

Notice of Regular Meeting of the City Council
Tuesday, July 12, 2016 – 7:00 PM

Village of Surfside Beach
1304 Monument Drive
Surfside Beach, TX 77541-9522

An agenda information packet is available for public inspection at City Hall.

The City Council reserves the right to meet in closed session on any agenda item, should the need arise and if applicable, pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

- 1) CALL TO ORDER, QUORUM IN ATTENDANCE
- 2) MOMENT OF SILENCE, PLEDGE OF ALLEGIANCE to the US flag
- 3) BUSINESS OF VISITORS NOT ON THE AGENDA- presentation from Brazosport Chamber of Commerce - Edith Fischer
- 4) Mayor/council/committee/department head/organization reports
- 5) *ALL ITEMS UNDER THE CONSENT AGENDA ARE CONSIDERED TO BE SELF-EXPLANATORY, AND THE COUNCIL WILL ENACT THEM WITH ONE MOTION. UNLESS A COUNCIL MEMBER SO REQUESTS, NO SEPARATE DISCUSSION OF THESE ITEMS WILL OCCUR.*
CONSENT AGENDA:
 - A. Consider approval of minutes from the June, 2016 council meeting.
 - B. Consider approval of the June 2016 financials.
 - C. Consider approval appointing Michelle Booth to the Tourism committee.
- 6) Discuss and take possible action on awarding the bid for the Bluewater Highway Force Main project.
- 7) Discuss and take possible action on award of the Yucca ground storage tank bid contingent on TWDB approval.
- 8) Discuss and take possible action regarding a Beach Delivery Event to be held in August.
- 9) Discuss and take possible action to waive Stahlman Park fees for the SOBA to hold a turtle patrol class on March 18, 2017.
- 10) Discuss and take possible action on agreement between Village of Surfside Beach and Cradle of Texas Conservancy.

11) Executive Session

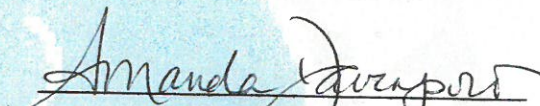
The City Council may convene into closed executive session pursuant to Texas Government Code, Section 551.071, CONSULTATION WITH ATTORNEY: specifically regarding pending litigation pertaining to Cause No. 82207-CV; Schwall, et al v. Village of Surfside, et al.

12) Action, if any, out of executive session.

13) Adjourn

CERTIFICATION

I hereby certify that a true and correct copy of the above and foregoing "Notice of Meeting" by the City Council was posted on the front door of the City Hall of the Village of Surfside Beach, Texas, a place convenient and readily accessible to the general public at all times, and said notice was posted Friday July 8, 2016, at or before 5:00 PM, and remained so posted continuously for at least 72 hours before the scheduled time and date of the above mentioned meeting.


Amanda Davenport, City Secretary

If you plan to attend this public meeting, and you have a disability that requires special arrangements at this assembly, please contact Amanda Davenport, City Secretary, at (979) 233-1531, Extension 103, within 48 hours of the scheduled meeting date and time. We shall make reasonable accommodations to assist you with your needs.

This public notice was removed from the official posting place at the Village of Surfside Beach City Hall on the following date and time: 7-18-16 at 2:00 (PM).



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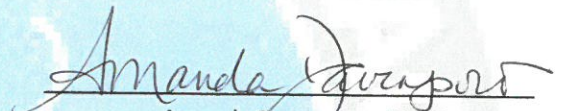
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This public notice was removed from the official posting place at the Village of Surfside Beach City Hall on the following date and time: _____ at _____ PM.

Appearance before City Council

Please fill out and give to City Secretary prior to start of meeting.

Name: Northa Pekar

Address: 606 Fin Ave

Phone: 979-417-3233

Email: _____

Issue: trash

Date: _____

Appearance before City Council

Please fill out and give to City Secretary prior to start of meeting.

Name: BROOKS PORTER

Address: _____

Phone: _____

Email: _____

Issue: any changes to water well since last mtg.

Date: _____

Appearance before City Council

Please fill out and give to City Secretary prior to start of meeting.

Name: DWIGHT Hill / Maribel Hill

Address: 111 Nesmitu

Phone: 979-233-7749 / 214-478-3150
home cell

Email: DLHMLH@1@gmail.com

Issue: street of Nesmitu needs

repair - several large holes.

also - house on corner of

Blacwater hwy & nesmitu ~~still~~ needs

to be repaired or destroyed -

Date: 6/14/16

Sign in Sheet 7-12-2016 - City Council Meeting



Llewellyn

G D BISSA

Romia Hunt

Juanita Wiley

Melissa McLeod

Maribel Hill

Dwight Hill

Clare Dunn

Guymon Adams

Ed Petty

Henry Pekar

Donna Pekar

S. Deborah

**Minutes of
Regular Meeting of the City Council**

Tuesday, 6/14/16 – 7:00 PM

VILLAGE OF SURFSIDE BEACH

1304 Monument Drive
Surfside Beach, TX 77541

1) QUORUM IN ATTENDANCE, CALL TO ORDER

Mayor Davison called the meeting to order at 7:00 pm and announced that a quorum of council was present including Mayor Larry Davison, Councilman Troy McMinn, Councilwoman Toni Capretta, and Councilman Dave Guzman. Absent Councilwoman E. Elizabeth Brown. Absent Councilwoman Peggy Llewellyn. Present employees were Police Chief Gary W. Phillips and City Secretary Amanda Davenport.

2) MOMENT OF SILENCE, PLEDGE OF ALLEGIANCE

Mayor Davison asked everyone to pause for a moment of silence and led the Pledge of Allegiance.

3) BUSINESS OF VISITORS NOT ON THE AGENDA -

Dwight and Maribel Hill inquired about the condition of Nesmith Road and the status of the dilapidated home on the corner.

Brooks Porter inquired about the water well progress

Dortha Pekar asked Council to do something about all the garbage on the beach

Mayor/council/committee/department head/organization reports

Chief Phillips gave the monthly activity report for the police department;

Mayor Pro Tem Troy McMinn thanked the residents for bring their concerns to him regarding the garbage on the beach, and suggested an LED information sign be installed at the entrance intersection.

Councilwoman Capretta discussed the need for additional dumpsters on the island and likes the picnic tables on the beach;

Councilman Guzman gave kudos to Public Works for the job they are doing, discussed fencing the dumpster at Surfside Shores and asked Chief to address the speeding on Swordfish Street;

Mayor Davison stated that the groin project has passed the review point; he attended and erosion task force meeting this past month and repairs to the boat ramp will begin next week;

Ronnie Grant gave the monthly update on the Historical Committee;

Janna Williams gave the monthly update on the Beautification/Tourism activities and reported that the permit booth at Stanek is falling apart.

5) ALL ITEMS UNDER THE CONSENT AGENDA ARE CONSIDERED TO BE SELF-EXPLANATORY, AND THE COUNCIL WILL ENACT THEM WITH ONE MOTION. UNLESS A COUNCIL MEMBER SO REQUESTS, NO SEPARATE DISCUSSION OF THESE ITEMS WILL OCCUR.

A. Consider approval of minutes from the May, 2016 council meeting.

B. Consider approval of the May 2016 financials.

C. Consider approval appointing Yolanda Silva to the Tourism committee.

D. Consider accepting resignation of David Devaney and approve appointing Cary Lucas to the Historical Committee.

Motion was made by Councilwoman Capretta to approve the consent agenda. Councilman Guzman seconded the motion and it passed unanimously.

6) Discuss and take possible action on authorizing advertising for bids for the Bluewater Highway Force Main project.

Motion was made by Mayor Pro Tem McMinn to advertise for bids for the Bluewater Highway Force Main project. Councilwoman Capretta seconded the motion and it passed unanimously.

7) Discuss and take possible action on approval of the Yucca ground storage tank bid.

Motion was made by Councilman Guzman to table this item until next month. Councilwoman McMinn seconded the motion and it passed unanimously.

8) Discuss and take possible action on a revised Interlocal Agreement between Brazoria County and the Village of Surfside Beach regarding usage of grant funds for improvements to the City's public water and sewer system.

Motion was made by Councilwoman Capretta to enter into the Interlocal Agreement with Brazoria County for grant funds. Councilman Guzman seconded the motion and it passed unanimously.

9) Executive Session

The City Council may convene into closed executive session pursuant to Texas Government Code, Sec. 551.074. PERSONNEL MATTERS; CLOSED MEETING. (1) To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; specifically regarding Officer Robert King to full-time employment and Officer John Sloan as a reserve officer.

Council recessed into executive session at 7:47 p.m.
Council reconvened into regular meeting at 7:59 p.m.

10) Action, if any, out of executive session.

Motion was made by Councilwoman McMinn to employ Robert King full-time and John Sloan as a reserve officer. Motion was seconded by Councilwoman Capretta and passed unanimously.

11) Adjourn 8:03 pm

PASSED AND APPROVED this 12th day of July 2016.

Larry Davison
Mayor

Attest:

Amanda Davenport, City Secretary

Village of Surfside Beach
1304 Monument Drive
Surfside Beach, Texas 77541
Office: 979 233-1531 Fax: 979 373-0699

APPLICATION FOR CITY BOARDS/COMMISSIONS/COMMITTEES

DATE: 6/14/16

NAME: Michelle Booth

PHONE: 832-434-4529

ADDRESS: 231 Driftwood

ALTERNATE PHONE: _____

CITY/ZIP: Surfside TX.

