

REGULAR, 5/8/2017 1:30:00 PM

BE IT REMEMBERED that on May 08, 2017, there was begun and holden a REGULAR session of the Commissioners Court of Jefferson County, Texas, with the following members and officers present and participating except those absent as indicated:

Honorable Jeff Branick, County Judge

Commissioner Eddie Arnold, Commissioner Pct. No. 1

Commissioner Brent Weaver, Commissioner Pct. No. 2

Commissioner Michael Sinegal, Commissioner Pct. No. 3

Commissioner Everette D. Alfred, Commissioner Pct. No. 4

Honorable Zena Stephens, Sheriff

Honorable Carolyn L. Guidry , County Clerk

When the following proceedings were had and orders made, to-wit:

Notice of Meeting and Agenda and Minutes
May 08, 2017

Jeff R. Branick, County Judge
Eddie Arnold, Commissioner, Precinct One
Brent A. Weaver, Commissioner, Precinct Two
Michael S. Sinegal, Commissioner, Precinct Three
Everette "Bo" Alfred, Commissioner, Precinct Four



**NOTICE OF MEETING AND AGENDA
OF COMMISSIONERS' COURT
OF JEFFERSON COUNTY, TEXAS
May 08, 2017**

Notice is hereby given that the Commissioners' Court of Jefferson County, Texas, will meet at **1:30 PM**, on the **08th** day of **May 2017** at its regular meeting place in the Commissioners' Courtroom, 4th Floor, Jefferson County Courthouse, 1149 Pearl Street, Beaumont, Texas.

Said meeting will be a **Regular** for the purpose of transacting the routine business of the County. Persons with disabilities requiring auxiliary aids for services who wish to attend this meeting should contact the County Judge's Office to arrange for assistance.

In addition to the routine business of the County, the subject of said meeting will be the following:

11:00 a.m.-Workshop: To receive a presentation and information from representatives of Arkema, Inc. regarding plans for economic development.

INVOCATION: Michael S. Sinegal, Commissioner, Precinct Three

PLEDGE OF ALLEGIANCE: Everette "Bo" Alfred, Commissioner, Precinct Four

PURCHASING:

1. Consider and approve, execute, receive and file a renewal for (IFB 16-007/YS), Term Contract for Termite Treatment for Jefferson County with Hill Country Pest Control for a first one (1) year renewal from June 5, 2017 to June 4, 2018.

SEE ATTACHMENTS ON PAGES 10 - 10

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

2. Consider and approve, execute, receive and file a contract extension for (RFP 10-066/KJS), Lease of the Jefferson County Downtown Jail Facility with LaSalle Southwest Corrections for a period of thirty (30) days, extending the current contract expiration date from June 23, 2017 to July 23, 2017.

SEE ATTACHMENTS ON PAGES 11 - 11

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

3. Consider and approve, execute, receive and file a contract with The Lamar Companies for Billboards for Jefferson County Emergency Management. This contract is for \$3,000.00 per month with a contract term from May 15, 2017 through October 1, 2017. This contract will be funded solely by grant funds.

SEE ATTACHMENTS ON PAGES 12 - 14

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

ADDENDUMS

Notice of Meeting and Agenda and Minutes
May 08, 2017

4. Consider and approve labor, equipment and materials for the asbestos abatement in various locations above the ceiling at the Downtown Jail with Inland Environments Ltd. for a total of \$12,800.00. This is in accordance with Region V Purchasing Cooperative Contract. Funds available through Capital Projects.

SEE ATTACHMENTS ON PAGES 15 - 16

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

COUNTY AUDITOR:

5. Consider and approve budget transfer - District Clerk - additional cost for advertising for I-Jury.

120-2031-414-5001	ADVERTISING	\$605.00	
120-2031-414-3078	OFFICE SUPPLIES		\$605.00

SEE ATTACHMENTS ON PAGES 17 - 17

Motion by: Commissioner Arnold

Second by: Commissioner Alfred

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

6. Regular County Bills - check #433068 through checks #433394.

SEE ATTACHMENTS ON PAGES 18 - 28

Motion by: Commissioner Arnold

Second by: Commissioner Alfred

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

COUNTY COMMISSIONERS:

7. Consider and possibly approve a Proclamation for Mental Health Awareness Month.

SEE ATTACHMENTS ON PAGES 29 - 29

Motion by: Commissioner Arnold

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

8. Consider and possibly approve a Proclamation for National Travel and Tourism Week.

SEE ATTACHMENTS ON PAGES 30 - 30

Motion by: Commissioner Arnold

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

9. Consider and possibly approve a Resolution for the Montgomery County Power Station.

SEE ATTACHMENTS ON PAGES 31 - 31

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

10. Consider and possibly take action on the Spectra Venue Management recommendations for capital improvements at the Ford Park Entertainment Complex for marketing, catering and point of sale.

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

Notice of Meeting and Agenda and Minutes
May 08, 2017

11. Consider, possibly approve and authorize the County Judge to execute an Amended Inter-local Agreement between Jefferson County, Texas, the City of Nederland and the Nederland Economic Development Corporation regarding Airport property development and infrastructure improvements.

SEE ATTACHMENTS ON PAGES 32 - 38

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

12. Consider, possibly approve and authorize the County Judge to execute a lease agreement, for development of airport property between Jefferson County, Texas and Al Judice dba Judice's Restaurant.

SEE ATTACHMENTS ON PAGES 39 - 59

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

13. Receive and file Order Appointing Fred L. Jackson as Criminal Associate Judge for Jefferson County.

ORDER TO BE RESCINDED

SEE ATTACHMENTS ON PAGES 60 - 63

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

14. Consider, possibly approve and authorize the County Judge to execute a Retail Development Land Lease Agreement (Restaurant- Phase 7) between Jefferson County, Texas and Glow Investment, Inc. for development of the Airport property.

SEE ATTACHMENTS ON PAGES 64 - 85

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal

Opposed: Commissioner Alfred

Action: APPROVED

15. Consider, possibly approve and authorize the County Judge to execute a Retail Development Land Lease Agreement (Retail Pads- Phase 8) between Jefferson County, Texas and Glow Investment, Inc. for development of the Airport property.

SEE ATTACHMENTS ON PAGES 86 - 108

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal

Opposed: Commissioner Alfred

Action: APPROVED

HUMAN RESOURCES:

16. Consider and possibly approve granting extended leave without pay for up to 90 days for Althea D. Adams, a Jefferson County Tax Office employee.

Motion by: Commissioner Weaver

Second by: Commissioner Arnold

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

17. Consider and possibly approve and receive and file revisions to the 'Personnel Policies Practices and Procedures Manual' for Section 4.2 - Employment Process; Section 5.6 - Grounds For Immediate Suspension Or Dismissal; Section 10.2 - Vacation; and Section 17 - Travel Policies & Procedures.

SEE ATTACHMENTS ON PAGES 109 - 121

Motion by: Commissioner Weaver

Second by: Commissioner Arnold

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

SHERIFF'S DEPARTMENT:

18. Consider and approve acceptance, Pursuant to Sec.81.032 of the Texas Local Government Code, of a donation to the Sheriff's Department from Brewster Procurement Group. The Department will use the money for Emergency Responders to educate on topics such as pipeline awareness precautions, pipeline markers and signs, potential hazards, etc., in the amount of \$1000.00.

SEE ATTACHMENTS ON PAGES 122 - 124

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

DISTRICT ATTORNEY:

19. Consider and possibly authorize the District Attorney's Office to bring suit against Charles Henry McKnight, Katherine McKnight, and any other person or persons responsible for the property damage done to Jefferson County property as the result of a vehicle accident on or about February 21, 2016.

Motion by: Commissioner Sinegal

Second by: Commissioner Weaver

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

20. Consider and possibly authorize the District Attorney's Office to bring suit against Frank Sinatra Collier, Jr., and any other person or persons responsible for the property damage done to Jefferson County property as the result of a vehicle accident on or about February 15, 2017.

Motion by: Commissioner Sinegal

Second by: Commissioner Weaver

In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

***Notice of Meeting and Agenda and Minutes
May 08, 2017***

**Jeff R. Branick
County Judge**

**CONTRACT RENEWAL FOR IFB 16-007/YS
RE-BID TERM CONTRACT FOR TERMITE TREATMENT FOR
JEFFERSON COUNTY**

The County entered into a contract with Hill Country Pest Control for one (1) year, from June 6, 2016 to June 5, 2017, with an option to renew the contract for up to a five (5) year period.

Pursuant to the contract, Jefferson County hereby exercises its first one-year option to renew the contract for one (1) additional year from June 5, 2017 to June 4, 2018.

ATTEST:

JEFFERSON COUNTY, TEXAS



Carolyn L. Guidry, County Clerk



Jeff Branick, County Judge



CONTRACTOR:
Hill Country Pest Control



(Name)



JEFFERSON COUNTY PURCHASING DEPARTMENT
Deborah L. Clark, Purchasing Agent

1149 Pearl Street, 1st Floor, Beaumont, TX 77701 409-835-8593 Fax 409-835-8456

CONTRACT EXTENSION REQUEST

May 3, 2017

LaSalle Southwest Corrections
 26228 Ranch Road 12
 Dripping Springs TX 78620
 Attention: Mr. Tim Kurpiewski, CPA

Re: (RFP 10-066/KJS), Lease of the Jefferson County Downtown Jail Facility

Dear Mr. Kurpiewski :

Please be advised the above-referenced contract for Jefferson County will expire on **June 23, 2017**. It is requested that your company extend your current contract for an additional thirty (30) days, until a new award may be finalized by Jefferson County Commissioners' Court.

Please sign the acknowledgment below to indicate your agreement and return to our office by Monday, May 8, 2017. Jefferson County appreciates your cooperation with this extension.

Best regards,

Sincerely,

Deborah Clark

Deborah L. Clark
 Purchasing Agent
 Jefferson County, Texas

DC: ys

Price Extension Received and Accepted: 5-3-17

Project Number: 10-066/KJS Date

Contractor: LaSalle Corrections, LLC.

Signature: *Tim Kurpiewski*

Print Name and Title: Tim Kurpiewski

ATTEST:

Carolyn L. Guidry
 Carolyn L. Guidry, County Clerk



JEFFERSON COUNTY, TEXAS

Jeff R. Branick
 Jeff R. Branick, County Judge

Beaumont
P.O. Box 21580
Beaumont, TX 77720
Phone: 409-842-4881
Fax: 409-842-5075



CONTRACT # 2794493

Date: 4/27/2017
New/Renewal: NEW
Account Executive: Joanna Pedigo
Phone: 409-842-4881

CONTRACTED DIRECTLY BY ADVERTISER	
Customer #	507100-1
Name	JEFF COUNTY OFF OF EMERGENCY MGMT/LEPC
Address	1149 PEARL ST., 1ST FLOOR
City/State/Zip	BEAUMONT, TX 77701-3638
Contact	Greg Fountain
Email Address	gfountain@co.jefferson.tx.us
Phone #	(409) 835-8757
Fax #	(409) 835-8756
P.O./ Reference #	
Advertiser/Product	JEFFERSON COUNTY EMERGENCY MANAGEMENT
Campaign	

Space										
# of Panels: 8								Billing Cycle: Every 4 weeks		
Panel # TAB ID	Market	Location	Illum	Media Type	Size	Misc	Service Dates	# Billing Periods	Invest Per Period	Cost
2302 30653280	048-BEAUMONT, TX	EASTEX FRWY @ CROW RD E/S	Yes	Digital Bulletin	14' 0" x 48' 0"		05/15/17-10/01/17	5	\$0.00	\$0.00
5023 30493497	048-BEAUMONT, TX	HWY 69 S @ TWIN CITY INTERCHANGE	Yes	Digital Bulletin	14' 0" x 48' 0"		05/15/17-10/01/17	5	\$0.00	\$0.00
5172 30605630	048-BEAUMONT, TX	CARDINAL DR W/O WARREN N/S F/E	Yes	Digital Poster	10' 0" x 21' 0"		05/15/17-10/01/17	5	\$0.00	\$0.00
5192 30658544	048-BEAUMONT, TX	I-10 BTW CORLEY & WASHINGTON E/S (SAMS)	Yes	Digital Bulletin	14' 0" x 48' 0"		05/15/17-10/01/17	5	\$0.00	\$0.00
5602 30605632	048-BEAUMONT, TX	EASTEX FRWY 500 S/O BROADOAK W/S	Yes	Digital Poster	10' 0" x 21' 0"		05/15/17-10/01/17	5	\$0.00	\$0.00
5702 30605634	048-PORT ARTHUR, TX	HWY 73 W/O 39TH STREET S/S	Yes	Digital Poster	10' 0" x 21' 0"		05/15/17-10/01/17	5	\$0.00	\$0.00
22272 30448096	048-BEAUMONT, TX	DOWLEN RD @ OLD DOWLEN RD W/S	Yes	Digital Bulletin	10' 6" x 36' 0"		05/15/17-10/01/17	5	\$0.00	\$0.00
39932 14922422	048-PORT ARTHUR, TX	HWY 365 .5 MI E/O HWY 69 N/S	Yes	Digital Bulletin	14' 0" x 48' 0"		05/15/17-10/01/17	5	\$3,000.00	\$15,000.00
Total Space Costs:									\$15,000.00	

Special Considerations:

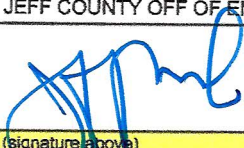
Advertiser authorizes and instructs The Lamar Companies (Lamar) to display in good and workmanlike manner, and to maintain for the terms set forth above, outdoor advertising displays described above or on the attached list. In consideration thereof, Advertiser agrees to pay Lamar all contracted amounts within thirty (30) days after the date of billing. Advertiser acknowledges and agrees to be bound by the terms and conditions on all pages of this contract.

