

Gautier Planning Commission

Regular Meeting Agenda

November 1, 2018

GPC #18-20-SE

2105 Old Spanish Trail

Mobile On-Site Dental Office

VII. NEW BUSINESS

1. Huntington Ingalls Incorporated requests a SPECIAL EXCEPTION PERMIT for an On-site Mobile Dental Practice at 2105 Old Spanish Trail PID# 82436055.107 located in a TCMU (Town Center Mixed Use) Zoning District. (GPC CASE # 18-20-SE)

GAUTIER PUBLIC HEARING PROCESS (PLANNING COMMISSION)

Planning Commission Chairman to follow procedure below. All questions/comments to be directed to the Council and not to applicant, staff, or other attendees of the meeting.

1. Chairman announces the case.
2. Chairman makes statement, "This is a Public Hearing and all statements to be made need to be true and accurate for the record."
3. Staff gives brief overview of case.
4. Applicant presents their case.
5. Anyone to speak in support of the Request? Please state your name and address for the record.
6. Anyone to speak in opposition of the Request? Please state your name and address for the record.
7. Any final comments from the applicant?
8. Questions from Commission?
9. Chairman closes public hearing – "This closes the Public Hearing portion of this case" bang of gavel
10. Motion/Deliberation/Vote

CITY OF GAUTIER STAFF REPORT

To: Chairman and Members, Planning Commission

From: Scott Ankerson, Planning Director

Date: November 1, 2018

Subject: Special Exception Permit for an on-site Mobile Dental Office at 2105 Old Spanish Trail PID# 82436055.107 located in a TCMU (Town Center Mixed Use) Zoning District. (GPC CASE # 18-20-SE)

REQUEST:

The Planning Department has received a request from Huntington Ingalls Incorporated for a Special Exception Permit that would allow an on-site Mobile Dental Office in a Town Center Mixed Use Zoning District at 2105 Old Spanish Trail PID# 82436055.107. The application fee of \$250.00 was paid on October 2, 2018. All public notice requirements have been met.

BACKGROUND:

The request property is zoned TCMU, Town Center Mixed Use.

1. Location: 2105 Old Spanish Trail (See Exhibit A)
2. General features of the proposed project:
An on-site 48 ft. Mobile Dental Trailer that is 8.5 ft. wide and 13 ft. tall
3. Potable Water and Wastewater Services: Existing from City
4. Current Zoning (See Exhibit B): TCMU Town Center Mixed Use.
5. Current Surrounding Zoning (See Exhibit B): C-2 Community Commercial, TC Town Center
6. Current Surrounding Existing Land Use (See Exhibit C): Town Center, and Community Commercial.
7. Comprehensive Plan Future Land Use Designation (See Exhibit D): Town Center

DISCUSSION:

The following addresses the review criteria for a Special Exception outlined in Section 4.16.4 of the UDO.

1. Explain how a literal interpretation of the City of Gautier's Unified Development Ordinance would deprive the applicant of rights commonly enjoyed by others of the district in which the property is located, and would work unnecessary hardship upon the applicant?

Applicant: Ingalls Shipbuilding, a division of Huntington Ingalls Industries ("HII"), is requesting a Special Exception to obtain proper permitting in order to facilitate the launch of a new addition to our Ingalls Family Health Center ("IFHC") located at 2105 Old Spanish Trail in Gautier, MS. Ingalls Shipbuilding will be providing a dental care service for Ingalls employees and their dependents as part of a company-wide initiative together with our sister company, Newport News Shipbuilding in Newport News, VA. The plan was created by our Corporate and division HR organizations as an incentive towards HII's goal of healthier and happier employees through preventative health and awareness. HII partnered with a company that provides dental care service, "Onsite Dental", and together developed and finalized this new plan. This dental care provider service will be operated out of a mobile unit that will be located behind the Ingalls Family Health Center (South side of the building). Due to the Zone the IFHC falls under (Town Center, or Town Center Mixed Use), mobile buildings are not permitted. Therefore HII cannot fully follow through with this plan due to the type of facility and the zone.

2. Explain how the requested Special Exception will be in harmony with the purpose of the City of Gautier's Unified Development Ordinance and will not be injurious to the neighborhood or the general welfare?

Applicant Response: The purpose and function of the Ingalls Family Health Center will not change by adding the new dental care service to the health center. It will add to the overall quality of the benefits provided to Ingalls Shipbuilding employees and their dependents and should not hinder the purpose and intent of the City of Gautier's Unified Development Ordinance.

3. Explain how the special circumstances requiring the proposed Special Exception are not results of actions of the applicant.

Applicant Response: Hill's plan to offer dental care services to our employees and dependents was created at our corporate division of the company in Newport News, VA. At the time, zoning requirements at our health center in Gautier, MS were not at the forefront of discussions because the partnering with Onsite Dental had not happened yet, and the plan to utilize their mobile unit facility had not come into the picture yet. Though as current tenants of the then Gautier Medical Clinic, now Ingalls Family Health Center, this facility has always been the best option available to us as a potential location to provide dental care alongside our well ness and health care benefits.

DETERMINATION OF APPLICABLE LAW:

1. The UDO defines a Special Exception as a relaxation of the terms of the Unified Development Ordinance where such an exception will not be contrary to the public interest, and where, owing to conditions peculiar to the property, a literal enforcement of the ordinance would result in undue hardship. Special Exceptions are necessary when an applicant seeks to establish or expand a use not ordinarily permitted in a specific zoning district. "Special Exceptions" are not transferable from one (1) owner of land to another.
2. Special Exception requires a public hearing before the Planning Commission and approval by the City Council (Section 4.14 of the UDO).
3. Once an application for a Special Exception is submitted to the Planning Department, the procedures outlined in UDO Section 4.14.1 will be followed. At the appropriate time, The Planning Commission will conduct a public hearing to determine whether the applicant meets all relevant criteria, and make a recommendation to City Council pursuant to UDO Section 4.14.4. City Council, pursuant to UDO Section 4.14.4(C), will then consider the matter at its next regularly scheduled meeting and approve or deny the Special Exception.
4. A Special Exception is required for uses not ordinarily permitted in a specific zoning district. Special Exceptions are not permitted by right, and may only be granted when certain criteria are established. (4.16.4)
5. Special Exceptions do not run with the land, and may be revoked by the Planning Department if any of the following circumstances are discovered:
 - A. The property changes ownership
 - B. The property is being utilized in a manner not permitted under the zoning

regulations or the special exception; or

- C. The property ceases to be used for the purpose allowed in the Special Exception for a period of one hundred eighty (180) days during the existence of the Special Exception.

RECOMMENDATION & CONCLUSION:

Staff recommends that Planning Commission establish a Finding of Fact regarding the “Criteria for Approval” from UDO section 4.16.4 A-C as listed above.

The Planning Commission may:

1. Recommend that City Council approve the Special Exception;
2. Recommend that City Council approve the Special Exception with changes; or
3. Recommend that City Council deny the Special Exception.

ATTACHMENTS:

1. Applicant’s Exhibit 1 – Application
2. City’s Exhibit A – Location Map
3. City’s Exhibit B – Existing Zoning Map
4. City’s Exhibit C – Existing Land Use Map
5. City’s Exhibit D – Future Land Use Map

PLANNING DEPARTMENT
GAUTIER, MISSISSIPPI

SPECIAL EXCEPTION HEARING APPLICATION

Hearing Number

18-20-SE

TYPE OF REQUEST:

Special Exception

FEE:

\$250.00

Special Exception— These uses are not allowed by right, and **require** a recommendation by the Planning Commission and approval of the City Council.

Name of Applicant: Huntington Ingalls Incorporated, Ingalls Shipbuilding division

Name of Business: Huntington Ingalls Incorporated, Ingalls Shipbuilding division (for Ingalls Family Health Center)

Address: Mailstop 1012-06, P.O. Box 149, Pascagoula, MS 39568-0149

Mailing Address (if different): _____

Email Address: _____

Phone: (228) 935-1122 Cell Phone: _____

Reason for request, location and intended use of Property: Ingalls Shipbuilding ("HII") will be offering a dental service as part of its benefits plan provided to HII employees and their family members. The dental service will be through a company called "onsite dental" and the service will be located in a mobile unit that will be located behind the Ingalls Family Health Center in Gautier, MS. (South side of building). It can be removed and relocated at any time.

ATTACHMENTS REQUIRED AS APPLICABLE:

- ☒ 1. Diagram of intended use, showing dimensions and distances of property, building with setbacks, parking spaces, entrances and exits.
- ☒ 2. Legal descriptions and street address.
- ☒ 3. A detailed project narrative that also addresses the questions on the "Criteria for Approval" page of this application.
- ☒ 4. Copy of protective covenants or deed restrictions, if any.
- ☒ 5. Copies of approvals, or requests for approval, from other agencies, such as, but not limited to, the Mississippi State Department of Health, U.S. Army Corp of Engineers, Mississippi Department of Environmental Quality and Department of Marine Resources.
- ☒ 6. Any other information requested by the Planning Director and/or members of the Technical Review Committee.
- ☒ 7. Owner's Consent form, if anyone other than 100% sole owner makes application (see attached).

Signature of Applicant: _____

FOR OFFICE USE ONLY

Date Received 9/18/18 Verify as Complete RM

Fee Amount Received _____

Initials of Employee Receiving Application RM

Date of Application: September 4, 2018

I, Singing River Health System, the fee simple owner of the following described property (give legal description):

Description: a tract of land situated in Section 36, Township 7 South, Range 7 West, Gautier, Jackson County, Mississippi and more particularly described as follows: Commencing at the Southwest corner of Section 36; thence North 0 degrees 02 minutes East 1378.00 feet to the North right-of-way of Old Spanish Trail; thence North 89 degrees 36 minutes east along the North right-of-way of Old Spanish Trail 920.02 feet; thence South 89 degrees 28 minutes 36 seconds East along the North right-of-way of Old Spanish Trail 145.14 feet to the point of beginning; thence North 19 degrees 46.26 feet; thence South 89 degrees 54 minutes East 121.00 feet; thence South 0 degrees 06 minutes West 41.30 feet; thence South 89 degrees 54 minutes East 76.48 feet; thence South 0 degrees 06 minutes west 397.51 feet to the North right-of-way of Old Spanish Trail; thence North 89 degrees 28 minutes 36 seconds West along the North right-of-way of Old Spanish Trail 346.90 feet, being the same property as described in Deed Book 1227, Page 389.

This property is located in Flood Zone AE 15 and Zone X according to Flood Insurance Rate Map #28059C 0319 G, Revised March 16, 2009.

hereby petition to the City of Gautier to *Grant a Special Exception of* utilizing
mobile dental trailer in Gautier, MS (2105 Old Spanish Trail)

and affirm that Huntington Ingalls Incorporated is hereby designated to act as agent on my behalf to accomplish the above.

I certify that I have examined the application and that all statements and diagrams submitted are true and accurate to the best of my knowledge. Further, I understand this application; attachments and fees become part of the official records of the City of Gautier, MS, and are not returnable.

