lessee therefor or for the value of any materials and workmanship or for the enhanced value of the premises, and Lessee hereby waives any and all rights to compensation therefor.

E. In addition, Lessor reserves the right, at its option, by giving Lessee ninety (90) days' notice prior to the expiration of the Term or early termination of this Agreement, whichever is applicable, to require Lessee, at Lessee's sole cost and expense, to remove from the premises all Improvements that were constructed by Lessee, and if Lessor gives Lessee such notice, Lessee shall complete such removal prior to the expiration of the Term. If Lessor requires Lessee to remove any Improvements from the premises as aforesaid, Lessee shall also remove from the premises all of Lessee's furniture, fixtures, machinery, equipment, inventory, and other movable personal property belonging to Lessee, and Lessee shall also repair any and all damage to the premises resulting from or caused by the removal of Improvements, furniture, fixtures, machinery, equipment, inventory, and any other movable personal property belonging to Lessee. Unless Lessor requires Lessee to remove any property temporarily or permanently attached to any portion of the premises or any component parts of the premises, all such attachments and component parts shall belong to and become the property of Lessor immediately upon the expiration, cancellation, or termination of this Agreement, without any compensation or payments due or payable by Lessor to Lessee for said attachments or component parts, any and all rights to any such compensation or payments being hereby expressly waived by Lessee.

F. Lessee further agrees that in the event of any loss, damage, or destruction of any movable or immovable property belonging to Lessee, whether Lessee has insured same, neither Lessee nor its insurer shall have any recourse against Lessor, it being understood and agreed that Lessee assumes all risk of damage to its property arising from any causes whatsoever, including, without limitation, loss by theft, fire, storm, riot, hurricane, or otherwise. Lessee understands and agrees that if any movable or immovable property owned by or in the actual or constructive possession of Lessee is lost, damaged, or destroyed, regardless of the cause or amount of such loss, damage, or destruction and regardless of whether such loss, damage, or destruction is adequately covered by insurance carried by the owner of such property, under no circumstance shall Lessor ever be liable for such loss, damage, or destruction, however caused, either to the party whose property is so lost, damaged, or destroyed, or to the insurer of such party.

ARTICLE VI - SIGNAGE

Lessee may construct, at its sole cost and expense, one (1) sign, according to design and specifications approved by Lessor and in accordance with all the City of Biloxi's applicable codes and the covenants, conditions, and restrictions of this Agreement.

ARTICLE VII - REPAIRS AND MAINTENANCE

A. At Lessee's sole cost and expense, Lessee shall keep and maintain the Leased Premises in good order, condition, and repair, including, without limitation, with respect to all improvements, decks, railings, interior walls, doors, windows, electrical wires and lines, plumbing, gas, water, and sewerage facilities, fixtures, floors, ceilings, signs, and all appliances and similar equipment. Notwithstanding any other provision in this Agreement to the contrary, Lessor shall be responsible for the full cost and expense of keeping and maintaining in good order, condition and repair the main building exterior façade, roof and related exterior fixtures as well as any repairs or replacements in each instance over $2,000.00 to the fire suppression, heating, ventilation, air conditioning, ducts, and elevator systems, equipment and related facilities (collectively "Major Repairs"). Lessee shall be responsible for hiring and managing any third-parties necessary to keep and maintain the Leased Premises, including for Major Repairs, subject to the following terms:

a. Lessee shall consult with Lessor prior to incurring third-party expenses beyond diagnostic costs associated with Major Repairs so that Lessor and Lessee can mutually agree on the overall best repair plan; and

b. For Major Repairs estimated to cost in excess of two (2) times the then applicable Rental Payment, the parties agree to discuss in good faith an arrangement where all or some portion of the cost of the Major Repair is initially paid by Lessee. To the extent Lessee pays any Major Repair costs under this provision, Lessee shall be entitled to credits against future Rental Payments until fully reimbursed.

B. Lessee shall, at Lessee's own cost and expense, repair any damage done to the Leased Premises, or any part thereof, including replacement of damaged portions or items, caused by Lessee or Lessee's agents, guests, employees, invitees, licensees, customers or visitors; and Lessee covenants and agrees to make all such repairs as may be required to restore the Leased Premises to as good a condition as it was in prior to such damage. Additionally, Lessee agrees to furnish at Lessee's costs, landscaping services, janitorial services, trash removal, general cleaning and pest control; utility services and telephone, communication and security services; and routine maintenance and repair of interior decoration, painting, carpet, unless otherwise agreed by Lessor.