EMAIL: mkbooth29@hotmail.com

.....
APPLICATION FOR THE FOLLOWING COUNCIL APPOINTED BOARDS/COMMISSIONS/COMMITTEES (CHECK)

- BEAUTIFICATION COMMITTEE
- CITY ADVISORY PLANNING COMMISSION
- OLD VELASCO/SURFSIDE BEACH HISTORICAL COMMISSION
- BEACH ADVISORY COMMITTEE
- TOURISM COMMITTEE

PERSONAL INFORMATION:

OCCUPATION: Small Business Consultant

ADDITIONAL EXPERIENCE: Sales and marketing

EDUCATION: UT Austin

PROFESSIONAL AND/OR OTHER COMMUNITY ACTIVITIES:

SOBA

PLEASE RETURN FORM TO: VILLAGE OF SURFSIDE BEACH, OFFICE OF THE CITY SECRETARY VIA FAX, MAIL, OR EMAIL.
amanda@surfsidetx.org



BID TABULATION

PROJECT: E2292 - Blue Water Highway Force Main
OWNER: Village of Surfside Beach
LOCATION: Surfside Beach, Texas
BID DATE: July 7, 2016
BID TIME: 2:00 PM

ENGINEER: John D. Mercer & Associates, Inc.
 118 E. Main St.
 Edna, TX 77957
 P: 361-782-7121
 F: 361-782-6852

| BIDDER | BID BOND | DAYS | ADDENDUM | BASE BID |
|-----------------------------|----------|------|----------|--------------|
| 1. Mercu Construction Co. | ✓ | 90 | #1 | \$100,943.00 |
| 2. Abbott Inc. dba Tch | ✓ | 45 | #1 | \$76,430.55 |
| 3. Manula + Matula | ✓ | 30 | #1 | \$49,074.80 |
| 4. Sorrel Construction | cc | 30 | #1 | \$35,045.00 |
| 5. Statewide Services, Inc. | ✓ | 45 | #1 | \$130,541.00 |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |

JOHN D. MERCER & ASSOCIATES, INC.

John D. Mercer, P.E., President

Consulting Engineers

June 10, 2016

Larry Davison, Mayor
Village of Surfside Beach
1304 Monument Dr.
Surfside, TX 77541-9522

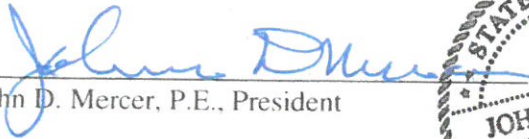
Ref: RECOMMENDATION FOR AWARD
Village of Surfside Beach - Yucca Water Plant GST Replacement Project

Dear Mayor Davison:

Bids were recently received for supply and erection of a new ground storage tank at the Yucca Water Plant. Only one bid was received. It was submitted by Superior Tank Company. The base bid for a galvanized tank was \$41,867.00. As an alternate, an additional cost of \$5,700.00 was given for a factory powder coated tank which would make the erected tank cost \$47,567.00.

Due to the current quality of the galvanizing that is available for application on ground storage tanks, it is my recommendation that the council consider the alternate bid of \$47,567.00 for the powder coated tank. In my opinion, the powder coated tank will have a longer service life than a galvanized tank and be less costly to maintain.

Sincerely,



John D. Mercer, P.E., President



JDM/lm



Date: May 31, 2016

Customer: VILLAGE OF SURFSIDE BEACH
Address: 1304 MOUNUMENT DRIVE
City, St, Zip: SURFSIDE BEACH, TEXAS 77541
Phone:
Fax:
Mobile:
Email: amanda@surfsidetx.org
Attention: CITY SECRETARY

SEE OPTIONAL ITEM PAGE 5

Quote Number: 1605-28
Reference: YUCCA GST
MBE (Minority Business Enterprise) VON:3JS00005

1 21' 6 1/2" Diameter x 16' High Bolted Steel Storage Tank complete with the following:

| | |
|----------------------|---------------------|
| Design: | AWWA D103-09 / NFPA |
| Wind: | 132 MPH |
| Deck Live Load: | 25 PSF |
| Capacity Level Full: | 43.841 Gallons |

Hot dipped galvanized per ASTM-A123, AWWA and API.
NSF in the State of Texas only.

NOTE: See General Terms, Exceptions and Clarifications for reference to appearance and testing of galvanizing by an outside source.

- 1 Basic tank
- 1 Set of standard galvanized bolts, nuts & one piece rings & washers
- 1 Set of stamped engineering drawings & calculations
- 1 Set of EPDM gasket material
- 1 Flat bottom
SPECIAL NOTE: The bottom will be thoroughly vacuum tested for leak detection.
- 1 1 on 12 slope Deck
NOTE: Non-skid paint for deck area is not included.
- 2 30" x 46" Flush cleanouts with 2 pc covers
- 1 20" Mushroom vent with screen
- 3 6" X 6" Scupper vents
- 1 30" Square deck hatch near exterior ladder
- 1 Galvanized exterior ladder with safety cage & lockable entry

Bamore Road
nberg, TX 77471

1 342.0750 | F. 281.342.0751 | Toll Free 877.549.2251

eriantank.com

- 1 Galvanized 10 foot / 15 foot perimeter guard rail each side of exterior ladder -25 total feet (2 Rail) *
- 1 Galvanized interior ladder with stainless steel Saf-T-Climb device *
- 1 4" Overflow assembly with standard interior weir box including external downcomer pipe with brackets and flap *
- 1 4" Class D ring flange with external 6" projection for drain (150# pattern). *
- 1 4" External inlet riser pipe assembly with sch 40 down piping beginning 1'0" above grade with plain end pipe entering shell of tank approximately 1'0" below deck eave with internal 90 degree ell *
- NOTE: Dresser coupling or MJ sleeve to be furnished and installed by others. *
- 1 4" Class D ring flange with external 6" projection for outlet *
- NOTE: Gate valve to be furnished and installed by others. *
- 2 1 1/2" Unitank flanges for shell *
- 1 Target type liquid level indicator with stainless steel float *
- 1 Set of 12" high x 10 gauge galvanized grade bands *
- 1 Cost to preship grade bands to customer *
- 1 3" Hillside cast iron flange for probe by others *
- NOTE: Electrodes, external support brackets and conduit to be furnished and installed by others. *
- NOTE: Junction box to be furnished and installed by others. *

SPECIAL NOTES:

- 1) Inspection and acceptance of galvanized coating will be completed at galvanizing facility prior to shipment to jobsite. It is the responsibility of project engineer or their representative to be present and perform the inspection at the designated facility at no cost to tank manufacturer. Tank manufacturer not to be held responsible for galvanized coating issues after shipment to jobsite other than the standard touch up of areas as a result of damage during shipment and/or installation. *
- 2) To avoid the need for anchorage a minimum of 1'0" of water to remain in storage tank at all times. *
- 3) Junction box to be furnished and installed by others. *

NOTES:

- 1) Please see notes listed in "General Terms, Exceptions and Clarifications" for clarification. *
- 2) It is the contractors/customers responsibility to review this quotation in it's entirety for conformance to project bid specifications and drawings. *
- 3) Blind flanges, supply of water, pumps & hoses, any equipment or labor to fill and/or transfer water, emptying the tank/or disposing of water, during or after hydro testing is not included. *
- 4) Personnel and equipment necessary to unload tank materials are not included. *
- 5) Foundation design and installation including all corresponding items, such as padding, berboard, plastic, media, grouting and/or shiming, equipment, etc., is not included unless shown in the body of this quotation. *
- 5a) Anchor bolts and/or saddles including installation is not included unless shown in the body of this quotation. Should anchor bolts be included it is the sole responsibility of customer to design and construct the foundation to allow installation without obstruction. *
- If it is discovered that anchor bolts are required and same was not included in the quotation it is the responsibility of customer to either shore or brace tank when empty. *
- 5b) Installation of foundation staves is the sole responsibility of customer including, but not limited to, offloading of materials at time of delivery, any necessary leveling, grouting, etc., that *

may be required to provide a proper and level base for installation of the storage tank(s). Any damages or repair of same as a result of customer installation is the sole responsibility of customer including hydro test.

5c) In the event project specifications and/or project engineer requests the tank manufacturer provide a foundation design with approval drawing package - customer at their own expense is to provide a geotech report from a reputable engineering firm to include all necessary information with foundation design recommendations based on findings to allow proper design of foundation

5d) It is the customers responsibility to make sure that there is sufficient space or area to allow necessary equipment and personnel access to perform work safely and effeciently with a minimum area of approximately 10-12 feet of clear space around the circumference of foundation and that there is no restrictions as a result of piping, buildings, overhead lines, etc.. Should it be discovered at time of installation that proper access is not available it is the customers responsibility to furnish some form of stabilized road and or matting to allow proper access to the foundation destination including the circumference of foundation. If tank manufacturer is required to furnish the items to allow proper access as described the additional cost will be charged on a T & M basis.

6) Disinfection / chlorination by others after completion of hydro test.

7) Please see notes listed in "General Terms, Exceptions and Clarifications" for clarification in water used for hydro test of storage tank.

8) If some form of mastic is used on the foundation customer to furnish plastic to cover prior to start up of erection.

9) Safety cage of exterior ladder to begin 8'0" above grade or tank bottom.

10) Nozzles in shell of tank cannot be designed flush with floor per API 650 due to bolting requirements and are not included in this quotation.

11) APPEARANCE / UNIFORM COLOR FOR GALVANIZED COATING - See General Terms, Exceptions and Clarifications for reference to appearance and testing of galvanizing by an outside source. Further, the tank manufacturer assumes no responsibility with respect to uniform color or staining of the galvanized coating.

Tank manufacturer recommends that the engineering firm provide inspection at the galvanizing facility prior to start up of and during the galvanizing process. Approval of galvanized materials must be received by engineering firms representative prior to shipment of the tank materials to the job site.

12) We ask and suggest that the customer secure the services of a professional corrosion/metals engineer to determine whether the following exists in the storage tank environment prior to installation; A. Dissimilar metals corrosion environment. B. Electrolysis and / or electrolytic action corrosion environment. C. Micro biologically induced corrosion environment.

