



MEMORANDUM

To: Galveston County Commissioners' Court
From: Betsy Thomas, Grants Administration Manager
Court Date: August 4, 2025
RE: County Engineering / Road and Bridge
Texas General Land Office – Coastal Erosion Planning Response Act
Bolivar Beach and Dune Restoration at the 87/124 Interchange
Special Documents for Project and Borrow Areas

BACKGROUND

Each biennium the Texas Legislature appropriates funding for the Coastal Erosion Planning and Response Act (CEPRA) that is administered by the Texas General Land Office. With recent restructuring of the distribution formula for the Gulf of Mexico Energy Security Act (GOMESA) funding, the GLO has increased funding available for coastal erosion projects.

The GLO publishes a Texas Coastal Resiliency Master Plan to identify important projects. The Bolivar Beach and Dune Restoration Project is considered to be a high priority project as indicated by the Tier One designation in the plan.

Going back as far as 2012, Galveston County has laid out a plan to address the erosion on the Bolivar Peninsula. Utilizing Coastal Impact Assistance Program (CIAP) grants, the County administered beach profile surveys, sand source identification, modeling and breakwater research, engineering, and construction for a 2,500 LF protection dune and beach nourishment project. Since that time the County nourished the beach multiple times through annual Beneficial Use of Dredged Material grants from the GLO.

The County received a CEPRA grant in Cycle 11 (2019/2020) to engineer design a substantial beach and nourishment project to address the severe erosion at the 87/124 interchange area.

SUMMARY

On July 8, 2024, Commissioners Court voted to accept CEPRA grant award #24-058-001-E117 for the construction phase of the Beach and Dune Restoration at the 87/124 Interchange. This \$47 million, Cycle 13 (2023/2024) CEPRA grant award will begin at the eastern county line and going three miles to the west to would place 1.65 to 2 million CY of beach quality sand at the



location to increase the beach depth and better protect the interchange and realize eventual progression of the sand throughout the beach system as a whole for the Bolivar Peninsula.

As the CEPRA grant project moves toward construction the Texas General Land Office is authorizing the following documents for the County's consideration and execution:

- Special Document No, SD20250019 to serve as an intergovernmental lease of project land for the construction of the beach and dune restoration.
- Coastal Surface Lease No. SL20250064 to serve as an intergovernmental lease for the sand borrow area for the beach and dune restoration project

FINANCIAL SUMMARY

CEPRA Grant Request	\$42,000,000.00 – Accepted on July 8, 2024
County Match	<u>\$ 5,000,000.00</u> – GOMESA – Allocated on July 8, 2024
TOTAL	\$47,000,000.00

RECOMMENDATIONS

Professional Services requests the Court consider authorization for the County Judge to sign Special Documents regarding the Cycle 13 Coastal Erosion Planning and Response Act (CEPRA) award from the Texas General Land Office.

ATTACHMENTS FOR WET SIGNATURE

- Special Document No, SD20250019
- Special Lease No. SL20250064



TEXAS GENERAL LAND OFFICE
SPECIAL DOCUMENT NO. SD20250019

STATE OF TEXAS

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KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GALVESTON

This Special Document, which is authorized by the Texas School Land Board, memorializes the agreement (“Agreement”), made and entered by virtue of the authority granted in Section 33.601, et seq., TEX. NAT. RES. CODE ANN., 31 TEX. ADMIN. CODE § 15 (Coastal Erosion Planning and Response Act or CEPRA), et seq., and all other applicable statutes and rules, as the same may be amended from time to time, and is subject to all applicable regulations promulgated from time to time.

ARTICLE I. PARTIES

1.01 In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the STATE OF TEXAS, acting by and through the Commissioner of the Texas General Land Office (GLO), on behalf of the Permanent School Fund (the “State”), hereby grants to Galveston County, the CEPRA Qualified Project Partner, whose address is 722 Moody, 1st Floor, Galveston, TX, 77550-2318 (“LESSEE”), the right to use the surface estate of certain Permanent School Fund land (the “Premises”) for the purposes described in Article IV.

ARTICLE II. PREMISES

2.01. The Premises is described below and further described or depicted on Exhibits A-1 and A-2 attached hereto and collectively incorporated by reference for all purposes:

A portion of State Tracts 101, 115, 118, and 119, Gulf of America, Galveston County, Texas

2.02. **LESSEE HAS INSPECTED THE PHYSICAL AND TOPOGRAPHIC CONDITION OF THE PREMISES AND ACCEPTS SAME “AS IS” IN ITS EXISTING PHYSICAL AND TOPOGRAPHIC CONDITION. LESSEE IS NOT RELYING ON ANY REPRESENTATION OR WARRANTY OF THE STATE REGARDING ANY ASPECT OF THE PREMISES, BUT IS RELYING ON LESSEE’S OWN INSPECTION OF THE PREMISES. THE STATE DISCLAIMS ANY AND ALL WARRANTIES OF HABITABILITY, MERCHANTABILITY, SUITABILITY, FITNESS FOR ANY PURPOSE, AND ANY OTHER WARRANTY WHATSOEVER NOT EXPRESSLY SET FORTH IN THIS AGREEMENT. THE STATE AND LESSEE HEREBY AGREE AND ACKNOWLEDGE THAT THE USE OF THE TERMS “GRANT” AND/OR “CONVEY” IN NO WAY IMPLIES THAT THIS AGREEMENT OR THE PREMISES ARE FREE OF LIENS, ENCUMBRANCES AND/OR PRIOR RIGHTS. LESSEE IS HEREBY PUT ON NOTICE THAT ANY PRIOR GRANT AND/OR ENCUMBRANCES MAY BE OF RECORD AND LESSEE IS ADVISED TO EXAMINE ALL RECORDS OF THE STATE AND COUNTY IN WHICH THE PREMISES IS LOCATED. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

ARTICLE III. TERM

3.01. This Agreement is for a term of 10 years, commencing on July 1, 2025 and terminating on June 30, 2035, unless renewed or earlier terminated for any reason by the State, in its sole discretion.

