

DATE: March 20, 2018
TO: Port Commission
FROM: Sam Esquivel, Real Estate Services Manager
Sam@poccca.com
(361) 885-6140

**Approve a 30.07-acre Marina Lease Agreement with the City of Port Aransas
Located in Port Aransas, Nueces County, Texas.**

SUMMARY: The City of Port Aransas has requested a Lease Agreement for 30.07-acres for marina purposes. The Lease term will be for a period of thirty (30) years commencing on April 1, 2018 and ending on March 31, 2048.

BACKGROUND: On January 31, 1958, the PCCA leased 49.15 acres to the City of Port Aransas for a 30-year term. The lease acreage was intended to become the majority of the City's marina and public green space. The Lease was later modified to include an additional 1.583 acres for the development of Roberts Point Park, thereby increasing the Leased Premises to 50.73-acres. By Lease instrument dated December 1, 1976, the lease dated January 31, 1958 was cancelled effective November 30, 1976, and a new 30-year term began December 1, 1976, ending November 30, 2006. Subsequently, effective January 1, 1987, the lease was cancelled, and a new 30-year term began on January 1, 1987, ending December 31, 2017. By instrument executed on May 21, 1987, but dated to be effective June 1, 1987, City and Authority effectively released 20.66 acres from the terms of the 1987 Lease and entered into a new perpetual lease for said 20.66 acres, for so long as, the 20.66 acres are used for park purposes (Park Lease). The May 21, 1987 Park Lease thereby reduced the Marina Lease to 30.07-acres. On February 20, 2017 the Port Commission approved an Amendment of Lease with the City of Port Aransas to extend the Marina Lease to March 31, 2018 to finalize the commercial terms for a new long-term Lease

ALTERNATIVES: Do not approve.

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan; Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development and Strategic Goal #3 Build and sustain productive relationships with all stakeholders.

EMERGENCY: N/A

FINANCIAL IMPACT: The City of Port Aransas will pay the PCCA ten percent (10%) of the City's Gross Marina Revenues for each lease year. The annual Percentage Rent payment shall be due and payable each lease year by the City to the Authority within 30 days after the close of the City's fiscal year (September 30).

STAFF RECOMMENDATION: Staff recommends approval of the Lease Agreement with the City of Port Aransas for 30.07-acre for marina purposes located in Port Aransas, Nueces County, Texas.

DEPARTMENTAL CLEARANCES:

Originating Department	Real Estate
Reviewed & Approved	Sam Esquivel Kent Britton
Legal	Bruce Hawn
Senior Staff	John LaRue Sean Strawbridge Jarl Pedersen

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Lease Amendment

any uses related to the operation and maintenance of a boat basin and harbor and for all other uses necessary, convenient or beneficial to the City of Port Aransas, Texas (the "**Marina Purposes**").

II.

For the rights and privileges granted to it hereunder, City shall pay to the Authority a rental as follows:

A. City agrees to pay Authority rent for each lease year, or fractional part thereof, of the thirty (30) year term of this Lease. The rent payable, for each lease year, or fractional part thereof, will be ten percent (10%) of the City's Gross Marina Revenues (hereinafter defined) for each lease year (the "**Percentage Rent**"). The annual Percentage Rent payment shall be due and payable each lease year by the City to the Authority within 30 days after the close of the City's fiscal year (September 30).

B. As used herein the term "**lease year**" means April 1 through the following March 31 of each year (12-month period) of the Lease commencing on April 1, 2018.

C. As used herein the term "**Gross Marina Revenues**" means for each lease year the dollar aggregate of all revenues derived from City's: (i) provision of services on the Property; (ii) sales conducted on the property; and (iii) use, sub-lease, license, rental, and operation of the Property for any of the Marina Purposes. City agrees to keep a permanent, accurate set of books and records of all Gross Marina Revenues available for Authority's inspection. City shall permit Authority and Authority's representatives to examine or audit such records at any and all reasonable times, and shall, upon Authority's request, explain the methods of keeping the records.

D. In addition to the Percentage Rent, City, each lease year during the term of this Lease agrees to provide Authority with two (2) adjacent safe and readily accessible boat docks and slips capable of berthing two of the Authority's patrol boats.