13) We ask and suggest that customer inspect the storage tank at the one year anniversary date from the date the tank is shipped to the jobsite or from the date the tank is put into service. It is also recommended that the storage tank be inspected on a yearly or bi-yearly basis from the date of initial inspection. Failure to do so could negatively impact the service life of the storage tank and void the warranty.

14) WARRANTY - Unless an alternate warranty is specifically included as part of this quotation manufacturers standard one year warranty will apply and should there be a discrepancy between the warranty as outlined in the project specifications and

Manufacturers standard one year warranty - "Manufacturers one year warranty will govern". *

| | |
|---|---------|
| Estimated total material weight in lbs: | 15000 * |
| Estimated tare material weight in lbs: | 1500 * |
| Estimated gross material weight in lbs: | 16500 * |
| Estimated cubage: | 525 * |

Sale price K. D., F. O. B. Surfside Beach, Texas: \$30,958 *

Freight per terms listed below: \$10,909 *
(See - ERECTION TERMS, EXCEPTIONS AND CLARIFICATIONS) *

Total sale price delivered and erected: \$41,867 *

The above pricing does not include any applicable taxes and/or any special permits or
licenses that may be required. *

OPTIONAL ITEM

SHOULD CUSTOMER WANT THE ABOVE TANK TO BE FACTORY POWDER COATED WITH ENCAPSULATED
HARDWARE AND INTERIOR FPC LADDER WITH SS SAF-T-CLIMB - PLEASE ADD - \$ 5,700.00

Factory Powder Coating System IV

Factory powder coated per AWWA, API & FDA as follows:
NSF in the State of Texas only.

Silica & Zirconium (SiZr) liquid seal applied for additional corrosion protection
prior to coating process.

3M Scotchkote 134 (Green) Interior Epoxy (NSF 61 Approved) minimum of 8 mils d.f.t.

Dupont PFT-609-S6 (Superior Sand) Exterior Polyester minimum of 3 mils d.f.t.
with tank tan epoxy primer minimum of 3-4 mils d.f.t. for a minimum of 6-7 mils d.f.t.

Other exterior color selections available upon request, additional charges
may apply.

Acceptance of the order is contingent upon payment terms and a contract document acceptable to STCI. If necessary, monthly progress payments for materials on hand and work complete may be requested based on purchasing entities credit and payment history and shall be incorporated into the sub-agreement and/or purchase order.

WARRANTY

In lieu of all other warranties, express or implied, **Superior Tank Co., Inc.**, guarantees all products of its manufacture to be free from defects in material and workmanship fully extends to its customers all guarantees and warranties to it of the manufacturer thereof. **Superior Tank Co., Inc.**'s obligation under this one year warranty, at its own discretion, shall be limited to the repair or replacement of any product of its manufacture which may prove defective, notice and claim of which shall be received in writing within one year from the date of shipment, readiness to ship, or of completion, whichever comes first, and shall not render it liable for any other or consequential damages to the purchaser or to any other persons, and shall be void upon alteration of or incorporation of additions to its products.



H. Huel Loden – Gulf Region Manager

(32) Cancellation policy: Notification of cancellation must be received in writing within thirty days from order date or a cancellation fee of up to 25% will be assessed to cover all associated costs such as order handling, engineering, material purchases, etc.

ERECTION TERMS, EXCEPTIONS AND CLARIFICATIONS

The above erection cost does not take into consideration any restrictive wage or work hour rules, union or prevailing wage labor rates, or any special provisions such as safety schooling, safety clothing or hazardous training seminars that may be required. In addition, any requirement for 100% tie off during erection is not included. Should this be necessary (100% tie off) an additional charge will apply. This proposal is based on working our standard hours and paying our standard wages..

It is the customers/contractors responsibility to supply a level, accessible foundation and work area surrounding the foundation during the erection process. This includes any and all rework that may or may not be necessary to provide an accessible and safe work environment for the erection personnel.

Installation of foundation staves is the sole responsibility of customer including, but not limited to, offloading of materials at time of delivery, any necessary leveling, grouting, etc., that may be required to provide a proper and level base for installation of the storage tank(s). Any damages or repair of same as a result of customer installation is the sole responsibility of customer including hydro test.

The quoted erection cost does not take into consideration adverse weather conditions that may make it an unsafe environment for the erection personnel to perform their duties. Should this situation arise after erection has started, at the discretion of the customer, the erection personnel can either remain at the job site or return to their original place of employment for redeploy at a later date when working conditions are deemed agreeable and safe for erection to resume by customer and erection personnel. In the event customer elects to have personnel remain at the jobsite the additional cost will be charged per our standard T & M rate sheet. In addition, tank manufacturer accepts no responsibility for any costs or liquidated damages resulting from delayed shipment or erection due to adverse weather conditions, acts of GOD, or situations out of its control.

Hydro Test - It is the responsibility of the customer to provide within 24 hours of tank erection completion:

- (1) Sufficient clean water for initial and all subsequent fillings necessary to complete the leak test.
- (2) Necessary blinds, nozzles, pumps, hoses, etc. not specifically called out in original quotation.
- (3) It is the responsibility of the customer to drain and dispose of any water utilized during the test.
- (4) If the hydro test of the storage tank is postponed, an additional trip charge will apply per the chart below.

Special Notice: Should water not be made available as described above and a return trip is necessary an additional charge per the following cost schedule will be added to customer invoice.

Return Trips – all costs will be charged as follows:

0-50 Mile radius of Houston, TX - No Charge

51 miles and further will be charged per our published sheet which can be furnished at customer request: BOLTED TANK CONSTRUCTION RETURN TRIPS, REPAIRS, AND LABOR RATES FOR TIME & MATERIAL JOBS.

In addition, should it be necessary to utilize special lift equipment to complete the hydro test due to the erection crew removing scaffolding after initial erection of the storage tank, an additional charge to the customer will apply. This is applicable only should a return trip be required.

Price Validity: The above pricing is firm for (30) thirty days from date of quotation. Also, see "NOTES" on page of quotation with provided pricing for additional order stipulations.

Special Note: The price validity shown above is based on the possibility that STCI could experience an increase in steel, coating and hardware prices. We apologize for any inconvenience this causes our customers.

Necessary taxes will be charged unless proper certification from the state where the materials are being shipped is provided to Superior Tank Company, Inc by customer.

PAYMENT TERMS

20% Down payment at time of order placement with balance due and payable upon shipment, readiness to ship, or completion of tank if shipment is delayed by customer.

No retainages, unless previously agreed upon by both parties at time of this quotation/order.

- (16) Should preinspection of tank materials prior to coating be required. It is the responsibility of the project owner and/or engineer to arrange inspection at the manufacturing or coating facility prior to the initial start up of the coating procedure. All special testing of coatings whether galvanized or painted must be done at application facility prior to shipment of tank materials to job site. Any additional costs due to this inspection is the responsibility of the project owner. It is also the responsibility of said to contact the coating facility prior to arrival and discuss any additional related costs that may or may not be applicable since this is not a standard requirement.
- (17) It is the responsibility of the customer to secure the services of a professional corrosion/metals engineer to determine whether the following exists in the storage tank environment prior to installation. Failure to do so could negatively impact the service life of the storage tank(s) and void the warranty.
- a. Dissimilar metals corrosion environment. b. Electrolysis and/or electrolytic action corrosion environment. c. Microbiologically induced corrosion environment.
- (18) The tank materials furnished are designed and manufactured per Superior Tank Company standards.
- (19) In the event more than one tank is being quoted, the erection price is based on all tanks being erected at same time, without any necessity for demobilization or remobilization. If this should become necessary an additional charge will apply including an additional charge for return trip or trips, including any special lifting equipment or material necessary to complete the erection or project.
- (20) Should the customer require additional job site work after the initial erection is complete such as piping, painting, etc. an additional charge will apply.
- (21) If the hydro test of the storage tank is postponed, an additional trip charge will apply.
- (22) Should it be necessary during transportation of materials from lay down for a special transport or safety vehicle to be supplied, it is the responsibility of customer.
- (23) The customer is responsible for making sure that sufficient area is available to erect each storage tank in a safe and efficient manner. If it should be sufficient work area is not available causing the erection crew to incur or consequences of "Loss of Time", any and all additional work required to complete project will done on a T & M basis. Further, the foundation height from ground level to top of foundation cannot exceed 2'0". Any height greater than this inaccessible and an additional charge will apply.
- (24) Should it be necessary to institute some form of padding or wooded surface allowing roper access to the foundation during erection as a result of weather this is the responsibility of the customer.
- (25) The quoted erection cost does not take into consideration adverse weather conditions that may make it an unsafe environment for the erection personnel to perform their duties. Should this situation arise after erection has started, at the discretion of the customer, the erection personnel can either remain at the job site or return to their original place of employment for redeploy at a later date when working conditions are deemed agreeable and safe for erection to resume by customer and erection personnel. In the event customer elects to have personnel remain at the jobsite the additional cost will be charged per our standard T & M rate sheet. In addition, tank manufacturer accepts no responsibility for any costs or liquidated damages resulting from delayed shipment or erection due to adverse weather conditions, acts of GOD, or situations out of its control.
- (26) It is strictly forbidden to perform any act that could alter or harm either the galvanized or factory powder coated tank materials without written consent by tank manufacturer. Should this type of unauthorized act occur, such as welding or cutting, the coating warranty is void. Further, the coating warranty is void should the storage tank be utilized in a way or manner in which it is not specifically designed. This includes voiding the entire warranty should an erector or erecting company be utilized for erection of the storage tank that is not authorized by Superior Tank Company.
- (27) Interior and exterior miscellaneous piping: Any and all miscellaneous such as extensions, tees, gate valves, etc. Should customer desire this additional work, it will be done on a T & M basis.
- (28) Contractor is responsible for container or area set aside to utilize for disposal of trash, pallets, etc. during erection of the storage tank through completion of project.
- (29) Field quality control - (a) monitoring foundation settlement is the responsibility of others, (b) manufacturers field representative / erection engineer for tank inspection is the responsibility of others. The tank erection personnel utilized at time of tank erection are considered a field representative / erection engineer for the tank manufacturer. Any and all inspection reports other than the tank manufacturers standard "job completion certificate" is not included in or a part of this quotation.
- (30) Should Superior Tank Company, Inc. dismantle the tank(s) this work will be completed per our standard operational procedures. The dismantled tank will become the property of Superior Tank Company, Inc. and the job site will be left in a broom clean condition with any and all debris generated will be removed by Superior Tank Company, Inc. unless other arrangements are made prior to the order being accepted. The quoted work excludes fire watch and foundation removal. The tank must be thoroughly drained, interior cleaned and free from debris with all exterior piping removed prior to arrival of personnel. In addition, sufficient space must be available for equipment and personnel to perform the necessary work in a safe manner and environment.
- (31) This proposal is exclusive of any cost associated with providing insurance coverage for, nor can we accept any liability for the negligence, whether total or partial, of any other person or entity. Any indemnity or hold harmless requirement of the bidding documents or resulting contract is hereby VOID and not applicable if the agreement requires STCI/SBTC to provide any benefit to any other party for any reason beyond the negligence, of any type of degree, of STCI/SBTC.