ARTICLE IV. USE OF THE PREMISES

- 4.01. The Premises shall be used solely for the construction and maintenance of a public beach nourishment project (the "Project") consisting of (a) a 200' x 17,000' placement area for a total project encumbrance of 3,400,000 square feet (78.05 acres), a portion of which will be on coastal public land, as described in the Exhibits hereto and the as-built design for CEPRA Project No. 1690, and (b) any future as built design provided it is approved under a CEPRA Project Cooperation Agreement and consistent with this Agreement. This Agreement will be amended if any future as-built designs will entail a different footprint than what is described in subsection (a) above. This Agreement does not authorize the use of the Premises for any other purpose. The Premises are to remain in their current topographical and hydrologic condition, unless the modification is pursuant to and in accordance with this Agreement. LESSEE is specifically prohibited from modifying the Premises in any manner not authorized herein, and from using, or allowing the use by others of the Premises for any other purpose.
- 4.02. The State reserves the exclusive right to grant easements, rights-of way and/or other grants of interest authorizing use of the Premises. LESSEE shall permit the State's agents, representatives, and employees to enter into and on the Premises at all reasonable times for the purpose of inspection and any other reasonable purpose necessary to protect the State's interest in the Premises.
- 4.03. LESSEE acknowledges that the State is not obligated to allocate or grant future funds for future maintenance, restoration, or removal of this Project.
- 4.04. Lessee's use of the Premises is subject to and contingent upon compliance with the following covenants, obligations and conditions (the "Special Conditions"):
 1. Any buildup of sediment resulting from the activities authorized by this contract will be property of the State of Texas, as determined by the GLO. Lessee waives any right to claim ownership of any land created by the Project.
 2. If the Project remains in place at the end of the term of this Agreement, the term may be extended for an additional ten-year term.
 3. In the event of a major storm in the Project area, a profile survey shall be performed and delivered to Lessor as soon as practicable after the passage of the storm.
 4. Lessee is prohibited from selling, exchanging, or otherwise transferring credits for mitigation purposes related to its activities on the Premises without the express consent and involvement of the State.
 5. Lessee is responsible for securing all permits required to develop the Premises at its expense. Lessee must submit any and all applications and required documentation related to any permits it seeks to the State for approval in advance of submission for review or approval by any regulating entity. Lessee must also submit a copy of any reports submitted to any federal, state, or local agency concerning operations on the Premises to the State as such reports are prepared.
 6. Lessee shall avoid disturbance to nesting waterbirds and sea turtles during the period of February 15th to September 1st.
 7. Lessee shall provide the State, by providing the GLO La Porte Field Office two (2) weeks advance notice before beginning the post-construction survey to enable State staff to participate if desired. The post-construction survey shall be performed within twelve (12) weeks of completion of the activity authorized herein. Two copies of the report summarizing results of the post-construction survey shall be submitted to the GLO La Porte Field Office no more than ninety (90) days following completion of the survey.
 8. Lessee shall use the best beach-quality material possible from the proposed borrow areas.
 9. Lessee will maintain the Project for 10 years as required by the School Land Board which has authorized the placement of the Project on Permanent School Fund land under TEX. NAT. RES. CODE § 33.609.
 10. No work may commence until a Coastal Boundary Survey, in compliance with TEX. NAT. RES. CODE Section 33.136, for the Beach Nourishment Site and any other portion of the Project that may involve state-owned land has been approved and notification published as required.
 11. Upon completion of construction, Lessee shall ensure the appropriate GLO La Porte Field Office receives verification that the Project was constructed as authorized in this Agreement. The Field Office, in coordination with CEPRA staff, may conduct an inspection of the completed Project and verify compliance

with this Agreement. Lessee will participate in correction of any non-compliant features of the Project or seek to amend this Agreement.

ARTICLE V. ASSIGNMENTS

5.01. This Agreement and the uses allowed hereunder shall not be assigned by LESSEE.

ARTICLE VI. PROTECTION OF NATURAL AND HISTORICAL RESOURCES

6.01. LESSEE shall comply with all applicable rules and regulations of the General Land Office and other governmental agencies responsible for the protection and preservation of public lands and waters, including those relating to pollution. In the event of pollution or an incident that may result in pollution of the Premises or adjacent property which is the result of LESSEE's (or LESSEE's employees, contractors, invitees and agents) acts or omissions, LESSEE shall immediately notify the State, use all means reasonably available to recapture any pollutants which have escaped or may escape, and mitigate for any and all natural resources damages caused thereby.

6.02. LESSEE IS EXPRESSLY PLACED ON NOTICE OF THE NATIONAL HISTORICAL PRESERVATION ACT OF 1966, (PB-89-66, 80 STATUTE 915; §470) AND THE ANTIQUITIES CODE OF TEXAS, CHAPTER 191, TEX. NAT. RES. CODE ANN. (VERNON 2000 SUPP.). IN THE EVENT THAT ANY SITE, OBJECT, LOCATION, ARTIFACT OR OTHER FEATURE OF ARCHEOLOGICAL, SCIENTIFIC, EDUCATIONAL, CULTURAL OR HISTORIC INTEREST IS ENCOUNTERED DURING ANY ACTIVITY ON THE PREMISES, LESSEE WILL IMMEDIATELY CEASE SUCH ACTIVITIES AND WILL IMMEDIATELY NOTIFY STATE AND THE TEXAS HISTORICAL COMMISSION, P.O. BOX 12276, AUSTIN, TEXAS 78711, SO THAT ADEQUATE MEASURES MAY BE UNDERTAKEN TO PROTECT OR RECOVER SUCH DISCOVERIES OR FINDINGS, AS APPROPRIATE.