C. Lessee further agrees to keep the Leased Premises in a clean, sanitary, and safe condition in accordance with the laws of the State of Mississippi and the City of Biloxi ordinances and in accordance with all directives, rules, and regulations of the State Health Officer, State Fire Marshall, City Building Inspector, and other officers of any Governmental Authority having jurisdiction thereof.

D. Lessee shall, at its sole cost and expense, be responsible for routine repair and maintenance of the heating, ventilation, and air conditioning equipment and ducts, necessary to ensure they remain in clean and in good order, condition and repair (including changing of air

conditioning filters of the proper size monthly), ordinary wear and tear excepted.

E. Lessee shall be responsible for maintenance and repair of any security system it installs or causes to be installed. For the purposes of this paragraph, repair and maintenance shall include any and all charges and costs incurred for the monitoring and testing of such security system.

F. Lessee shall be responsible for maintenance and repair of any fire suppression system installed or that it installs or causes to be installed. For the purposes of this paragraph, repair and maintenance shall include any and all charges and costs incurred for the monitoring and testing of such fire suppression system.

G. Lessee will maintain an elevator service contract for the elevator located in the premises and bear the costs of such contract. In addition, the Lessee will provide and bear the cost of state-mandating testing and inspection. Any and all costs incurred for service, repairs and or maintenance which is above and beyond the contract price shall be paid by Lessee.

H. Lessee shall have the right to perform the repairs or other work, it being understood and agreed, however, that any and all repairs and other work performed by Lessee shall be performed (a) by experienced, licensed, bonded, and insured contractors, except in the event a repair or other work on the premises does not exceed the cost of Twenty-Five Thousand Dollars ($25,000.00), then such repair or work does not require a licensed, bonded contractor; (b) in full compliance with all applicable laws, rules, regulations, building codes, and permit requirements; and (c) in a good and workmanlike manner, all at Lessee's sole cost and expense.

I. At all times during the term of this Agreement, all garbage, trash, and refuse on the Leased Premises shall be kept completely enclosed within trash dumpsters or containers, all of which, when located outside, shall be consistent with the City of Biloxi's Code of Ordinances and have lids that remain securely closed at all times. The area around the garbage, trash, and/or refuse containers shall at all times be maintained in a clean and sightly condition.

J. Lessee covenants that it will not cause or allow any waste to occur on the Leased Premises at any time during the term of this Agreement.

K. The provisions of this subsection shall not apply in the case of damage or destruction by fire, storms, or other casualties, or by Eminent Domain, that are controlled by other provisions of this Agreement.

L. Except for the repairs described above or repair required by reason of the intentional or negligent acts of Lessee, its employees, agents, invitees, licensees, or contractors, Lessor shall be responsible for replacement, maintenance and repair to the roof and exterior walls to include foundation piers of the Leased Premises. Reasonable notice from Lessee of the need for Lessor to perform a repair to the roof or exterior walls of the Leased Premises shall be a condition to Lessor commencing such repair.

ARTICLE VIII - UTILITIES

The Lessee agrees and covenants to pay or cause to be paid all bills, charges, and sur-

charges for all utilities on the Leased Premises during the term of this Agreement, including but not limited to phone lines, water, sewer, gas, cable, internet and electricity. Lessee shall further indemnify, defend and hold Lessor harmless for all such payments and shall discharge the same in a timely manner.

ARTICLE IX - TRIPLE NET LEASE

Subject to the other terms of this Agreement, it is agreed between the parties that this is a triple net lease agreement, with the Lessee to pay taxes attributable to Lessee's Leased Premises, repairs, maintenance and insurance as more definitively provided this Agreement. It is further agreed that the Lessor shall receive rent herein free from all charges and expenses imposed upon or by reason of the Leased Premises. Except as provided in Article VII, Lessee may not for any reason withhold or reduce Lessee's required Rental Payments by right of set-off or otherwise.