DELIVERY AND ENGINEERING

Please allow 3 - 4 weeks from receipt of order for preparation of approval drawings.

Tank materials will be shipped approximately 8 - 10 weeks from either receipt of order or receipt and completion of design process.

Should this project or customer require the approval drawings and calculations to be stamped by a professional registered engineer please add - \$ 800.00

Additional sets of approval drawings other than the four sets that are included will be charged at \$ 25.00 per set.

GENERAL TERMS, EXCEPTIONS AND CLARIFICATIONS

Above price excludes the following unless specifically mentioned in the body of this quotation:

- (1) Foundation design, overexcavation/recompaction, grading, sub base and sub grade piping. However, should customer desire the tank manufacturer to design and/or construct the foundation an additional charge will apply.
 - a. A soils report will be necessary, and will be furnished by and at the expense of, the customer.
 - b. All information necessary for foundation design and/or construction is the responsibility of the customer.
- (2) Anchor bolts, saddles or anchoring system.
- (3) Flexible couplings, internal piping such as special skimmers, weirs and feed lines with support brackets.
- (4) Piping as follows: a. Any matching of existing piping is the responsibility of the customer. b. Gate valves, tees, extensions etc. are the responsibility of the customer. c. All interior piping. d. Exterior piping after the first flange nozzle.
- (5) Painting as follows: a. Non-skid painting for deck, walkways, stairs and ladders. b. Painting of interior and exterior parts and/or appurtenances.
- (6) Sterilization and/or chlorination including all required testing.
- (7) All felt, fiber board, or any materials utilized between or around tank bottom and foundation.
- (8) Equipment and personnel necessary to unload the tank materials at the job site are not included and are the responsibility of the customer.
- (9) Any additional materials or items required for pressure sensing, cathodic protection, electrical monitoring, chlorine injection, etc.
- (10) Should the disassembly of an existing tank be a part of this quotation, all equipment necessary to load or stack materials is the responsibility of the customer. In addition, all piping connected to the storage tank must be unhooked and removed to provide enough workable area to disassemble the storage tank. The existing tank must be thoroughly cleaned and all debris removed prior to the arrival of the personnel to begin disassembly. All obstructions such as electric lines, over head objects, etc., that may restrict work performed or cause work to be unsafe must be removed by customer prior to work being started.
- (11) Manufacturer assumes site is compacted, leveled, and fully accessible for the delivery of materials with a 40 ft trailer.
- (12) Special roof water shed requirements are not included, but can be incorporated for an additional charge.
- (13) Special testing of galvanized and/or factory powder coated tank materials by an outside source is not included.
- (14) All special testing of tank coatings whether galvanized or painted must be done at application facility prior to shipment of tank materials to job site. Any associated costs will be the responsibility of the customer. It is the responsibility of the project owner and/or engineer to arrange inspection at either the manufacturing or coating facility prior to shipment of tank materials either to be coated or to the job site.
- (15) The exterior appearance of galvanized materials will be in accordance with A123, Section 5.3 Appearance - Galvanized articles shall be free from uncoated areas, blisters, flux deposits, acid and black spots, and dross inclusions. Lumps, projections globules, or heavy deposits of zinc which will interfere with the intended use of the material will not be permitted.

DISCLAIMER: The requirement of uniform color and appearance is discretionary and not mentioned in ASTM-A123 or ASTM-A153, therefore the tank manufacturer takes no responsibility for this requirement should it be part of, or referenced in, the project specifications. In addition, the following statement is made part of this quotation. Superior Tank Company takes no responsibility for the appearance of the galvanized materials. Further, it is requested and recommended that the contractor or customer secure the services of an inspection firm to check all galvanized materials prior to shipment to the job site. Once the materials are shipped the job site, and are introduced to the outside environment, any problems as a result of non inspection prior to shipment, or introduction to the outside environment such as "White Rust (Water Stain)" or "Unightly Appearance", are not the responsibility of the tank manufacturer.

Beach Delivery Event Overview:

Anticipated Date: Saturday, August 20th or 27th

Anticipated Location: Surfside Beach, TX

Anticipated Timeframe:

- **Start Time:** 9AM set up, 12PM execution
- **Wrap Time:** 5PM event ends, 7PM clean up ends

Event Concept Overview: Our team would like to execute a day-long event that features on-demand delivery of beer to of-age beachgoers through a compliant, third-party vendor (on-demand alcohol delivery service in partnership with select licensed retailer(s)). As the first event of it's kind, we feel Surfside is the perfect location to host this execution and be recognized as the first beach in the U.S. to offer a personalized experience like beach beer delivery.

We feel this event will not only increase foot traffic and publicity around Surfside Beach, but will also offer beachgoers a truly unique and elevated beach experience that they've never seen before. Beachgoers would be encouraged to download the service's app and place their order through an online platform. Product would be housed off-shore on a boat and delivered, in unopened cans, via dinghy or rowboat to a beach drop-off area, where beachgoers will pick up their order. Overall, the event will serve as a fun, unique and refreshing way to enjoy a summer beach day - and we'd love to work with Surfside to bring this moment to life!

Local Impact: Our team will be conducting media outreach on a local and national level around this initiative, and will put additional focus on publicizing the event in neighboring communities Galveston and Houston. These strategic media tactics will increase visibility of Surfside Beach as a go-to beach destination and, ideally, increase foot traffic in the area. Knowing there is an annual historical demonstration event slated for September 19, this event could assist in spreading awareness around the beach and lead to additional attendees at the upcoming event. Additionally, we will also be working with local retailers in the area to supply beer, and therefore will increase sales for the community as a whole.

Collateral Overview:

- Boat, docked off-shore
- Jetski or small boat to deliver cans to the beach
- Small drop-off area on the beach featuring a 10 x 10 tent
- Branding and signage on-site, alerting beachgoers of the initiative and telling them how to make orders

GROUND LEASE AGREEMENT

STATE OF TEXAS

§

COUNTY OF BRAZORIA

§

§

This Ground Lease Agreement is made and entered into to be effective on the ___ day _____ of 2014 ("Effective Date"), by and between CRADLE OF TEXAS CONSERVANCY, INC, a Texas Non-Profit Corporation, hereinafter referred to as "Lessor," and the VILLAGE OF SURFSIDE BEACH, TEXAS, a Texas municipal corporation, hereinafter referred to as "Lessee."

ARTICLE I.

DEMISE OF LEASED PREMISES

1.01 Leased Premises: Lessor hereby demises and leases unto Lessee, and Lessee hereby accepts for the term, and subject to the provisions hereof, the following described real property (hereinafter referred to as "leased premises")

Parcel 1: Lots 1, 2, 3, 4, 5, 10, 12, and 14 in Block 568, in Surfside Townsite, Abstract 98, Brazoria County, Texas, according to recorded map or plat thereof record at Volume 32, page 28 of the Deed of Records of Brazoria County, Texas;

Parcel 2: Lots 5, 6, 7 and 8 in Block 568, in Surfside Townsite, Abstract 98, Brazoria County, Texas, according to recorded map or plat thereof record at Volume 32, page 28 of the Deed of Records of Brazoria County, Texas.

ARTICLE II.

LEASE TERM

2.01 Fixed Commencement and Termination Date and Option to Renew: The terms of this Lease shall be for a period of **twenty (20) years** beginning on the Effective Date of this Lease and ending on the day before the 20th anniversary of the date of commencement of this Lease (the "lease term"), subject to earlier termination as hereinafter provided. **Lessee shall have the option to renew this Lease and extend the Lease Term for two additional extension periods of five (5) years; provided, Lessee is then in good standing with Lessor and not in default.**

2.02 Reversion Upon Termination: At the end of the lease term or renewal thereof, or upon any early termination of this Lease, the property leased hereunder and all improvements and fixtures, except "trade fixtures" remaining thereon, shall become the property of the Lessor. Trade fixtures include items of personal property and equipment used to carry on business operations, whether or not such property and equipment are affixed to the real estate. Should the removal of

any personal property or trade fixtures result in damage to the leased premises, Lessee shall reimburse Lessor for costs to repair and restore the structures on the leased premises to an architecturally whole condition.