ARTICLE VII. INDEMNITY

7.01. LESSEE SHALL BE FULLY LIABLE AND RESPONSIBLE FOR ANY DAMAGE, OF ANY NATURE, ARISING OR RESULTING FROM ITS OWN ACTS OR OMISSIONS RELATED TO ITS EXERCISE OF THE RIGHTS GRANTED HEREIN. LESSEE AGREES TO AND SHALL INDEMNIFY AND HOLD THE STATE, THE STATE'S OFFICERS, AGENTS, AND EMPLOYEES, HARMLESS FROM AND AGAINST CLAIMS, SUIT, COSTS, LIABILITY OR DAMAGES OF ANY KIND, INCLUDING STRICT LIABILITY CLAIMS, WITHOUT LIMIT AND WITHOUT REGARD TO CAUSE OF THE DAMAGES OR THE NEGLIGENCE OF ANY PARTY, EXCEPT FOR THE CONSEQUENCES OF THE NEGLIGENT ACTS OR WILLFUL MISCONDUCT OF THE STATE, THE STATE'S OFFICERS, AGENTS, OR EMPLOYEES, ARISING DIRECTLY OR INDIRECTLY FROM LESSEE'S USE OF THE PREMISES (OR ANY ADJACENT OR CONTIGUOUS PSF LAND) OR FROM ANY BREACH BY LESSEE OF THE TERMS, COVENANTS OR CONDITIONS CONTAINED HEREIN. THE PROVISIONS OF THIS SECTION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

ARTICLE VIII. PROPERTY REMOVAL AND TAXES

8.01. Upon termination of this Agreement, LESSEE shall remove its personal property from the Premises within 30 days thereafter. THE TERMS OF THIS SECTION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

8.02. LESSEE AGREES TO AND SHALL PROTECT AND HOLD THE STATE HARMLESS FROM LIABILITY FOR ANY AND ALL TAXES, CHARGES, AND ASSESSMENTS, TOGETHER WITH ANY PENALTIES AND INTEREST THEREON, AND FROM ANY SALE OR OTHER PROCEEDING TO ENFORCE PAYMENT THEREOF.

ARTICLE IX. MISCELLANEOUS PROVISIONS

9.01. No provision of this Agreement shall be construed in such a way as to constitute the State and LESSEE joint venturers or co-partners, other than to the extent provided for in the CEPRA Project Cooperation Agreement(s), or to make LESSEE the agent of the State or make the State liable for the debts of LESSEE.

9.02 In the event any provision of this Agreement is more restrictive than any administrative rule promulgated by the General Land Office and/or the School Land Board, this Agreement shall control.

9.03 Any notice which may or shall be given under the terms of this Agreement shall be in writing and shall be either delivered by hand, by facsimile, or sent by United States first class mail, adequate postage prepaid, to the party's addresses as follows: If the for the State, to the Texas General Land Office, 1700 North Congress Avenue, Austin, Texas 78701-1495; and if for the LESSEE, to Galveston County, the CEPRA Qualified Project Partner, 722 Moody, 1st Floor, Galveston, TX 77550-2318. Any party's address may be changed from time to time by such party by giving notice as provided above, except that the Premises may not be used by Lessee as the sole notice address. No change of address of either party shall be binding on the other party until notice of such change of address is given as herein provided.

IN TESTIMONY WHEREOF, witness my hand and Seal of Office.

LESSOR: THE STATE OF TEXAS

By: _____
DAWN BUCKINGHAM, M.D.
Commissioner, Texas General Land Office
Chairwoman, School Land Board

Date _____

APPROVED:

Contents:  DLR

Legal:



Director: _____

Executive: _____

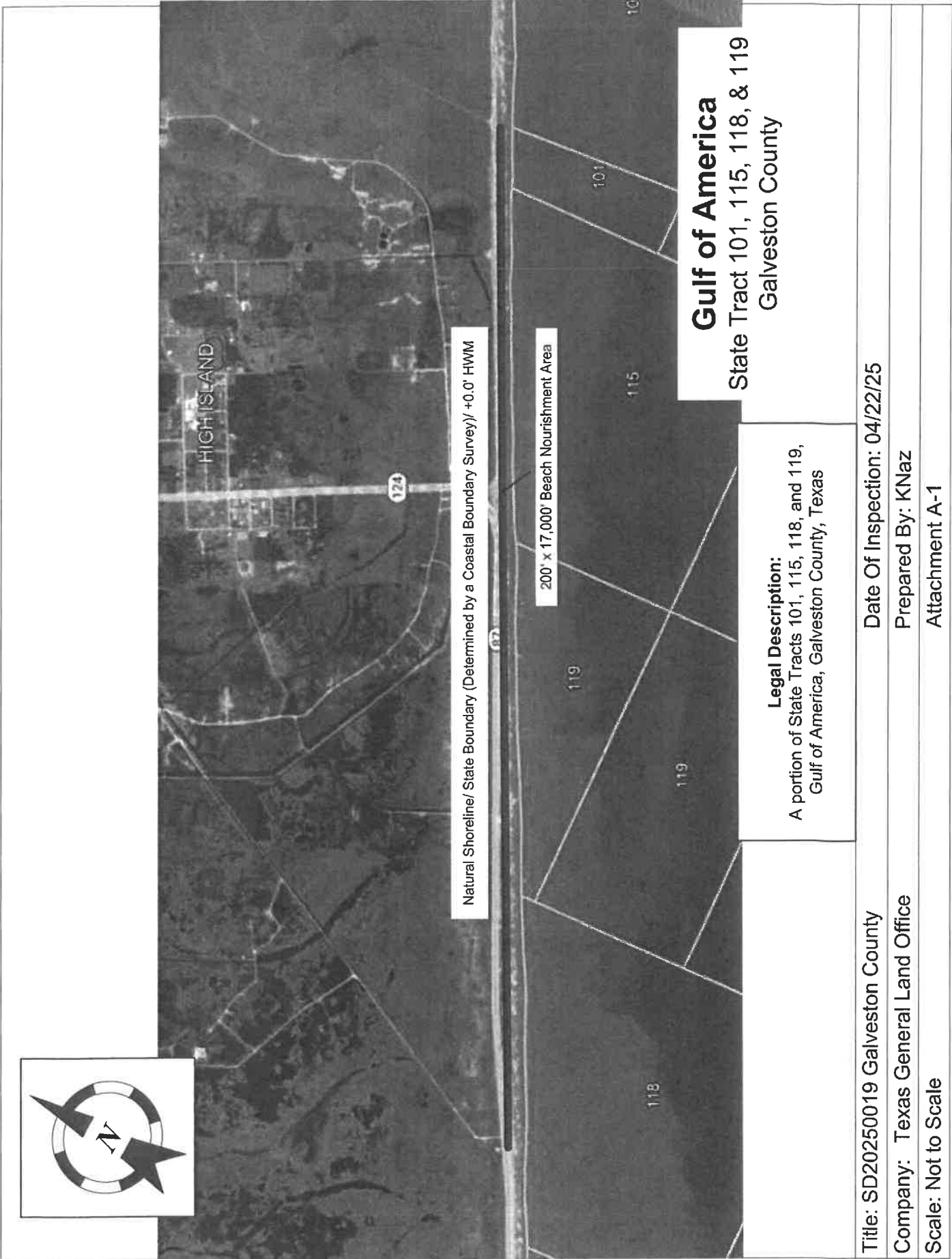
LESSEE: Galveston County

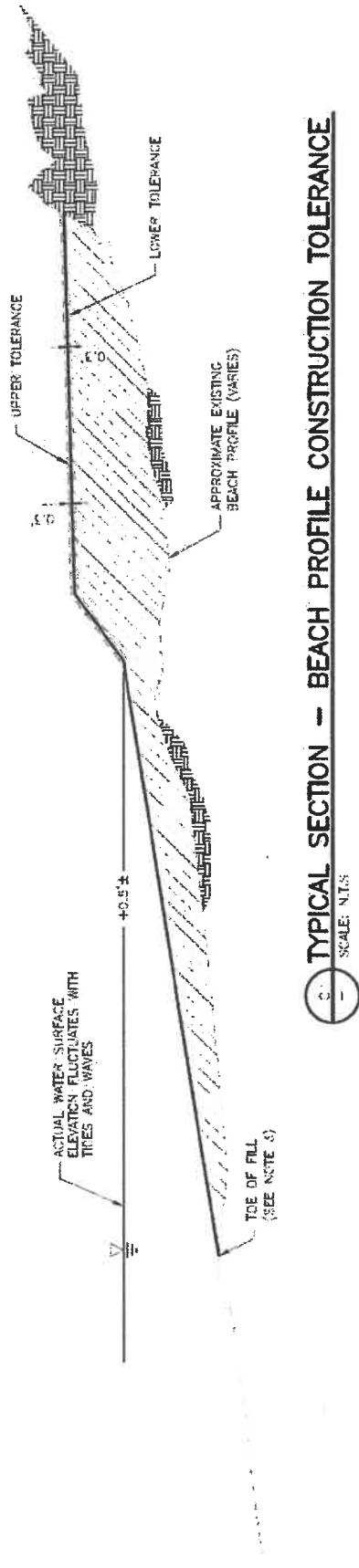
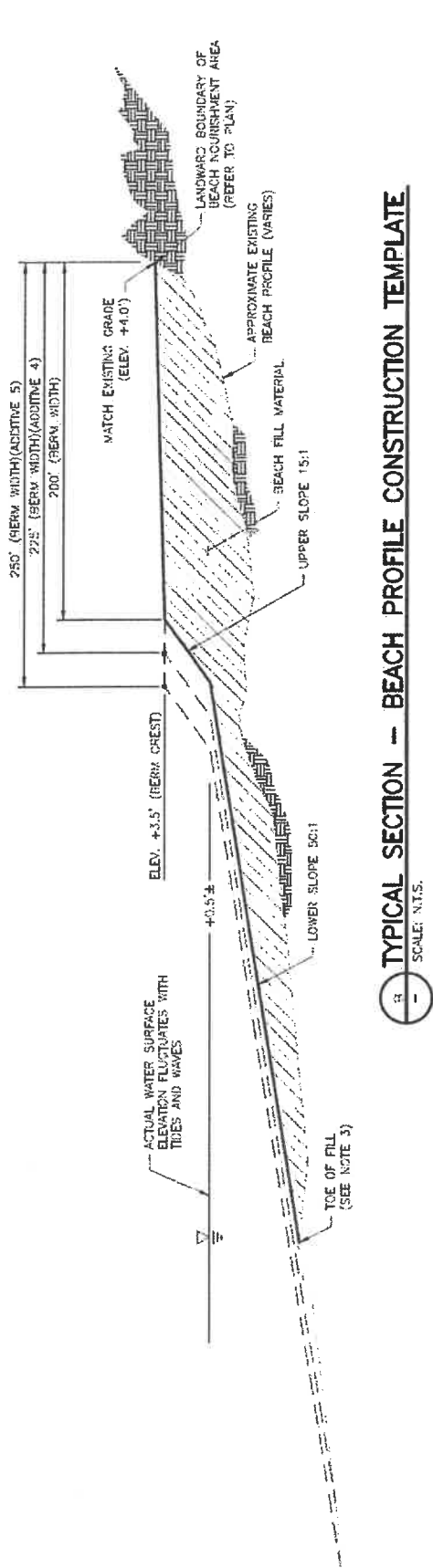
By: 
(Signature)

Mark Henry
(Printed Name)

County Judge
(Title)

Date: August 4, 2025





Title: SD20250019 Galveston County

Date Of Inspection: 04/22/25

Company: Texas General Land Office

Prepared By: KNaz

Scale: Not to Scale

Attachment A-2



TEXAS GENERAL LAND OFFICE
COASTAL SURFACE LEASE NO. SL20250064

STATE OF TEXAS

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KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GALVESTON

This Surface Lease, SL20250064, (the "Lease"), is granted by virtue of the authority granted in Section 51.121, et seq., TEX. NAT. RES. CODE ANN., 31 TEX. ADMIN. CODE Chapter 13, Land Resources, et seq., and all other applicable statutes and rules, as the same may be amended from time to time, and is subject to all applicable regulations promulgated from time to time.