The Agency representing this Advertiser in the contract executes this contract as an agent for a disclosed principal, but hereby expressly agrees to be liable jointly and severally and in solidio with Advertiser for the full and faithful performance of Advertiser's obligations hereunder. Agency waives notice of default and consents to all extensions of payment.

The undersigned representative or agent of Advertiser hereby warrants to Lamar that he/she is the Manager

(Officer/Title)

of the Advertiser and is authorized to execute this contract on behalf of the Advertiser.

Customer:	JEFF COUNTY OFF OF EMERGENCY MGMT/LEPC
Signature:	 (signature above)
Name:	JEFF R. Branick, Jefferson County Judge (print name above)
Date:	MAY 8, 2017 (date above)

INITIALS





Beaumont
P.O. Box 21580
Beaumont, TX 77720
Phone: 409-842-4881
Fax: 409-842-5075



CONTRACT # 2794493

Date: 4/27/2017
New/Renewal: NEW
Account Executive: Joanna Pedigo
Phone: 409-842-4881

THE LAMAR COMPANIES

This contract is NOT BINDING UNTIL ACCEPTED by a Lamar General Manager.

ACCOUNT EXECUTIVE: Joanna Pedigo

GENERAL MANAGER

DATE

5-1-17

STANDARD CONDITIONS

1. **Late Artwork:** The Advertiser must provide or approve art work, materials and installation instructions ten (10) days prior to the initial Service Date. In the case of default in furnishing or approval of art work by Advertiser, billing will occur on the initial Service Date.
2. **Copyright/Trademark:** Advertiser warrants that all approved designs do not infringe upon any trademark or copyright, state or federal. Advertiser agrees to defend, indemnify and hold Lamar free and harmless from any and all loss, liability, claims and demands, including attorney's fees arising out of the character contents or subject matter of any copy displayed or produced pursuant to this contract.
3. **Payment Terms:** Lamar will, from time to time at intervals following commencement of service, bill Advertiser at the address on the face hereof. Advertiser will pay Lamar within thirty (30) days after the date of invoice. If Advertiser fails to pay any invoice when it is due, in addition to amounts payable thereunder, Advertiser will promptly reimburse collection costs, including reasonable attorney's fees plus a monthly service charge at the rate of 1.5% of the outstanding balance of the invoice to the extent permitted by applicable law. Delinquent payment will be considered a breach of this contract. Payments will be applied as designated by the Advertiser; non designated payments will be applied to the oldest invoices outstanding.
4. **Service Interruptions:** If Lamar is prevented from posting or maintaining any of the spaces by causes beyond its control of whatever nature, including but not limited to acts of God, strikes, work stoppages or picketing, or in the event of damage or destruction of any of the spaces, or in the event Lamar is unable to deliver any portion of the service required in this contract, including buses in repair, or maintenance, this contract shall not terminate. Credit shall be allowed to Advertiser at the standard rates of Lamar for such space or service for the period that such space or service shall not be furnished or shall be discontinued or suspended. In the case of illumination, should there be more than a 50% loss of illumination, a 20% pro-rata credit based on four week billing will be given. If this contract requires illumination, it will be provided from dusk until 11:00p.m. Lamar may discharge this credit, at its option, by furnishing advertising service on substitute space, to be reasonably approved by Advertiser, or by extending the term of the advertising service on the same space for a period beyond the expiration date. The substituted or extended service shall be of a value equal to the amount of such credit.
5. **Entire Agreement:** This contract, all pages, constitutes the entire agreement between Lamar and Advertiser. Lamar shall not be bound by any stipulations, conditions, or agreements not set forth in this contract. Waiver by Lamar of any breach of any provision shall not constitute a waiver of any other breach of that provision or any other provision.
6. **Copy Acceptance:** Lamar reserves the right to determine if copy and design are in good taste and within the moral standards of the individual communities in which it is to be displayed. Lamar reserves the right to reject or remove any copy either before or after installation, including immediate termination of this contract.
7. **Termination:** All contracts are non-cancellable by Advertiser without the written consent of Lamar. Breach of any provisions contained in this contract may result in cancellation of this contract by Lamar.
8. **Materials/Storage:** Production materials will be held at customer's written request. Storage fees may apply.
9. **Installation Lead Time:** A leeway of five (5) working days from the initial Service Date is required to complete the installation of all non-digital displays.
10. **Customer Provided Production:** The Advertiser is responsible for producing and shipping copy production. Advertiser is responsible for all space costs involved in the event production does not reach Lamar by the established Service Dates. These materials must be produced in compliance with Lamar production specifications and must come with a 60 day warranty against fading and tearing.
11. **Bulletin Enhancements:** Cutouts/extensions, where allowed, are limited in size to 5 feet above, and 2 feet to the sides and 1 foot below normal display area. The basic fabrication charge is for a maximum 12 months.
12. **Assignment:** Advertiser shall not sublet, resell, transfer, donate or assign any advertising space without the prior written consent of Lamar.

INITIALS

JP



Beaumont
P.O. Box 21580
Beaumont, TX 77720
Phone: 409-842-4881
Fax: 409-842-5075



CONTRACT # 2794493

Date: 4/27/2017
New/Renewal: NEW
Account Executive: Joanna Pedigo
Phone: 409-842-4881

13. Digital Provisions: Lamar will strive to provide Advertisers with 100% of the time they contract. However, due to problems with power interruptions, emergency governmental warnings (e.g. Amber Alerts) or other unforeseen interruptions, Lamar is guaranteeing copy will be displayed an average of 92.5% of the time contracted. If a location should be lost during the period of display for any reason, a digital location of equal advertising value will be substituted or credit issued for the loss of service. For purposes of determining whether a credit is due, the average number of guaranteed impressions per day will be measured over the duration of the contract, e.g., during a four week contract, the available impressions during the entire four week term of the contract will be calculated and 92.5% of that number will be used as the basis to determine whether a credit is due the Advertiser. If Lamar has provided 92.5% or greater of available impressions, then no credit will be due.

14. Customer Supplied Content (iSpots) License and Indemnity Agreement

Copyright/Trademark: Advertiser warrants that all approved designs do not infringe upon any trademark or copyright, state or federal. Advertiser agrees to defend, indemnify and hold Lamar free and harmless from any and all loss, liability, claims and demands, including attorney's fees arising out of the character, contents or subject matter of any copy displayed or produced pursuant to this contract.

14(a) - Customer Supplied Content - When Advertiser desires to purchase digital advertising from Lamar featuring images, photographs, graphics, text, data, or other such media ("Customer Supplied Content (CSC)") that will be provided by Advertiser, some of which may be owned and/or provided, directly or indirectly, by a third party (hereinafter "Third Party Customer Supplied Content or Third Party CSC"):

(i) the Advertiser shall be solely responsible to ensure the appropriateness and inoffensive or otherwise innocuous nature of the CSC or Third Party CSC.

(ii) Advertiser acknowledges that Advertiser is solely responsible for acquiring, licensing, and/or purchasing any Third Party CSC and/or has the authority to use and to license CSC and Third Party CSC.

(iii) Advertiser warrants that the CSC and/or Third Party CSC will comply with all applicable local, state and federal laws and regulations.

(iv) Advertiser shall be solely responsible for the truthfulness, accuracy, integrity, and lawfulness of the CSC and/or Third Party CSC.

(v) Advertiser shall defend, cover, indemnify and hold Lamar harmless for all loss, expense or damages, of whatever nature, which may be incurred by Lamar as a result of any claims or actions in connection with Lamar's or Lamar's affiliates and subsidiaries for use of the CSC or Third Party CSC. Claims or Actions shall specifically include but not be limited to the CSC's or Third Party CSC's public appropriateness. The foregoing duty to defend, cover and indemnify shall include, without limitation, a duty to pay any attorneys' fees and other costs of defense incurred by Lamar and its affiliates or subsidiaries.

(vi) Advertiser hereby grants to Lamar a paid up, non-exclusive, royalty-free license to use, reproduce, display, perform and modify the CSC and Third Party CSC, on its digital displays or to adapt the CSC and Third Party CSC for such use. The license granted herein includes the right to prepare works which may be considered derivative works of the CSC and/or Third Party CSC or any intellectual property contained therein. Additionally, Advertiser grants to Lamar such trademark license rights as may be necessary for Lamar to use the CSC and Third Party CSC on its digital displays.

INITIALS





Environmental & Demolition Contractors

May 4, 2017

Proposal # 417-157

Ms. Deborah L Clark
Jefferson County
1st Floor Purchasing
1149 Pearl Street
Beaumont, TX 77701

RE: Jefferson County Jail Various locations above ceiling 1149 Pearl St. Beaumont, TX

Inland Environments, Ltd. is pleased to submit this proposal for to furnish labor, equipment and materials for asbestos abatement.

SCOPE OF WORK:

\$12,800.00

Provide proper removal and disposal of asbestos containing duct mastic. Provide Asbestos Specific Liability Insurance with \$2,000,000 aggregate and \$1,000,000 occurrence.

Provide only personnel licensed to perform asbestos abatement and trained in accordance with the E.P.A. Model Accreditation Plan as either an asbestos supervisor “competent person” or an asbestos worker.

Provide O.S.H.A. monitoring as required. Air monitoring will be per NIOSH Method 7400 and performed by an O.S.H.A. certified person who is license by the state. Lab analysis will be by an N.V.L.A.P. and N.I.S.T. accredited laboratory.

METHOD OF REMOVAL:

All asbestos abatement will be completed according to industry regulations.

BID CLARIFICATIONS:

1. Owner is to supply electrical and water connections.
2. ARU fees will be billed directly to the owner from Department of State Health Services.
3. This proposal does not include air monitoring or consultant fees throughout the project.
4. This schedule is working four ten hour shifts no overtime is included.
5. Payment terms are net thirty from invoice date.

We sincerely appreciate the opportunity to bid on the project and look forward to assisting you on future projects.

Sincerely,
Inland Environments, Ltd.

Stacey Hoffmann

Stacey Hoffmann
Project Manager/Estimator

Approved By: _____

Date: _____

**Jefferson County
District Clerk's Office**
1085 Pearl Street
Room 203
Beaumont, TX 77701
409-835-8580
Fax 409-835-8527



Family Law Division
409-835-8653

Child Support
P. O. Box 3586
Beaumont, TX 77704
409-835-8425

**Jamie Smith
District Clerk**

May 2, 2017

Dear Fran,

I am requesting to transfer \$605.00 from account 120-2031-414-30-78 (office supplies) to account 120-2031-414-50-01 to cover the expense of public awareness/publicizing via Port Arthur News the new online jury impaneling system and passports.

Respectfully,

A handwritten signature in cursive script that reads "Jamie Smith".