ARTICLE X - INSURANCE, INDEMNITY AND TAXES

A. Lessor will acquire and maintain such property insurance insuring the real property and fixed improvements of the Leased Premises in such amounts as the Lessor shall deem appropriate.

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

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

D. Lessee shall procure and keep in effect at all times during the term(s) hereof, comprehensive general liability insurance on Lessee's operations of the Leased Premises for the protection of the Lessee in which the limits of public liability shall be in a minimum of Five Hundred Thousand Dollars ($500,000.00) per single occurrence and One Million Dollars ($1,000,000.00) in aggregated coverage and shall cause Lessor to be named as one of the insured.

E. Lessee shall deliver to Lessor copies of Lessee's policies of insurance or certificates thereof not less than thirty (30) days prior to the expiration of existing coverage. In default of obtaining such required insurance, Lessor, at its option, may procure the same for the account of the Lessor and the cost thereof shall be immediately reimbursed to the Lessor by the Lessee upon the billing therefore to the Lessee. In the event such debt is not reimbursed within thirty (30) days after billing, the Lessor may declare the same as a default by Lessee under the terms hereof entitling Lessor 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 Lessee.

F. Policies of insurance required to be procured and maintained by the parties under any of the provisions of this Agreement will contain a clause that the insurer will not cancel or change the insurance without first giving both parties prior written notice. 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.

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

H. To the extent permitted by governing law, Lessee shall indemnify, defend and hold harmless the Lessor 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 Lessee, its agents, servants, employees, contractors, invitees and licensees, (b) caused by Lessee's use and/or occupancy of the Leased Premises, and/or (c) caused by Lessee's breach of any provision of this Agreement.

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

ARTICLE XI - WAIVER OF SUBROGATION

Lessor and Lessee severally waive any and every claim which arises or may arise in its favor against the other during the term of this 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), Lessor and Lessee 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.

ARTICLE XII - TERMINATION.

A. By Either Party. Either party shall have the right to immediately terminate this agreement, without penalty or prejudice to any other rights and remedies it may have, if:

1. the other party fails to perform any material provision of this Agreement and the failure is not corrected within thirty (30) days after the other party gives the defaulting party written notice of the breach;

2. the other party becomes insolvent, is unable to pay its debts as they mature or is the subject of a petition in bankruptcy, whether voluntary or involuntary, or of any other proceeding under bankruptcy, insolvency or similar laws; or makes an assignment for the benefit of creditors; or is named

in, or its property is subject to a suit for appointment of a receiver; or is dissolved or liquidated; or

B. Mutual Agreement to Terminate. This Agreement may be terminated at any time, including during the Initial Term, without penalties or prejudice, by mutual agreement of both parties in writing.

C. Destruction of Leased Premises. Should the Leased Premises be damaged by fire or other casualty to the extent that either: (i) it is rendered uninhabitable according to applicable codes; or (ii) the cost of repair net of all insurance proceeds, exceeds the current appraised value of the Leased Premises prior to the damage or casualty event, either party may terminate this Agreement by giving the other party five (5) days written notice.

D. Payments Upon Termination. In the event of a termination by Lessor under subsection C of this Article or a termination by Lessee under subsection A of this Article, Lessor shall pay to Lessee the sum of the following: (i) all amounts, if any, not yet reimbursed to Lessee through Rental Payment credits under Article VII; and (ii) the undepreciated value (assuming twenty-five year straight-line depreciation) of all capital improvements to the Leased Premises adequately documented by Lessee in accordance with generally accepted accounting principles.

ARTICLE XIII - DEFAULT

Upon the occurrence of anyone or more of the events described below which shall constitute a default, the Lessor shall have the absolute right, but not the obligation, to (a) cancel and terminate this 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 Lessee, but such re-entry and re-leasing shall not operate as a release or discharge of the Lessee from liability or obligations hereunder, except that the net rents collected as a result of such re-leasing shall be a credit against the Lessee's liability for rents under the Agreement.

A. Default Events.

1. In the event that Lessee should fail to pay one or more of said Rental Payments when the same becomes due and payable.

2. In the event Lessor, in its sole and absolute discretion, determines that Lessee's operations are a direct and imminent threat to the preservation of the Leased Premises.

3. In the event an execution, pending execution or other legal proceeding is commenced against the goods, furniture, or other property of the Lessee or a sub-Lessee or against said Leased Premises or upon the interest of the Lessee in this Agreement or any sub-Lessee.