(Owner's Signature) Lee Bond, CEO, Singing River Health System

The foregoing instrument was acknowledged before me this 4th day of September, 20 18 by Lee Bond
_____, who is personally known to me or has produced _____

_____ as identification and who did take an oath.

Caroline C. Boykin
(Printed Name of Notary Public)

Caroline C. Boykin
(Signature of Notary Public)

Commission # 22847. My commission expires 1/30/2021.



SPECIAL EXCEPTION

Criteria for Approval Special Exception

- A. Explain how a literal interpretation of the City of Gautier's Unified Development Ordinance would deprive the applicant of rights commonly enjoyed by others of the district in which the property is located, and would work unnecessary hardship upon the applicant?
- B. Explain how the requested Special Exception will be in harmony with the purpose and intent of the City of Gautier's Unified Development Ordinance and will not be injurious to the neighborhood or the general welfare?
- C. Explain how the special circumstances requiring the proposed Special Exception are not results of actions of the applicant?

PROJECT NARRATIVE INCLUDED IN ATTACHMENT DOCUMENTS

**EXCERPT FROM GAUTIER'S UNIFIED DEVELOPMENT ORDINANCE
CONCERNING SPECIAL EXCEPTIONS**

SECTION 4.16: Special Exception

A request for a Special Exception may be initiated by the owner or agent of the owner provided that said property has not been denied a previous request for a Special Exception for the same property or portion of property within the past twelve (12) months.

4.16.1 Application for Special Exception

Applications for a Special Exception may be filed on the appropriate application available from the Planning Department and shall include all requested information, attachments, and submittals.

4.16.2 Procedure

Once an application for a Special Exception is submitted to the Planning Department, the procedures outlined in UDO Section 4.14.1 will be followed. At the appropriate time, The Planning Commission will conduct a public hearing to determine whether the applicant meets all relevant criteria outlined below, and make a recommendation to City Council pursuant to UDO Section 4.14.4 (A and B). City Council, pursuant to UDO Section 4.14.4(C), will then consider the matter at its next regularly scheduled meeting and approve or deny the Special Exception.

4.16.3 Notice of Public Hearing

Notice of the public hearing for the Special Exception shall be made in a newspaper of regular and general circulation in the city at least fifteen (15) days prior to the public hearing, and a notice shall be posted at City Hall and the effected property for the benefit of the public. Additionally, all adjoining property owners shall be notified by first class mail in accordance with UDO Section 4.14.3.

4.16.4 Criteria for Approval

A Special Exception is required for uses not ordinarily permitted in a specific zoning district. Special Exceptions are not permitted by right, and may only be granted when the following criteria are established:

- A. That a literal interpretation of the provisions of this ordinance would deprive the applicant of rights commonly enjoyed by others of the district in which the property is located, and that interpretation of this ordinance would work unnecessary hardship upon the applicant;
- B. That the requested Special Exception will be in harmony with the purpose and intent of this ordinance and will not be injurious to the neighborhood or the general welfare; and
- C. That the special circumstances are not the result of actions of the applicant.

4.16.5 Limitations and Restrictions

Special Exceptions do not run with the land, and may be revoked by the Planning Department if any of the following circumstances are discovered:

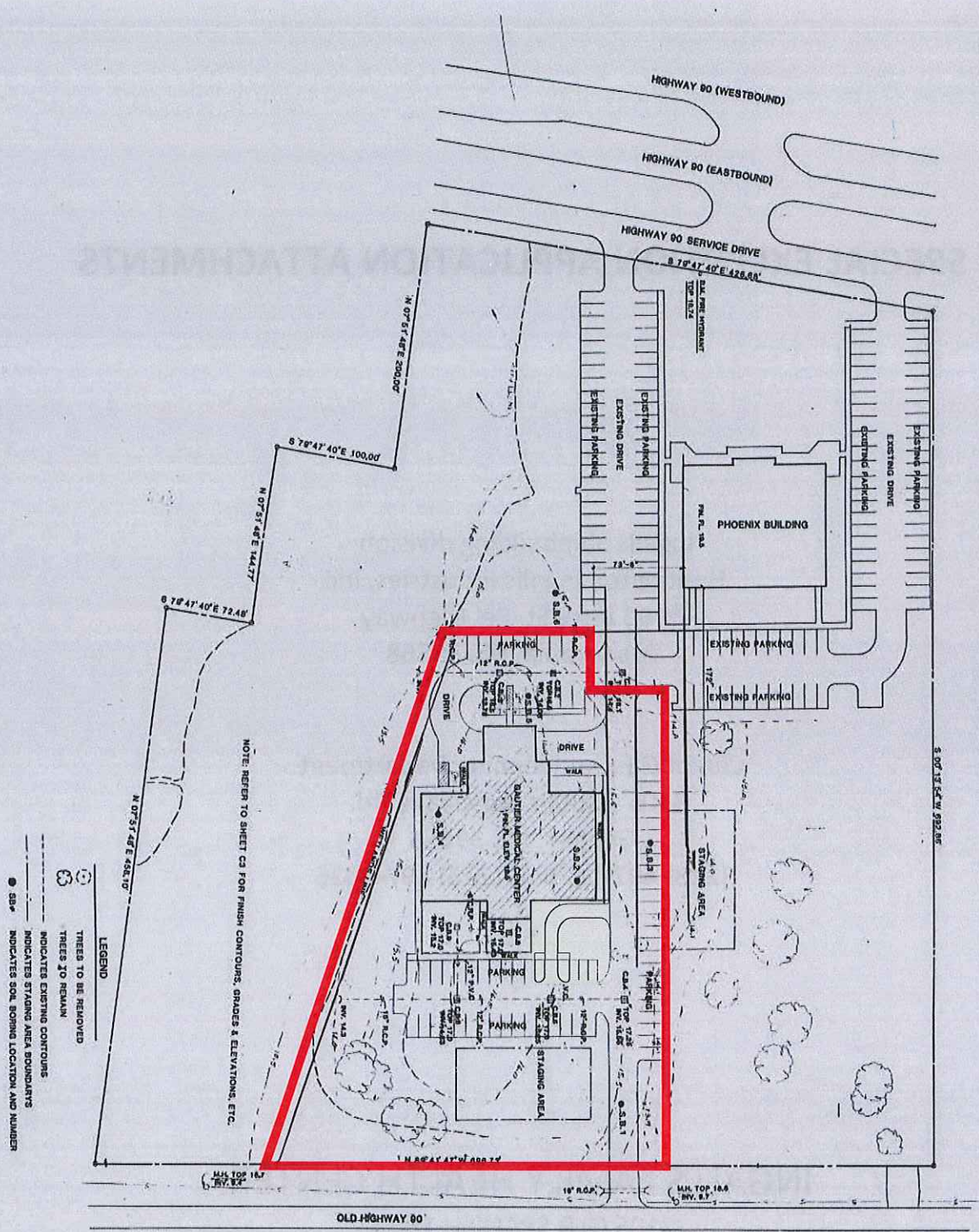
- A. The property changes ownership;
- B. The property is being utilized in a manner not permitted under the zoning regulations or the special exception; or
- C. The property ceases to be used for the purpose allowed in the Special Exception for a period of one hundred eighty (180) consecutive days during the existence of the Special Exception.

SPECIAL EXCEPTION APPLICATION ATTACHMENTS

Ingalls Shipbuilding division,
Huntington Ingalls Industries, Inc.
1000 Jerry St. Pe' Highway
Pascagoula, MS 39568

City of Gautier Planning Department
3305 Gautier Vancleave Rd
Gautier, MS 39553
(228) 497-1878 or (228) 497-8026

INGALLS FAMILY HEALTH CENTER
2105 OLD SPANISH TRAIL
GAUTIER, MS 39553



NOTE: REFER TO SHEET C3 FOR FINISH CONTOURS, GRADES & ELEVATIONS, ETC.

- LEGEND**
- TREES TO BE REMOVED
 - TREES TO REMAIN
 - INDICATES EXISTING CONTOURS
 - INDICATES STAGING AREA BOUNDARIES
 - INDICATES SOIL BORING LOCATION AND NUMBER

PARKING REQUIREMENTS

EXISTING PHOENIX BUILDING	100 x 100 = 12,000 SQ. FT.
PARKING REQUIRED	12,000
PRESENTLY EXISTING	121 SPACES - 48 REQUIRED = 73 EXCESS
REQUIRED SPACES FOR NEW BUILDING	14,400 SQ. FT. - 144 NEW SPACES REQUIRED

EXISTING EXCESS IS 73 NEW SPACES NEEDED

14400 / 73 = 197.26

197.26 x 73 = 14400

SCALE: 1" = 40'-0"

SITE FOR NEW GAUTIER MEDICAL CENTER



SHEET

C2

OF 2

PLAN NO:	526
DRAWN BY:	BODH
CHECKED BY:	HFF
REVISED:	
DATE:	MARCH 88

FOUNTAIN & LAMAS ARCHITECTS LTD.
architects & planners
 P.O. BOX 464 BILOXI, MISSISSIPPI, 39533

GAUTIER MEDICAL CENTER
 BINGING RIVER HOSPITAL SYSTEM

This property is located in Flood Zone AE 15 and Zone X according to Flood Insurance Rate Map #28059C 0319 G, Revised March 16, 2009

Area -

e/p - edge of pavement
r/w - right-of-way

Reference Materials

DB 1064, pg 363

DB 1064, pg 363

All bearings on this plat are based on the North line of Old Spanish Trail per DB 1227. pg 389

Adred Surveying Co.
PO Box 30041

228-762-7374

A14250

Lewis Aldred, Jr. P.L.S.
November 10, 2014

 td conc mon |

www.graf-usa.com

One Honey Creek Corporate Center
125 South 84th Street, Suite 401
Milwaukee, WI 53214-1470
414 / 259 1500
414 / 259 0037 fax