III.

City shall have the right, power and authority to dig, dredge and cut away such portions of the land covered by this lease as may be necessary to provide channels and a small boat harbor and related facilities. Before performing any dredging or any filling of submerged areas and before building any structures on the Property for which a Department of the Army permit is necessary and before constructing park facilities, City shall submit plans for such dredging or filling and for such structures and planned facilities to the Authority for its approval. In this connection it is anticipated that the access to the Property for navigation purposes from the Corpus Christi Ship Channel shall be only through the Government Basin and channel which now exists on a part of the Property and that approval of Authority will not be given for construction of docks, wharfs, and other navigation facilities along the north side of the Property fronting on the Corpus Christi Ship Channel.

IV.

City agrees that in the use of the Property it will not do or cause to be done anything that will adversely affect the use, development, and expansion of the Corpus Christi Ship Channel.

V.

This lease is granted to the City of Port Aransas in order that such City itself may use and develop the lands for small boat harbor facilities and it is specifically understood that this lease shall not be assigned without the consent in writing of Authority, save and except that the rights of City under this lease may be assigned in any mortgage, deed of trust or other security device made by City to secure revenue bonds or other evidences of indebtedness, if any, issued by City for the construction of facilities to be owned by City on the lands covered by this lease.

Without the consent of Authority, City shall have the right to sublet portions of the premises upon such rentals and considerations as City shall see fit.

VI.

A. City has inspected the Property and has conducted any environmental site assessment it desired. As of the Effective Date of this Lease, City understands and agrees that the Property is being leased in an “As Is Where Is” condition, and City accepts the Property in the condition it exists on the Effective Date as reasonably suited and fit for City’s intended uses of Property. City acknowledges that Authority has made no express warranties with regard to the Property, except as expressly set forth in this Lease. To the maximum extent permitted by applicable law, Authority hereby disclaims, and City waives the benefit of, any implied warranties, including implied warranties of habitability, or fitness or suitability for City’s intended uses of the Property.

B. City further understands and agrees that improvements, grading, filling, dredging, removal of existing improvements, repairs, maintenance dredging, location and relocation of utility lines, construction, maintenance and repair of bulkheads, piers, docks, slips, and any other improvements to the Property, shall be made and performed by City at the sole cost and expense of City. City further understands and agrees that the “As-Is, Where Is” condition of the Property includes any contamination on the Property, including structures, surface soil or subsurface strata, groundwater, surface water and any adjacent channel or bay water and sediment, and that information received from Authority regarding such matters may not be complete or accurate and should not be accepted as such and by entering into this Agreement, City acknowledges that it is relying solely on its prior history with and operation of the Property, as well as, its own inspection and investigation into the condition of the Property.

VII.

City’s currently existing Base Map currently shows more than half of Harbor Island as being within the City limits of the City. Harbor Island is currently zoned as “HI” by Section 25-121 of the Port Aransas City Code (the “Code”). City acknowledges the importance of Harbor Island to the operation and development of the Port of Corpus Christi; and recognizes that any changes in the zoning of Harbor Island further restricting the uses to which property within the Harbor Island District may be put will have a significant adverse impact on the Authority and on Authority’s development of the Port of Corpus Christi. Accordingly, the Parties hereto agree, that this Lease will immediately terminate in the event, the City, during the term of this Lease, changes the zoning of Harbor Island to place Harbor Island into any other zoning district set forth in Article III of the Code, other than HI; or changes or modifies the Harbor Island District Regulations set forth in said section 25-121 of the Code as they existed on January 1, 2018,

such that the Harbor Island District Regulations become more restrictive as to the uses to which property within the HI District may now be put.

VIII.