Jamie Smith
Jefferson County District Clerk

PGM: GMCOMMV2	DATE 05-08-2017		PAGE: 1
NAME	AMOUNT	CHECK NO.	TOTAL 18
JURY FUND			
TRI-CITY COFFEE SERVICE	232.55	433195	
DAWN DONUTS	91.00	433350	323.55**
ROAD & BRIDGE PCT.#1			
M&D SUPPLY	46.20	433154	
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	116.20**
ROAD & BRIDGE PCT.#2			
BASE SEAL	7,952.00	433109	
CERTIFIED LABORATORIES	383.24	433112	
EASTEX RUBBER & GASKET	39.57	433126	
ENTERGY	93.17	433134	
THE MUFFLER SHOP	63.00	433161	
MUNRO'S	20.00	433162	
RITTER @ HOME	377.82	433176	
VULCAN MATERIALS CO.	9,256.32	433197	
ROLLINS TRUCK & TRAILER REPAIR	285.00	433205	
PATHMARK TRAFFICE PRODUCTS OF TEXAS	854.80	433245	
NEW WAVE WELDING TECHNOLOGY	6.82	433271	
DE LAGE LANDEN PUBLIC FINANCE	90.00	433296	
BOSCO INDUSTRIES	250.00	433368	
GULF COAST	115.20	433374	19,786.94**
ROAD & BRIDGE PCT. # 3			
A&J ENGINE SERVICE	549.00	433097	
RB EVERETT & COMPANY, INC.	621.47	433127	
GULF COAST AUTOMOTIVE, INC.	68.49	433133	
ENTERGY	370.19	433134	
MUNRO'S	38.15	433162	
OIL CITY TRACTORS, INC.	233.77	433168	
SMART'S TRUCK & TRAILER, INC.	41.96	433181	
W. JEFFERSON COUNTY M.W.D.	30.84	433198	
STRATTON INC.	31.27	433199	
TEXAS GAS SERVICE	160.51	433243	
FIVE STAR FEED	36.00	433247	
WINDSTREAM	42.43	433262	
HLAVINKA EQUIPMENT COMPANY	28.62	433267	
DE LAGE LANDEN PUBLIC FINANCE	140.00	433296	
SUPPLYWORKS	133.50	433344	
HD SUPPLY CONSTRUCTION & INDUSTRIAL	215.97	433361	2,742.17**
ROAD & BRIDGE PCT.#4			
ENTERGY	801.29	433134	
CASH ADVANCE ACCOUNT	639.03	433144	
W. JEFFERSON COUNTY M.W.D.	81.77	433198	
ULTIMATE MATS	483.95	433288	
DE LAGE LANDEN PUBLIC FINANCE	229.79	433296	
SOUTHEAST TEXAS PARTS AND EQUIPMENT	160.45	433323	
PETROLEUM MATERIALS LLC	107.22	433330	
CINTAS CORPORATION	130.69	433359	
GULF COAST	1,747.60	433374	4,381.79**
ENGINEERING FUND			
DE LAGE LANDEN PUBLIC FINANCE	460.94	433296	
BRADLEY STAFFORD	1,647.65	433309	2,108.59**
PARKS & RECREATION			
ENTERGY	120.55	433134	
JIFFY TROPHIES	24.75	433147	
W. JEFFERSON COUNTY M.W.D.	54.28	433198	199.58**
GENERAL FUND			

PGM: GMCOMMV2	DATE 05-08-2017	PAGE: 2
NAME	AMOUNT	CHECK NO. TOTAL
JOHN KIPLING SAVOY-KING	1,201.06	433392
MARIE WRIGHT	220.00	433393
		1,421.06*
TAX OFFICE		
SOUTHEAST TEXAS WATER	243.50	433184
AT&T	105.66	433185
UNITED STATES POSTAL SERVICE	501.60	433229
UNITED STATES POSTAL SERVICE	39.72	433230
DE LAGE LANDEN PUBLIC FINANCE	370.00	433296
		1,260.48*
COUNTY HUMAN RESOURCES		
MOORMAN & ASSOCIATES, INC.	1,350.00	433160
PINNACLE EMPLOYEE TESTING	270.00	433171
PRE CHECK, INC.	401.75	433217
UNITED STATES POSTAL SERVICE	2.42	433229
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
SOUTHEAST TEXAS OCCUPATIONAL MEDICI	130.00	433356
		2,224.17*
AUDITOR'S OFFICE		
SOUTHEAST TEXAS WATER	29.95	433183
TEXAS SOCIETY OF CPA'S	340.00	433194
UNITED STATES POSTAL SERVICE	8.26	433229
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
		448.21*
COUNTY CLERK		
ADVANCED OFFICE SYSTEMS, INC.	531.00	433099
UNITED STATES POSTAL SERVICE	265.35	433229
UNITED STATES POSTAL SERVICE	52.68	433230
DE LAGE LANDEN PUBLIC FINANCE	1,052.82	433296
		1,901.85*
COUNTY JUDGE		
CHEROKEE COUNTY CLERK	597.00	433123
OFFICE DEPOT	147.69	433167
UNITED STATES POSTAL SERVICE	3.43	433229
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
JAN GIROUARD & ASSOCIATES LLC	200.00	433355
		1,018.12*
RISK MANAGEMENT		
UNITED STATES POSTAL SERVICE	4.93	433229
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
		74.93*
COUNTY TREASURER		
OFFICE DEPOT	234.64	433167
UNITED STATES POSTAL SERVICE	161.95	433229
CLASSIC FORMS AND PRODUCTS	297.00	433246
DE LAGE LANDEN PUBLIC FINANCE	331.89	433296
		1,025.48*
PRINTING DEPARTMENT		
DE LAGE LANDEN PUBLIC FINANCE	1,200.00	433296
		1,200.00*
PURCHASING DEPARTMENT		
UNITED STATES POSTAL SERVICE	11.38	433229
TEXAS PUBLIC PURCHASING ASSOCIATION	375.00	433272
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
		456.38*
GENERAL SERVICES		
TIME WARNER COMMUNICATIONS	2,442.76	433188
INTERFACE EAP	1,372.95	433204
MCGRIFF, SEIBELS & WILLIAMS OF TX	24,000.00	433242
		27,815.71*
DATA PROCESSING		
OFFICE DEPOT	332.63	433167

PGM: GMCOMMV2	DATE 05-08-2017	AMOUNT	CHECK NO.	PAGE: 3 20 TOTAL
NAME				
CDW COMPUTER CENTERS, INC.	2,141.83	433210		
TODD L. FREDERICK	349.89	433232		
SOLARWINDS.NET INC	1,345.50	433234		
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296		
VOTERS REGISTRATION DEPT				4,239.85*
UNITED STATES POSTAL SERVICE	31.27	433229		
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296		
ELECTIONS DEPARTMENT				101.27*
CDW COMPUTER CENTERS, INC.	104.40	433210		
UNITED STATES POSTAL SERVICE	7.11	433229		
DE LAGE LANDEN PUBLIC FINANCE	271.65	433296		
PV RENTALS LLC	113.00	433351		
DISTRICT ATTORNEY				496.16*
CAMEO / SABINE NECHES TRAVEL	564.20	433111		
CASH ADVANCE ACCOUNT	375.00	433144		
CASH ADVANCE ACCOUNT	494.43	433145		
OFFICE DEPOT	447.10	433167		
TEXAS DISTRICT & COUNTY ATTY ASSN.	60.00	433193		
UNITED STATES POSTAL SERVICE	253.59	433229		
CHRISTOPHER CADENA	645.00	433256		
MCM ELEGANTE HOTEL	209.30	433259		
DE LAGE LANDEN PUBLIC FINANCE	480.00	433296		
SHEADRED WILLIAMS	41.20	433313		
THOMSON REUTERS-WEST	215.68	433317		
TRANUNION RISK AND ALTERNATIVE	110.25	433338		
O'CONNOR'S	10.00	433352		
MARCELO MOLFINO	278.07	433360		
CIOX HEALTH	559.97	433380		
DISTRICT CLERK				4,743.79*
OFFICE DEPOT	230.64	433167		
UNITED STATES POSTAL SERVICE	297.08	433229		
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296		
WESTERN MICROGRAPHICS & IMAGING	284.86	433305		
ENGINEERING INNOVATION	274.07	433373		
CRIMINAL DISTRICT COURT				1,156.65*
DAVID GROVE	8,750.00	433101		
DAVID W BARLOW	4,375.00	433107		
CRISTY SMITH	82.45	433110		
DONALD W. DUESLER & ASSOC.	8,750.00	433124		
RIFE KIMLER, LAW OFFICE OF	1,600.00	433150		
JOHN E MACEY	600.00	433155		
MARSHA NORMAND	8,750.00	433164		
OFFICE DEPOT	5.59	433167		
UNITED STATES POSTAL SERVICE	70.84	433229		
JOEL WEBB VAZQUEZ	900.00	433251		
DE LAGE LANDEN PUBLIC FINANCE	441.64	433296		
C. HADEN CRIBBS JR., PC	8,750.00	433302		
BRITTANIE HOLMES	800.00	433307		
58TH DISTRICT COURT				43,875.52*
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296		
60TH DISTRICT COURT				70.00*
OFFICE DEPOT	51.40	433167		
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296		
136TH DISTRICT COURT				121.40*
UNITED STATES POSTAL SERVICE	.81	433229		
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296		
172ND DISTRICT COURT				70.81*

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NAME	AMOUNT	CHECK NO.	TOTAL
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	
252ND DISTRICT COURT			70.00*
DAVID W BARLOW	4,375.00	433107	
DOUGLAS M. BARLOW, ATTORNEY AT LAW	937.50	433108	
LANNY HAWTHORNE	15.15	433137	
MIKE VAN ZANDT	8,750.00	433196	
BRACK JONES JR.	8,750.00	433208	
UNITED STATES POSTAL SERVICE	43.65	433229	
CAROLYN WIEDENFELD	900.00	433239	
LANGSTON ADAMS	3,375.00	433240	
KIMBERLY R. BROUSSARD	1,806.00	433276	
ALLEN PARKER	8,750.00	433284	
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	
SAMUEL & SON LAW FIRM PLLC	1,600.00	433333	
SAMUEL & SON LAW FIRM PLLC	8,750.00	433334	
			48,122.30*
279TH DISTRICT COURT			
NATHAN REYNOLDS, JR.	225.00	433175	
CHARLES ROJAS	75.00	433213	
UNITED STATES POSTAL SERVICE	.40	433229	
LANGSTON ADAMS	75.00	433240	
TONYA CONNELL TOUPS	75.00	433269	
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	
WILLIAM MARCUS WILKERSON	75.00	433310	
			595.40*
317TH DISTRICT COURT			
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	
JUSTICE COURT-PCT 1 PL 1			70.00*
UNITED STATES POSTAL SERVICE	36.59	433229	
DE LAGE LANDEN PUBLIC FINANCE	90.00	433296	
			126.59*
JUSTICE COURT-PCT 1 PL 2			
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	
JUSTICE COURT-PCT 2			70.00*
THOMSON REUTERS-WEST	124.00	433316	
JUSTICE COURT-PCT 4			124.00*
OFFICE DEPOT	396.23	433167	
POSTMASTER	800.00	433172	
RAY S. CHESSON	6.53	433207	
DE LAGE LANDEN PUBLIC FINANCE	90.00	433296	
			1,292.76*
JUSTICE COURT-PCT 6			
OFFICE DEPOT	294.13	433167	
UNITED STATES POSTAL SERVICE	28.31	433229	
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	
			392.44*
JUSTICE OF PEACE PCT. 8			
UNITED STATES POSTAL SERVICE	94.12	433230	
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	
			164.12*
COUNTY COURT AT LAW NO.1			
OFFICE DEPOT	31.92	433167	
UNITED STATES POSTAL SERVICE	.46	433229	
DE LAGE LANDEN PUBLIC FINANCE	245.92	433296	
			278.30*
COUNTY COURT AT LAW NO. 2			
MARVA PROVO	250.00	433173	
CDW COMPUTER CENTERS, INC.	150.06	433210	

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NAME	AMOUNT	CHECK NO. TOTAL
JOHN D WEST	300.00	433214
UNITED STATES POSTAL SERVICE	4.03	433229
DANIEL CLAYTON	300.00	433231
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
MATUSKA LAW FIRM	250.00	433324
JARED GILTHORPE	250.00	433329
COUNTY COURT AT LAW NO. 3		1,574.09*
BRUCE W. COBB	250.00	433119
JOHN D WEST	250.00	433215
UNITED STATES POSTAL SERVICE	4.95	433229
LAURIE PEROZZO	250.00	433282
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
JENNIFER MATTINGLY	600.00	433369
COURT MASTER		1,424.95*
UNITED STATES POSTAL SERVICE	2.88	433229
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
MEDIATION CENTER		72.88*
UNITED STATES POSTAL SERVICE	3.22	433229
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
COMMUNITY SUPERVISION		73.22*
DE LAGE LANDEN PUBLIC FINANCE	280.00	433296
SHERIFF'S DEPARTMENT		280.00*
CITY OF NEDERLAND	51.80	433116
FAST SIGNS, INC.	15.00	433128
FED EX	243.80	433129
GT DISTRIBUTORS, INC.	139.00	433130
JEFFERSON CTY. SHERIFF'S DEPARTMENT	2,119.00	433141
JEFFERSON CTY. SHERIFF'S DEPARTMENT	2,046.00	433142
JEFFERSON CTY. SHERIFF'S DEPARTMENT	600.00	433143
CASH ADVANCE ACCOUNT	134.00	433144
KIRKSEY'S SPRINT PRINTING	42.10	433151
OFFICE DEPOT	3,372.88	433167
AT&T	300.21	433185
UNITED STATES POSTAL SERVICE	1,231.05	433229
BEAUMONT OCCUPATIONAL SERVICE, INC.	32.95	433235
FIVE STAR FEED	117.50	433247
DE LAGE LANDEN PUBLIC FINANCE	800.00	433296
BEST BUY BUSINESS ADVANTAGE ACCOUNT	1,502.78	433322
3L PRINTING COMPANY	75.00	433354
CRIME LABORATORY		12,823.07*
FED EX	455.03	433129
SEROLOGICAL RESEARCH INSTITUTE	1,000.00	433179
CDW COMPUTER CENTERS, INC.	798.56	433210
DE LAGE LANDEN PUBLIC FINANCE	90.00	433296
JAIL - NO. 2		2,343.59*
AAA LOCK & SAFE	360.35	433096
JOHNSTONE SUPPLY	376.72	433102
COBURN'S, BEAUMONT BOWIE (1)	293.42	433120
W.W. GRAINGER, INC.	4,281.54	433132
ENTERGY	39,548.21	433134
HERNANDEZ OFFICE SUPPLY, INC.	607.52	433138
JOHNSON SUPPLY	1,985.84	433148
KAY ELECTRONICS, INC.	321.50	433149
KOMMERCIAL KITCHENS	1,280.94	433152
M&D SUPPLY	245.03	433154
MCNEILL INSURANCE AGENCY	142.00	433158
MOORE SUPPLY, INC.	14.43	433159
OFFICE DEPOT	997.11	433167
OLMSTED-KIRK PAPER	341.52	433169