ARTICLE I. PARTIES

1.01. In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the STATE OF TEXAS, acting by and through the Commissioner of the Texas General Land Office, on behalf of the Permanent School Fund of the State of Texas (the "State"), hereby grants to Galveston County, whose address is 722 Moody, 1st Floor, Galveston, TX, 77550-2318, (409) 770-5453, ("Lessee"), the right to use the surface estate of certain Permanent School Fund land (the "Leased Premises") for the purposes identified in Article V below.

ARTICLE II. LEASED PREMISES

2.01. The Leased Premises is described below and further described or depicted on Exhibits A, B, and C attached hereto and collectively incorporated by reference for all purposes:

A portion of State Tracts 197, 198, 201 and 202, Gulf of America, Galveston County, Texas

2.02. **LESSEE HAS INSPECTED THE PHYSICAL AND TOPOGRAPHIC CONDITION OF THE LEASED PREMISES AND ACCEPTS SAME "AS IS" IN ITS EXISTING PHYSICAL AND TOPOGRAPHIC CONDITION. LESSEE IS NOT RELYING ON ANY REPRESENTATION OR WARRANTY OF THE STATE REGARDING ANY ASPECT OF THE LEASED PREMISES, BUT IS RELYING ON LESSEE'S OWN INSPECTION OF THE LEASED PREMISES. THE STATE DISCLAIMS ANY AND ALL WARRANTIES OF HABITABILITY, MERCHANTABILITY, SUITABILITY, FITNESS FOR ANY PURPOSE, AND ANY OTHER WARRANTY WHATSOEVER NOT EXPRESSLY SET FORTH IN THIS LEASE. THE STATE AND LESSEE HEREBY AGREE AND ACKNOWLEDGE THAT THE USE OF THE TERMS "GRANT" AND/OR "CONVEY" IN NO WAY IMPLIES THAT THIS LEASE OR THE LEASED PREMISES ARE FREE OF LIENS, ENCUMBRANCES AND/OR PRIOR RIGHTS. LESSEE IS HEREBY PUT ON NOTICE THAT ANY PRIOR GRANT AND/OR ENCUMBRANCES MAY BE OF RECORD AND LESSEE IS ADVISED TO EXAMINE ALL RECORDS OF THE STATE AND COUNTY IN WHICH THE LEASED PREMISES ARE LOCATED. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

ARTICLE III. TERM

3.01. This Surface Lease No. SL20250064 is for a term of ten (10) years, commencing on July 1, 2025 and terminating on June 30, 2035, unless earlier terminated as provided herein. The State reserves the right to review, amend, cancel or otherwise modify this Lease at any time during its term upon 30-day written notice to Lessee as prescribed in Article XI. Renewal of this Lease is at the sole discretion of the State, and no right to renew is implied or provided for herein.

ARTICLE IV. CONSIDERATION

4.01. In consideration of the mutual covenants and conditions set forth herein and the public benefits to be derived therefrom, the State and Lessee acknowledge that no rental fees shall be assessed for the described use of the Leased Premises provided that Lessee is not in default of the terms agreed upon herein.

ARTICLE V. USE OF THE LEASED PREMISES

5.01. The Leased Premises may be used by Lessee solely for maintenance of a public beach nourishment borrow site project consisting of a borrow area comprising a total project encumbrance of 11,877,756 square foot (272.68 acres) of coastal public land and for no other purpose. The Leased Premises are to remain in their current topographical and hydrologic condition during the term of the Lease. Lessee is specifically prohibited from modifying the premises in any manner not authorized herein, and from using, or allowing the use by others of the Leased Premises for any other purpose

5.02. Lessee shall not use, or permit the use of, the Leased Premises for any illegal purpose. Lessee will comply with, and will cause its officers, employees, agents and invitee to comply with, all applicable federal, State and local laws, ordinances and rules concerning the use of the Leased Premises.

5.03. The State reserves the exclusive right to grant easements, rights-of way and/or other grants of interest authorizing use of the Leased Premises, provided such use does not unreasonably interfere with Lessee's use thereof.

5.04. Lessee shall not grant other rights in or to the Leased Premises to any other person or entity, and any attempt to do so shall be void and of no effect and shall constitute a default by Lessee hereunder.

5.05. The State reserves the right to enter upon the Leased Premises at any time with or without prior notice to Lessee to inspect the condition thereof and/or take action authorized by this Lease.

5.06. The Leased Premises are subject to prospecting, production and development of oil, gas and other minerals and other materials of commercial value by the State, its lessees, permittee, licensees or other agents, assigns or representatives. Lessee shall not interfere with such use of the Leased Premises and shall allow any lessee, permit holder, licensee or other agent, assignee or representative of the State and/or the School Land Board the right of ingress and egress over, across and through, and the use of, the Leased Premises for any and all purposes authorized by the State.

5.07. Lessee may not charge the State's authorized lessees, permit holders, licensees or other agents, assigns or representatives surface damages, or any other fee, for use of the Leased Premises; provided, however, the foregoing shall not limit the liability of any person or entity to Lessee for damages caused to property owned by Lessee.

5.08. Lessee's use of the Leased Premises is subject to and contingent upon compliance with the following covenants, obligations and conditions (the "Special Conditions"):

1. Lessee shall use the best beach-quality material possible from the proposed borrow areas following the recommendations of the GLO's CEPRA team and consultants.
2. Lessee shall monitor any effects of the dredging operation on the shoreline adjacent to the borrow sites.