4. In the event of a petition in bankruptcy (voluntary or involuntary) by or against the Lessee or any sub-Lessee.

5. In the event of an appointment of a Receiver of Lessee's property or a sub-

Lessee's property, or in the case of an assignment for the benefit of creditor(s) by the Lessee or sub-Lessee.

6. In the event the Leased Premises is used for any unlawful activity, or any other activity that in the reasonable discretion of the Lessor constitutes a nuisance, or any activity contrary to the use provisions of Article I of this Agreement.

7. In the event that the Lessee or any sub-Lessee 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.

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

B. Notwithstanding the above default events, no default hereunder shall be deemed to have occurred on the part of the Lessee 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 Lessee, and within such time, Lessee has failed to cure said default. If any nonmonetary default by Lessee cannot reasonably be cured with thirty (30) days after notice, then Lessee shall have an additional thirty (30) days to effect such cure; provided however, the Lessee 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 Lessor.

C. It is agreed and understood that should the Lessee commit any default event in breach of this Agreement (whether monetary or non-monetary) after having previously received one (1) written notice of default the Lessor may immediately terminate this Agreement by providing written notice as described herein and the Lessee shall immediately surrender the Leased Premises.

D. It is expressly agreed by the parties that upon Lessee's default under the terms of this Agreement and failure to cure said default within the time period allowed, all rents due hereunder for the entire 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 Lessor.

E. In the event Lessee fails to comply with any term, provision, warranty or covenant of this Agreement and such breach or failure is not cured within thirty (30) days after written notice by Lessor to Lessee, the Lessor shall have the right to terminate this Agreement and will further have any and all other rights and remedies granted under this Agreement or allowed by law, which rights and remedies will be cumulative.

F. 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 Lessor or Lessee of any breach

or violation shall not waive or render unnecessary such consent or approval of any subsequent breach.

ARTICLE XIV - ATTORNEYS' FEES

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

ARTICLE XV - LESSEE'S RIGHT OF QUIET ENJOYMENT

Lessor hereby warrants and covenants that it has the right to lease the Leased Premises to Lessee for the purposes stated herein, and that Lessee shall, while Lessee is not in default of the terms of this Agreement, peacefully and quietly hold the Leased Premises during this Agreement, without interference or hindrance from Lessor or those claiming by or through Lessor, subject to the provisions contained herein.

ARTICLE XVI - DAMAGE OR DESTRUCTION OF LEASED PREMISES

If the Leased Premises or any significant part thereof shall be damaged or destroyed by fire, wind, or other casualty, Lessee shall give prompt written notice thereof to Lessor. In case the Leased Premises shall be so damaged that the substantial alteration or reconstruction of the Leased Premises shall, in either Party's sole opinion, be required, Lessor or Lessee may, at its option, terminate this Lease Agreement by notifying the other Party in writing of such termination within ninety (90) days after the date of such damage. Lessor shall not be liable for any inconvenience or annoyance to Lessee or injury to the business of Lessee resulting in any way from such damage or the repair thereof, except that, subject to the provisions of the next sentence, Lessor shall allow Lessee a fair diminution of rent during the time and to the extent the Leased Premises are unfit for occupancy. If the Leased Premises be damaged by fire, wind, or other casualty resulting from the fault or negligence of Lessee or any of Lessee's agents, employees, or invitees, the rent hereunder shall not be diminished during the repair of such damage.

ARTICLE XVII - 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 Agreement shall be voidable by the Lessee 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.

ARTICLE XVIII - SUBLEASE & ASSIGNMENT

A. Lessee shall not sublease the subject premises or any portion thereof during the term of this Agreement and shall not assign its interest in this Agreement to any third party, unless prior written approval for such sub-lease or assignment has first been obtained from the Lessor, which approval will not be unreasonably withheld, except as provided for below. Any sub-lease or

assignment will not relieve the original Lessee of its obligations hereunder, except as provided below.

ARTICLE XIX - HOLDING OVER

If Lessee holds over after termination or expiration of this lease, the tenancy thereafter shall be from month to month at a monthly rental rate equal to the Rental Payment established by this Agreement at the time of said termination or expiration, subject to all other terms, conditions and and covenants of this Agreement.

