

DATE: NOVEMBER 1, 2010

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
GLENN E. GAMBER, PRESIDENT

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 125 - 2010

BY: PUBLIC UTILITIES COMMITTEE

TITLE: AN ORDINANCE authorizing the Director of Public Service and Safety of the City of Massillon, Ohio, to enter into a Non-Surface Development Gas & Oil Lease with M&M Royalty, LTD for a 1.58 acre parcel owned by the City of Massillon, and declaring an emergency.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MASSILLON, STATE OF OHIO, THAT:

Section 1:

The Council of the City of Massillon, Ohio, hereby determines it to be necessary in the public health, safety and welfare to enter into a Non-Surface Development Gas & Oil Lease with M&M Royalty, LTD for a 1.58 acre parcel owned by the City of Massillon.

Section 2:

The Director of Public Service and Safety of the City of Massillon, Ohio, is hereby authorized to enter into a Non-Surface Development Gas & Oil Lease with M&M Royalty, LTD for a 1.58 acre parcel owned by the City of Massillon. A copy of the Non-Surface Development Oil & Gas Lease and map is attached hereto as Exhibit "A".

Section 3:

This Ordinance is hereby declared to be an emergency measure necessary for the preservation of the health, safety and welfare of the community and for the additional reason that it is necessary that this oil and gas lease is signed. Provided it receives the affirmative vote of two-thirds of the elected members to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED IN COUNCIL THIS 1st DAY OF November 2010

APPROVED: Mary Beth Bailey Glenn E. Gamber
MARY BETH BAILEY, CLERK OF COUNCIL GLENN E. GAMBER, PRESIDENT

APPROVED: November 2, 2010 Francis H. Cicchinelli, Jr.
FRANCIS H. CICCHINELLI, JR., MAYOR

I hereby certify that the foregoing ordinance
is a true copy of the original, as passed by
the Council of the City of Massillon, Ohio,
and approved as noted thereon:

Mary Beth Bailey
Clerk of Council
Date 11/1/10

NON-DEVELOPMENT OIL & GAS LEASE

THIS LEASE, made this _____ day of _____, 2010, by and between City of Massillon, whose mailing address is 151 Lincoln Way East, Massillon, Ohio 44646, hereinafter called Lessor, and M & M ROYALTY, LTD., 5377 Lauby Road, NW, #202, North Canton, Ohio 44720, hereinafter called Lessee, do agree:

1. Lessor, for consideration, grants Lessee all the oil and gas in the lands described below, with the exclusive right to operate for, produce and market the same from a well or wells on other lands; the right to unitize Lessor's land, or any portion thereof, with other lands into a drilling unit(s) of no more than one hundred sixty (160) acres; and the right to lay and maintain pipelines to transport oil and gas from any source. This lease is for five (5) years and as long thereafter as operations are being conducted on any such unit or oil or gas can be produced in paying quantities in the Lessee's judgment from any such unit. This lease covers all of the oil and gas lying below Lessor's land in or adjoining Section 19, within the City of Massillon (formerly Perry Township), Stark County, State of Ohio containing 1.58 acres, more or less, and described as follows: See Exhibits "A" and "B" attached hereto and made a part hereof.

2. Lessor shall be paid as royalties a proportional share of one-eighth (1/8) of the proceeds realized by Lessee on all oil and gas sold off the unit, as the amount of Lessor's acreage in the unit bears to the total acreage in the unit, minus Lessor's pro rata share of any tax imposed by any government body. All payments due Lessor shall be deemed tendered when delivered or mailed to Lessor, or any one of them. Lessor grants Lessee a power of attorney to execute indemnifying division orders for the sale of oil. If after a well is drilled, there is no production from any such unit for six (6) continuous months, then thereafter, Lessor shall be paid Fifty Dollars (\$50.00) per year until such production occurs.

3. No well shall be drilled on Lessor's property, nor shall Lessee enter upon or install any surface equipment of any nature whatsoever on the leased premises, the within lease being granted for the purpose of permitting the Lessee to unitize the leased premises with other properties, which other properties shall bear all the burden of surface development. Lessor acknowledges that, pursuant to slant or directional drilling methods, a wellbore originating from a surface location elsewhere on the drilling unit may pass through or terminate below the surface of the Lessor's property, and grants its consent thereto pursuant to this Lease.