ARTICLE VI. ASSIGNMENTS

6.01. Lessee shall not assign the Leased Premises or the rights granted herein, in whole or part, to any third party for any purpose without the prior written consent of the State, which may be granted or denied in the State's sole discretion. Any unauthorized assignment shall be void and of no effect and such assignment shall not relieve Lessee of any liability for any obligation, covenant, or condition of this Lease. This provision, and the prohibition against assignment contained herein, shall survive expiration or earlier termination of this Lease. For purposes of this Lease, an assignment is any transfer, including by operation of law, to another of all or part of the property, interest or rights herein granted.

ARTICLE VII. PROTECTION OF NATURAL AND HISTORICAL RESOURCES

7.01. Lessee shall take no action on the Leased Premises which results in the discharge of any solid or liquid material. Lessee shall use the highest degree of care and all appropriate safeguards to: (i) prevent pollution of air, ground, and water in and around the Leased Premises, and (ii) to protect and preserve natural resources and wildlife habitat. Lessee shall comply with all applicable rules and regulations of the Texas General Land Office and other governmental agencies responsible for the protection and preservation of public lands and waters. In the event of pollution or an incident that may result in pollution of the Leased Premises or adjacent property which is the result of Lessee's (or Lessee's employees, contractors, invitees and agents) acts or omissions, Lessee shall immediately notify the State, use all means reasonably available to recapture any pollutants which have escaped or may escape, and mitigate for any and all natural resources damages caused thereby.

7.02. LESSEE IS EXPRESSLY PLACED ON NOTICE OF THE NATIONAL HISTORICAL PRESERVATION ACT OF 1966, (PB-89-66, 80 STATUTE 915; §470) AND THE ANTIQUITIES CODE OF TEXAS, CHAPTER 191, TEX. NAT. RES. CODE ANN. IN THE EVENT THAT ANY SITE, OBJECT, LOCATION, ARTIFACT OR OTHER FEATURE OF ARCHEOLOGICAL, SCIENTIFIC, EDUCATIONAL, CULTURAL OR HISTORIC INTEREST IS ENCOUNTERED DURING ANY ACTIVITY ON THE LEASED PREMISES, LESSEE WILL IMMEDIATELY CEASE SUCH ACTIVITIES AND WILL IMMEDIATELY NOTIFY THE STATE AND THE TEXAS HISTORICAL COMMISSION, P.O. BOX 12276, AUSTIN, TEXAS 78711, SO THAT ADEQUATE MEASURES MAY BE UNDERTAKEN TO PROTECT OR RECOVER SUCH DISCOVERIES OR FINDINGS, AS APPROPRIATE.

ARTICLE VIII. INDEMNITY

8.01. LESSEE SHALL BE FULLY LIABLE AND RESPONSIBLE FOR ANY DAMAGE, OF ANY NATURE, ARISING OR RESULTING FROM ITS OWN ACTS OR OMISSIONS RELATED TO ITS EXERCISE OF THE RIGHTS GRANTED HEREIN. LESSEE AGREES TO AND SHALL INDEMNIFY AND HOLD THE STATE, THE STATE'S OFFICERS, AGENTS, AND EMPLOYEES, HARMLESS FROM AND AGAINST CLAIMS, SUIT, COSTS, LIABILITY OR DAMAGES OF ANY KIND, INCLUDING STRICT LIABILITY CLAIMS, WITHOUT LIMIT AND WITHOUT REGARD TO CAUSE OF THE DAMAGES OR THE NEGLIGENCE OF ANY PARTY, EXCEPT FOR THE CONSEQUENCES OF THE NEGLIGENT ACTS OR WILLFUL MISCONDUCT OF THE STATE, THE STATE'S OFFICERS, AGENTS, EMPLOYEES, OR INVITEES, ARISING DIRECTLY OR INDIRECTLY FROM LESSEE'S USE OF THE LEASED PREMISES (OR ANY ADJACENT OR CONTIGUOUS PSF LAND) OR FROM ANY BREACH BY LESSEE OF THE TERMS, COVENANTS OR CONDITIONS CONTAINED HEREIN. THE PROVISIONS OF THIS SECTION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.

ARTICLE IX. DEFAULT, TERMINATION AND EXPIRATION

9.01. If, following thirty (30) days prior written notice from the State specifying a default or breach, Lessee fails to pay any money due hereunder or is in breach of any term or condition of this Lease, the State shall have the right, at its option and its sole discretion, to terminate this Lease and all rights inuring to Lessee herein by sending written notice of such termination to Lessee in accordance with ARTICLE XI of this Lease. Upon sending of such written notice, this Lease shall automatically terminate, and all rights granted herein to Lessee shall revert to the State. Such termination shall not prejudice the rights of the State to collect any money due or to seek recovery on any claim arising hereunder.

9.02. If Lessee fails to remove its personal property from the Leased Premises within the time specified in Section 9.01 above, or if Lessee fails to remove improvements placed or constructed on the Leased Premises by or behalf of Lessee pursuant to a notice by the State to do so pursuant to Section 9.01 above, then the State may, at its sole option, remove and dispose of such property (with no obligation to sell or otherwise maintain such property in accordance with the Uniform Commercial Code), at Lessee's sole cost and expense, or the State may elect to own such property by filing a notice of such election pursuant to Section 51.302, et seq., TEXAS NATURAL RESOURCES CODE ANNOTATED. If the State elects to remove Lessee's property and dispose of it pursuant to this section, then in such an event Lessee shall be obligated to reimburse the State for the reasonable costs of such removal and disposal within ten (10) days of the State's demand for reimbursement. **THE TERMS OF THIS SECTION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

9.03. In addition to the above, Lessee shall pay and discharge any and all taxes, general and special assessments, and other charges which during the term of this Lease may be levied on or assessed against the Leased Premises or the Improvements constructed thereon, provided such taxes result from Lessee's use under this Lease. Lessee shall pay such taxes, charges, and assessments not less than five (5) days prior to the date of delinquency thereof directly to the authority or official charged with the collection thereof. Lessee shall have the right in good faith at its sole cost and expense to contest any such taxes, charges, and assessments, and shall be obligated to pay the contested amount only if and when finally determined to be owed.