2.03 Commencement of Rental Payment Obligation: Lessee shall pay rental, each year in advance on the anniversary of this agreement.

ARTICLE III.

RENT

3.01 Annual rental rate: Lessee agrees to pay Lessor for the use and occupancy of real property encompassing the leased premises an annual rental rate of 100 and no/100 Dollars (\$100.00)

ARTICLE IV.

USE AND DEVELOPMENT OF THE LEASED PREMISES

4.01 Property Development: Lessee shall use the leased premises for:

(i) archaeological and/or cultural studies related to the historical site of Fort Velasco; (ii) possible re-construction of a suitable replica thereof; (iii) operation of a replica thereof for public visitation; and (iv) any associated trails, such as nature, observation or fitness trails..

4.02 Development: Lessee agrees that in connection with its use of the leased premises for the purposes set forth in paragraph 4.01 above, Lessee will not damage, or caused to be damaged, any subsurface structures discovered or otherwise identified on the leased premises, without the express written permission of Lessor.

ARTICLE V.

MAINTENANCE, REPAIRS AND UTILITIES

5.01 Utilities: Lessee agrees and covenants that it will secure and contract for all utility services including electric, gas, water, sewer and telephone utilities, necessary for its use of the leased premises and will be solely responsible for all costs and charges for installation and use of all utility services on the leased premises, including all costs necessary for the installation of any meter, any deposits or other prerequisites for commencing utility service and all costs of actual service to the leased premises. Lessee further covenants and agrees that Lessee shall be solely responsible for all costs and expenses for any extension, installation, maintenance or repair associated with any and all utilities serving the leased premises.

5.02 Lessee's Obligation to Maintain and Repair: Lessee shall maintain in good repair all structures placed on the leased premises and ~~surrounding~~ areas surrounding such structures including windows, pedestrian doors, fixtures and installations within and upon the leased premises, and promptly perform general ~~and optional~~ maintenance upon functioning equipment

and fixtures within Lessee's possession and control located upon the leased premises. Lessee agrees and covenants that it shall, at Lessee's sole cost and expense, make all repairs necessary to keep the leased premises and all improvements which may be placed thereon from deteriorating in value or condition and restore and maintain the leased premises and all improvements thereon, with the exception of normal wear and tear and aging consistent with normal usage and passage of time, and that Lessee shall repair all damages to any structure on part of the leased premises or improvements thereon, regardless of fault.

5.03 Lessee's Grounds Upkeep Obligation: Lessee agrees and covenants that it will maintain the grounds of the leased premises in a good and reasonable condition.

5.04 Lessor's Right to Inspect: Lessor shall have the right and privilege, to make inspections of the leased premises at any time, and thereafter to make recommendations to Lessee of any maintenance or repairs that, in Lessor's opinion, are necessary to be performed by Lessee upon the leased premises, consistent with the foregoing provisions. Lessor shall provide Lessee at least twenty-four (24) hour written notice of any inspection.

ARTICLE VI.

RIGHTS AND RESERVATIONS OF LESSOR

6.01 It is understood and agreed that all structures, fixtures and personal items permanently attached to all structures on the leased premises, and all additions and alterations made to structures on the leased premises, shall become the property of Lessor upon the conclusion of the lease term or any earlier termination of the lease term. At no time during the term of this Lease may Lessee remove any structures, fixtures or personal items permanently attached to any structure on the leased premises once such fixtures or items are permanently attached to any structure, without the express written consent of Lessor.

ARTICLE VII.

OBLIGATIONS OF LESSEE

7.01 Lessee shall conduct its activities on the leased premises consistent with the terms and conditions of this Lease and in an orderly and proper manner.

7.02 ~~Lessee shall use the leased premises solely for the purpose of: (i) archaeological studies related to the historical site of Fort Velasco, and (ii) possible re-construction of a suitable replica thereof.~~

7.03 Lessee shall comply with all health, environmental and safety laws and any other federal, state or municipal laws and requirements, applicable to the leased premises and improvements and all activities thereon.

ARTICLE VIII.

INSPECTION AND PREMISES ACCEPTANCE

8.01 Lessor, through its officers, agents, servants or employees, shall have the right to enter the leased premises during normal business hours, and in the event of an emergency, for the purpose of doing any and all things which Lessor is authorized or required to do under the terms of this Lease.

8.02 Lessee agrees and covenants that Lessee has inspected the leased premises and is fully advised of its own rights without reliance upon any representation made by Lessor concerning the condition of the leased premises and accepts same in its present condition as satisfactory for all purposes of this Lease.

ARTICLE IX.

USE OF PREMISES

9.01 During the term of this Lease, the leased premises are to be used by Lessee exclusively for the purposes set forth in Article 4.01 above.

9.02 Lessee shall not use or allow anyone else to use the leased premises, or any portion thereof, for any food or other concessions open to the general public as a for-profit venture, without prior written approval of Lessor, or for any other non-authorized use.

9.03 Lessee covenants and agrees that it will not operate any non-authorized business or activity other than specified uses allowable under this lease on the leased premises without the express written consent of Lessor in advance, by separate contract.

ARTICLE X.

INSURANCE COVERAGE

10.01 [not sure if y'all want to require this...] Comprehensive General Liability insurance coverage (including premises liability) in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate naming Village Of Surfside Beach Brazoria County as an additional insured, provided by a carrier(s) with a Best Key Rating of "A" or better and naming "Cradle of Texas Conservancy" as additional insured.

ARTICLE XI.

ASSIGNMENT AND SUBLEASE

11.01 Lessee may not sell or assign any portion of its leasehold estate without prior written consent of Lessor. Any such transfer, assignment or sale agreed upon by Lessor shall be subject to the same terms and conditions as contained in this Lease and the same obligations to Lessor as set

forth in this Lease, and that every successor and assign shall be required to comply with the terms and provisions of this Lease.

ARTICLE XII.

TERMINATION BY LESSOR

12.01 Any breach, default or failure by Lessee to perform any of the duties or obligations assumed by Lessee hereunder or to faithfully keep and perform any of the terms, conditions and provisions of this Lease shall be cause for termination of this Lease by Lessor, in the manner set forth in this section. Lessor shall deliver to Lessee prior written notice of its intention to so terminate this Lease. If the breach, default or failure is a failure to pay rentals due under this Lease and Lessee shall fail or refuse to cure, adjust or correct same to the satisfaction of Lessor within fifteen (15) days following notice, then in such event, the Lessor may give notice of its election to terminate this lease and thirty (30) days after receipt of such notice, this lease shall cease and terminate. If the breach, default or failure is a breach other than a failure to pay rent, (except as otherwise provided herein), and Lessee shall fail or refuse to cure, adjust or correct same to the satisfaction of Lessor within thirty (30) days following notice, then in such event, the Lessor may give notice of its election to terminate this lease and thirty (30) days after receipt of such notice, this Lease shall cease and terminate. In the event of termination of this Lease by Lessor in accordance with the provisions of this Lease, all rights, powers, and privileges of Lessee hereunder shall cease and terminate, and Lessee shall have ninety (90) days to vacate the leased premises, provided that rental payments shall continue to be paid on a current basis during said ninety (90) day period until the leased premises are completely vacated. Any failure by Lessor to so terminate this Lease or the acceptance by Lessor of rentals, for any portion of amounts due or any period of time after such breach, default or failure by Lessee, shall not be determined to be a waiver by Lessor of any rights to terminate this Lease for any subsequent breach, default, or failure.

12.02 Upon termination of this Lease, whether for breach, default or any failure by Lessee, or the end of the initial term or any renewal term of this Lease, Lessee agrees to peaceably return the demised leased premises and all appurtenances or improvements thereon in good order and repair, vacant, unencumbered, and in good, condition. Lessee agrees to repair all damages at its sole cost and expense, except for normal wear and tear.

12.03 Any abandonment or a use other than specified uses allowable under this lease, of any portion of the leased premises for any reason for any period of time exceeding thirty (30) calendar days shall be grounds for immediate termination of this Lease by Lessor as to all or any portion of the leased premises, whereupon all improvements on that portion terminated shall revert to Lessor and all rights, power and privileges of Lessee with respect to that portion of the leased premises shall cease. Lessor shall have the right, without notice to Lessee and without being deemed guilty of trespass and without any liability whatsoever on the part of Lessor, to take immediate possession of all or any portion of the leased premises, with or without force, without legal process, and remove any and all fixtures and equipment not belonging to Lessor that may be found on any part of said leased premises without being liable for damages therefor. Any failure by Lessor to terminate this Lease for abandonment or a use by Lessee not allowable under this Lease

shall not be determined to be a waiver by Lessor of any rights to terminate this Lease immediately for any subsequent abandonment or a use not allowable under this Lease.

ARTICLE XIII.

CANCELLATION BY LESSEE

13.01 In addition to any other right of cancellation herein given to Lessee, or any other rights to which it may be entitled by law, equity or otherwise, as long as Lessee is not in default in payment to Lessor of any amounts due under this Lease, Lessee may cancel this Lease and thereby terminate all of its rights and unaccrued obligations hereunder, by giving Lessor thirty (30) days' advance written notice.

13.02 Lessee's performance of all or any part of this Lease for or during a period(s) after a default in the terms, covenants and conditions contained herein to be performed, kept and observed by Lessor shall not be deemed a waiver of any right on the part of Lessee to cancel this Lease for such failure by Lessor nor shall such performance by Lessee be construed to be, nor act as, a waiver by Lessee of said default or of any subsequent default of any of the terms, covenants and conditions contained herein to be performed, kept and observed by Lessor.

ARTICLE XIV.