Various owners of land in Blocks Eighteen (18), Nineteen (19), Seventy-Six (76) and One Hundred Forty-Two (142) of Mustang Island Survey, which lands adjoin on the south the premises covered by this lease, have entered into or may enter into instruments of "mutual conveyances" with Authority entitling the owners of those lands which are subject to such mutual conveyances to certain rights of access to the lands covered by this lease and the channels and basins constructed thereon for certain uses and purposes and subject to certain conditions as are specified in such mutual conveyances, reference to which are here made. This lease is made subject to the rights of all parties to such mutual conveyances covering lands in the said blocks on Mustang Island and Authority hereby assigns to City the rights of Authority to grant franchises or permits under the conditions as specified in said mutual conveyances for terms of years not to exceed the term of this lease. Authority hereby assigns to City the full right to grant such permits or franchises as fully as if the Authority itself granted the same, which said franchises or permits when granted will be fully binding upon Authority for the term thereof not to exceed, however, the term of this lease. City shall have the full right to collect rentals for commercial uses as may be provided in said franchises and permits. All revenues received from the grant of any franchises or permits shall be considered part of Gross Marina Revenues.

IX.

City hereby waives all liabilities (including strict liability), actions, demands, damages, penalties, fines, losses, claims, costs, expenses (including reasonable attorneys' and experts' fees and expenses), suits, settlements or judgments of any nature whatsoever (including claims for personal injury, bodily injury, real and personal property damage and economic loss) ("Claims") which arise or may arise in its favor against Authority, its Port Commissioners, directors, managers, employees and agents ("Authority Parties") during the Term of this Lease for any loss of, or damage to, any of its property located within or upon, or constituting a part of, the Property, to the extent that such loss or damage is or would have been covered by any property insurance which City is required to carry under this Lease (whether or not City actually carries such insurance or self-insures for the loss or damage). City agrees to immediately give to each insurance company which has issued to it policies of fire and extended coverage insurance written notice of the terms of the waiver set forth in this Section, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waiver.

X.

A. To the extent allowed by law, City shall defend, indemnify and hold harmless the Authority Parties from and against, and City shall be responsible for, any and all Claims which may be brought or instituted or asserted against the Authority Parties based on or arising out of or relating to any of the following events (each being referred to herein as an "Indemnified Event"): (i) the failure on the part of the City or any of its sublessees or their respective owners, officers, managers, employees, agents, invitees, guests, contractors, subcontractors or licensees ("City Parties") to comply with the provisions of Applicable

Laws applicable to the Property or the City's improvements on the Property constructed or owned by City ("City Facilities"), or (ii) any injury to or death of or claim of injury to or death of any person or any damage to or loss of or claim of damage to or loss of property occurring on the Property or the City's Facilities, or (iii) any injury to or death of or claim of injury to or death of any person or any damage to or loss of or claim of damage to or loss of property arising out City's operations on the Property or City's use of the Property for Marina Purposes.

B. Notwithstanding anything to the contrary contained in Section X. A., it is expressly provided and agreed by and between the Parties that City shall not be obligated to indemnify and hold harmless the Authority Parties from and against their own negligence, and that neither the Authority nor the City waives, modifies, or alters to any extent whatsoever the availability of the defense of governmental immunity under laws of the State of Texas.

C. Notwithstanding anything to the contrary contained in Section X. A., City shall be relieved of its obligation of indemnity (but not its obligation to defend) with respect to any Claim to the extent, but only to the extent, of (i) the amount actually recovered from one or more insurance carriers and either paid to the Authority Parties or paid for benefit of the Authority Parties in reduction of such Claim, or (ii) the percentage of responsibility attributed to the Authority Parties with respect to causing or contributing to cause the Indemnified Event for which the Claim was made.

D. City's indemnity obligations under this Section X shall not be limited by a limitation on the amount or type of damages, compensation or benefits owed by City to any employee of City under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts.

E. The obligations of the City under this Section X shall survive the expiration or any earlier termination of the term of this Lease.

XI.

Without limiting the indemnity obligations or liabilities of Lessee, or its insurers, provided herein, Lessee agrees to procure and maintain at its sole expense during the Term of the Lease the policies of insurance described in Exhibit C attached hereto and in at least the minimum amounts specified in Exhibit C.

XII.

The Parties hereto agree that all provisions of this Lease Agreement are material; and further agree that if any part of this Lease is held to be invalid, illegal, or unenforceable in any respect then this Lease will not be reformed, but shall terminate in its entirety and be of no further force and effect.