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NAME	AMOUNT	CHECK NO. TOTAL
RALPH'S INDUSTRIAL ELECTRONICS	210.00	433177
SANITARY SUPPLY, INC.	2,192.76	433178
AT&T	959.01	433185
WHOLESALE ELECTRIC SUPPLY CO.	141.29	433200
ADVANCED SYSTEMS & ALARM SERVICES,	2,694.00	433212
LOWE'S HOME CENTERS, INC.	114.29	433238
UNITED RENTALS	175.00	433258
WORLD FUEL SERVICES	2,083.66	433283
FIVE STAR CORRECTIONAL SERVICE	29,822.58	433286
DE LAGE LANDEN PUBLIC FINANCE	1,280.00	433296
INDEPENDENT STATIONERS	396.02	433297
CONSTELLATION NEWENERGY - GAS DIVIS	2,515.04	433312
MATERA PAPER COMPANY INC	6,450.11	433315
THOMSON REUTERS-WEST	3,725.68	433316
FROGWASH PRESSURE WASHING	800.00	433318
KROPP HOLDINGS INC	812.08	433320
CLEAR HANDBAGS & MORE	1,938.45	433343
IMPACT WASTE LLC	360.00	433372
FERGUSON ENTERPRISES INC	58.73	433381
MCCLURE INDUSTRIES INC	1,427.95	433385
		108,952.78*
JUVENILE PROBATION DEPT.		
G. FRAN HUDGINS	1,344.00	433139
CHERYL TARVER	96.30	433203
UNITED STATES POSTAL SERVICE	6.56	433229
LYNN BIERHALTER	85.60	433260
SHARON STREETMAN	42.80	433261
LATONYA DOUCET	46.55	433273
DE LAGE LANDEN PUBLIC FINANCE	140.00	433296
JOSH CUYOS	223.63	433325
TANISHA GRIFFIN	304.42	433337
ROXANA MITCHELL	333.30	433346
CHRISTAL CHANNELL	309.23	433349
SUMMER KENNERSON	154.62	433370
MARY HAWKINS	133.21	433383
		3,220.22*
JUVENILE DETENTION HOME		
AMERICAN RED CROSS, INC.	27.00	433103
AT&T	688.51	433185
FLOWERS FOODS	287.48	433249
BEN E KEITH FOODS	216.43	433250
DE LAGE LANDEN PUBLIC FINANCE	229.79	433296
		1,449.21*
CONSTABLE PCT 1		
UNITED STATES POSTAL SERVICE	63.07	433229
DE LAGE LANDEN PUBLIC FINANCE	323.13	433296
GALLS LLC	66.00	433342
		452.20*
CONSTABLE-PCT 4		
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
		70.00*
CONSTABLE-PCT 6		
COCOMO JOE'S	26.00	433121
CASH ADVANCE ACCOUNT	1,495.46	433144
UNITED STATES POSTAL SERVICE	12.70	433229
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
		1,604.16*
CONSTABLE PCT. 8		
KAY ELECTRONICS, INC.	70.00	433149
DE LAGE LANDEN PUBLIC FINANCE	322.93	433296
		392.93*
COUNTY MORGUE		
BJ TRANSPORT SERVICE, INC.	6,783.32	433106
FMMS HOLDINGS OF TEXAS LLC	31,500.00	433304
		38,283.32*
AGRICULTURE EXTENSION SVC		

PGM: GMCOMMV2	DATE 05-08-2017		PAGE: 7 24 TOTAL
NAME	AMOUNT	CHECK NO.	
DE LAGE LANDEN PUBLIC FINANCE	200.00	433296	200.00*
HEALTH AND WELFARE NO. 1			
CLAYBAR FUNERAL HOME, INC.	999.00	433117	
ENTERGY	59.53	433135	
CASH ADVANCE ACCOUNT	590.90	433144	
MCKESSON MEDICAL-SURGICAL INC	261.47	433211	
UNITED STATES POSTAL SERVICE	71.84	433229	
CENTERPOINT ENERGY RESOURCES CORP	18.88	433255	
AMERICAN CORPORATE SERVICES	180.86	433270	
TINA CHAMPAGNE	42.80	433274	
DE LAGE LANDEN PUBLIC FINANCE	372.43	433296	
CRYSTAL JONES	292.65	433382	2,890.36*
HEALTH AND WELFARE NO. 2			
CLAYBAR FUNERAL HOME, INC.	999.00	433118	
GABRIEL FUNERAL HOME, INC.	1,500.00	433131	
UNITED STATES POSTAL SERVICE	305.31	433230	
DE LAGE LANDEN PUBLIC FINANCE	140.00	433296	2,944.31*
NURSE PRACTITIONER			
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	70.00*
CHILD WELFARE UNIT			
BEAUMONT OCCUPATIONAL SERVICE, INC.	603.60	433235	
J.C. PENNEY'S	1,845.65	433236	
SEARS COMMERCIAL CREDIT	50.00	433237	
TYMIR WILSON PAYEE	40.00	433263	
J'LYNN HENDRIX	40.00	433278	
ANDREW REISNER	40.00	433289	
ROBIN FRANK PAYEE	40.00	433308	
FATIMA ZAVALA	40.00	433326	
TYRE A WELLS	70.00	433327	
TRELIN FARR	40.00	433328	
TYTIANNA WELLS SIGARST	40.00	433331	
DONALD ORCHID	80.00	433336	
JAVIER ZAVALA FC	40.00	433340	
MYA ARCENEUX	40.00	433348	
ISSAC JERRY	20.00	433357	
JAXON ROMERO FC	15.00	433358	
ELIJAH MOORMAN	30.00	433362	
JULIAN CONTRERAS	15.00	433363	
KENNY ROBINSON	40.00	433365	
RAVEN WILSON	40.00	433366	
SHAWN MOUTON	70.00	433367	
LARRY DOYLE	40.00	433376	
MACIE MCGARY	40.00	433377	
JOHNATHAN ROBINSON	60.00	433378	
FAITH DOYLE	40.00	433379	3,419.25*
ENVIRONMENTAL CONTROL			
AT&T	31.25	433185	
DE LAGE LANDEN PUBLIC FINANCE	323.13	433296	354.38*
INDIGENT MEDICAL SERVICES			
CARDINAL HEALTH 110 INC	33,179.82	433319	33,179.82*
MAINTENANCE-BEAUMONT			
AAA LOCK & SAFE	791.00	433096	
CITY OF BEAUMONT - WATER DEPT.	305.85	433114	
COBURN'S, BEAUMONT BOWIE (1)	72.61	433120	
ECOLAB	209.95	433125	
ENTERGY	350.36	433134	
JOHNSON SUPPLY	4,231.48	433148	
RALPH'S INDUSTRIAL ELECTRONICS	51.17	433177	
ACE IMAGEWEAR	304.12	433180	

NAME	AMOUNT	CHECK NO.	TOTAL
AT&T	407.52	433185	
TCT INDUSTRIES, INC.	186.00	433191	
AT&T GLOBAL SERVICES	62,545.17	433244	
CENTERPOINT ENERGY RESOURCES CORP	510.06	433254	
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	
AT&T	12,847.94	433353	
			82,883.23*
MAINTENANCE-PORT ARTHUR			
JOHNSTONE SUPPLY	56.49	433102	
CITY OF PORT ARTHUR - WATER DEPT.	1,124.42	433115	
ALL-PHASE ELECTRIC SUPPLY	247.29	433122	
W.W. GRAINGER, INC.	104.44	433132	
NOACK LOCKSMITH	6.25	433163	
RALPH'S INDUSTRIAL ELECTRONICS	22.09	433177	
WHOLESALE ELECTRIC SUPPLY CO.	82.35	433200	
HOWARD'S AUTO SUPPLY	1.12	433209	
SOLAR	203.47	433233	
FIVE STAR FEED	13.75	433247	
BAKER DISTRIBUTING COMPANY	331.90	433248	
ALL-TERRAIN LAWN EQUIPMENT	625.22	433279	
PARKER LUMBER	385.67	433287	
DE LAGE LANDEN PUBLIC FINANCE	140.00	433296	
DALE'S POOLS	195.88	433314	
MEMBER'S BUILDING MAINTENANCE LLC	2,749.28	433321	
FRED MILLER'S OUTDOOR EQUIPMENT LLC	117.25	433339	
SUPPLYWORKS	39.00	433344	
NELSON WATER GARDEN & NURSERY	293.99	433347	
RAYON LOCKSMITH	617.00	433384	
			7,356.86*
MAINTENANCE-MID COUNTY			
CITY OF NEDERLAND	64.42	433116	
ALL-PHASE ELECTRIC SUPPLY	90.00	433122	
ENTERGY	412.40	433134	
RITTER @ HOME	18.58	433176	
SANITARY SUPPLY, INC.	64.54	433178	
ACE IMAGEWEAR	92.24	433180	
AT&T	697.49	433185	
W. JEFFERSON COUNTY M.W.D.	48.40	433198	
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	
FRED MILLER'S OUTDOOR EQUIPMENT LLC	648.38	433339	
			2,206.45*
SERVICE CENTER			
SPIDLE & SPIDLE	7,512.80	433100	
CHUCK'S WRECKER SERVICE	95.00	433113	
W.W. GRAINGER, INC.	918.80	433132	
J.K. CHEVROLET CO.	1,202.59	433140	
M&D SUPPLY	88.45	433154	
MUNRO'S	39.70	433162	
NOACK LOCKSMITH	27.00	433163	
PHILPOTT MOTORS, INC.	226.97	433170	
RITTER @ HOME	29.98	433176	
JEFFERSON CTY. TAX OFFICE	7.50	433218	
JEFFERSON CTY. TAX OFFICE	7.50	433219	
JEFFERSON CTY. TAX OFFICE	7.50	433220	
JEFFERSON CTY. TAX OFFICE	7.50	433221	
JEFFERSON CTY. TAX OFFICE	7.50	433222	
JEFFERSON CTY. TAX OFFICE	7.50	433223	
JEFFERSON CTY. TAX OFFICE	7.50	433224	
JEFFERSON CTY. TAX OFFICE	7.50	433225	
JEFFERSON CTY. TAX OFFICE	7.50	433226	
BUMPER TO BUMPER	567.00	433252	
ROBERT'S TEXACO XPRESS LUBE	511.00	433275	
AMERICAN TIRE DISTRIBUTORS	5,174.90	433277	
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296	
MIGHTY OF SOUTHEAST TEXAS	58.78	433299	
CHASE ELECTRONICS	167.50	433300	
1800RADIATOR & AC	10.12	433335	
CARR'S UNLOCKING COMPANY	100.00	433341	
TEXAS DEPARTMENT OF MOTOR VEHICLES	7.50	433345	
DENNIS LOWE	272.28	433364	