www.graf-usa.com

CLIENT

INGALLS SHIPBUILDING
1000 ACCESS ROAD
PASCAGOULA, MS 39567

OPERATOR
QUADMED
N53 W24700 CORPORATE CIRCLE
SUSSEX, WI 53089

PROJECT TITLE	
FAMILY HEALTH CENTER	

	ISSUE
B	
1	12/10/2014 ISSUE FOR PERMIT
2	12/10/2014 ISSUE FOR BID

PROJECT INFORMATION

PROJECT NUMBER: 20140200_36

DATE: 12/10/2014

DRAWN BY: SRK

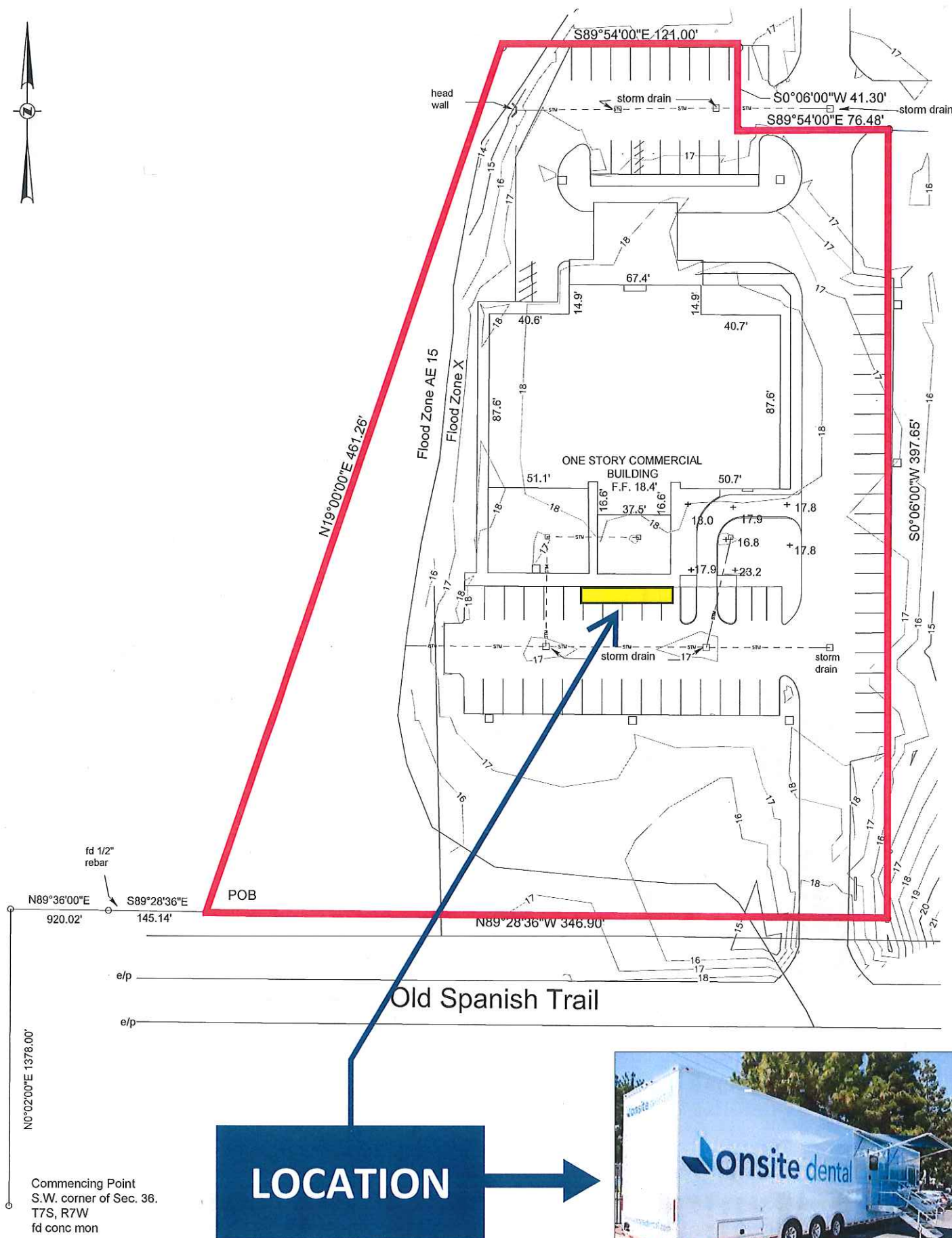
CHECKED BY: TJJF

APPROVED BY: UJW

SCALE: AS NOTED

SHEET TITLE	
TOPOGRAPHIC SURVEY	
SHEET NUMBER	

0101



LOCATION

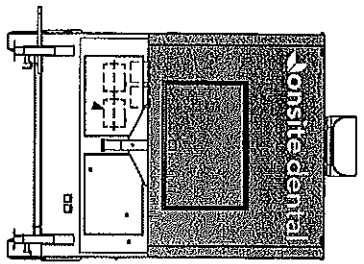




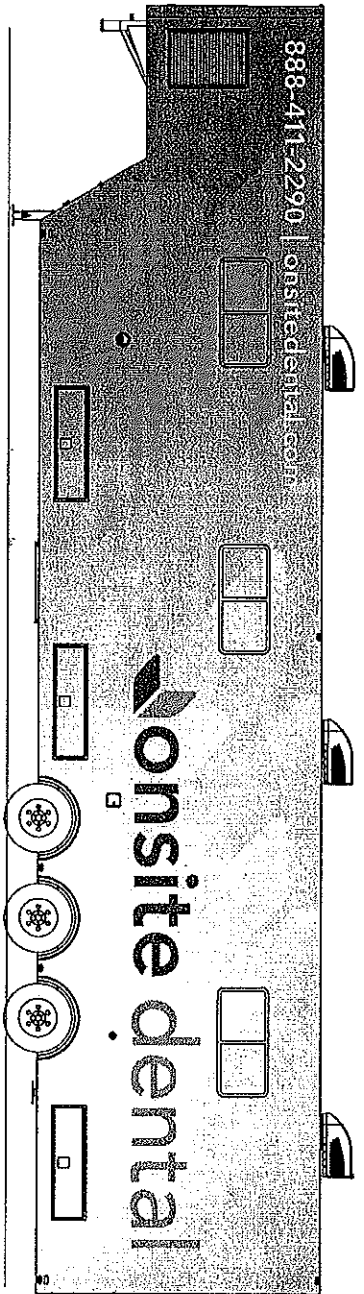
Mobile

MOBILE

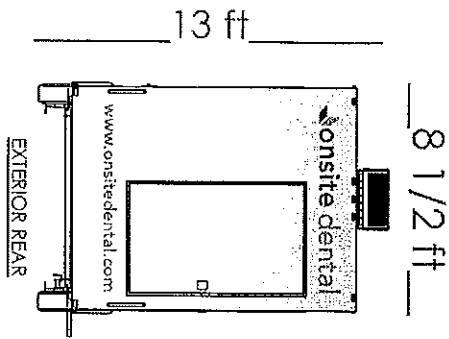
A state-of-the art mobile dental practice that travels to your location. Mobile practices are a simple way to embed medical facilities into a corporate campus.



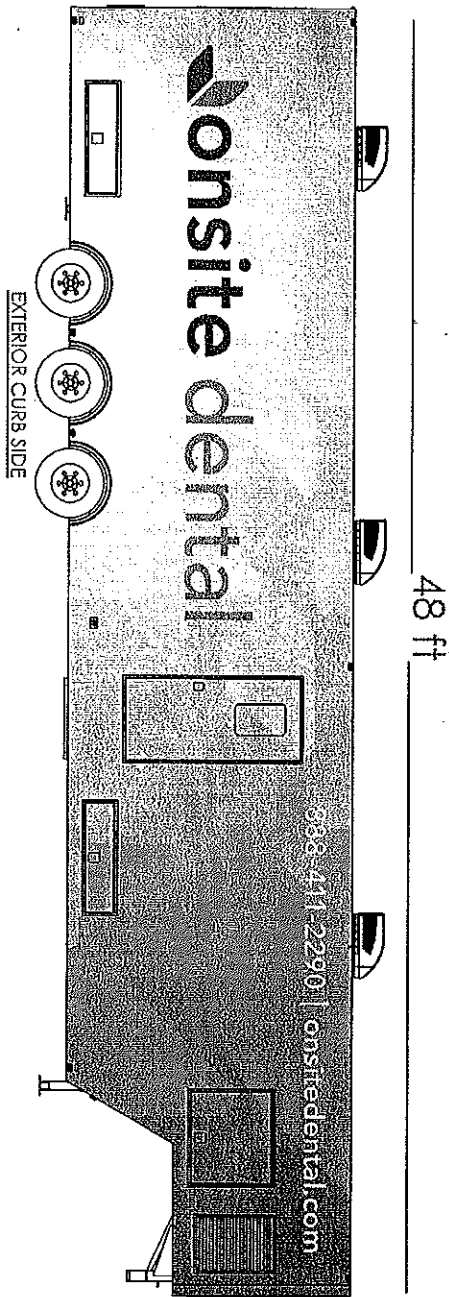
EXTERIOR FRONT



EXTERIOR ROAD SIDE



EXTERIOR REAR



EXTERIOR CURB SIDE

LEGAL DESCRIPTION OF PROPERTY

INGALLS FAMILY HEALTH CENTER

2105 OLD SPANISH TRAIL

GAUTIER, MS 39553

DESCRIPTION: A TRACT OF LAND SITUATED IN SECTION 36, TOWNSHIP 7 SOUTH, RANGE 7 WEST, GAUTIER, JACKSON COUNTY, MISSISSIPPI AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SECTION 36; THENCE NORTH 0 DEGREES 02 MINUTES EAST 1378.00 FEET TO THE NORTH RIGHT-OF-WAY OF OLD SPANISH TRACT; THENCE NORTH 89 DEGREES 36 MINUTES EAST ALONG THE NORTH RIGHT-OF-WAY OF OLD SPANISH TRAIL 920.02 FEET; THENCE SOUTH 89 DEGREES 28 MINUTES 36 SECONDS EAST ALONG THE NORTH RIGHT-OF-WAY OF OLD SPANISH TRAIL 145.14 FEET TO THE POINT OF BEGINNING; THENCE NORTH 19 DEGREES 46.26 FEET; THENCE SOUTH 89 DEGREES 54 MINUTES EAST 121.00 FEET; THENCE SOUTH 0 DEGREES 06 MINUTES WEST 41.30 FEET; THENCE SOUTH 89 DEGREES 54 MINUTES EAST 76.48 FEET; THENCE SOUTH 0 DEGREES 06 MINUTES WEST 397.51 FEET TO THE NORTH RIGHT-OF-WAY OF OLD SPANISH TRAIL; THENCE NORTH 89 DEGREES 28 MINUTES 36 SECONDS WEST ALONG THE NORTH RIGHT-OF-WAY OF OLD SPANISH TRAIL 346.90 FEET, BEING THE SAME PROPERTY AS DESCRIBED IN DEED BOOK 1227, PAGE 389.

THIS PROPERTY IS LOCATED IN FLOOD ZONE AE 15 AND ZONE X ACCORDING TO FLOOD INSURANCE RATE MAP #28059C 0319 G, REVISED MARCH 16, 2009.