This Lease is granted with the understanding that the lands included herein are needed and will be used by the City of Port Aransas in the construction and maintenance of channels, boat basins and small boat facilities in addition to the present "Government Basin" and other basins now dredged and existing on the lands included in this lease.

WITNESS the date and year first above mentioned.

AUTHORITY:

**PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS**

By: _____
Sean C. Strawbridge
Chief Executive Officer

Date: _____

CITY:

CITY OF PORT ARANSAS, TEXAS

By: _____
Name: _____
Title: _____

Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on this _____ day of _____, 2018, by Sean C. Strawbridge as Chief Executive Officer of PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, a navigation district and political subdivision of the State of Texas, on behalf of said navigational district.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ day of _____, 2018, by _____, _____, a Texas home-rule municipality, on behalf of said municipality

Notary Public, State of Texas

EXHIBIT "A"

50.73 more or less acres of land more or less, lying along the north shore of Mustang Island, Nueces County Texas, within the city limits of Port Aransas, Texas, 20-1/2 miles N. 83°E from the County Court House of Nueces County at Corpus Christi, Texas. Said tract lies east of the right-of-way of Cotter Street leading to the Ferry Landing, north of Port of Corpus Christi Authority south bulkhead line of the Port Aransas Canal, west of the Federal authorized and dredged Turtle Cove Canal and Basin, and south of the Port Aransas-Corpus Christi Waterway, all being a portion of the lands patented by the State of Texas to Port of Corpus Christi Authority by Patent No. 217, dated January 24, 1950, and recorded in the Deed Records, Nueces County, Volume 455, Pages 586-588, and described by metes and bounds as follows:

Beginning at a point, which bears N. 83° 52' W. 877.51 feet from U.S.E.D. Triangulation Station 30+53.78 (1956), said point being the intersection of a northerly extension of the east right-of-way line of Cotter Street with a line 725.0 feet south of and parallel to the centerline of the 250 foot channel of the Port Aransas-Corpus Christi Waterway, for the northwest corner of this tract, with Coordinates X= 2,462,592.82 and Y = 792,608.33.

Thence, S. 12° 26' 31" E. a distance of 363.74 feet, with the east right-of-way line of Cotter Street to a point, which point is the beginning of a left curve having a radius of 616.20 feet.

Thence, with said left curve having a radius of 616.20 feet and chord bearing S. 31° 35' 51" E. 404.20 feet to a point, which point is the intersection of the east right-of-way line of Cotter Street with the Port of Corpus Christi Authority south bulkhead line of the Port Aransas Canal, for a corner of this tract.

Thence, N. 87° 06' 29" E. along the Port of Corpus Christi Authority south bulkhead line of the Port Aransas Canal, a distance of 1106.48 feet to a point, said point being an angle point in the south bulkhead line for a corner of this tract.

Thence, continuing along the south bulkhead line of the Port Aransas Canal, N. 74° 34' 25" E. a distance of 604.83 feet to a point, which point is the southwest corner of the Government Basin at Port Aransas, Texas, for a corner of this tract.

Thence, N. 56° 00' 32" E. a distance of 666.22 feet along the southeasterly edge of the Government Basin to an angle point in the Government Basin.

Thence, N. 86° 00' 32" E. a distance of 148.04 feet along the southerly edge of the Government Basin to a point, which point is the intersection of the southerly edge of the Government Basin with the most westerly edge of the original Turtle Cove Canal and Basin, for the southeasterly corner of this tract.

Thence, N. 3° 59' 28" W. along the westerly edge of the Turtle Cove Canal and Basin, a distance of 300.00 feet to a point for a corner of this tract.

Thence, S. 86° 00' 32" W. along the northerly edge of the Government Basin, a distance of 50.00 feet, to a point for a corner of this tract.

Thence, parallel to and 100.00 feet west of the centerline of the original Turtle Cove Canal N. 3° 59' 28" W. a distance of 374.78 feet to a point, said point being the northeast corner of this tract, with Coordinates X = 2,465,174.36 and Y = 793,177.90.

Thence, S. 77° 33' 21" W., 559.05 feet along a meandering shoreline to a point.

Thence, N. 17° 47' 53" W., 60.59 feet along same shoreline to a point.