SURRENDER OF PREMISES, REMOVAL OF PROPERTY AND HOLDING OVER FOLLOWING TERMINATION/CANCELLATION

14.01 Upon the cancellation or termination of this Lease pursuant to any terms hereof (including expiration of the lease term) Lessee agrees to surrender the leased premises to Lessor in the same condition as they are at the time of the commencement of the lease term hereof, and as they may hereafter be improved by Lessee; save and except: (a) repairs and maintenance, (b) obsolescence in spite of repair, (c) normal wear and tear, and (d) damage to or destruction of the leasehold improvements for which insurance proceeds are received by Lessor. Upon such cancellation or termination, Lessor may re-enter and repossess the leased premises together with all improvements and additions thereto, except trade fixtures, or pursue any remedy permitted by law for the enforcement of any of the provisions of this Lease, at Lessor's election. Furthermore, upon such cancellation or termination, and for a reasonable time thereafter (not exceeding thirty (30) days after such cancellation or termination), or during the term of this Lease, if Lessee is not in default in rentals or any other charges or obligations due Lessor, Lessee shall have the right to remove its trade fixtures and equipment which it may have on the leased premises, provided that Lessee repairs all damages that might be occasioned by such removal and restores the leased premises to the condition above required.

14.02 Upon the cancellation or termination of this Lease pursuant to any provision hereof, Lessee agrees to deliver to Lessor within thirty (30) days thereafter, an instrument (duly executed and in recordable form), conveying and releasing to Lessor all of Lessee's right, title and interest in and to the leased premises and the improvements thereon, in accordance with the above provisions, and warranting that such property, whether real, personal or mixed, is free and clear of

all encumbrances, liens and claims of every kind and nature whatsoever. Upon the failure of Lessee to execute the aforesaid instrument, for any reason, within said thirty (30) days, it shall be deemed that by the execution of this Lease by Lessee, this Lease shall serve as the conveyance of titles with warranties as aforesaid.

14.03 Unless agreed otherwise by Lessor in writing, Lessee shall be deemed to have abandoned to Lessor any trade fixtures and equipment and other property of Lessee which it has failed to remove from the leased premises within ninety (90) days after the cancellation or termination of this Lease; provided, however, that Lessee shall have no right to abandon any such property on the leased premises without the written consent of Lessor.

14.04 Any unauthorized holding over by Lessee upon the leased premises after the cancellation or termination of this Lease shall not operate to extend or renew this Lease for any further term whatsoever, and shall constitute Lessee a trespasser. Any holding over by Lessee beyond the ninety (90) day period permitted for removal of trade fixtures or equipment, without the written consent of Lessor shall make Lessee liable to Lessor for damages as follows:

- a) an amount of money equal to triple the rentals provided for herein and which were in effect at the cancellation or termination of this Lease, prorated as to the length of time of such holding over, and
- b) the effective continuation of all insurance coverage that Lessee is required under the provisions hereof to maintain in effect, for so long as Lessee, or any of Lessee's sublessees or tenants, occupy the leased premises or any part thereof.

ARTICLE XV.

TAXES AND ASSESSMENTS

15.01 Lessee agrees to pay any and all federal, state or local taxes or assessments, which may be lawfully levied against Lessee due to Lessee's use or occupancy of the leased premises, or any improvements or property placed thereon by Lessee as a result of Lessee's use or occupancy.

ARTICLE XVI.

COMPLIANCE WITH GOVERNMENTAL REGULATIONS

16.01 The granting of this Lease is conditioned upon the following covenants:

- a) Lessee covenants and agrees to comply with all federal, state, and local rules, regulations and laws, including all rules and ordinances of the Village Of Surfside Beach Brazoria County, as such rules, regulations and laws exist or may hereafter be amended or adopted. It is understood and agreed that, if Lessor calls the attention of Lessee to any such violation on the part of Lessee, or any of its officers, agents, employees, contractors, subcontractors, licensees or invitees, Lessee shall immediately desist from and correct such violation.

b) Lessee, its personal representatives, successors-in-interest and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

(1) no person on the grounds of race, color, sex, creed, age, disability or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the leased premises, or the public facilities located thereon;

(2) no person on the grounds of race, color, sex, creed, age, disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of any improvements on, over, or under such land and the furnishing of services thereon; and

(3) Lessee shall use the leased premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended.

ARTICLE XVII.

NON-WAIVER

17.01 The failure of Lessor to insist upon the performance of any term or provision of this Lease or to exercise any right herein conferred shall not be construed as a waiver or relinquishment to any extent of Lessor's right to assert or rely upon any such term or right on any future occasion.

ARTICLE XVIII.

NOTICES AND COMMUNICATIONS

18.01 Any notices and communications required or permitted hereunder, shall be hand-delivered, dated and acknowledged by the receiving party, or given by registered or certified United States Mail, return receipt requested, postage prepaid, addressed as follows:

LESSOR: Cradle of Texas Conservancy, Inc.
ATTN: _____

(with duplicate copy to, although not considered legal notice)

Joseph Patterson
Patterson & Edquist
120 W. Myrtle St.
Angleton, Texas 77515

LESSEE: Village of surfside Beach
ATTN: City Secretary
1304 Monument Drive
Surfside (Freeport), Texas 77541

ARTICLE XIX.

ENTIRETY OF AGREEMENT

19.01 This written instrument constitutes the entire agreement by the parties hereto concerning the leased premises, and any prior or contemporaneous, oral or written agreement which purports to vary from the terms hereof shall be void.

ARTICLE XX.

LEGAL CONSTRUCTION

20.01 In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the Lease, and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had not been included in the Lease.

This Lease has been executed by the parties on the date and year first written above.

LESSEE:

LESSOR:

Village of Surfside Beach

Cradle of Texas Conservancy

By: _____
Title: _____

By: _____, I,
Title: President

ACKNOWLEDGEMENTS

THE STATE OF TEXAS §
§
COUNTY OF BRAZORIA §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person(s) whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for the purposes and consideration therein expressed and in the capacity therein and herein described.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2014.

Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF BRAZORIA §

BEFORE ME, the undersigned authority, on this day personally appeared Darrell Schwebel, known to me to be the person(s) whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for the purposes and consideration therein expressed and in the capacity therein and herein described.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2014.

Notary Public, State of Texas

JOHN D. MERCER & ASSOCIATES, INC.

John D. Mercer, P.E., President

Consulting Engineers

July 12, 2016

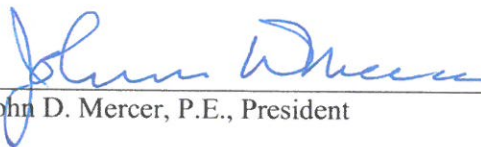
City of Surfside Beach
Attn: Larry Davison, Mayor
1304 Monument Drive
Surfside Beach, TX 77541

Ref: RECOMMENDATION FOR AWARD
Blue Water Highway Force Main Project

Dear Mayor Davison:

On July 7, 2016, bids were received for the referenced project. The firm with the low bid on the project was Sorrell Construction from Oyster Creek, TX in the amount of \$35,045.00. I have talked to the contractor and they are confident of their bid, therefore, based on the low bid from Sorrell Construction and their qualifications to perform the work it is now my recommendation that the Council award the project to Sorrell Construction.

Sincerely,



John D. Mercer, P.E., President



JDM/dw

Village of Surfside Beach - Blue Water Highway Force Main Project
 Bid Tabulation - July 7, 2016

| | Description | Quantity | Units | Sorrell Construction Equipment & Materials, LLC | | Matula & Matula Construction, Inc. | | Alcott, Inc. dba TCH | | Mercer Construction Company | | Statewide Services, Inc. | |
|----|--|----------|-------|---|--------------------|------------------------------------|--------------------|----------------------|--------------------|-----------------------------|---------------------|--------------------------|---------------------|
| | | | | Unit Price | Total Price | Unit Price | Total Price | Unit Price | Total Price | Unit Price | Total Price | Unit Price | Total Price |
| 1 | 3-inch SDR 21 PVC force main | 1622 | LF | \$6.00 | \$9,732.00 | \$12.10 | \$19,626.20 | \$24.50 | \$39,739.00 | \$25.00 | \$40,550.00 | \$48.00 | \$77,856.00 |
| 2 | 3-inch SDR 21 PVC force main in 6-inch Schedule 40 Steel casing installed by bore | 227 | LF | \$46.00 | \$10,442.00 | \$59.30 | \$13,461.10 | \$90.60 | \$20,566.20 | \$185.00 | \$41,995.00 | \$125.00 | \$28,375.00 |
| 3 | 3-inch SDR 21 PVC force main by bore with no casing | 73 | LF | \$27.00 | \$1,971.00 | \$45.00 | \$3,285.00 | \$24.35 | \$1,777.55 | \$106.00 | \$7,738.00 | \$70.00 | \$5,110.00 |
| 4 | 2-inch service including 3X2 Sch 80 PVC Tee, 2" MJ Gate Valve and Box, 3' of 2" Sch 80 PVC, approximately 20' of 2-inch SDR 21 PVC force main, and a 2" Sch 40 PVC cap | 3 | EA | \$1,120.00 | \$3,360.00 | \$1,029.00 | \$3,087.00 | \$1,550.00 | \$4,650.00 | \$830.00 | \$2,490.00 | \$1,000.00 | \$3,000.00 |
| 5 | 1-1/2-inch service including 3X1-1/2 Sch 80 PVC Tee, 2" MJ Gate Valve and Box, 3' of 2" Sch 80 PVC, 2"x1-1/2" PVC Reducer, approximately 20 linear feet of 1-1/2-inch SDR 21 PVC force main, and a 1-1/2" Sch 40 PVC cap | 2 | EA | \$900.00 | \$1,800.00 | \$1,036.70 | \$2,073.40 | \$1,357.60 | \$2,715.20 | \$840.00 | \$1,680.00 | \$1,400.00 | \$2,800.00 |
| 6 | 6" x 3" Tapping Sleeve and Valve | 1 | EA | \$4,950.00 | \$4,950.00 | \$2,829.50 | \$2,829.50 | \$5,992.00 | \$5,992.00 | \$2,800.00 | \$2,800.00 | \$5,000.00 | \$5,000.00 |
| 7 | 3-inch PC 90 | 1 | EA | \$175.00 | \$175.00 | \$68.90 | \$68.90 | \$273.00 | \$273.00 | \$190.00 | \$190.00 | \$300.00 | \$300.00 |
| 8 | 3-inch PVC Cap | 1 | EA | \$40.00 | \$40.00 | \$80.70 | \$80.70 | \$252.60 | \$252.60 | \$200.00 | \$200.00 | \$300.00 | \$300.00 |
| 9 | Repair Gravel Driveway | 165 | LF | \$15.00 | \$2,475.00 | \$24.20 | \$3,993.00 | \$1.00 | \$165.00 | \$16.00 | \$2,640.00 | \$40.00 | \$6,600.00 |
| 10 | 6-inch SDR 26 PVC Sleeve | 20 | LF | \$5.00 | \$100.00 | \$28.50 | \$570.00 | \$15.00 | \$300.00 | \$33.00 | \$660.00 | \$60.00 | \$1,200.00 |
| | TOTAL | | | | \$35,045.00 | | \$49,074.80 | | \$76,430.55 | | \$100,943.00 | | \$130,541.00 |