PROJECT NARRATIVE

ONSITE DENTAL UNIT – INGALLS FAMILY HEALTH CENTER
2105 OLD SPANISH TRAIL – GAUTIER, MS 39553

- A. *Explain how a literal interpretation of the City of Gautier's Unified Development Ordinance would deprive the applicant of rights commonly enjoyed by others of the district in which the property is located, and would work unnecessary hardship upon the applicant?*

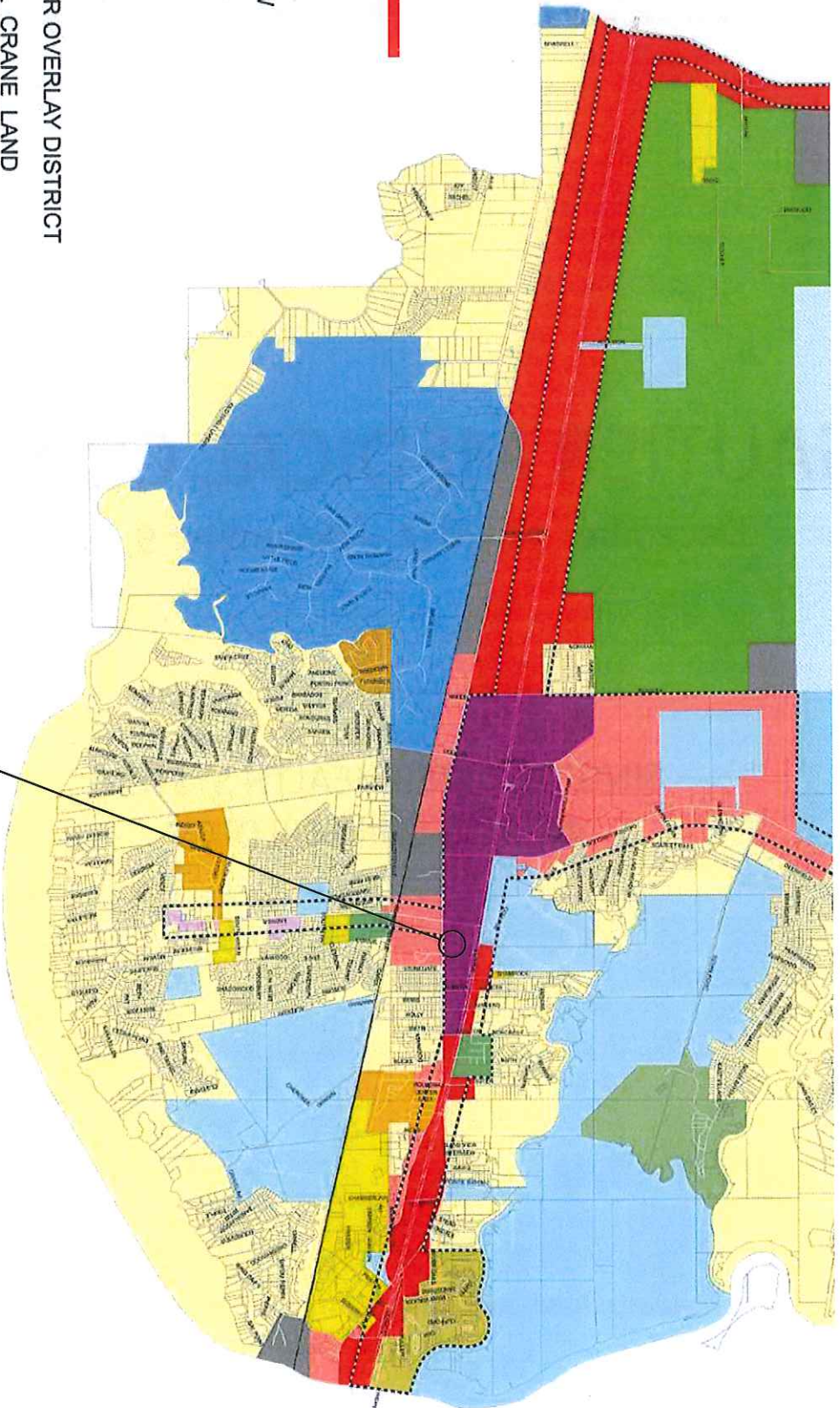
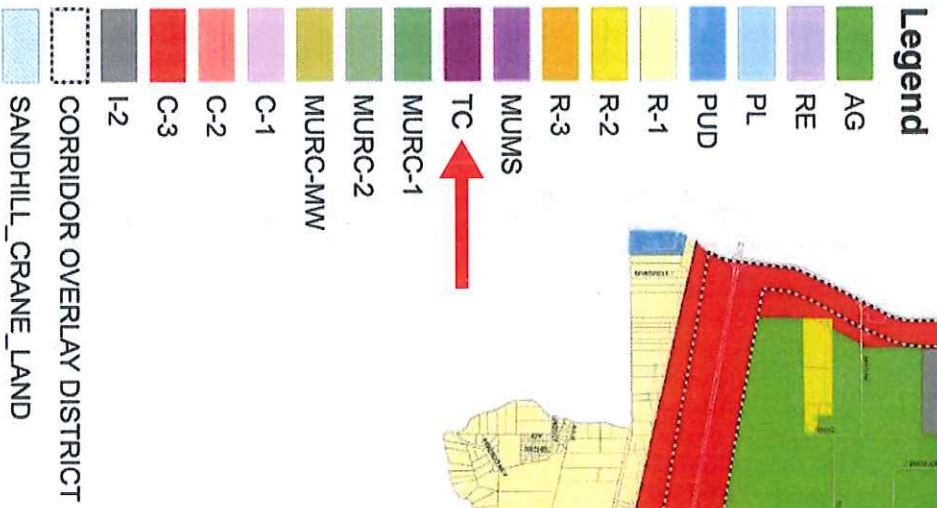
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- B. *Explain how the requested Special Exception will be in harmony with the purpose and intent of the City of Gautier's Unified Development Ordinance and will not be injurious to the neighborhood or the general welfare?*

The purpose and function of the Ingalls Family Health Center will not change by adding the new dental care service to the health center. It will add to the overall quality of the benefits provided to Ingalls Shipbuilding employees and their dependents and should not hinder the purpose and intent of the City of Gautier's Unified Development Ordinance.

- C. *Explain how the special circumstances requiring the proposed Special Exception are not results of actions of the applicant?*

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INGALLS FAMILY
HEALTH CENTER

LEASE AGREEMENT

GAUTIER MEDICAL CENTER

December 10, 2014 – December 9, 2017

**SINGING RIVER HEALTH SYSTEM
INGALLS SHIPBUILDING**

LEASE

THIS LEASE, made this 10th day of December 2014, by and between the SINGING RIVER HEALTH SYSTEM, having an address of 2101 Highway 90 Gautier, MS 39553, (hereinafter collectively called "Lessor"), and HUNTINGTON INGALLS INCORPORATED, having an address of 1000 Access Road, Pascagoula, MS 39568 (hereinafter called "Lessee"), with the approval of the Jackson County Board of Supervisors.

ARTICLE I **PREMISES**

Lessor hereby Leases to Lessee, and Lessee hereby Leases from Lessor the building and parcel of land that was formerly the Singing River Health System Gautier Medical Clinic in Gautier, MS, more particularly described in EXHIBIT A and as generally depicted in EXHIBIT B attached hereto and made a part of this Lease, containing one single-story building of approximately 14,485 square feet (the "Building") and approximately 2.48 acres of parking, open space (a small portion being wetlands), all appurtenances rights with respect to access, water, electric power, roads and utilities (hereinafter called "Premises"). The address of the Premises is 2105 Old Spanish Trail, Gautier, MS 39553. This Lease is executed pursuant to the authority of Miss. CODE ANN. § 59-9-21 (1972, as amended). Unless otherwise expressly stated herein, this Lease shall be for the benefit of the signatories and not any third parties. The Premises shall not include common utilities and streets which shall remain open to Lessor, Lessee, other Lessees and invitees and permittees of Lessor.

In exercising control and possession of Premises under this Lease, Lessee agrees that it will not interfere with use and access of land and facilities not included in Premises by Lessor and other Lessees. If Lessee and Lessor agree to Lease additional property, the description of the

Premises, as used throughout this Lease, will be amended accordingly.

ARTICLE II
DURATION

This Lease shall begin on the date first written above, and the term of this Lease shall be for three (3) years. Lessee is hereby granted the right and option to renew the Lease for two (2) additional three (3) year periods. If Lessee exercises the option to extend the Lease, the base rent for the renewal terms shall increase or decrease by a percentage agreed upon by both parties and within the guidelines of a fair market analysis recognizing Lessee's initial investment in the renovation of the Premises, and in no circumstances shall the rent increase more than three percent (3%) per Lease period. All other terms and conditions will remain the same, except as agreed to in writing. Lessee shall exercise this option to extend by written notice to the Lessor no less than ninety (90) days prior to the expiration of the Lease. Upon exercise of the option, the Parties will immediately commence negotiation of the new rental rates which shall be concluded prior to the expiration of the Lease. Should the parties fail to successfully renegotiate new rental rates and decide not to extend the Lease, the parties shall set a mutually acceptable time period to allow Lessee to transition off the Premises. Rental rates for this holdover period shall be the same as the initial Lease term.

At the time Lessee transitions off the Premises, Lessee shall quit and surrender the Premises in substantially the same condition as delivered to Lessee, reasonable wear and tear excepted. In the event that Lessee has made an alteration, change, replacement, improvement or addition to the Premises with the consent of Lessor as provided in Article XI, Lessee shall have no obligation to restore or repair the Premises to its condition prior to the alteration, change, replacement, or improvement, unless the Lessor has based its approval of an alteration, change,

replacement or improvement upon a condition of removal. Lessee shall fully comply with Article XI by providing a copy of all updates of plans, specifications, service and operational manuals for all changes and/or alterations to buildings and equipment to Lessor for its use.

ARTICLE III
OPTION FOR EARLY TERMINATION

Lessee may elect to terminate this Lease upon one hundred and eighty (180) days written notice without incurring any liability for any obligation thereunder other than amounts due and payable by Lessee as addressed in Article IV.

ARTICLE IV
RENT

Lessee shall pay rent on a monthly basis in advance to the Lessor at the address stated above, starting on or before December 10, 2014, without demand and without any off-set, in the monthly amount of \$15,692.08 for said Premises ("Rent"). If any rent payment or other sum required to be paid under this Lease is not made within thirty (30) days of the due date, Lessee shall be assessed and pay a penalty of twelve percent (12%) per annum on any such sum from the date due until paid. No payment by Lessee or receipt by Lessor of a lesser amount than the monthly installments of Rent stipulated in this Lease will be deemed to be other than on account of the earliest stipulated Rent nor will any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Lessor may accept a check for payment without prejudice to Lessor's right to recover the balance of the Rent or to pursue any other remedy provided in this Lease.

No security deposit shall be required in connection with this Lease.

ARTICLE V
RIGHT OF FIRST REFUSAL

During the term of the Lease, before Lessor may sell the Premises to a third party, Lessor shall first offer the Premises to Lessee on the same terms and conditions as are offered by the third party. Lessee shall have 60 days during which to accept said offer. If Lessee does not accept said offer within said period, Lessor shall be free to accept the third-party offer. If Lessor does not enter into an agreement with the third party on said terms and conditions and close the transaction within 90 days, Lessor's right to sell the Premises to the third party shall expire and the procedure described in this Article shall again be applicable.

ARTICLE VI
USE OF PREMISES

Subject to Miss. CODE ANN. § 59-9-21 (1972, as amended), the Premises may be used for any lawful purposes hereinafter set forth, and all uses by Lessee shall meet all applicable local, state and federal laws, regulation and requirements. Lessor represents that the Premises may be used in support of the operation of Lessee's medical clinic, Lessee's shipbuilding and engineering businesses, and for purposes incidental thereto (including activities incident to Lessee's ship construction and engineering operations and activities for Lessee's employees). Lessor further represents that Lessee's intended use of the Premises, as presently defined, does not conflict with any existing or proposed legal requirement, including any condition of any environmental permit. In the event Lessee is prohibited without fault on its part at any time during the term hereof from using the Premises for such purposes by any law, ordinance or

regulation, Lessee may terminate this Lease, whereupon Lessee shall have no further obligations under this Lease except those which accrued prior to the termination date.