Thence, S. 76° 09' 07" W., 441.03 feet along same shoreline to a point.

Thence, S. 47° 05' 00" W., 97.65 feet along same shoreline to a point.

Thence, S. 77° 33' 19" W, 169.47 feet along same shoreline to a point.

Thence, N. 84° 12' 02" W., 181.99 feet along same shoreline to a point.

Thence, S. 79° 57' 56" W., 212.24 feet along same shoreline to a point.

Thence, S. 67° 18' 04" W., 133.25 feet along same shoreline to a point.

Thence, S. 83° 54' 54" W., 234.33 feet along same shoreline to a point.

Thence, S. 50° 37' 11" W., 150.41 feet along same shoreline to a point.

Thence, S. 77° 33' 21" W., 501.36 feet, parallel to and 725 feet south of the centerline of the Port Aransas-Corpus Christi Ship Channel, to the place of beginning; Said tract of land containing 50.73 acres of land more or less.

All bearings are based on Grid North for Texas, South Zone as established by the U.S. Coast and Geodetic Survey.

EXHIBIT "A"

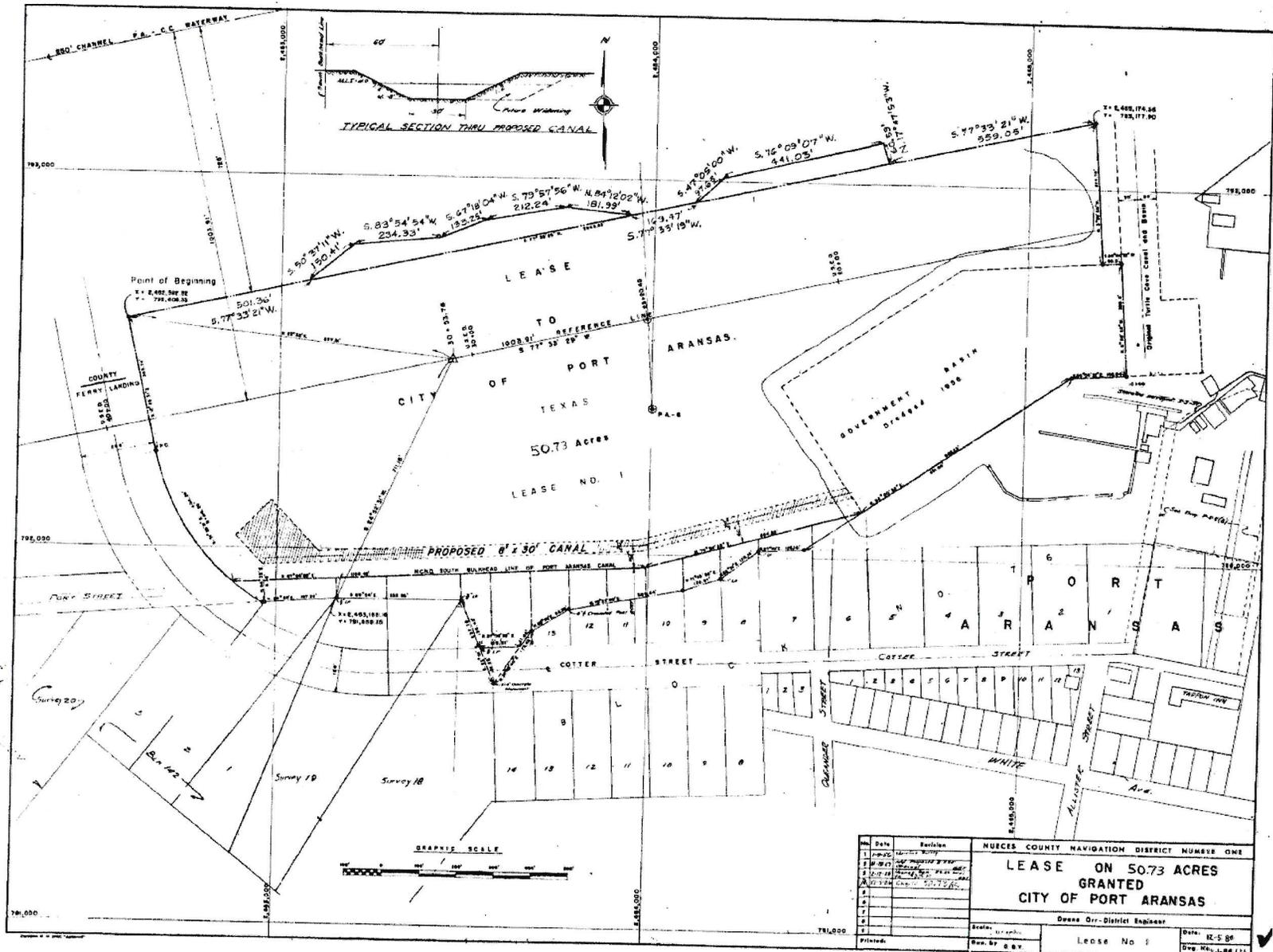


EXHIBIT "B"

Metes and Bounds Description

Said tract being 20.66 acres of land lying along the north shore of Mustang Island, Nueces County Texas, within the city limits of Port Aransas, Texas, 20½ miles N. 83° E. from the County Court House of Nueces County at Corpus Christi, Texas. Said tract lies east of the right-of-way of Cotter street leading to the Ferry Landing, north of the Port of Corpus Christi Authority's south bulkhead line of the Port Aransas Canal, west of the Federal authorized and dredged Turtle Cove Canal and Basin, and south of the Port Aransas-Corpus Christi Waterway, all being a portion of the lands patented by the State of Texas to the Port of Corpus Christi Authority by Patent No. 217, dated January 24, 1950 and recorded in the Deed Records, Nueces County, Volume 455, Pages 586-588, and described by metes and bounds as follows:

Beginning at a point, which bears N. 83° 52' 00" W 877.51 feet from U.S.E.D. Triangulation Station 30+53.78 (1956). Said point being the intersection of a northerly extension of the east right-of-way line of Cotter Street with a line 725.0 feet south of and parallel to the centerline of the 500 foot channel of the Port Aransas-Corpus Christi Waterway, for the northwest corner of this tract, with Coordinates $x=2,462,592.82$ and $y=792,608.33$.

Thence S 12° 26' 31" E., 363.74 feet, with the east right-of-way line of Cotter Street to a point of curvature. Said P.C. being the southwest corner of this tract and the beginning of a curve to the left having a radius of 616.20 feet.

Thence N. 75° 48' 29" E., 370.00 feet to a point.

Thence N. 85° 36' 00" E., 546.44 feet to a point.

Thence N. 87° 57' 09" E., 300.00 feet to a point on an existing bulkhead. Said bulkhead being on the north line of the Port Aransas Municipal Boat Basin.

Thence N. 83° 43' 57" E., 322.57 feet to a point on said existing bulkhead.

Thence N. 54° 36' 45" E., 249.44 feet to a point on said existing bulkhead.

Thence, N. 31° 43' 12" W., 95.91 feet to a point on said existing bulkhead and being an inside corner of this tract.

Thence, N. 55° 14' 24" E., 364.82 feet to a point.

Thence, S. 82° 21' 03" E., 30.00 feet to a point. Said point being the southeast corner of this tract.

Thence, N. 07° 38' 57" E., 84.68 feet to a point.

Thence, N. 28° 23' 14" W., 127.15 feet to a point on a line. Said line being 725.00 feet south of and parallel to the centerline of the 500 foot Port Aransas-Corpus Christi Ship Channel.

EXHIBIT "B"

Thence, N. 17° 47' 53" W., 60.59 feet to a point. Said point being at the shoreline of the Port Aransas-Corpus Christi Ship Channel and the northeast corner of this tract.

Thence, S. 76° 09' 07" W., 441.03 feet along a meandering shoreline to a point.

Thence, S. 47° 05' 00" W., 97.65 feet along same shoreline to a point.

Thence, S. 77° 33' 19" W., 169.47 feet along same shoreline to a point.

Thence, N. 84° 12' 02" W., 181.99 feet along same shoreline to a point.