9.04. LESSEE AGREES TO AND SHALL PROTECT AND HOLD THE STATE HARMLESS FROM LIABILITY FOR ANY AND ALL SUCH TAXES, CHARGES, AND ASSESSMENTS, TOGETHER WITH ANY PENALTIES AND INTEREST THEREON, AND FROM ANY SALE OR OTHER PROCEEDING TO ENFORCE PAYMENT THEREOF.

ARTICLE X. HOLDOVER

10.01. If Lessee holds over and continues in possession of the Leased Premises after expiration or earlier termination of this Lease, Lessee will be deemed to be occupying the Premises on the basis of a month-to-month tenancy subject to all of the terms and conditions of this Lease.

10.02. The tenancy from month-to-month described in Section 10.01 above may be terminated by either party upon thirty (30) days written notice to the other.

ARTICLE XI. NOTICE

11.01. Any notice which may or shall be given under the terms of this Lease shall be in writing and shall be either delivered by hand, by facsimile, or sent by United States first class mail, adequate postage prepaid, if for the State to the Director of the Permanent School Fund Income Division, addressed to 1700 North Congress Avenue, Austin, Texas 78701-1495, FAX: (512) 463-5304, and if for Lessee, to Galveston County, 722 Moody, 1st Floor, Galveston, TX 77550-2318. Any party's address may be changed from time to time by such party by giving notice as provided above, except that the Leased Premises may not be used by Lessee as the sole notice address. No change of address of either party shall be binding on the other party until notice of such change of address is given as herein provided.

11.02. For purposes of the calculation of various time periods referred to in this Lease, notice delivered by hand shall be deemed received when delivered to the place for giving notice to a party referred to above. Notice mailed in the manner provided above shall be deemed completed upon the earlier to occur of (i) actual receipt as indicated on the signed return receipt, or (ii) three (3) days after posting as herein provided.

ARTICLE XII. INFORMATIONAL REQUIREMENTS

12.01. A. Lessee shall provide written notice to the State of any change in Lessee's name, address, corporate structure, legal status or any other information relevant to this Lease.

B. Lessee shall provide to the State any other information reasonably requested by the State in writing within fifteen (15) days following such request or such other time period approved by the State (such approval not to be unreasonable withheld).

ARTICLE XIII. MISCELLANEOUS PROVISIONS

13.01. With respect to terminology in this Lease, each number (singular or plural) shall include all numbers, and each gender (male, female or neuter) shall include all genders. If any provision of this Lease shall ever be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions of the Lease, but such other provisions shall continue in full force and effect.

13.02. The titles of the Articles in this Lease shall have no effect and shall neither limit nor amplify the provisions of the Lease itself. This Lease shall be binding upon and shall accrue to the benefit of the State, its successors and assigns, Lessee, Lessee's successors and assigns (or heirs, executors, administrators and assigns, as the case may be); however,

this clause does not constitute a consent by the State to any assignment by Lessee, but instead refers only to those instances in which an assignment is hereafter made in strict compliance with Article VI above, or in the case of a deceased natural person Lessee, refers to the instances previously referred to in this sentence and also circumstances in which title to Lessee's interest under this Lease passes, after the demise of Lessee, pursuant to Lessee's will or the laws of intestate succession. The words "hereof," "herein," "hereunder," "hereinafter" and the like refer to this entire instrument, not just to the specific article, section or paragraph in which such words appear.

13.03. Neither acceptance of Consideration (or any portion thereof) or any other sums payable by Lessee hereunder (or any portion thereof) to the State nor failure by the State to complain of any action, non-action or default of Lessee shall constitute a waiver as to any breach of any covenant or condition of Lessee contained herein nor a waiver of any of the State's rights hereunder. Waiver by the State of any right for any default of Lessee shall not constitute a waiver of any right for either a prior or subsequent default of the same obligation or for any prior or subsequent default of any other obligation. No right or remedy of the State hereunder or covenant, duty or obligation of Lessee hereunder shall be deemed waived by the State unless such waiver be in writing, signed by a duly authorized representative of the State.

13.04. No provision of this Lease shall be construed in such a way as to constitute the State and Lessee joint ventures or co-partners or to make Lessee the agent of the State or make the State liable for the debts of Lessee.

13.05. In all instances where Lessee is required hereunder to pay any sum or do any act at a particular indicated time or within an indicated period, it is understood that time is of the essence.

13.06. Under no circumstances whatsoever shall the State ever be liable hereunder for consequential damages or special damages. The terms of this Lease shall only be binding on the State during the period of its ownership of the Leased Premises, and in the event of the transfer of such ownership interest, the State shall thereupon be released and discharged from all covenants and obligations thereafter accruing, but such covenants and obligations shall be binding during the Lease term upon each new owner for the duration of such owner's ownership.

13.07. All monetary obligations of the State and Lessee (including, without limitation, any monetary obligation for damages for any breach of the respective covenants, duties or obligations of either party hereunder) are performable exclusively in Austin, Travis County, Texas.

13.08. The obligation of Lessee to pay all Consideration and other sums hereunder provided to be paid by Lessee and the obligation of Lessee to perform Lessee's other covenants and duties under this Lease constitute independent, unconditional obligations to be performed at all times provided for hereunder, save and except only when an abatement thereof or reduction therein is expressly provided for in this Lease and not otherwise. Lessee waives and relinquishes all rights which Lessee might have to claim any nature of lien against, or withhold or deduct from or offset against, any Consideration or other sums provided hereunder to be paid to the State by Lessee. Lessee waives and relinquishes any right to assert, either as a claim or as a defense, that the State is bound to perform or is liable for the nonperformance of any implied covenant or implied duty of the State not expressly set forth in this Lease.

13.09. In the event of a conflict between any provision of this Lease and any administrative rule promulgated by the General Land Office and/or the School Land Board, this Lease shall control.