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NAME	AMOUNT	CHECK NO. TOTAL
MIDNIGHT AUTO	259.85	433371
VETERANS SERVICE		17,407.72*
UNITED STATES POSTAL SERVICE	10.41	433229
UNITED STATES POSTAL SERVICE	12.64	433230
HILARY GUEST	113.33	433241
DE LAGE LANDEN PUBLIC FINANCE	240.00	433296
		376.38*
MOSQUITO CONTROL FUND		471,333.13**
CITY OF NEDERLAND	39.36	433116
MUNRO'S	82.20	433162
AT&T	31.25	433185
PARKER LUMBER	8.04	433287
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
BREATH ALCOHOL TESTING		230.85**
DPS REPROGRAPHICS & DISTRIBUTION	92.00	433306
FAMILY GROUP CONFERENCING		92.00**
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
J.C. FAMILY TREATMENT		70.00**
BEAUMONT OCCUPATIONAL SERVICE, INC.	313.60	433235
JUDY PAASCH	99.37	433253
SECURITY FEE FUND		412.97**
ERNEST HARRELL	95.21	433136
OFFICE DEPOT	75.38	433167
LAW LIBRARY FUND		170.59**
DE LAGE LANDEN PUBLIC FINANCE	70.00	433296
THOMSON REUTERS-WEST	124.00	433316
EMPG GRANT		194.00**
CASH ADVANCE ACCOUNT	858.60	433144
SOUTHEAST TEXAS WATER	9.95	433182
TIME WARNER COMMUNICATIONS	184.95	433190
JUVENILE PROB & DET. FUND		1,053.50**
ANITA F. PROVO	600.00	433174
GRANT A STATE AID		600.00**
HAYS COUNTY	5,022.00	433202
OMNICARE SAN ANTONIO	72.50	433265
TJJD	200.00	433303
COMMUNITY SUPERVISION FND		5,294.50**
CASH ADVANCE ACCOUNT	10.00	433146
OFFICE DEPOT	1,153.58	433167
TIME WARNER COMMUNICATIONS	84.60	433189
SASSI INSTITUTE	973.00	433201
UNITED STATES POSTAL SERVICE	101.56	433229
UNITED STATES POSTAL SERVICE	227.97	433230
REDWOOD TOXICOLOGY LABORATORY	196.50	433266
JCCSC	500.00	433292
JEFF. CO. WOMEN'S CENTER		3,247.21**
CITY OF BEAUMONT - WATER DEPT.	1,841.26	433114
LUBE SHOP	44.48	433153
MARKET BASKET	112.66	433156

PGM: GMCOMMV2	DATE 05-08-2017	PAGE: 10 27
NAME	AMOUNT	CHECK NO. TOTAL
KIM MCKINNEY, LPC, LMFT	75.00	433157
SYSCO FOOD SERVICES, INC.	1,079.74	433186
TIME WARNER COMMUNICATIONS	35.04	433187
TEXAS ASSN. OF COUNTIES - RISK	2,293.00	433192
BEN E KEITH FOODS	1,198.00	433250
CENTERPOINT ENERGY RESOURCES CORP	398.49	433254
ROCHESTER ARMORED CAR CO INC	114.75	433291
DE LAGE LANDEN PUBLIC FINANCE	140.00	433296
COMMUNITY CORRECTIONS PRG		7,332.42**
TRACY ROBINSON	142.85	433098
TEXAS ASSN. OF COUNTIES - RISK	2,676.00	433192
DE LAGE LANDEN PUBLIC FINANCE	90.00	433296
DRUG DIVERSION PROGRAM		2,908.85**
TEXAS ASSN. OF COUNTIES - RISK	1,336.00	433192
DE LAGE LANDEN PUBLIC FINANCE	80.00	433296
LAW OFFICER TRAINING GRT		1,416.00**
OFFICE DEPOT	63.66	433167
LOWE'S HOME CENTERS, INC.	162.67	433238
COUNTY CLERK - RECORD MGT		226.33**
MANATRON	14,799.64	433268
COUNTY RECORDS MANAGEMENT		14,799.64**
SOUTHERN COMPUTER WAREHOUSE	853.72	433104
UNITED STATES POSTAL SERVICE	.81	433229
RONALD D ELLINGTON	112.81	433264
DANY		967.34**
FED EX	120.41	433129
HOTEL OCCUPANCY TAX FUND		120.41**
CITY OF BEAUMONT - WATER DEPT.	114.59	433114
M&D SUPPLY	123.42	433154
MUNRO'S	81.85	433162
DE LAGE LANDEN PUBLIC FINANCE	315.00	433296
LANDSCAPER'S WHOLESALE MARKET	122.40	433298
STARS OVER TX	500.00	433386
STARS OVER TX	500.00	433387
STARS OVER TX	500.00	433388
STARS OVER TX	500.00	433389
STARS OVER TX	500.00	433390
STARS OVER TX	500.00	433391
DISTRICT CLK RECORDS MGMT		3,757.26**
DE LAGE LANDEN PUBLIC FINANCE	140.00	433296
AIRPORT FUND		140.00**
CITY OF NEDERLAND	383.93	433116
W.W. GRAINGER, INC.	54.63	433132
GARSITE	208.23	433206
E. SULLIVAN ADVERTISING & DESIGN	13,048.96	433216
UNIFIRST HOLDINGS INC	133.63	433280
DE LAGE LANDEN PUBLIC FINANCE	140.00	433296
CRAWFORD ELECTRIC SUPPLY COMPANY	193.48	433311
SOUTHEAST TEXAS PARTS AND EQUIPMENT	86.57	433323
EASTERN AVIATION FUELS INC	15,710.87	433332
AIRPORT IMPROVE. GRANTS		29,960.30**
ALLCO, INC.	314,282.80	433227
GARVER LLC	16,143.50	433285
SE TX EMP. BENEFIT POOL		330,426.30**

PGM: GMCOMMV2	DATE 05-08-2017	PAGE: 11 28
NAME	AMOUNT	CHECK NO. TOTAL
GROUP ADMINISTRATIVE CONCEPTS INC	122,785.66	433290
LIABILITY CLAIMS ACCOUNT		122,785.66**
APRIL SWAIN & ATTORNEY LARRY WATTS	40,000.00	433394
WORKER'S COMPENSATION FD		40,000.00**
TRISTAR RISK MANAGEMENT	14,651.03	433257
SHERIFF'S FORFEITURE FUND		14,651.03**
AVIALL	202.99	433105
PROFESSIONAL LAW ENFORCEMENT TRAIN	618.00	433281
PAYROLL FUND		820.99**
JEFFERSON CTY. - FLEXIBLE SPENDING	13,627.75	433068
CLEAT	306.00	433069
JEFFERSON CTY. TREASURER	17,212.81	433070
RON STADTMUELLER - CHAPTER 13	530.00	433071
INTERNAL REVENUE SERVICE	475.00	433072
JEFFERSON CTY. ASSN. OF D.S. & C.O.	4,540.00	433073
JEFFERSON CTY. COMMUNITY SUP.	9,378.76	433074
JEFFERSON CTY. TREASURER - HEALTH	461,305.70	433075
JEFFERSON CTY. TREASURER - GENERAL	25.00	433076
JEFFERSON CTY. TREASURER - PAYROLL	1,669,411.29	433077
JEFFERSON CTY. TREASURER - PAYROLL	660,779.90	433078
MONY LIFE INSURANCE OF AMERICA	126.84	433079
POLICE & FIRE FIGHTERS' ASSOCIATION	2,937.52	433080
TGSLC	676.27	433081
UNITED WAY OF BEAUMONT& N JEFFERSON	18.00	433082
JEFFERSON CTY. TREASURER - TCDRS	618,688.01	433083
OPPENHEIMER FUNDS DISTRIBUTOR, INC	1,581.65	433084
JEFFERSON COUNTY TREASURER	2,621.29	433085
JEFFERSON COUNTY - TREASURER -	6,748.98	433086
NECHES FEDERAL CREDIT UNION	52,035.40	433087
JEFFERSON COUNTY - NATIONWIDE	51,845.14	433088
TENNESSEE CHILD SUPPORT	115.38	433089
SBA - U S DEPARTMENT OF TREASURY	168.49	433090
U S DEPARTMENT OF TREASURY	243.69	433091
WILLIAM E HEITKAMP	755.01	433092
JOHN TALTON	1,872.31	433093
IL DEPT OF HEALTCARD AND FAMILY SER	49.85	433094
BELINDA M ZURITA	230.77	433095
DISTRICT CRT RECORDS TECH		3,578,306.81**
CDW COMPUTER CENTERS, INC.	388.29	433210
ASAP - CONSTABLE PCT 8		388.29**
KAY ELECTRONICS, INC.	235.28	433149
RITA HURT	275.00	433301
TND WORKWEAR CO LLC	546.00	433375
		1,056.28**
		4,662,421.48***



PROCLAMATION

STATE OF TEXAS

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COMMISSIONERS COURT

COUNTY OF JEFFERSON

OF JEFFERSON COUNTY, TEXAS

BE IT REMEMBERED at a meeting of Commissioners' Court of Jefferson County, Texas, held on the 8th day of May, 2017, on motion made by Eddie Arnold, Commissioner of Precinct No. 1, and seconded by Michael S. Sinegal, Commissioner of Precinct No. 3, the following Proclamation was adopted:

MENTAL HEALTH AWARENESS MONTH-2017

WHEREAS, mental health is essential to everyone's overall health and well-being; and

WHEREAS, all Americans experience times of difficulty and stress in their lives; and

WHEREAS, prevention is an effective way to reduce the burden of mental health conditions; and

WHEREAS, there is a strong body of research that supports specific tools that all Americans can use to better handle challenges, and protect their health and well-being; and

WHEREAS, mental health conditions are real and prevalent in our nation; and


WHEREAS, with effective treatment, those individuals with mental health conditions can recover and lead full, productive lives; and

WHEREAS, each business, school, government agency, healthcare provider, organization and citizen shares the burden of mental health problems and has a responsibility to promote mental wellness and support prevention efforts;

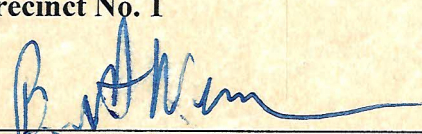
NOW, THEREFORE, BE IT RESOLVED that the Commissioners Court of Jefferson County recognizes **May 2017 as National Mental Health Awareness Month** and we call upon all citizens of Jefferson County to observe this month with appropriate programs and activities to support mental health recovery.

Signed this 8th day of May, 2017.


JUDGE JEFF BRANICK
County Judge


COMMISSIONER EDDIE ARNOLD
Precinct No. 1


COMMISSIONER MICHAEL S. SINEGAL
Precinct No. 3


COMMISSIONER BRENT A. WEAVER
Precinct No. 2


COMMISSIONER EVERETTE D. ALFRED
Precinct No. 4





PROCLAMATION

STATE OF TEXAS

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COMMISSIONERS COURT

COUNTY OF JEFFERSON

OF JEFFERSON COUNTY, TEXAS

BE IT REMEMBERED at a meeting of Commissioners' Court of Jefferson County, Texas, held on the 8th day of May, 2017, on motion made by Eddie Arnold, Commissioner of Precinct No. 1, and seconded by Michael S. Sinegal, Commissioner of Precinct No. 3, the following Proclamation was adopted:

NATIONAL TRAVEL AND TOURISM WEEK

WHEREAS, travel has a positive effect on Texas and the nation's economic prosperity and image abroad, to business productivity and to individual travelers' well-being; and

WHEREAS, travel to and within Texas provides significant economic benefits for the state, generating \$2.1 trillion in economic output in 2015, with \$947.1 billion spent directly by travelers; and

WHEREAS, travel is among the largest private-sector employers in the United States, supporting 15.1 million jobs in 2015, including 8.1 million directly in the travel industry and 6.9 million in other industries; and

WHEREAS, travelers' spending directly generated tax revenues of \$147.9 billion for federal, state and local governments, funds used to support essential services and programs; and

WHEREAS, travel in Jefferson County, Texas provides economic benefits for the county, employing 6,100 jobs and generating \$8.3 million in local tax revenue and \$489.6 million in total direct travel spending; and

WHEREAS, travel spending in our region enhances the lives of local residents through sales taxes paid by out-of-town guests, thereby decreasing residents' taxes to cover services enjoyed by all; and

WHEREAS, travel is a catalyst that moves the local economy forward and builds on the visitor amenities and experiences available for travelers and local residents; and

Whereas travel is a pillar of economic growth, creating jobs at a faster rate than other sectors.

NOW, THEREFORE BE IT RESOLVED that the Commissioners Court of Jefferson County does hereby proclaim May 7-13, 2017 as National Travel and Tourism Week in Jefferson County, Texas and urge the citizens of Jefferson County to join me in this special observance with appropriate events and commemorations.

Signed this 8th day of May, 2017.