GROUND LEASE AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

This Ground Lease Agreement is made and entered into to be effective on the ___ day _____ of 2014 ("Effective Date"), by and between CRADLE OF TEXAS CONSERVANCY, INC, a Texas Non-Profit Corporation, hereinafter referred to as "Lessor," and the VILLAGE OF SURFSIDE BEACH, TEXAS, a Texas municipal corporation, hereinafter referred to as "Lessee."

ARTICLE I.

DEMISE OF LEASED PREMISES

1.01 Leased Premises: Lessor hereby demises and leases unto Lessee, and Lessee hereby accepts for the term, and subject to the provisions hereof, the following described real property (hereinafter referred to as "leased premises")

Parcel 1: Lots 1, 2, 3, 4, 5, 10, 12, and 14 in Block 568, in Surfside Townsite, Abstract 98, Brazoria County, Texas, according to recorded map or plat thereof record at Volume 32, page 28 of the Deed of Records of Brazoria County, Texas;

Parcel 2: Lots 5, 6, 7 and 8 in Block 568, in Surfside Townsite, Abstract 98, Brazoria County, Texas, according to recorded map or plat thereof record at Volume 32, page 28 of the Deed of Records of Brazoria County, Texas.

ARTICLE II.

LEASE TERM

2.01 Fixed Commencement and Termination Date and Option to Renew: The terms of this Lease shall be for a period of **twenty (20) years** beginning on the Effective Date of this Lease and ending on the day before the 20th anniversary of the date of commencement of this Lease (the "lease term"), subject to earlier termination as hereinafter provided. **Lessee shall have the option to renew this Lease and extend the Lease Term for two additional extension periods of five (5) years; provided, Lessee is then in good standing with Lessor and not in default.**

2.02 Reversion Upon Termination: At the end of the lease term or renewal thereof, or upon any early termination of this Lease, the property leased hereunder and all improvements and fixtures, except "trade fixtures" remaining thereon, shall become the property of the Lessor. Trade fixtures include items of personal property and equipment used to carry on business operations, whether or not such property and equipment are affixed to the real estate. Should the removal of

any personal property or trade fixtures result in damage to the leased premises, Lessee shall reimburse Lessor for costs to repair and restore the structures on the leased premises to an architecturally whole condition.

2.03 Commencement of Rental Payment Obligation: Lessee shall pay rental, each year in advance on the anniversary of this agreement.

ARTICLE III.

RENT

3.01 Annual rental rate: Lessee agrees to pay Lessor for the use and occupancy of real property encompassing the leased premises an annual rental rate of 100 and no/100 Dollars (\$100.00)

ARTICLE IV.

USE AND DEVELOPMENT OF THE LEASED PREMISES

4.01 Property Development: Lessee shall use the leased premises for:

(i) archaeological and/or cultural studies related to the historical site of Fort Velasco; (ii) possible re-construction of a suitable replica thereof; (iii) operation of a replica thereof for public visitation; and (iv) any associated trails, such as nature, observation or fitness trails..

4.02 Development: Lessee agrees that in connection with its use of the leased premises for the purposes set forth in paragraph 4.01 above, Lessee will not damage, or caused to be damaged, any subsurface structures discovered or otherwise identified on the leased premises, without the express written permission of Lessor.

ARTICLE V.

MAINTENANCE, REPAIRS AND UTILITIES

5.01 Utilities: Lessee agrees and covenants that it will secure and contract for all utility services including electric, gas, water, sewer and telephone utilities, necessary for its use of the leased premises and will be solely responsible for all costs and charges for installation and use of all utility services on the leased premises, including all costs necessary for the installation of any meter, any deposits or other prerequisites for commencing utility service and all costs of actual service to the leased premises. Lessee further covenants and agrees that Lessee shall be solely responsible for all costs and expenses for any extension, installation, maintenance or repair associated with any and all utilities serving the leased premises.

5.02 Lessee's Obligation to Maintain and Repair: Lessee shall maintain in good repair all structures placed on the leased premises and ~~surrounding~~ areas surrounding such structures including windows, pedestrian doors, fixtures and installations within and upon the leased premises, and promptly perform general ~~and optional~~ maintenance upon functioning equipment

and fixtures within Lessee's possession and control located upon the leased premises. Lessee agrees and covenants that it shall, at Lessee's sole cost and expense, make all repairs necessary to keep the leased premises and all improvements which may be placed thereon from deteriorating in value or condition and restore and maintain the leased premises and all improvements thereon, with the exception of normal wear and tear and aging consistent with normal usage and passage of time, and that Lessee shall repair all damages to any structure on part of the leased premises or improvements thereon, regardless of fault.

5.03 Lessee's Grounds Upkeep Obligation: Lessee agrees and covenants that it will maintain the grounds of the leased premises in a good and reasonable condition.

5.04 Lessor's Right to Inspect: Lessor shall have the right and privilege, to make inspections of the leased premises at any time, and thereafter to make recommendations to Lessee of any maintenance or repairs that, in Lessor's opinion, are necessary to be performed by Lessee upon the leased premises, consistent with the foregoing provisions. Lessor shall provide Lessee at least twenty-four (24) hour written notice of any inspection.

ARTICLE VI.

RIGHTS AND RESERVATIONS OF LESSOR

6.01 It is understood and agreed that all structures, fixtures and personal items permanently attached to all structures on the leased premises, and all additions and alterations made to structures on the leased premises, shall become the property of Lessor upon the conclusion of the lease term or any earlier termination of the lease term. At no time during the term of this Lease may Lessee remove any structures, fixtures or personal items permanently attached to any structure on the leased premises once such fixtures or items are permanently attached to any structure, without the express written consent of Lessor.

ARTICLE VII.

OBLIGATIONS OF LESSEE

7.01 Lessee shall conduct its activities on the leased premises consistent with the terms and conditions of this Lease and in an orderly and proper manner.

7.02 ~~Lessee shall use the leased premises solely for the purpose of: (i) archaeological studies related to the historical site of Fort Velasco, and (ii) possible re-construction of a suitable replica thereof.~~

7.03 Lessee shall comply with all health, environmental and safety laws and any other federal, state or municipal laws and requirements, applicable to the leased premises and improvements and all activities thereon.

ARTICLE VIII.

INSPECTION AND PREMISES ACCEPTANCE

8.01 Lessor, through its officers, agents, servants or employees, shall have the right to enter the leased premises during normal business hours, and in the event of an emergency, for the purpose of doing any and all things which Lessor is authorized or required to do under the terms of this Lease.

8.02 Lessee agrees and covenants that Lessee has inspected the leased premises and is fully advised of its own rights without reliance upon any representation made by Lessor concerning the condition of the leased premises and accepts same in its present condition as satisfactory for all purposes of this Lease.

ARTICLE IX.

USE OF PREMISES

9.01 During the term of this Lease, the leased premises are to be used by Lessee exclusively for the purposes set forth in Article 4.01 above.

9.02 Lessee shall not use or allow anyone else to use the leased premises, or any portion thereof, for any food or other concessions open to the general public as a for-profit venture, without prior written approval of Lessor, or for any other non-authorized use.

9.03 Lessee covenants and agrees that it will not operate any non-authorized business or activity other than specified uses allowable under this lease on the leased premises without the express written consent of Lessor in advance, by separate contract.

ARTICLE X.

INSURANCE COVERAGE

10.01 [not sure if y'all want to require this...] Comprehensive General Liability insurance coverage (including premises liability) in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate naming Village Of Surfside Beach Brazoria County as an additional insured, provided by a carrier(s) with a Best Key Rating of "A" or better and naming "Cradle of Texas Conservancy" as additional insured.

ARTICLE XI.

ASSIGNMENT AND SUBLEASE

11.01 Lessee may not sell or assign any portion of its leasehold estate without prior written consent of Lessor. Any such transfer, assignment or sale agreed upon by Lessor shall be subject to the same terms and conditions as contained in this Lease and the same obligations to Lessor as set

forth in this Lease, and that every successor and assign shall be required to comply with the terms and provisions of this Lease.

ARTICLE XII.