Lessee will not use or occupy the Premises in violation of law or of the Certificate of Use or Occupancy issued for the Building of which the Premises are a part, and will immediately discontinue any use of the Premises which is declared by either any governmental authority having jurisdiction or the Lessor to be a violation of any law, code, regulation or a violation of said Certificate of Use or Occupancy. Lessee will comply with any direction of any governmental authority having jurisdiction that will, by reason of the nature of Lessee's use or occupancy of the Premises, impose any duty upon Lessee or Lessor with respect to the Premises or with respect to the use or occupation thereof.

Lessee will not do nor permit to be done anything that will invalidate or increase the cost of any fire and extended coverage insurance policy covering the Building and/or property located therein, and will comply with all rules, orders, regulations and requirements of the appropriate Fire Rating Bureau or any other organization performing a similar function. Lessee will promptly upon demand reimburse Lessor for any additional premium charged for such policy by reason of Lessee's failure to comply with the provisions of this paragraph. Lessee will not maintain or permit any nuisance or commit or suffer to be committed any waste in, on or about the Premises.

ARTICLE VII **INSURANCE**

Lessee shall include the Premises within the coverage of the Lessee's commercial policy for general liability in a sum of not less than a combined single limit for personal injury and

property damage of Five Million Dollars (\$5,000,000); and shall name Lessor as an additional insured and furnish Lessor a copy of a current certificate of insurance and notify Lessor immediately upon learning of an intent not to renew or to cancel such insurance.

Lessee shall have no liability for loss or damage including that resulting from collapse of structures, war, riot, flood, windstorm, fire, or acts of God or natural disasters, not caused by Lessee's omission or negligence.

Lessor shall, at its expense, maintain property insurance in an amount sufficient to fully cover the full replacement cost of the Premises.

ARTICLE VIII **SERVICES AND OPERATION OF PREMISES**

Lessee shall be solely responsible for arranging and providing for all services to the Premises which Lessee requires in connection with its use and occupancy of the Premises, at its sole cost and expense. Except as otherwise set forth in this Lease, this is a triple net lease. Lessee shall pay all costs and expenses incurred in connection with the operation, maintenance, management, repair, replacement, use, occupancy and enjoyment of the Premises after the Lease Commencement Date.

ARTICLE IX **CARE OF PREMISES**

a) LESSEE'S OBLIGATIONS:

Lessee shall not burn any trash or garbage in or about the Premises or anywhere else within the confines of said Premises. Lessee shall not obstruct the sidewalks or areaways adjacent to the Premises. Lessee shall, at all times, keep the Premises in a clean and sanitary

condition in accordance with the laws, directions, rules and regulations of the governmental agencies having jurisdiction, at the sole cost and expense of Lessee; and in all respects Lessee shall comply with all requirements of law applicable to the Premises. If security personnel are provided by Lessee, they will work cooperatively with security personnel provided by Lessor, in, or and about the Premises.

Lessee assumes responsibility for all maintenance and repairs at its own expense during the entire term of the Lease, not including Lessor's obligations. Lessee's maintenance obligations shall also include waste disposal and janitorial services for the Building, and interior pest control.

b) LESSOR'S OBLIGATIONS:

Lessor agrees that at all times it will maintain and keep in good working order the structural portions of the Building, including the roof, foundation floor/ceiling slabs, exterior walls, except the interior surfaces, load bearing interior walls, except the surfaces, curtain wall, mullions, columns, beams, shafts, stairs, parking areas, pavement, sidewalks, curbs, entrances, as well as any utility lines located outside the building structure including, but not limited to, sewer, water, electric, and gas; provided, however, if Lessor is required to make repairs to any of the foregoing by reason of the negligent act of Lessee, Lessee agrees to pay Lessor within thirty (30) days of Lessee's receipt of a statement in sufficient detail the reasonable and actual cost for making such repairs, as additional rent.

Lessor shall be responsible for the maintenance and operational costs of all exterior lighting around the Premises except for those areas that are metered through the Premises.

Lessor promptly shall commence and diligently complete all repairs required to be made pursuant to this Section as soon as possible. In the event that Lessee believes that Lessor is in

default for failure to commence and diligently complete repairs required pursuant to this Section, Lessee shall give Lessor written notice by U.S. Mail, facsimile transmission or by overnight delivery. Thereafter, Lessor shall have ten (10) days in which to commence efforts to cure the default. If Lessor does not commence such efforts to cure such default within said ten (10) day period and thereafter pursue the cure of such default to completion using commercially reasonable efforts, Lessee shall, upon written notice to Lessor, be permitted to terminate the lease or proceed with the repairs. If Lessee elects to proceed with the repairs, Lessor shall accept a reduction in rent equal to the amount expended by Lessee to perform the repairs.

ARTICLE X **ACCESS TO PREMISES**

Lessor reserves the right to enter within the Premises at all reasonable hours, with advance notice and in compliance with Lessee's security regulations as follows, for the purpose of inspecting the same, or of making repairs, additions or alterations to the buildings, to exhibit the Premises to prospective Lessees (during the last twelve months of the Lease or extension term only), or others, to display without hindrance or molestation by Lessee "For Rent" or similar signs in the Premises in areas reasonably agreed to by Lessee. The exercise by Lessor of any of its rights under this Article shall not be deemed an eviction or disturbance of Lessee's use and possession of the Premises. Notwithstanding the above, Lessor shall not unreasonably interfere with Lessee's right to conduct business in the Premises or its right to quiet possession of the Premises.

Notwithstanding the above, Lessor acknowledges that Lessee is engaged in activities relating to the national defense of the United States requiring compliance with applicable United

States Government security requirements and regulations. Accordingly, Lessor shall not exercise any right herein set forth to enter the Buildings (except in the event of fire or other emergency) without prior notice to Lessee, which notice may be verbal or written. Any such entry shall be made only following prior notice to Lessee and in accordance with such arrangements, as Lessee shall reasonably establish by notice to and in cooperation with Lessor. Lessor agrees to cooperate with Lessee, at Lessee's cooperation, in taking all such measures as may be necessary or appropriate to limit access to the Premises or otherwise to comply with applicable U. S. Government security standards and regulations. However, Lessor shall not be responsible for any costs or expenses associated with such security requirements and regulations of the United States Government or of the Lessee.

ARTICLE XI **ALTERATIONS**

Lessee, at its own expense and with the hereby acknowledged consent of the Lessor, intends to renovate the Premises for the purpose of establishing a medical clinic for the Lessee. Upon complete the renovation, the Lessee shall not make further alterations, additions or improvements that materially change the Premises without the prior consent of the Lessor which shall not be unreasonably withheld, conditioned or delayed. All alterations, additions or improvements made by either of the parties hereto upon the Premises, except healthcare equipment, movable equipment and trade fixtures installed at Lessee's expense, shall become the property of Lessor and shall remain upon and be surrendered with the Premises at the termination or expiration of this Lease, except as provided in Article II above. Lessee shall provide a copy of all updates of plans, specifications, service and operational manuals for all changes and/or alterations to buildings and equipment to Lessor for its use.

Lessee shall have the right to remove the trees and vegetation located along the west-northwest side of the Premises and also on the west-northwest side of Lessor's adjacent property. Lessee will give prior notification to Lessor of its plans to remove the trees and vegetation described above. The scope of work to remove this group of trees and vegetation shall be completed in compliance with any applicable environmental laws, rules and regulations. Lessee shall comply with any applicable requirements of Governmental Authorities, including the Core of Engineers and the City of Gautier, and shall obtain any necessary permits at Lessee's expense for such purposes.

ARTICLE XII **DAMAGE**

If the Premises are damaged by fire or other casualty or subject to condemnation proceedings so that Lessee is deprived of the use or occupancy thereof of twenty-five (25%) percent or more of any particular leased building, the parties shall negotiate in good faith to amend this agreement to reflect the actual reduction in usage up to and including termination of the lease; provided, however, that if such damage occurs at a time when there is one (1) year or less remaining in the then current term of this Lease, Lessee shall have the right to terminate this Lease at any time following the occurrence of the event giving rise to such damage. If the Premises are so damaged so that Lessee is deprived of the use or occupancy thereof of less than twenty-five percent (25%) of any particular leased building, Lessor shall promptly commence the necessary repairs to make the Premises tenantable by Lessee and diligently pursue such to its completion, provided, however, Lessor shall not be obligated to expend on such repairs any amount in excess of that actually received by Lessor from insurance coverage. Notwithstanding

anything contained herein to the contrary, from and after the occurrence of any damage with respect to the Premises until such time as the Premises has been fully restored, the Rent required in accordance with Article IV hereof shall abate based on the portion of the building that is so damaged.

If any such casualty stated in this Article XII occurs, Lessor will not be liable to Lessee for inconvenience, annoyance, loss of profits, expenses, or any other type of injury or damage resulting from the repair of any such damage, or from any repair, modification, arranging, or rearranging of any portion of the Premises or any part of all of the Building or from termination of this Lease as provided in this Article.

Anything in this Article XII to the contrary notwithstanding, for purposes of this Article XII, Lessor will not be obligated to commence any repair or restoration until insurance proceeds are actually received by Lessor, and Lessor's restoration obligations will be limited to the extent of the insurance proceeds actually received by Lessor therefore (plus the amount of any deductible or co-insurance payments applicable to such insurance) which have not been required by the holder of any mortgage or deed to secure debt encumbering any portion of the Building to be applied toward the reduction of any indebtedness secure by the Building.

ARTICLE XIII

ENVIRONMENTAL MATTERS

The parties acknowledge and agree that Lessee and its affiliates, subsidiaries, officers, agents, employees, representatives, successors and assigns, have no legal responsibility for any claims, demands, causes of action, liabilities (including strict liability), losses, damages and costs

(including, without limitation, clean-up costs, engineering, attorneys and other professional fees), expenses, penalties, damages or losses, of whatsoever nature, whether arising under state or federal law and whether based on common law or regulation known or unknown, contingent or absolute, direct or indirect, brought by any person, governmental agency or other entity related to the presence or release, if any, of Hazardous Materials on the Premises prior to Lessee's occupancy ("Pre-existing Contamination").

All operations of Lessee on Premises shall be in compliance with environmental laws, rules and regulations, including the handling of any substances that may be classified as hazardous materials or waste under any federal, state or local law. Lessee, its agents, invitees and any contractor employed by it, must comply in all material respects with all laws and regulations pertaining thereto, including, but not limited to, Title 49 of the Code of Federal Regulations (CFR), Parts 192 and Part 193.

If Lessee or its agents cause, allow or permit in connection with actions permitted by Lessee or its agents to be conducted on the Premises or easement areas, the discharge or release of hazardous waste and/or materials in legally required reportable quantities in violation of any federal, state, or local law, Lessee shall immediately notify the State of Mississippi and Lessor in writing, and if said discharge or release results in damage to the environment, Premises, or property of the State of Mississippi or Lessor adjoining or adjacent to Premises, Lessee shall, at its sole expense, remediate or cause the remediation in accordance with existing laws and regulations. Lessee shall also hold harmless and indemnify State and Lessor for any and all obligations imposed upon Lessor by any regulating agency charged by law with environmental protection or any claim of damage made by others as a result of actions conducted, or permitted

to be conducted, by Lessee or its agents, assigns, contractors or invitees on, or in the area of the Premises, including costs, tests, attorney fees, and expenses incurred by Lessor related thereto. Nothing herein shall detract from or diminish any rights which Lessee may have against third parties.