JUDGE JEFF R. BRANICK
County Judge


COMMISSIONER EDDIE ARNOLD
Precinct No. 1


COMMISSIONER BRENT A. WEAVER
Precinct No. 2


COMMISSIONER MICHAEL S. SINEGAL
Precinct No. 3


COMMISSIONER EVERETTE D. ALFRED
Precinct No. 4





Resolution

STATE OF TEXAS

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COMMISSIONERS' COURT

COUNTY OF JEFFERSON

OF JEFFERSON COUNTY, TEXAS

BE IT REMEMBERED at a meeting of Commissioners' Court of Jefferson County, Texas, held on the 8th day of May, 2017, on motion made by Brent Weaver, Commissioner of Precinct No. 2, and seconded by Michael S. Sinegal, Commissioner of Precinct No. 3, the following Resolution was adopted:

ENTERGY MONTGOMERY COUNTY POWER STATION

WHEREAS, Entergy has filed an application with the Public Utilities Commission for a permit to construct a new power station at the location of their existing power station at Lewis Creek near Willis, Texas; and

WHEREAS, this investment in the new power plant is designed to bring nearly one gigawatt of new electricity supply to Southeast Texas to satisfy the ever-increasing demands; and

WHEREAS, this new plant will save consumers over \$1.7 billion dollars over the next 30 years and eliminate the uncertainty of energy markets; and

WHEREAS, the construction of the new Montgomery County Power Station (MCPS) will be a boon for local economy and generate \$1 billion in economic activity across Texas resulting in a \$410 million direct investment in the local area and generate \$307 million in worker savings and support 7,000 jobs directly and indirectly; and

WHEREAS, this investment by Entergy is in the future of Texas and this new plant will supply electricity we require locally for the expansion of our local industrial and economic development and assure this area of a reliable supply of electricity in the future; and

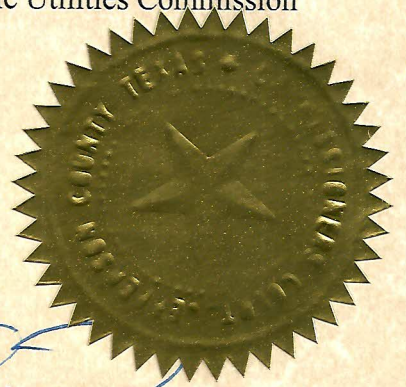
WHEREAS, the MCPS will be constructed with the environment in mind to be powered by natural gas and featuring state-of-the-art emission control technology.

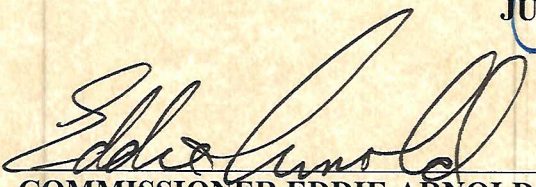
NOW THEREFORE, BE IT RESOLVED that the Commissioners' Court of Jefferson County, Texas, does hereby support submission of the application filed by Entergy with the Public Utilities Commission and we urge their earliest approval on PUC docket 46416.

SIGNED this 8th day of May, 2017



JUDGE JEFF R. BRANICK
County Judge





COMMISSIONER EDDIE ARNOLD
Precinct No. 1



COMMISSIONER MICHAEL S. SINEGAL
Precinct No. 3



COMMISSIONER BRENT A. WEAVER
Precinct No. 2



COMMISSIONER EVERETTE D. ALFRED
Precinct No. 4

**AGENDA ITEM****May 8, 2017**

Consider, possibly approve and authorize the County Judge to execute an Amended Inter-local Agreement between Jefferson County, Texas, the City of Nederland and the Nederland Economic Development Corporation regarding Airport property development and infrastructure improvements.

THE STATE OF TEXAS §
 §
 COUNTY OF JEFFERSON §

**AMENDED INTERLOCAL AGREEMENT FOR CONSTRUCTION
OF AIRPORT DEVELOPMENT INFRASTRUCTURE IMPROVEMENTS**

WHEREAS, on or about 2010, the City of Nederland (herein the “City”), with the consent of Jefferson County (herein the “County”) and other entities, annexed property within the grounds of the Jack Brooks Regional Airport (herein the “Airport”) managed and controlled by the County; and

WHEREAS, the Parties to this Agreement, which consist of the City, the Nederland Economic Development Corporation (hereinafter called “NEDC”) and the County, agree that it would be advantageous to all Parties to provide opportunities for the commercial development of certain portions of the City annexed portion of the Airport property as shown on the attached Exhibit A (Golden Square Master Plan) as Sites A, B, C-1, C-2, D-1, D-2, E, F, G and H (herein the “Property”), that the County is leasing and/or contemplating leasing to Glow Investment, Inc. ; and

WHEREAS, the NEDC, tasked with assisting the economic development of the City, has agreed to provide certain infrastructure funding opportunities to expedite the completion of certain infrastructure improvements necessarily associated with the contemplated commercial development of the Property by Glow Investment, Inc.; and

WHEREAS, the governing bodies of each party find that the subject of this agreement is necessary for the benefit of the public, and that each party has the legal authority to perform and to provide the governmental function or service which is the subject matter of this agreement; and

WHEREAS, the governing bodies of each party find that the performance of this agreement is in the common interest of all parties.

NOW THEREFORE, BE IT RESOLVED that the parties, pursuant to Chapter 791 of the Texas Government Code (Interlocal Cooperation Act) each acting through their respective governing bodies, hereby enter into this Amended Interlocal Agreement (herein the “Agreement”).

I. RECITALS

All the recitals and preambles hereinabove stated are found to be true and correct and are incorporated herein and made a part of this agreement.

II. PURPOSE

(a) The purpose of this agreement is to provide funding opportunities (herein the “NEDC Funding”) for construction by the NEDC and/or Glow Development (a developer selected by the NEDC and the

County) of certain infrastructure improvements to the Property necessary to allow for the commercial development of that portion of the Airport Property immediately adjacent to the Highway 69 frontage road (herein the "Project"), and to allow for repayment of the NEDC Funding from income sources, not yet available to the County, but which income sources will be made available and/or created from completion of the Project.

(b) The Property, consisting only of Sites A, B, C-1, C-2, D-1, D-2, E, F, G and H, and the location of the Project are as detailed in the development plat produced by Glow Investment, Inc., a copy of which is attached hereto as Exhibit "A".

(c) It is understood that any other leases entered into by Jefferson County for lease of Airport Property adjacent to the Highway 69 frontage road with third parties other than Glow Investments are not bound by the terms of this Interlocal Agreement.

III. Scope of Agreement

(a) The Parties have been advised that until such time as certain infrastructure improvements (herein the "Infrastructure") to the Property have been completed, including (i) drainage improvements, (ii) potable water access improvements and (iii) sewer access improvements, the commercial development of the Property will be significantly delayed, if not precluded. The Parties have received estimates that the cost of completion of said Infrastructure and related improvements are estimated to be in the range of \$1,000,000.00 to a high of \$2,000,000.00. Glow Investment, Inc. (herein the "Developer") have advised that until commitments for the construction of such Infrastructure are completed, binding and enforceable tenant commitments (herein the "Tenant Commitments") cannot be finalized, or at best would be extremely limited.

(b) The NEDC has agreed to provide funding (the "NEDC Funding"), in an amount **NOT TO EXCEED \$2,000,000.00**, for completion by the Developer, Glow Investment, Inc., of construction of the Infrastructure, with the actual tender of said NEDC Funding being **expressly subject to** disclosure and production to the Parties, including the County, the NEDC and the City, of binding and enforceable Tenant Commitments for development and occupation of the Property, with said Tenant Commitments (whether produced by developers or otherwise) being in numbers, form and content (to include information as to total proposed tenant build out improvements and verification of funding) acceptable to the NEDC and the other Parties, in their sole discretion. Once the County and the NEDC verifies that the Developer, Glow Investment, Inc. is no longer authorized to terminate its ground lease obligations with the County related to the Property, and that said Developer is obligated to construct the leasehold and tenant improvements contemplated by the ground lease agreement(s) entered into between the County and the Developer, then (i) the NEDC will directly or through the Developer, commence construction of the Infrastructure improvement as soon as reasonably practicable and the City and County Engineering Departments, as well as the Airport, shall retain oversight authority and specifications approval to assure all Airport, City and County standards are met, and (ii) the NEDC will, at the option of the Developer, , either reimburse the Developer the actual costs incurred in completion of the Infrastructure improvements detailed herein or will pay same directly on behalf of the Developer, **subject to the maximum limitation** detailed herein. Payment/reimbursement by the NEDC will be subject only to (i) reasonable verification that the expense

being paid and/or reimbursed is related to the actual construction of the subject Infrastructure improvements detailed herein and (ii) to the extent any such improvements are to be maintained by the City, confirmation by the City that the Infrastructure improvements are constructed in compliance with City requirements otherwise applicable to similarly constructed improvements.

(c) The County agrees to reimburse to the NEDC the NEDC Funding actually and finally advanced pursuant to this Agreement, with the repayment/reimbursement by the County being tendered through all net collections actually received by the County from the development of the Property, including particularly (i) all ground lease payments received by the County related to the Property, (ii) **not less than fifty (50.0%)** of all ad valorem tax payments received by the County on all real property leasehold improvements constructed on the Property and (iii) **not less than fifty (50.0%) percent** of all business personal property and inventory ad valorem tax payments received by the County from businesses and/or entities (herein the "Tenants") occupying any leasehold improvements constructed on the Property. Payments by the County to the NEDC of said funds shall be tendered within thirty (30) days of actual receipt of said funds by the County. Alternatively, the County, at its sole option, may authorize direct payment to the NEDC by the Developer and/or the Tenants, of the funds detailed hereinabove, with said direct payments to continue, at the option of the County, until the net aggregate NEDC Funding actually paid by the NEDC has been repaid in full.

IV. TERM OF AGREEMENT

The Effective Date of this Amended Agreement shall be _____, 2017, which agreement shall supersede and replace, in all respects, the Agreement entered into between the NEDC, City and the County effective as of January 25, 2016

This Amended Agreement will be in effect for one year from the Effective Date hereof and will be considered automatically renewed for each succeeding year until the NEDC Funding contemplated herein has been repaid in full, as contemplated herein, by the County, whether through sources contemplated herein or from other sources.

V. AMENDMENTS

Amendments may be made to this Agreement upon the approval of the governing bodies of the City, the County and the NEDC.

VI. WITHDRAWING FROM OR JOINING AGREEMENT

A party may withdraw from this Agreement, following a vote of its governing body, provided it has notified the other parties hereto of such action in writing at least 60 days before the intended withdrawal date. Withdrawal shall not relieve the withdrawing party of any obligations incurred prior to the withdrawal.

VII. TERMINATION

This Agreement may be dissolved at any time by the written consent of a majority of the parties, in the event of the dissolution of the Agreement, whether voluntary or involuntary or by operation of law. Notwithstanding the foregoing, in the event of said termination, to the extent all or any portion of the NEDC Funding contemplated by this Agreement has been completed prior to the date of termination, the repayment obligation of the County shall survive such termination and shall remain enforceable, in all respects, until such repayment has been completed or until such repayment obligation has been waived, in whole or in part, by the NEDC and approved by the City.

VIII. CURRENT REVENUES

Each party shall pay for the performances of services and/or funding required pursuant to this agreement from then current revenues.

IX. DISCRIMINATION

No one, on the grounds of race, creed, color, national origin, disability, age, or gender, shall be subject to discrimination in the performance of this Agreement.

X. FORCE MAJEURE

Neither Party shall be deemed in violation of this Agreement if it cannot perform any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, act of God, acts of the public enemy, acts of superior governmental authority, riots, rebellion, sabotage, or other circumstances for which it is not responsible or which is not within its control.

XI. MISCELLANEOUS PROVISIONS

(a) Venue: Venue for any lawsuit involving this agreement shall be in Jefferson County, Texas.

(b) Choice of Law: This Agreement is governed by the laws of the State of Texas

(c) Entire Agreement: This Agreement constitutes the entire agreement between the NEDC, the City and the County, and all negotiations and all understandings between the Parties are merged herein. The terms and conditions of this agreement specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations, or other written or oral understanding not contained herein or specifically adopted by reference.

(d) Exhibits: All exhibits, if any, are attached and are incorporated into the agreement.

(e) Partial Invalidity: If any term, provision, covenant, or condition of this agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

(f) **Survival:** Any provisions which by their terms survive the termination of this agreement shall bind its legal representatives, heirs, and assigns as set forth herein.

(g) **Assignment:** The Parties shall not assign, transfer, or encumber any right or interest in this agreement, in whole or in part, without prior written approval of the other Party.

(h) **Benefits:** This agreement shall bind, and the benefits thereof shall inure to the respective parties hereto, their heirs, legal representative, executors, administrators, successors, and assigns.

(i) **Amendments:** This agreement can be supplemented and/or amended only by a dated written document executed by both parties.

(j) **Gender:** Words or any gender used in this agreement shall be held and constructed to include any other gender and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

(k) **Multiple Copies:** This agreement may be executed in multiple counterparts each of which constitutes an original.

(l) **Article and Section Headings:** The Article and Section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this agreement.

(m) **Misspelled Words:** Misspelling of one or more words in this agreement shall not void this agreement. Such misspelled words shall be read so as to have the meaning apparently intended by the parties.

This agreement shall take effect upon execution by all signatories herein below.