ARTICLE XIV. ENTIRE AGREEMENT

14.01. This Lease, including any exhibits to the same, constitutes the entire agreement between the State and Lessee; no prior written or prior oral contemporaneous oral promises or representations shall be binding. The submission of this Lease for examination by Lessee or the State and/or execution thereof by the Lessee or the State does not constitute a reservation of or option for the Leased Premises and this Lease shall become effective only upon execution of all parties hereto and deliver of a fully executed counterpart thereof by the State to the Lessee. This Lease shall not be amended, changed or extended except by written instrument signed by both parties thereto.

IN TESTIMONY WHEREOF, witness my hand and the Seal of Office.

LESSOR: THE STATE OF TEXAS

By: _____
DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

Date: _____

APPROVED:

Contents: *[Signature]* DLR

Legal: 

Deputy Director: _____

Executive: _____

LESSEE: Galveston County

By: [Signature]
(Signature)

Mark Henry
(Printed Name)

County Judge
(Title)

Date: August 4, 2025

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF GALVESTON §

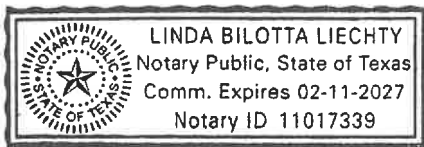
This instrument was acknowledged before me on the 4th day of AUGUST, 2025,
by MARK HENRY for Galveston County.

[Signature]
(Notary Signature)

Notary Stamp

Notary Public, State of TEXAS

My commission expires: 02-11-2027



**GULF OF AMERICA
STATE TRACTS 197, 198, 201, & 202
GALVESTON COUNTY**



Galveston County

SL20250064



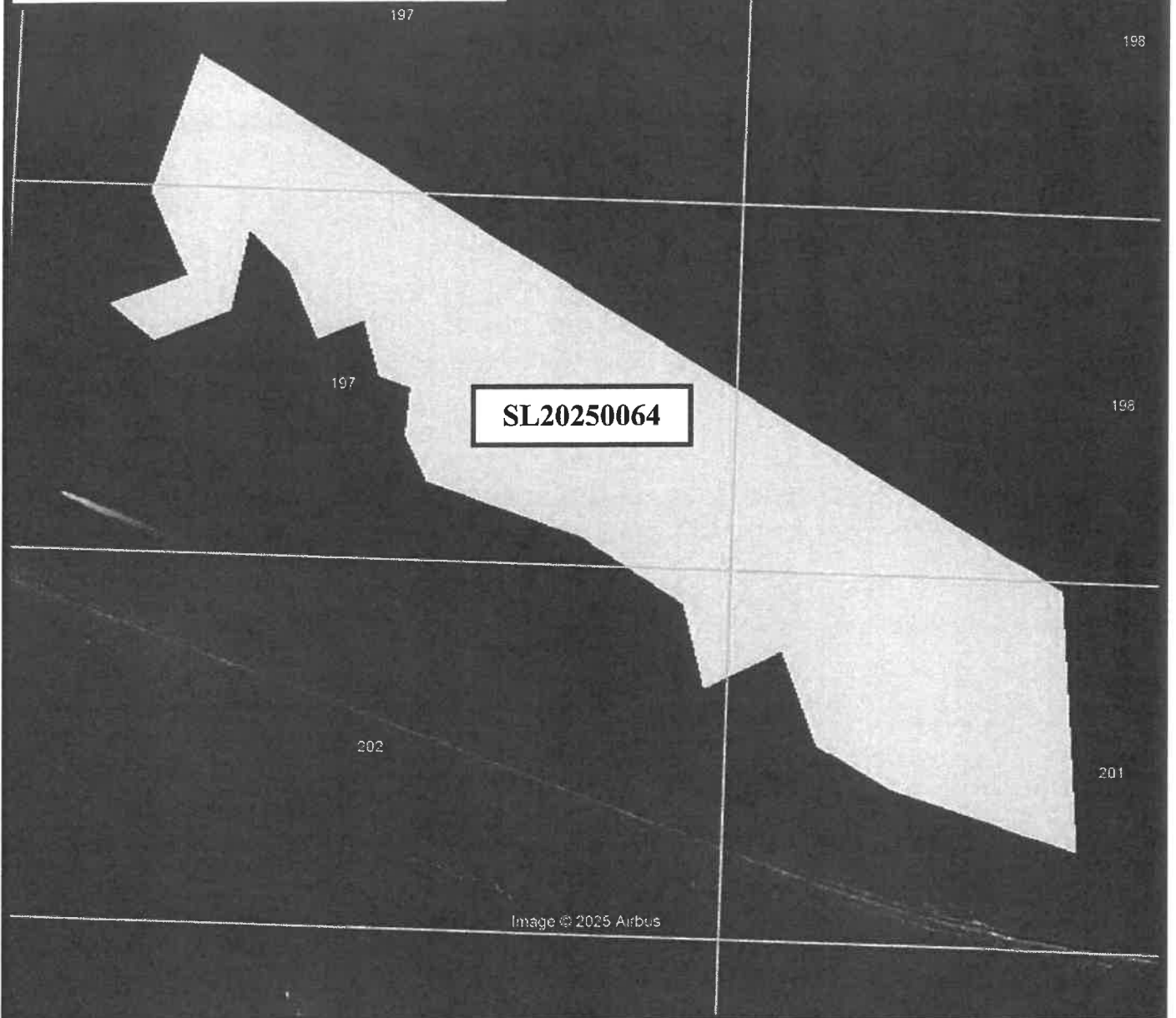
The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it is produced. This map IS NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.

Scale: NTS

Date of Review: 05/01/25

Exhibit A

**GULF OF AMERICA
STATE TRACTS 197, 198, 201, & 202
GALVESTON COUNTY**



Galveston County

SL20250064



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Scale: NTS

Date of Review: 05/01/25

Exhibit B