Lessee understands and agrees that it is responsible for remediation of any condition caused by contamination by its or its agents, assigns, invitees, or contractors in violation of law during the term of this Lease. If for any reason such remediation has not been completed before the end of the Lease, then Lessee is obligated to continue with remediation until said remediation work is completed, provided that Lessee is provided with the necessary access to cause such work to be completed. During this period (after termination date) and to the extent that Lessor is unable to utilize the Premises due to contamination of the Premises, Lessee shall continue to pay Rent on a pro rata basis. If Lessee shall fail to remediate the Premises to a condition suitable for its continued use as authorized under Miss. Code Ann. § 59-9-21 (1972, as amended), Lessor may do so and Lessee shall be liable to Lessor for all costs reasonably incurred by Lessor as well as attorney fees and expenses reasonably necessary to enforce this provision.

Notwithstanding any other provision in this Lease, it is expressly understood that in all matters of environmental liability caused by Lessee, its contractors, agents, employees, successors, invitees or permittees, the Jackson County Board of Supervisors and the State of Mississippi and all of its political subdivisions shall be indemnified by Lessee to the extent of the liability of Lessee, its contractors, agents, employees, successors, invitees or permittees, and that the Jackson County Board of Supervisors will be provided all notices required to be provided to Lessor.

Lessee shall not deposit any refuse, waste or substance regulated under local, state or federal environmental and health laws on any submerged lands or tidelands or other property belonging to Singing River Health System or Jackson County adjacent to or adjoining the Premises. Failure to comply with such laws and regulations shall be deemed to be a material breach of this Lease.

ARTICLE XIV **PROPERTY TAXES**

Lessor represents and covenants that its fee simple estate in the Premises is exempt from all property taxes which, but for such exemption, could be assessed against such fee simple estate by any Governmental Authority. Lessee shall pay any property taxes owed by the Leasehold interest.

Lessor agrees to cooperate with Lessee to obtain the maximum tax exemptions permitted by law, school taxes excepted, upon Lessee's Leasehold interest in the Premises or Lessee's taxable Personal Property.

ARTICLE XV **ASSIGNMENT AND SUBLETTING**

So long as Lessee is in compliance with terms and provisions of this Lease, Lessee shall have the right at any time to permit occupancy of, sublet or assign all or any portion of Premises to any related entity, subsidiary, parent company, affiliate of parent company or affiliate of Lessee, any company in which Lessee has a controlling interest, team-partnering relationship, any customer or successor corporation, or any company contracted to manage or assist in the operation of Lessee's medical clinic or shipbuilding or engineering businesses. This

notwithstanding, Lessee's right to enter into an agreement to manage the operation of Lessee's medical clinic is limited, and Lessee understands and agrees that it is restricted from entering into an agreement to manage or operate its medical clinic which is the subject of this Lease with the following hospital/health system providers: Gulfport Memorial Hospital, Biloxi Regional Medical Center and/or a Health Management Associates entity, and Providence Hospital.

ARTICLE XVI
SIGNS/ANTENNAS/SATELLITE DISHES

Lessee shall have the right to install, maintain and replace in, on or over or in front of the Premises or the Improvements or on any part thereof such signs and advertising matter as Lessee may desire, contingent upon receiving the written consent of the Lessor, which shall not be unreasonably withheld. Lessee shall comply with any applicable requirements of Governmental Authorities and shall obtain any necessary permits at Lessee's expense for such purposes. As used in this Article, the word "sign" shall be construed to include any placard, light or advertising symbol or object, irrespective of whether the same may be temporary or permanent. Upon obtaining the approval of Lessor and for any proposed signage, Lessor agrees to cooperate with Lessee in its efforts to obtain any variance required in connection with any sign Lessee wishes to install at the Premises.

Lessor agrees to grant to Lessee exclusive rights to the exterior signage structures, one located near the northwest corner of the Lessor's adjacent property by Highway 90 and one located near the southwest corner of the Premises by Old Spanish Trail. Lessee shall have the exclusive rights to advertise for purposes of its business on both signs. Lessee shall not relocate or remove either sign. Lessee shall keep both signs in good condition and working order.

Lessee shall have the exclusive right, without additional rental or other charge, to use a portion of the roof of the Premises to install, operate and maintain telecommunications antennas, microwave dishes and other communications equipment only for reasons related to its own business use and not for Lease to any third party. Such use shall be subject to receipt of all required governmental approvals and shall not interfere with the building systems. Installation shall be made in a workmanlike manner and shall not damage the structure or facility integrity. If damage occurs, Lessee will be responsible for any necessary repairs. Said installation shall be at the sole cost of the Lessee. The location of such equipment shall be mutually acceptable and subject to the provisions of Articles II, XI and XIII concerning alterations. Lessor may not unreasonably withhold its consent.

ARTICLE XVII
QUIET ENJOYMENT

Lessor represents that Lessee, upon paying the Rent and all other sums and charges to be paid by it as herein provided, and observing and keeping all covenants, agreements, and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the term of this Lease specifically including the right to use the Premises as described in Article I above, without hindrance or molestation by anyone claiming by, through or under Lessor. Lessor shall not subject the Premises to any easements or similar rights not already existing without Lessee's prior written consent, which consent shall not be unreasonably withheld.

Lessor represents to Lessee that it has the power and authority to execute and deliver this Lease and to carry out and perform all covenants to be performed by it hereunder. If Lessor shall be in default under or if there shall be a failure of a condition of this Article, Lessee, in

addition to any and all remedies it may have in law and/or equity, may terminate this Lease by notice to Lessor.

ARTICLE XVIII
DEFAULT

In the event that Lessor believes that Lessee is in default for non-payment of rent due under Article IV Lessor shall give Lessee thirty (30) days written notice by U.S. Mail, facsimile transmission or by overnight delivery, which thirty (30) day period shall commence on the date such notice is transmitted. Thereafter, Lessee shall have thirty (30) days in which to make such payment or payments as may be due.

In the event that Lessor believes that Lessee is in default for failure of Lessee to comply with its obligations hereunder, other than the non-payment of rent due under Article IV, Lessor shall give Lessee thirty (30) days written notice by U.S. Mail, facsimile transmission or by overnight delivery, which thirty (30) day period shall commence on the date such notice is transmitted. Thereafter, Lessee shall have thirty (30) days in which to advise Lessor as to why Lessee is not in default. However, the period of time for curing any such default may be extended for a reasonable period not to exceed one hundred and eighty (180) days from date of notice of default if (a) there is a reasonable probability that such default can be cured within a reasonable time, (b) Lessee continuously persists in a diligent, good faith effort to cure such default, and (c) during aforesaid thirty (30) day period, Lessee undertook and maintained a diligent, good faith effort to cure such default and the failure to cure such default was not the fault of Lessee. Any further extension of time beyond one hundred and eighty days (180) shall only be granted upon mutual written agreement of Lessor and Lessee.

In the event that Lessor and Lessee cannot agree as to the existence of a default, then the question of whether a default exists shall be submitted to mediation by a mediator mutually acceptable to Lessor and Lessee. In the event that a mediator cannot be agreed upon, the Chancery Court of Jackson County, Mississippi shall be requested to select a mediator. During the conduct of such mediation, the Lease shall not terminate. Upon the decision by the mediator, the defaulting party, if any, shall have (30) days in which to cure such default. During the pendency of the settlement and mediation process, the parties agree to forebear from filing or otherwise proceeding with litigation.

Either party may initiate litigation with respect to the matters submitted to mediation at any time following the initial mediation session or sixty (60) days after the date of filing the written request for mediation, whichever occurs first. The mediation may continue after the commencement of litigation if the parties so desire. The provisions of this Article may be enforced by any court of competent jurisdiction in accordance with Article XXII.

ARTICLE XIX **WAIVERS**

Failure of Lessor or Lessee to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by Lessor or Lessee at any time, expressed or implied, of any breach of any provision of this Lease shall be deemed a waiver or a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision.

ARTICLE XX **INDEMNITY**

Lessee shall indemnify and hold Lessor harmless from and against all liability, damages, costs, attorney fees, and expenses from causes of action, suits, claims, demands and judgments of any nature whatsoever caused by Lessee's use and occupancy of the Premises, proportional to the extent caused by Lessee's negligence or conduct unless and to the extent caused by the negligence or conduct of Lessor, its agents or employees, defects in the Premises, or Lessor's breach of this Lease.

Neither Lessor nor its agents will be liable for any damage to property entrusted to employees of the Building, nor for loss of or damage to any property by theft or otherwise, nor for any injury or damage to persons or property resulting from fire, explosion, failing plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface, or from any other place or resulting from dampness or any other cause whatsoever, unless caused by or due to the negligence of Lessor, its agents, servants or employees. Lessee will give prompt notice to Lessor in case of fire or accidents in the Premises or in the Building or of defects therein or in the fixtures or equipment. Lessee hereby acknowledges that Lessor will not be liable for any interruption to Lessee's business for any cause whatsoever, and that Lessee will obtain Business Interruption Insurance coverage should Lessee desire to provide coverage for such risk.

Lessor is a community hospital organized in accordance with the community hospital statutes of the State of Mississippi. MISS. CODE ANN. § 41-13-1 et seq. Under the statute, Lessor is a political subdivision of the State of Mississippi and Jackson County Mississippi, with sovereign immunity as modified by MISS. CODE ANN. § 11-46-1 et seq. (Mississippi Tort Claims Act). Currently, the limits of liability under the Act are \$500,000 with no punitive damages. Further, no employee of Lessor acting in the course and scope of their employment can be held personally liable under the Act, MISS. CODE ANN. § 11-46-7 et seq. Lessor agrees to comply with the rules and regulation of the Mississippi Tort Claims Board for the maintenance of insurance /self-insurance in order to maintain its status as a community hospital covered under the Tort Claims Act.

ARTICLE XXI
FORCE MAJEURE

In the event that Lessor or Lessee shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, or war, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

ARTICLE XXII
NOTICES

Any notice or other communication required or permitted to be given under this Lease by either party shall be in writing and shall only be effective on receipt and if sent via United States Certified or Registered Mail, postage prepaid, return receipt requested, or via a nationally

recognized delivery service and addressed as follows: Either party may designate a substitute address by written notice to the other party in the manner herein provided.