Jefferson County

By _____

Title _____

Date _____

City of Nederland

By _____

Title _____

Date _____

Nederland Economic Development Corporation

By _____

Title _____

Date _____

**AGENDA ITEM****May 8, 2017**

Consider, possibly approve and authorize the County Judge to execute a lease agreement, for development of airport property between Jefferson County, Texas and Al Judice dba Judice's Restaurant.

The State of Texas
County of Jefferson

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Retail Development (Restaurant)
Land Lease Agreement

This is a lease agreement (herein "Agreement" and/or "Lease"), made as of May ___, 2017, by and between **Jefferson County, Texas**, ("LESSOR" or "LANDLORD"), a political subdivision of the state of Texas, and **Al Judice, dba Judice's Restaurant, or its authorized assignee**, (herein "LESSEE" or "TENANT") being an individual with a duly filed assumed name certificate within Jefferson County, and as such, authorized to do business in Jefferson County, Texas.

Recitals

WHEREAS, Jefferson County (herein sometimes the "County"), a political subdivision of the State of Texas, herein sometimes also referred to as "LANDLORD" or "LESSOR", is the owner and operator of the Jack Brooks Regional Airport (herein the "Airport") and certain property adjacent to the Airport described more particularly in Exhibit "B" (herein the "**The Landing Development Property**") attached hereto and incorporated herein for all purposes, all of which property is subject to various rules, regulations and limitations as to use imposed by the Federal Aviation Administration ("FAA"); and

WHEREAS, Al Judice, dba Judice's Restaurant, herein sometimes referred to as "LESSEE" and/or "TENANT", is in the business of operating a restaurant and related catering and take out services and incident to same, has expressed a desire to ground lease, in various stages, appropriate portions, not to exceed approximately 0.65 acres, or more particularly, not more than 28,000 square feet, of the Landing Development Property from Landlord, for the express purpose of constructing and operating certain improvements to and upon the property, including certain restaurant with related take out and retail sales operations and related building improvements, all as detailed more particularly hereinafter, which overall building and other improvements to be constructed by or through the Tenant as part of the development master plan referred generally as "The Landing" commercial development, with same being referred to herein as the "**Development**".

In consideration of the mutual covenants herein contained, LANDLORD and TENANT enter into the following ground lease agreement, herein called the "Lease", subject to the terms, conditions and limitations detailed hereinafter.

Terms

1. **Demised Premises.** Jefferson County, as LESSOR, hereby lets to LESSEE and LESSEE hereby leases from LESSOR that certain tract of land within the Development Property, which specific tract is generally described as the **Ground Lease for Restaurant Pad Improvements**, which containing approximately **0.65 acres or 28,000** square feet more or less detailed in Exhibit "B" attached, located at the Airport; together with the right to use and enjoy all improvements thereon, whether existing or constructed or to be constructed, referred to

herein as the "**Property**", "**Leased Premises**" and/or "**Demised Premises**." The final actual acreage and or square footage of the Property shall be determined jointly by and between LESSOR and LESSEE (and/or third party professionals retained and/or approved by the undersigned parties), with the final description, to include detailed determination of the actual square footage of the tract, which final description is to be evidenced by a post effective date exhibit (to be attached hereto upon completion as post execution Exhibit "C"), with said exhibit to be approved by both parties, and with such approval being evidenced by the execution of the final form of Exhibit "C" by authorized representatives of both LESSOR and LESSEE. Reference to the term "**Property**" and/or "**Leased Premises**" hereinafter shall refer to the property described more particularly in either or both Exhibit "B", and upon completion of same, Exhibit "C".

Subject to and with the benefit of the terms, covenants, and conditions of this Lease, the LANDLORD hereby demises and leases to TENANT, and TENANT hereby takes and leases from LANDLORD, certain Property (herein also the "**Demised Premises**"), to have and to hold during the Demised Term of this Lease. The development contemplated by Lessee, as detailed more particularly hereinafter, is to include the "**Judice Restaurant**", which is defined as that certain **Restaurant and related improvements**, comprised of not more than 1 story, subject to all applicable FAA regulations as well as all County and City of Nederland (the "**City**") building codes and regulations, all as described more particularly in a **post execution exhibit** to be attached hereto as Exhibit "E", to be constructed upon the Property, which restaurant facility is to be designed and built as necessary to esthetically comply with the design and construction requirements of the commercial and business development to be known generally as "**The Landing**" (herein the "**Development**"), to be constructed at the Jack Brooks Regional Airport, Nederland, Jefferson County, Texas. The final form of Exhibit "E" shall NOT be attached to this lease agreement until same has been approved, in writing, by LANDLORD, the City of Nederland (the "**City**") and the Nederland Economic Development Corporation (the "**NEDC**").

2. Inspection Period. Tenant acknowledges and agrees that it has had, or will have prior to closing, a reasonably opportunity to conduct relevant due diligence analysis, inspection and investigation of the Property, all prior to the effective date of this Lease, and that TENANT has independently determined that the Property is suitable for its intended developmental and construction purposes, including the proposed intended purpose of construction of the **Judice Restaurant and related improvements defined herein**. Notwithstanding the foregoing, TENANT shall be permitted to further conduct additional due diligence related to (i) the Development, (ii) **the anticipated restaurant improvements** related to same, and (iii) the overall suitability of the Property for commercial and/or business development, with such additional due diligence being subject to the terms, conditions and limitations detailed more particularly in Section Error! Reference source not found. herein below and to be completed within **ONE HUNDRED TWENTY (120) DAYS** of the effective date of this Lease. Tenant and its representatives will be authorized to go upon the Development Property, including the Demised Premises made the basis of this Agreement, at all reasonable times to inspect the

condition of the Property, perform evaluations, inspections and relevant testing, determine the status of and/or availability of utilities and access, conduct zoning investigations, feasibility studies and other studies or tests that Tenant, and/or its lenders (if any), may deem necessary or appropriate to determine, in Tenant's sole discretion, whether the Demised Premises are suitable for Tenant's intended use contemplated by the project contemplated herein. Notwithstanding the foregoing, **Tenant may terminate its obligations hereunder, with or without cause, and without further obligation, prior to 5:00 p.m., Beaumont, Texas time on the date the Inspection period terminates, by providing written notice of said election.**

3. Right of Flight Reservation. LESSOR, for itself, other lessees and tenants of the County and/or the Airport as well as for its permittees, invitees, successors and assigns, reserves the right of flight for the passage of all types of aircraft now in existence or hereafter created above the Development Property, to include, without reservation, the Property. LESSOR, its consignees, additional lessees and tenants of the Airport, and its permittees, licensees, successors and assigns, shall likewise be entitled to cause such noise, smoke, vapors, sound effects and other distractions as may be reasonably inherent in landing at, taking off from, or operation of aircraft on, above or upon the Airport.

4. Inspection Extension—Pre-Conditions to Lease. Upon the waiver of all contingencies, if any, to the commencement of this Lease detailed more particularly herein, and provided such additional time shall be necessary for TENANT to secure financing for the Project contemplated herein, TENANT may, upon LANDLORD'S approval, extend the Inspection Period for thirty (30) days. Should TENANT fail to notify LANDLORD of its election to **terminate** this Lease on or before the expiration of the Inspection Period or the extended Inspection Period, **this Lease shall be deemed to have been accepted by all parties and TENANT shall be obligated to construct the Judice Restaurant improvements, to include the restaurant project, related facilities and improvements contemplated by the final form of Exhibit "E", a post execution exhibit to be attached to this Agreement after approval by the Landlord, the City and the NEDC.**

TENANT's obligations under this Lease shall be subject to the satisfaction, **during the Inspection Period**, of each of the following conditions, which shall be completed or verified by Tenant PRIOR TO expiration of the Inspection Period:

a. Existence of appropriate commercial and other zoning for the entirety of the Demised Premises for the construction and operation of restaurant facilities that will be authorized to serve mixed alcoholic beverages, beer and wine, (vi) bars authorized to serve such alcoholic beverages, and (vii) such other commercial uses as TENANT shall deem appropriate related to the Judice Restaurant operations contemplated by this Lease;

b. Existence of a valid access and exit point to the Development Property to and from a public road, together with duly recorded easements or right-of-way(s), if necessary, which may be used without restrictions by TENANT and its customers, employees, suppliers and invitees;

c. The availability of utility services, including but not limited to electrical service,

natural gas and/or propane service, to the Demised Premises;

d. TENANT's either actual obtaining, or being satisfied as to the availability of, all appropriate licenses and permits by the appropriate state and local authorities for the sale to the public by TENANT, or an entity controlled by the TENANT or a tenant of the TENANT, of mixed alcoholic beverages, beer and wine on all seven (7) days of the week and for the maximum hours of operation authorized by the County and the laws of the State of Texas;

e. TENANT's receipt of a final building permit for the construction of TENANT's **Judice Restaurant** improvements to be detailed in Exhibit "E", an exhibit to be attached, post execution of this Agreement, detailing the specifications and parameters of the construction of the subject restaurant improvements to be constructed upon the Demised Premises, the form and content of which such Exhibit "E" shall be subject to **prior written approval** by LANDLORD, the CITY and the NEDC **before** said Exhibit is attached to and made a part of this Agreement; and

f. TENANT's satisfaction that the environmental condition of the Development Property, to include the Demised Premises, is acceptable to Tenant and/or Tenant's lenders. TENANT may, in so determining, conduct Phase I and or Phase II tests and or conduct soils testing, all of which shall be conducted in accordance with standard procedures. TENANT shall provide LANDLORD copies of all such environmental evaluations, tests and reports related to same, on or before the expiration of the Inspection Period, regardless of whether or not the Lease shall terminate.

TENANT may waive any condition of this section in its sole discretion. Further, Tenant shall be **DEEMED TO HAVE WAIVED SAME**, to the extent not approved or affirmatively waived, if not resolved before expiration of the Inspection Period.

TENANT shall diligently pursue the satisfaction of the conditions set forth above, however, Tenant shall be deemed to have satisfied same as of the expiration of the Inspection Period UNLESS Tenant either (i) provides notice of termination of this Lease or (ii) provide a written extension of the Inspection Period from Landlord.

TENANT shall indemnify and hold LANDLORD, the City and the NEDC harmless from and against any and all losses, claims and/or liabilities, including attorneys fees, arising or resulting from inspections made by TENANT detailed herein, which indemnification obligations shall survive the expiration or termination of this Lease.

5. Effective Date/Base Rent Effective Date. The effective date of this lease shall be the date of execution by the last to execute of either Tenant or Landlord.

The effective date upon which Base Rent shall commence shall be on the EARLIER of (i) the date the LESSEE actually completes construction of the **Judice Restaurant improvements** detailed in Exhibit "E" and receives its certificate of occupancy related to same, or (ii) twelve (12) months from the date of expiration of the Inspection Period detailed within this Lease, which earlier date will be referred to herein as the Rent Commencement Date.

6. Original Term. The initial term of this lease shall be for a period of 360 calendar months (30 years), plus the partial month, if any, following the effective date of this lease, unless sooner terminated or extended by virtue of a provision herein.

7. (a) Option Term. LESSEE shall have the option to extend the term of this lease for an additional 228 months (19 years) following the initial term. The option terms are comprised as follows: (1) 60 months (5 years); (2) 60 months (5 years); (3) 60 months (5 years); and (4) 48 months (4 years). Nothing herein shall require the LESSEE to exercise any of the option terms.

The Original Term and Option Term(s) (which are properly and timely exercised) by TENANT are collectively referred to in this Lease as the "**Demised Term**."

9. (b) Hold Over Tenant. If TENANT remains in possession of the Demised Premises after the expiration of the Demised Term, TENANT shall be deemed to be occupying the Demised Premises as a tenant at sufferance, on a month-to-month basis, with base rent during said holding over period accruing at a minimum of one hundred and twenty-five percent (125%) of the Base Rent herein specified (prorated on a monthly basis), subject to all conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy at sufferance.

10. Base Rent. As rent for the premises and the Lessee's right and privileges hereunder, the Lessee agrees to pay the Lessor in accordance with the following schedule:

Term - Years	Annual Base Rate (Sq Ft)	Annual Base Rent
1-5	\$ 0.2000	\$ 5,600.00
6-10	\$ 0.2600	\$ 7,280.00
11-15	\$ 0.2800	\$ 7,840.00
16-20	\$ 0.3000	\$ 8,400.00
21-25	\$ 0.3200	\$ 8,960.00
26-30	\$ 0.3400	\$ 9,520.00
31-35	\$ 0.3600	\$ 10,080.00
36-40	\$ 0.3800	\$ 10,640.00
41-45	\$ 0.4000	\$ 11,200.00
46-49	\$ 0.4200	\$ 11,760.00

for the exclusive use of approximately **28,000 square feet** of land. Rents shall be paid in monthly installments, in advance, on the first day of each month, in a sum equal to 1/12 of such annual base rent. Rental installments not paid by the fifteenth (15th) day of the month in which due shall bear interest from the fifteenth day of the month due until paid at the rate of 10% per annum.