TERMINATION BY LESSOR

12.01 Any breach, default or failure by Lessee to perform any of the duties or obligations assumed by Lessee hereunder or to faithfully keep and perform any of the terms, conditions and provisions of this Lease shall be cause for termination of this Lease by Lessor, in the manner set forth in this section. Lessor shall deliver to Lessee prior written notice of its intention to so terminate this Lease. If the breach, default or failure is a failure to pay rentals due under this Lease and Lessee shall fail or refuse to cure, adjust or correct same to the satisfaction of Lessor within fifteen (15) days following notice, then in such event, the Lessor may give notice of its election to terminate this lease and thirty (30) days after receipt of such notice, this lease shall cease and terminate. If the breach, default or failure is a breach other than a failure to pay rent, (except as otherwise provided herein), and Lessee shall fail or refuse to cure, adjust or correct same to the satisfaction of Lessor within thirty (30) days following notice, then in such event, the Lessor may give notice of its election to terminate this lease and thirty (30) days after receipt of such notice, this Lease shall cease and terminate. In the event of termination of this Lease by Lessor in accordance with the provisions of this Lease, all rights, powers, and privileges of Lessee hereunder shall cease and terminate, and Lessee shall have ninety (90) days to vacate the leased premises, provided that rental payments shall continue to be paid on a current basis during said ninety (90) day period until the leased premises are completely vacated. Any failure by Lessor to so terminate this Lease or the acceptance by Lessor of rentals, for any portion of amounts due or any period of time after such breach, default or failure by Lessee, shall not be determined to be a waiver by Lessor of any rights to terminate this Lease for any subsequent breach, default, or failure.

12.02 Upon termination of this Lease, whether for breach, default or any failure by Lessee, or the end of the initial term or any renewal term of this Lease, Lessee agrees to peaceably return the demised leased premises and all appurtenances or improvements thereon in good order and repair, vacant, unencumbered, and in good, condition. Lessee agrees to repair all damages at its sole cost and expense, except for normal wear and tear.

12.03 Any abandonment or a use other than specified uses allowable under this lease, of any portion of the leased premises for any reason for any period of time exceeding thirty (30) calendar days shall be grounds for immediate termination of this Lease by Lessor as to all or any portion of the leased premises, whereupon all improvements on that portion terminated shall revert to Lessor and all rights, power and privileges of Lessee with respect to that portion of the leased premises shall cease. Lessor shall have the right, without notice to Lessee and without being deemed guilty of trespass and without any liability whatsoever on the part of Lessor, to take immediate possession of all or any portion of the leased premises, with or without force, without legal process, and remove any and all fixtures and equipment not belonging to Lessor that may be found on any part of said leased premises without being liable for damages therefor. Any failure by Lessor to terminate this Lease for abandonment or a use by Lessee not allowable under this Lease

shall not be determined to be a waiver by Lessor of any rights to terminate this Lease immediately for any subsequent abandonment or a use not allowable under this Lease.

ARTICLE XIII.

CANCELLATION BY LESSEE

13.01 In addition to any other right of cancellation herein given to Lessee, or any other rights to which it may be entitled by law, equity or otherwise, as long as Lessee is not in default in payment to Lessor of any amounts due under this Lease, Lessee may cancel this Lease and thereby terminate all of its rights and unaccrued obligations hereunder, by giving Lessor thirty (30) days' advance written notice.

13.02 Lessee's performance of all or any part of this Lease for or during a period(s) after a default in the terms, covenants and conditions contained herein to be performed, kept and observed by Lessor shall not be deemed a waiver of any right on the part of Lessee to cancel this Lease for such failure by Lessor nor shall such performance by Lessee be construed to be, nor act as, a waiver by Lessee of said default or of any subsequent default of any of the terms, covenants and conditions contained herein to be performed, kept and observed by Lessor.

ARTICLE XIV.

SURRENDER OF PREMISES, REMOVAL OF PROPERTY AND HOLDING OVER FOLLOWING TERMINATION/CANCELLATION

14.01 Upon the cancellation or termination of this Lease pursuant to any terms hereof (including expiration of the lease term) Lessee agrees to surrender the leased premises to Lessor in the same condition as they are at the time of the commencement of the lease term hereof, and as they may hereafter be improved by Lessee; save and except: (a) repairs and maintenance, (b) obsolescence in spite of repair, (c) normal wear and tear, and (d) damage to or destruction of the leasehold improvements for which insurance proceeds are received by Lessor. Upon such cancellation or termination, Lessor may re-enter and repossess the leased premises together with all improvements and additions thereto, except trade fixtures, or pursue any remedy permitted by law for the enforcement of any of the provisions of this Lease, at Lessor's election. Furthermore, upon such cancellation or termination, and for a reasonable time thereafter (not exceeding thirty (30) days after such cancellation or termination), or during the term of this Lease, if Lessee is not in default in rentals or any other charges or obligations due Lessor, Lessee shall have the right to remove its trade fixtures and equipment which it may have on the leased premises, provided that Lessee repairs all damages that might be occasioned by such removal and restores the leased premises to the condition above required.

14.02 Upon the cancellation or termination of this Lease pursuant to any provision hereof, Lessee agrees to deliver to Lessor within thirty (30) days thereafter, an instrument (duly executed and in recordable form), conveying and releasing to Lessor all of Lessee's right, title and interest in and to the leased premises and the improvements thereon, in accordance with the above provisions, and warranting that such property, whether real, personal or mixed, is free and clear of

all encumbrances, liens and claims of every kind and nature whatsoever. Upon the failure of Lessee to execute the aforesaid instrument, for any reason, within said thirty (30) days, it shall be deemed that by the execution of this Lease by Lessee, this Lease shall serve as the conveyance of titles with warranties as aforesaid.

14.03 Unless agreed otherwise by Lessor in writing, Lessee shall be deemed to have abandoned to Lessor any trade fixtures and equipment and other property of Lessee which it has failed to remove from the leased premises within ninety (90) days after the cancellation or termination of this Lease; provided, however, that Lessee shall have no right to abandon any such property on the leased premises without the written consent of Lessor.

14.04 Any unauthorized holding over by Lessee upon the leased premises after the cancellation or termination of this Lease shall not operate to extend or renew this Lease for any further term whatsoever, and shall constitute Lessee a trespasser. Any holding over by Lessee beyond the ninety (90) day period permitted for removal of trade fixtures or equipment, without the written consent of Lessor shall make Lessee liable to Lessor for damages as follows:

- a) an amount of money equal to triple the rentals provided for herein and which were in effect at the cancellation or termination of this Lease, prorated as to the length of time of such holding over, and
- b) the effective continuation of all insurance coverage that Lessee is required under the provisions hereof to maintain in effect, for so long as Lessee, or any of Lessee's sublessees or tenants, occupy the leased premises or any part thereof.

ARTICLE XV.

TAXES AND ASSESSMENTS

15.01 Lessee agrees to pay any and all federal, state or local taxes or assessments, which may be lawfully levied against Lessee due to Lessee's use or occupancy of the leased premises, or any improvements or property placed thereon by Lessee as a result of Lessee's use or occupancy.

ARTICLE XVI.

COMPLIANCE WITH GOVERNMENTAL REGULATIONS

16.01 The granting of this Lease is conditioned upon the following covenants:

- a) Lessee covenants and agrees to comply with all federal, state, and local rules, regulations and laws, including all rules and ordinances of the Village Of Surfside Beach Brazoria County, as such rules, regulations and laws exist or may hereafter be amended or adopted. It is understood and agreed that, if Lessor calls the attention of Lessee to any such violation on the part of Lessee, or any of its officers, agents, employees, contractors, subcontractors, licensees or invitees, Lessee shall immediately desist from and correct such violation.

b) Lessee, its personal representatives, successors-in-interest and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

(1) no person on the grounds of race, color, sex, creed, age, disability or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the leased premises, or the public facilities located thereon;

(2) no person on the grounds of race, color, sex, creed, age, disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of any improvements on, over, or under such land and the furnishing of services thereon; and

(3) Lessee shall use the leased premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended.

ARTICLE XVII.

NON-WAIVER

17.01 The failure of Lessor to insist upon the performance of any term or provision of this Lease or to exercise any right herein conferred shall not be construed as a waiver or relinquishment to any extent of Lessor's right to assert or rely upon any such term or right on any future occasion.

ARTICLE XVIII.

NOTICES AND COMMUNICATIONS

18.01 Any notices and communications required or permitted hereunder, shall be hand-delivered, dated and acknowledged by the receiving party, or given by registered or certified United States Mail, return receipt requested, postage prepaid, addressed as follows:

LESSOR: Cradle of Texas Conservancy, Inc.

ATTN: _____

(with duplicate copy to, although not considered legal notice)

Joseph Patterson
Patterson & Edquist
120 W. Myrtle St.
Angleton, Texas 77515

LESSEE: Village of surfside Beach
ATTN: City Secretary
1304 Monument Drive
Surfside (Freeport), Texas 77541

ARTICLE XIX.

ENTIRETY OF AGREEMENT

19.01 This written instrument constitutes the entire agreement by the parties hereto concerning the leased premises, and any prior or contemporaneous, oral or written agreement which purports to vary from the terms hereof shall be void.

ARTICLE XX.

LEGAL CONSTRUCTION

20.01 In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the Lease, and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had not been included in the Lease.

This Lease has been executed by the parties on the date and year first written above.

LESSEE:

LESSOR:

Village of Surfside Beach

Cradle of Texas Conservancy

By: _____
Title: _____

By: _____, I,
Title: President

ACKNOWLEDGEMENTS

THE STATE OF TEXAS §
§
COUNTY OF BRAZORIA §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person(s) whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for the purposes and consideration therein expressed and in the capacity therein and herein described.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2014.

Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF BRAZORIA §

BEFORE ME, the undersigned authority, on this day personally appeared Darrell Schwebel, known to me to be the person(s) whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for the purposes and consideration therein expressed and in the capacity therein and herein described.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2014.

Notary Public, State of Texas