ARTICLE XX - NOTICES

Any notice which is required or desired to be given in accordance with the terms of this 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 Lessor at:

CITY OF BILOXI
Attn: Mayor A. M. Gilich, Jr.
City Hall
140 Lameuse Street
Biloxi, Mississippi 39530

With copy to:

CITY OF BILOXI
Attn: City Attorney / Contract Manager
Post Office Box 429
Biloxi, Mississippi 39533

To Lessee at:

Biloxi Yacht Club
Attn: Commodore
124 Lameuse Street
Biloxi, Mississippi 39533

ARTICLE XXI - FORCE MAJEURE

Lessor 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 Agreement, when prevented from so doing by cause or causes beyond the Lessor'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, pandemic, or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Lessor.

ARTICLE XXII - LICENSES

Lessee shall, at its expense, obtain all licenses and permits required for the conduct of its business. Lessee shall, at its expense, observe and comply with all present and future laws, ordinances, directives, orders, rules and regulations of governmental authorities having or claiming jurisdiction over the Leased Premises or the conduct of Lessee's business.

ARTICLE XXIII - MISCELLANEOUS

A. Governmental Regulations. Lessee shall, at Lessee's sole cost and expense, comply with all of the requirements of all governmental authorities, pertaining to the Leased Premises.

B. Applicable Law.

1. Governing Law. The laws of the state of Mississippi shall govern the application and interpretation of this Agreement.

2. Jurisdiction. The courts located in Harrison County, Mississippi (Second Judicial District) shall have exclusive jurisdiction of any dispute between the parties. If one party initiates an action against the other or should a party seek any form of relief against the other, then said action shall be filed in Harrison County, Mississippi (Second Judicial District). Any business or person doing business with the City of Biloxi submits to the personal jurisdiction of the courts in Harrison County, Mississippi.

C. Constructability. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

D. Modification. No modification, alteration or amendment of this Agreement shall be binding unless in writing and executed by the parties.

E. Binding Effect. The covenants, terms, conditions, provisions and undertakings in this 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.

F. 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 Agreement.

G. Entire Agreement. This 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.

H. 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.

I. Amendment. This Agreement may not be altered or amended, nor may rights hereunder be waived, except by writing executed by both parties.

J. Breach of Contract. Any assent expressed or implied, by the Lessor 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.

K. No Waiver of Warranties. Notwithstanding any provisions to the contrary that may be found in this Agreement or any other supplemental terms that may be referenced therein, any provision that seeks to limit the Lessor's recovery resulting from a breach of express or implied warranties shall be of no force or effect.

L. No Waiver of Damages. Notwithstanding any provisions to the contrary that may be found in the Agreement, or any other supplemental terms that may be referenced therein, any provision that seeks to limit Lessor's recovery in any manner shall be of no force or effect.

M. Authority. The parties represent that they have full power and authority to enter into and perform this Agreement and the parties know of no contract, agreement, promise or undertaking which would prevent the full corporate execution and performance of this Agreement, and the persons executing this Agreement on behalf of the parties are duly authorized to do so and have the authority to bind such parties.

N. Cumulative Rights. The various rights, powers, elections and remedies of the Lessor contained in this 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.

O. Memorandum of Lease. 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 Agreement and such short form memorandum may be recorded in the office of the Chancery Clerk of Harrison County, Mississippi.

P. Severability. Should any clause or provisions of this 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.

Q. Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The

exchange of copies of this Agreement and of signature pages by facsimile or email transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

R. No Partnership. Lessor and Lessee 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 bylaw.

S. Effect of Termination. In the event this 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 Agreement shall be of no further force or effect.

T. Pronouns and Plurality. Words of any gender used in this 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.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the parties have made and signed this Agreement in duplicate in the City of Biloxi, State of Mississippi, effective as of the date first written above.

LESSOR:

CITY OF BILOXI, MISSISSIPPI, a Mississippi municipal corporation

By: _____
Name: A. M. Gilich, Jr.
Title: Mayor

ATTESTED TO BY:

_____
Stacy L. Thacker, Municipal Clerk

LESSEE:

BILOXI YACHT CLUB, a Mississippi nonprofit corporation

By: _____
Name: Stephen Roybal
Title: Commodore