Thence, S. 79° 57' 56" W., 212.24 feet along same shoreline to a point.

Thence, S. 67° 18' 04" W., 133.25 feet along same shoreline to a point.

Thence, S. 83° 54' 54" W., 234.33 feet along same shoreline to a point.

Thence, S. 50° 37' 11" W., 150.41 feet along same shoreline to a point.

Thence, S. 77° 33' 21" W., 501.36 feet, parallel to and 725.00 feet south of the centerline of the Port Aransas-Corpus Christi Ship Channel, to the place of beginning, said tract of land containing 20.34 acres of land more or less.

All bearings are based on Grid North for Texas, South Zone as established by the U.S. Coast and Geodetic Survey.

There is attached hereto a plat designated as drawing number L-1-235 (1) dated May 18, 1987, which further describes this tract for all purposes necessary, proper, convenient or expedient in connection with the construction, operation and maintenance of channels, canals, boat basins, wharves, docks, berthing facilities, for small boats, marine railways, marine service stations, and any uses related to the operation and maintenance of a boat basin and harbor and for all other uses necessary, convenient or beneficial to the City of Port Aransas, Texas.

EXHIBIT "C"

INSURANCE

Without limiting the indemnity obligations or liabilities of Lessee, or its insurers, provided herein, Lessee agrees to procure and maintain at its sole expense during the Term of the Lease the following policies of insurance (sometimes collectively referred to in this Exhibit as the "*Policies*") and in at least the minimum amounts specified below:

	<u>TYPE OF INSURANCE</u>	<u>LIMITS OF LIABILITY</u>
A.	Workers' Compensation	Statutory
B.	Employer's Liability	\$1,00,000 per Occurrence \$1,00,000 Aggregate
C.	Commercial General Liability	\$1,000,000 per Occurrence \$2,000,000 Aggregate

The CGL Policy will provide contractual liability coverage at the aforementioned limits.

D.	Business Automobile Liability	\$1,000,000 per Occurrence
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Automobile liability insurance coverage will include all owned, non-owned, and hired vehicles.

E.	Pollution Liability Insurance	\$1,000,000 per Occurrence \$2,000,000 Aggregate
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F. Property Insurance Property insurance with no exclusions, except the standard printed exclusions, covering all loss, damage or destruction to the Lessee's Real and Personal Property, including Equipment, on the leased property in an amount equal to 100% of the Full Replacement Cost (hereinafter defined) of Lessee's Real and Personal Property, including Equipment, on the leased property, or in such greater amount as may be necessary to avoid the effect of the co-insurance provisions of the applicable policy or policies. The term "Full Replacement Cost" shall mean the actual replacement cost, including the cost of demolition and debris removal and without deduction for depreciation.

Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the Authority, its Port Commissioners, officers and employees ("*Authority Parties*"). Additionally, the Authority Parties shall be designated as an Additional Insured or *Additional Covered Party (Risk Pool/Joint Self-Insurance Fund)* either by a blanket additional insured or a specific endorsement on all policies, except for Worker's Compensation, Employer's Liability, and Commercial Property Insurance. If the work of Lessee's employees falls within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or the Federal Employer's Liability Act, Lessee shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts. Each policy, except Workers' Compensation, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insureds with respect to claims arising under this Lease.

The insurance required as listed above shall apply to any contractor or subcontractor performing work on the Leased Premises for or on behalf of Lessee, and Lessee shall ensure that any such contractor or subcontractor is aware of and is in compliance with the insurance requirements during any period such contractor or subcontractor is on the Leased Premises at Lessee's request. Lessee's insurance provider shall give the Lessee at least thirty (30) day's prior written notice of any cancellation, nonrenewal, or material modification of each of the policies and Lessee shall then notify the Authority of same, Attention: Risk Manager.

The company writing each of the Policies must possess a current rating with A.M. Best Company of at least "A-, VII", unless the company providing the coverage is a *Risk Pool or Joint Self-Insurance Fund*. Lessee's liability shall not be limited to the specified amounts of insurance required herein.

Approve a 30.07-acre Marina Lease Agreement with the City of Port Aransas Located in Port Aransas, Nueces County, Texas.