To Lessee:

INGALLS SHIPBUILDING
Attn: Doug Zirlott
P.O. Box 149
Mail Station 8021-04
Pascagoula, Mississippi, 39568
(1000 Access Road, Pascagoula, Mississippi 39567)

To Lessor:

SINGING RIVER HEALTH SYSTEM
2101 Highway 90
Gautier, MS 39553
Attn: Kevin Holland
(228) 809-5000

Singing River Health System
General Counsel
Attn: Celeste Oglesby
2101 Highway 90
Gautier, MS 39553
(228) 497-7944 (office)
(228) 497-7483 (fax)

JACKSON COUNTY BOARD OF SUPERVISORS
3102 Canty Street
Pascagoula, MS 39567
Attn: General Counsel

(c) Every demand, notice, request or other communication hereunder, served in the manner aforesaid, shall be deposited in the United States mail, postage & delivery fees prepaid, registered or certified mail, return receipt requested, or delivered by a private delivery service, delivery charges prepaid, return receipt requested or other written proof of delivery, addressed in

the manner aforesaid and shall be deemed to have been given or served for all purposes under this Lease when received, or delivery is refused by the Party to whom it is addressed.

ARTICLE XXIII
GOVERNING LAW

This Lease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State of Mississippi. The venue of any action should be in the state courts of Jackson County, Mississippi, or the United States District Court, Southern District of Mississippi.

ARTICLE XXIV
PARTIAL INVALIDITY

If any term, covenant, condition or provision of this Lease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XXV
INTERPRETATION

Wherever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa, as the context shall require. The captions or headings used herein are for reference and convenience only, and shall not enter into the interpretation hereof. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

ARTICLE XXVI
MODIFICATIONS

This Lease shall not be modified or canceled except by a writing subscribed by all parties.

ARTICLE XXVII
ENTIRE AGREEMENT; AMENDMENT

This Lease executed between Huntington Ingalls Incorporated and Singing River Health System, with approval from the Jackson County Board of Supervisors, sets forth the full and complete understanding of the parties with respect to the subject matter hereof, and supersedes any and all agreements and representations (oral or written) made or dated prior thereto.

ARTICLE XXVIII
END OF TERM

At the termination of this Lease, Lessee will surrender the Premises to Lessor in substantially the same condition and repair as at the initial start date of the Lease, reasonable wear and tear accepted, and will leave the Premises broom-clean. If not then in default, Lessee will have the right prior to said termination to remove any equipment, furniture, trade fixtures or other personal property placed in the Premises by Lessee, provided that Lessee promptly repairs any damage to the Premises caused by such removal.

In no event will there be any renewal of this Lease other than as expressly agreed to in this Lease. If Lessee remains in possession of this Premises after the termination or expiration of this Lease and without a new lease agreement executed by Lessor and Lessee, Lessee will be deemed to be occupying the Premises as a Lessee-at-sufferance and will be liable for payment to Lessor of an amount equal to one hundred twenty-five percent (125%) of the Rent and otherwise subject to all the covenants and provisions of this Lease insofar as the same are applicable.

IN WITNESS WHEREOF, the parties have executed this Lease on the date of the acknowledgment of each signature but as of the day and year first above written.

SINGING RIVER HEALTH SYSTEM

By: 
Name: LEE BOND
Title: CFO

HUNTINGTON INGALLS INCORPORATED

By: 
Name: Donald J. Perkins
Title: Vice President
Contracts and Pricing

STATE OF MISSISSIPPI
COUNTY OF JACKSON

Personally appeared before me, the undersigned authority in and for the said county and state, on this 10 day of December 2014, within my jurisdiction, the within named Lee Song, who acknowledged that he/she is CFO of the Singing River Health System, and that for and on behalf of said Singing River Health System and as its act and deed he/she executed the above and foregoing instrument, after first having been duly authorized so to do.

Brenda H. Edwards
NOTARY PUBLIC

My Commission Expires:

8/10/15



STATE OF MISSISSIPPI
COUNTY OF JACKSON

Personally appeared before me, the undersigned authority in and for the said county and state, on this 11th day of December, 2014, within my jurisdiction, the within named Donald J. Perkins, who acknowledged that he/she is VP-CEP of Huntington Ingalls Incorporated, a Virginia corporation, and that for and on behalf of and as the act and deed of said corporation, he/she executed the above and foregoing instrument in the capacities stated after first having been duly authorized by said corporation so to do.

My Commission Expires:

10/23/2015

Jerrie Booker Adams
NOTARY PUBLIC



EXHIBIT A
(ARTICLE I)

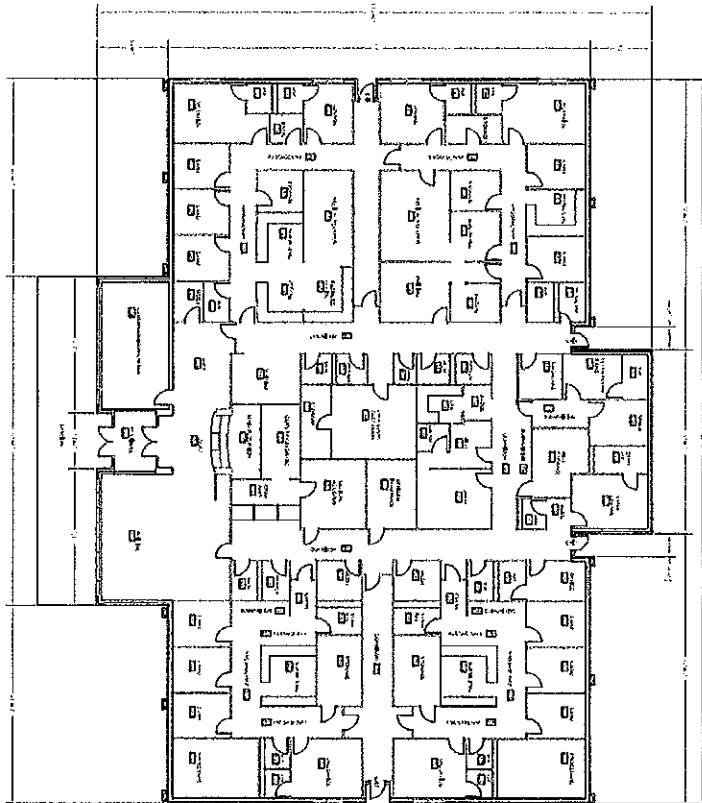
PREMISES:

The Premises shall consist of the following building(s) and real property on 2105 Old Spanish Trail, in the City of Gautier, Jackson County, Mississippi:

<u>Bldg ID#</u>	<u>Description</u>	<u>Address</u>	<u>Square Footage</u>
####	Gautier Medical Clinic	2105 Old Spanish Trail	14,458 sq.ft.

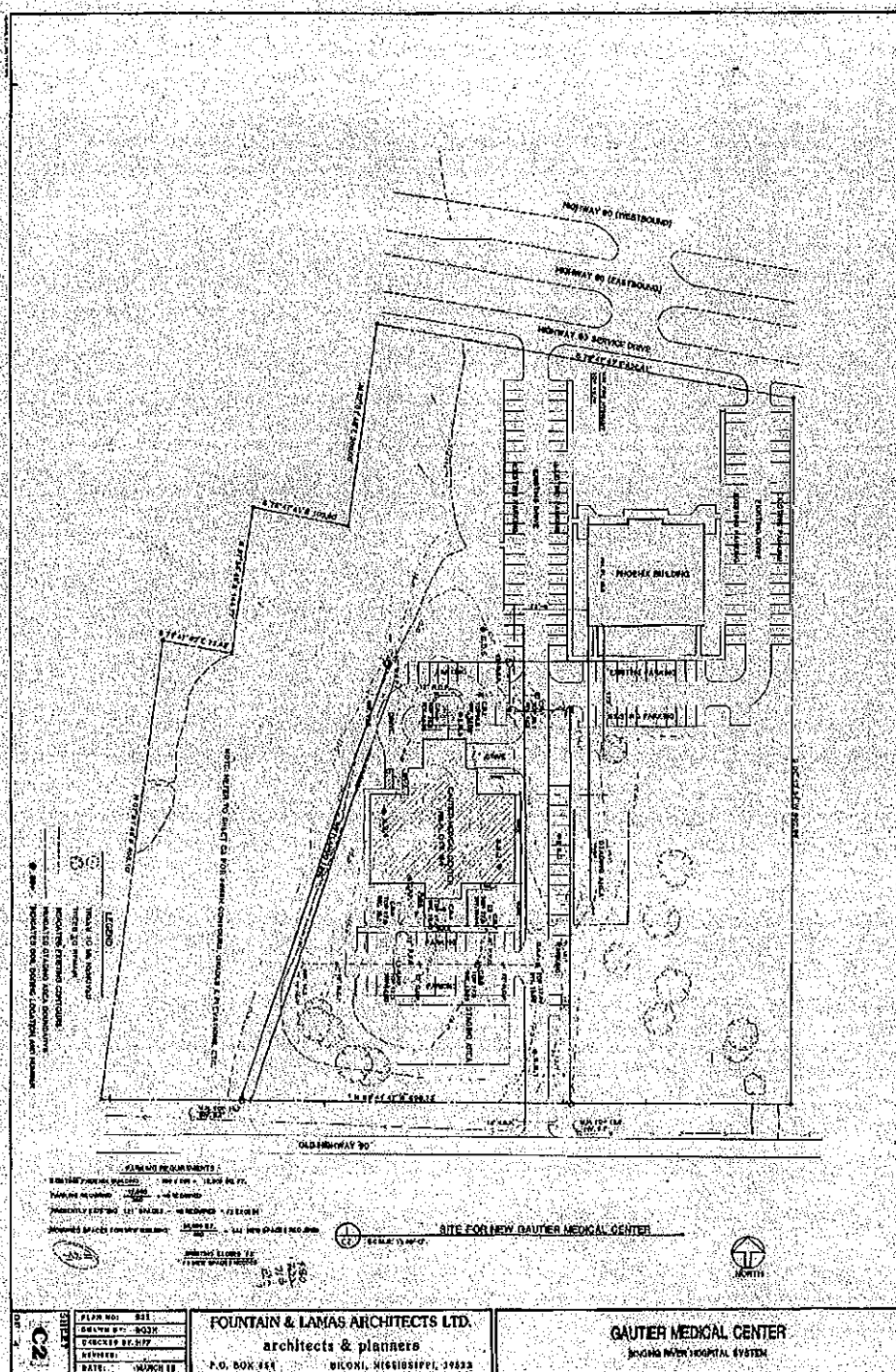
14,458 square feet of leased space described above, together with 2.48 acres of land adjacent to and around said building, as generally depicted on the drawings attached to this Lease as EXHIBIT B.

EXHIBIT B
(FLOOR PLANS)



GAITHER MEDICAL FACILITY
FLOOR PLAN EXISTING

PROJECT INFORMATION		PROJECT NAME	
PROJECT NO.	1000000000	PROJECT NAME	GAITHER MEDICAL FACILITY
DATE	10/01/00	PROJECT NAME	FLOOR PLAN
DESIGNED BY	XXXXXX	PROJECT NAME	EXISTING
DRAWN BY	XXXXXX	PROJECT NAME	
CHECKED BY	XXXXXX	PROJECT NAME	
APPROVED BY	XXXXXX	PROJECT NAME	
SCALE	1" = 10'	PROJECT NAME	



STATE OF MISSISSIPPI
COUNTY OF JACKSON

FIRST AMENDMENT TO LEASE

THIS AMENDMENT ("Amendment") is made effective as of December 10, 2014, between SINGING RIVER HEALTH SYSTEM, ("LESSOR") and HUNTINGTON INGALLS INCORPORATED, a Virginia Corporation, formerly known as NORTHROP GRUMMAN SHIP SYSTEMS, Inc. ("LESSEE").