4. This lease shall be binding on all heirs, successors and assigns of the Lessor and Lessee. No change of ownership shall be binding on Lessee until Lessee has received adequate notice of transfer. If the leased land is hereinafter owned in separate tracts, the premises, nevertheless shall be treated as an entirety and all payments due shall be paid proportionately to each separate owner, and if Lessor owns less than the entire fee, Lessor shall be paid only his proportionate share of any payment due. Lessee, may at any time surrender this lease in whole or in part and unless the released instrument expressly provides to

the contrary, upon the surrender, termination or expiration of this lease, Lessee shall nonetheless maintain all rights to any then existing pipelines.

5. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that Lessee, at its option, may pay and discharge any taxes, mortgages, or other liens, existing, levied or assessed on or against said lands, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself for any payments due hereunder. This lease contains all of the agreements of the parties and there shall be no implied covenants or verbal representations.

6. It is mutually agreed that this instrument contains and expresses all of the agreements and understandings of the parties in regard to the subject matter thereof, that no verbal representations or promises have been made or relied upon by either party which are not contained herein, and no implied covenants, agreements or obligation shall be read into this agreement or imposed upon either party.

7. Lessee agrees to make payment to Lessor a sum of \$250.00 per acre payable upon execution of Non-Development Oil and Gas Lease.

Signed and acknowledged
in the presence of:

Signature of Lessor (Title)

Printed Name of Lessor

STATE OF _____)
COUNTY OF _____) SS:

Before me a Notary Public in and for said county and state personally appeared the above named _____ who acknowledged to me that he/she/they is the _____ of said corporation and that he/she/they did execute the foregoing instrument and that the same is his/her/their free act and deed of said corporation that he/she has been duly authorized thereby for the purposes therein set forth.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal at _____ this _____ day of _____, 20____.

Notary Public

My Commission expires: _____

This instrument prepared by: M & M Royalty, Ltd., 5377 Lauby Rd., NW, #202, North Canton, OH 44720

EXHIBIT "A"

PROPERTY DESCRIPTION

Attached hereto and made a part here of that certain Non-Development Oil and Gas Lease from the City of Massillon, as Lessor and M. & M. Royalty, LTD., as Lessee, dated the _____ day of _____, 2010.

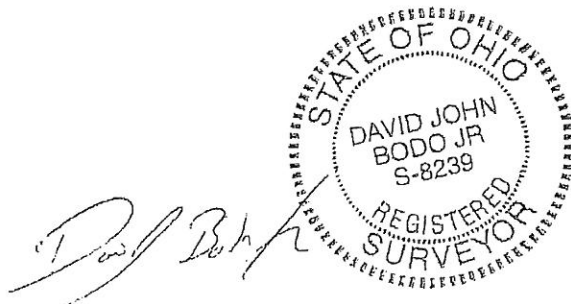
Situated in the City of Massillon, County of Stark, and State of Ohio

Being part of 1 road within the City of Massillon, Section 19, Township 10 North of Range 9 West (formerly Perry Township), and being more formally described as follows:

SANDERS AVENUE (60')

Beginning at the point of intersection between the easterly corner of Parcel 0616885, which is now or formerly owned by Eberhardt's Rentals LLC and the northerly corner of Parcel 0615765, which is now or formerly owned by Kel Tek of Ohio LTD. and Sanders Avenue (approximately 765' west of 9th Street SW (Ordbrook Avenue SW)) and extending westerly approximately 1150 feet to easterly extension of the south line of Parcel 0616813, which is now or formerly owned by E-B Display Company, Inc. Including the entire width of right-of-way for the said 1150 feet of distance.

And containing 1.58 acres of land more or less as described by David J Bodo Jr., Ohio Registered Surveyor Number 8239 in October, 2010.



CITY OF MASSILLON

1.58 ACRES

06 OCTOBER 2010

1 of 1