RECITALS:

WHEREAS, the parties entered into a lease agreement which was signed and dated in December, 2014 ("Lease Agreement" or "Lease"), with a commencement date of December 10, 2014, in which LESSOR leased to LESSEE and LESSEE leased from LESSOR certain premises known as the "Gautier Medical Clinic", now known as the "Ingalls Family Health Center", situated at 2105 Old Spanish Trail in Gautier, MS.

NOW THEREFORE, in consideration of the mutual promises hereinafter contained, and of other good and valuable considerations, the receipt and sufficiency of all of which is hereby acknowledged by all parties, the Lease Agreement is further amended as follows:

1. LESSOR and LESSEE mutually agree to extend the Lease for a term of three (3) years, as referenced in Article II of the Lease ("ARTICLE II: DURATION"), commencing December 10, 2017 and ending December 9, 2020.
2. LESSOR and LESSEE mutually agree to increase the lease rate from \$13.00/sq.ft./year to \$13.39/sq.ft./year, a 3% increase, as referenced in Article IV of the Lease ("ARTICLE IV: RENT").

IN WITNESS WHEREOF, the parties have executed this First Amendment to the Lease Agreement on the day and year shown below. Individuals signing on behalf of their principals warrant that they have the authority to bind their respective principals. This First Amendment shall be effective upon its execution by all parties.

Singing River Health System
("LESSOR")

By: 

Name: LEE BOND

Title: C.O.O.

Date: 12/8/17

Huntington Ingalls Incorporated
("LESSEE")

By: 

Name: Thomas Stiehle

Title: VP Business Management & CFO

Date: 1/18/18

Exhibit A Location Map

City Of Gautier
Planning Department



Prepared by the
City of Gautier
Planning Department



Exhibit B Existing Zoning Map

City Of Gautier
Planning Department



Prepared by the
City of Gautier
Planning Department

Legend

 <all other values>

ZONECODE

-  AG
-  C-1
-  C-2
-  C-3
-  I-2
-  MURC-1
-  MURC-2
-  MURC-MW
-  PL
-  PUD
-  R-1
-  R-2
-  R-3
-  RE
-  TC

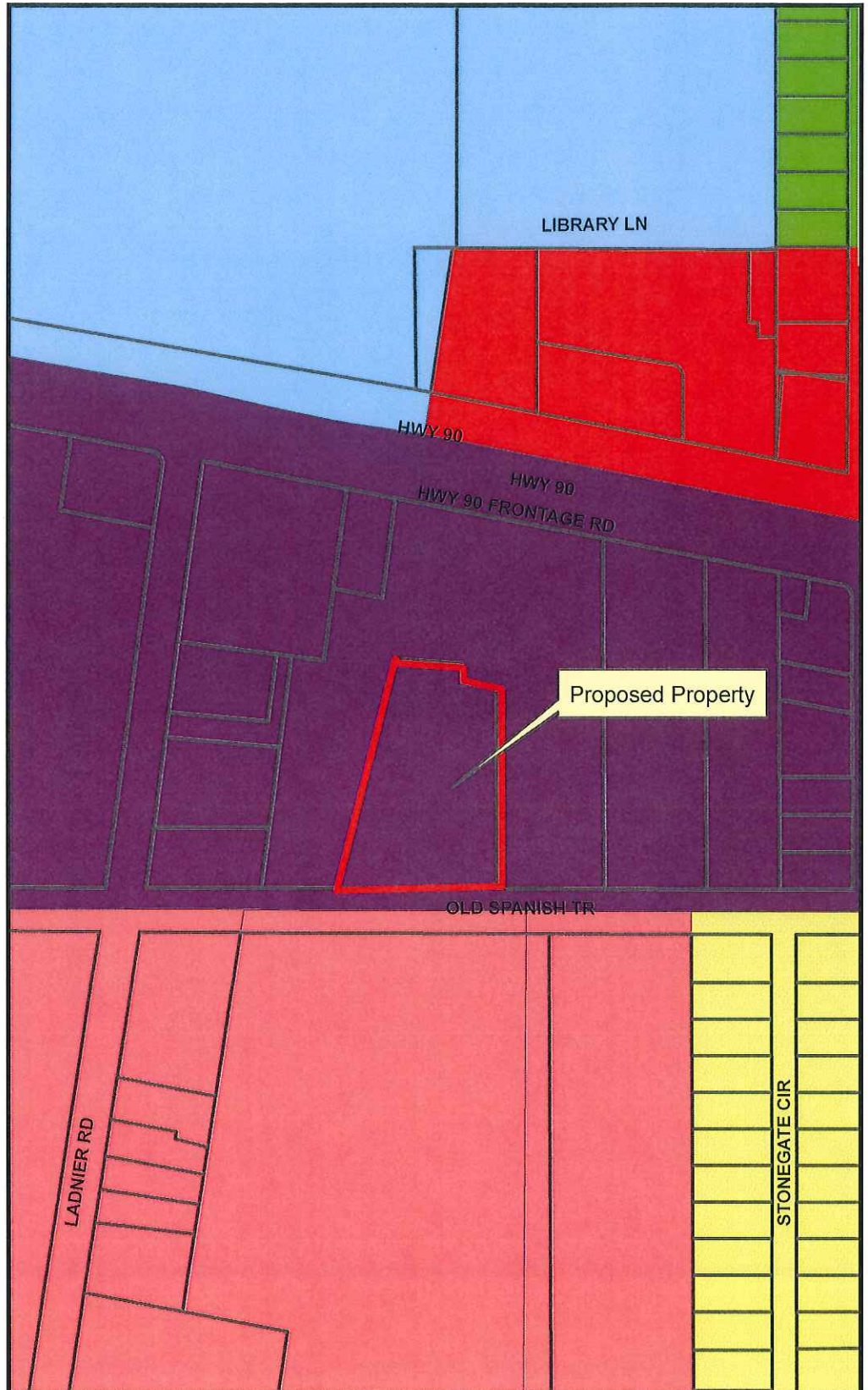


Exhibit C Existing Land Use Map

City Of Gautier
Planning Department



Prepared by the
City of Gautier
Planning Department

Legend

- Gautier_Parcels_Trimmed_0617
- City_Limits
- CorOverlay

EXISTING LAND USE

- Commercial-Retail
- Conservation
- Civic
- Industrial
- Marina/Fish Camps
- High Density Residential
- Mobile Home
- Mobile Home Park
- Medium Density Residential
- Office
- Recreation
- Very Low to Low Density Residential
- Utility
- Vacant

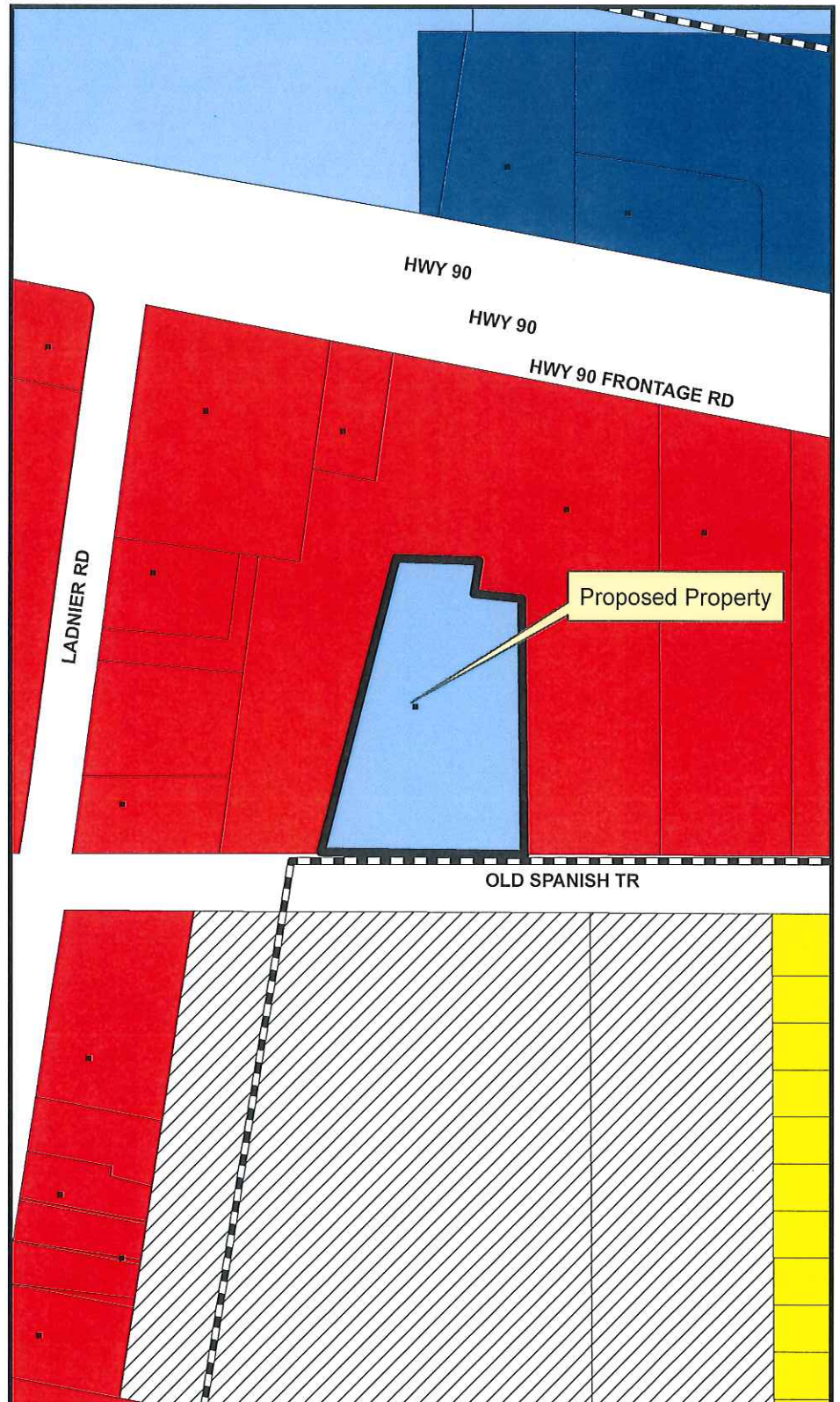


Exhibit D Future Land Use Map

City Of Gautier
Planning Department



Prepared by the
City of Gautier
Planning Department

Legend

FUTURE LAND USE

FLU_Class

-  Civic
-  high impact commercial
-  Conservation
-  High Density Residential
-  Industrial
-  Low Density Residential
-  Medium Density Residential
-  Mobile Home Residential
-  low impact Commercial
-  Recreational
-  recreational commercial
-  Regional Scale Commercial
-  mixed use residential
-  Town Center
-  Very Low Density Residential