Base rent detailed herein is based upon an estimated square foot size of **28,000 square feet**. The base rent will be adjusted as necessary to comply with the final actual square foot determined by either Title Company and or surveyors retained to determine the Legal Description of the Property, which final determination shall be attached to this Lease as Exhibit

B as detailed herein above.

11. Commencement of Rent. Rental payments as provided above shall be payable on but not before the Base Rent effective date of this lease as determined in Section 5 hereof.

12. Adjustment of Rent. The rent shall be adjusted as set forth in herein above.

13. Exhibits. The following exhibits are attached to and made a part of this Lease for all purposes:

a. Exhibit A. Plot plan and/or legal description of the Landing Development Property, showing schematically the Development location;

b. Exhibit B. Proposed Plot Descriptions of Demised Premise;

c. Exhibit C. Legal Descriptions of Demised Premises in final form;

d. Exhibit D. Tenant Subordination and Non-Disturbance Agreement Form (where applicable);

e. Exhibit E. A post execution exhibit to detail the Construction Specifications and Requirements, as **approved by LANDLORD**, the City of Nederland (herein the "**City**") and the Nederland Economic Development Corporation ("**NEDC**") for construction of the Judice Restaurant and related improvements, including parking;

f. Exhibit F. A post execution exhibit, to be in a form and content APPROVED by the Landlord, the City and the NEDC before attachment to this lease consisting of an artist's or similar type rendering detailing the Judice Restaurant improvements.

14. Restrictions Affecting the Demised Premises. LANDLORD represents and warrants that there are no easements, covenants, conditions or restrictions affecting the Demised Premises that (i) are in conflict with any provision of this Lease or (ii) require the consent or approval of this Lease or any provision contained herein by any third party other than the FAA as previously disclosed to Tenant. Landlord may assist in the acquisition of approvals as may be necessary from the FAA. Entrances to the Development and access routes to the Demised Premises shall not be closed or materially rearranged during the Demised Term unless necessary for maintenance of infrastructure or airport operations.

15. Construction of the Demised Premises. The improvements constructed by TENANT or TENANT's lessees on the Demised Premises ("Tenant's Improvements") shall be constructed in accordance with Exhibit E and shall be and remain the property of TENANT or TENANT's lessees, as applicable. Upon the expiration of the Terms or Renewal Terms hereof, the Tenant's Improvements shall be deemed the property of and owned by LANDLORD. In the event TENANT fails to commence construction of the improvements contemplated by Exhibit "E" on or before 150 days after the date TENANT obtains all necessary governmental approvals and third party financing, at the option of the LANDLORD,

a. LANDLORD, or its assignees, may sue for specific performance to enforce this Lease, including TENANT's obligation to construct the improvements, or;

b. Landlord may be authorized, in its sole discretion, to terminate the Lease as of such time and TENANT's Security Deposit, if any, shall be deemed forfeited and paid to LANDLORD and all obligations of this Lease, save and except those specifically intended to survive, shall terminate and be of no further force or effect.

16. Taxes. LESSEE agrees to pay any taxes or special assessments that may be levied against the leased premises, or against the leasehold interest, or against the Airport because of these leased premises, by any taxing unit or entity, whether levied against LESSOR or LESSEE, and LESSEE further agrees to hold LESSOR harmless from any claims or liens in connection with any such tax or special assessment attributable to the leased premises. Taxes payable by LESSEE pursuant to this Section shall be subject to proration to account for the term of this Lease and the taxable value of the leased premises as compared to the taxable value of the larger legal parcel of which the leased premises is a part, if applicable. If the LESSOR is assessed taxes on the larger legal parcel which includes the leased premises, then LESSOR shall pay such taxes and assessments to the taxing authority and LESSEE shall reimburse LESSOR for the pro-rata portion of the taxes assessed on the taxable value of the leased premises within thirty (30) days of receipt of an invoice therefore and proof of payment by LESSOR. If taxes are assessed on the premises made the subject of this lease, or upon any business personal properties located upon or within same, LESSEE shall pay such taxes directly to the taxing authorities assessing the taxes.

17. Plans and Specifications. Exhibit "E", once completed, attached to and incorporated within this Agreement, shall detail the specific final Plans and Specifications for the construction of **the Judice Restaurant and related improvements, including parking.** Additionally to be attached hereto, together with Exhibit "E", is a post execution exhibit to be attached as Exhibit "F", constituting an artist's rendering of the **Judice Restaurant and Restaurant Pad** improvements that LESSEE proposes to build on the premises. IF attaché at the time of execution by the Landlord, the execution of this agreement will constitute the acceptance by LESSOR of the **proposed esthetic appearance** of the proposed improvements shown by Exhibit "F". In the event said Exhibit is attached post execution, then the Exhibit "F" shall NOT be attached and made a part of this lease until same has been approve, in writing, by the Landlord, the City and the NEDC. LESSEE covenants to erect any improvements in substantial compliance with the appearance represented in Exhibit "F". Prior to commencement of any construction, FINAL plans and specifications for buildings and parking as required herein shall be submitted to LESSOR for approval, which approval shall not be unreasonably withheld. All architectural and color schemes shall be consistent with the Airport Master Plan requirements and the plans and specifications of the Development known as "The Landing". **Notwithstanding the foregoing, Lessee further agrees that Lessee shall NOT submit for Lessor's approval such Exhibit "F" until such time as Lessee has already obtained the approval of Exhibit "F" from BOTH the NEDC and the City.**

18. Indemnity. LESSEE agrees to INDEMNIFY, HOLD HARMLESS, DEFEND AND INSURE Jefferson County, the Airport, the City of Nederland, the NEDC and all of their officials, agents and employees against the risk of death, injury, or damage to any person or

property arising out of or in connection with the performance of any such construction work and/or services provided in connection with, directly or indirectly, the Development and/or the restaurant facility and related improvements to be constructed pursuant to this lease agreement.

LESSEE shall include in all construction contracts entered into by it, in connection with any or all of the construction work related to the **Judice Restaurant improvements** contemplated by this Lease, appropriate provisions requiring all contractors, their subcontractors and on-site vendors, to indemnify, hold harmless, defend and insure Jefferson County, the Airport, the City, the NEDC and all of the foregoing parties officials, agents and employees against the risk of death, injury, or damage to persons or property, arising out of or in connection with the performance of any or all of such construction work and/or services provided in connection with, directly or indirectly, the Development.

LESSEE shall require all contractors to furnish liability insurance, including contractual indemnity coverage, in an amount not less than the maximum dollar amount of recovery permitted against a county by the Texas Tort Claims Act as it now exists or may be hereafter amended. LESSEE shall provide evidence to LESSOR of its compliance with this section prior to commencement of any construction related to the Development, including, without limitation, the construction contemplated by this Lease. LESSEE covenants and agrees to hold LESSOR, the City and the NEDC free and harmless from loss from each and every claim and demand of whatever nature, including but not limited to fines, assessments, fees and attorney's fees, made on behalf of or by any third person or persons, for any wrongful act or omission on the part of LESSEE, LESSEE's contractors and/or their respective agents, servants, officers, directors, and employees, and from all loss and damages to any third person or persons by reason of such acts or omissions.

19. Workmanship. The LESSEE further covenants that all construction work related directly or indirectly to the Development, including without limitation construction contemplated by Phase 6 made the basis of this Lease, will be performed by it or its contractors, including all workmanship or materials, such that same will be of first class quality.

20. Utility Connections. LESSEE, at its own expense, shall construct utility connections such as it may desire from utility lines or pipelines in existence on the airport property or from outside the Airport, following existing roads or easements, unless express authority for deviation from existing roads or easements is given to it by the Commissioners' Court. LESSEE will be responsible for the installation of a sanitary sewer grinder pump system, the specifications of which are subject to prior written approval by LESSOR and the City. In addition, should the pump system fail in the future for any reason, LESSEE will be responsible for the cost of maintenance and/or replacement of such pump. Applicable deviation authority and additional easements will be granted by LESSOR, if needed by the LESSEE to achieve economy or convenience. If other property is subsequently leased by LESSOR to other tenants in the vicinity who choose to extend existing utility lines provided by this LESSEE to other property so leased, the subsequent tenants shall have the right to do so at their sole cost and expense. However, the right of any subsequent tenant to extend utility lines is further

conditioned that the extension will not impair the capability and capacity of the line as used by the present LESSEE.

21. Certificate of Completion. When the construction hereinabove provided for has been completed, the LESSEE shall, within a reasonable time thereafter, deliver to the LESSOR a certificate from LESSEE'S architect and/or general contractor, that the construction has been completed in compliance with all laws, ordinances and governmental rules, regulations and orders.

22. Proof of Payment. All improvements shall be free and clear of all mechanics' and other liens and from liability arising from the construction of said improvements, and no later than 30 days after completion of construction LESSEE shall furnish to LESSOR full and satisfactory evidence in writing of (i) the area of such improvements, (ii) the actual cost of such improvements (to include proof of the payment thereof), (iii) the value of such improvements immediately after construction, and (iv) the fact that said improvements are free and clear of all mechanics' and other liens and/or liabilities related thereto arising from said construction.

23. Refuse and Trash. No refuse or trash shall be kept, stored or allowed to accumulate on the premises. LESSEE shall provide, at its sole cost and expense, necessary arrangements for adequate sanitation, handling and disposal from the airport of all trash, garbage and other refuse which results from tenants' business operations, including receptacles for the deposit of such trash, garbage, and other refuse.

24. Outside Storage Prohibited. Storage of vehicles, equipment, supplies or any other items outside of the building(s) is prohibited. For the purpose of this provision, the term "storage" shall mean the placing of vehicles, equipment, supplies or any other items outside the building and which vehicles, equipment, supplies or any other items do not serve as an actual day-to-day business function.

25. Off-Street Parking. The LESSEE shall make provision for automobile parking for its employees, visitors, and other invitees on the premises. No parking shall be permitted on street improvements, if any, immediately adjacent to the Leased Premises. The LESSEE further agrees to pave its on-premise parking facilities in order to provide a dust-free, all-weather surface. Pavement plans shall be approved by LESSOR, the City and the NEDC prior to construction.

26. Permitted Uses. The LESSEE shall have the privilege of using, subject to the terms and conditions herein, the premises for the operation of a **Restaurant, take out, food product retail sales and catering complex** and any other lawful commercial activities including all services normally connected therewith.

27. Prohibited Uses. Without first obtaining LESSOR'S written consent, LESSEE shall not use the Leased Premises for the sale of aircraft fuels, lubricants or propellants. Further, in no event, shall TENANT, or its authorized assignees, allow a (i) flea market, (ii) second-hand store, (iii) "sex," "head" or "pawn" shop use or (iv) an adults only bookstore to occupy or otherwise use, directly or indirectly, the Leased Premises.

28. Quiet Enjoyment. LESSOR covenants and agrees that at the granting and delivery of this lease it has good title, free and clear of all liens and encumbrances; and that LESSOR has full right and authority to lease the premises as herein set forth. LESSOR further covenants that all things have happened and been done to make its granting of this lease effective, and LESSOR warrants to LESSEE peaceful possession and quiet enjoyment of the premises during the term hereof, upon performance of LESSEE'S covenants herein.

LANDLORD warrants unto TENANT and agrees to defend the Demised Premises against the claim of all persons whomsoever, and if TENANT shall discharge the obligations herein set forth to be performed by TENANT, TENANT shall, during the Demised Term, have lawful, quiet, and peaceful possession and occupation of the Demised Premises and shall enjoy all of the rights herein granted without any let, hindrance, ejection, molestation or interference by any person.

Notwithstanding any other provision of this Lease to the contrary, LANDLORD and TENANT hereby acknowledge and agree that title to ownership of the Tenant's Improvements shall be vested in TENANT during the Demised Term.

29. LESSEE's Estate. Title to all improvements constructed by LESSEE shall vest and remain in LESSEE during the term of this lease and LESSEE shall be entitled to any and all investment tax credits generated by reason of construction, installation, and operations on the premises. Subject to the rights of LESSEE'S mortgage (as specifically provided in Section 30 and elsewhere herein) and to LESSEE'S right of reimbursement to the extent set out in this Lease, title to improvements shall pass to and vest in the LESSOR upon the effective date of a cancellation or termination of this lease. LESSEE shall have the right at any time prior to or subsequent to the construction of improvements to mortgage its leasehold estate in the premises and the improvements; and to assign its interest in this lease to any mortgagee who shall have advanced funds to the LESSEE under any loan, the proceeds of which have been used for the construction of the improvements or to refinance loans for the construction of improvements. Any mortgagee claiming under the LESSEE shall have the rights and privileges hereinafter set forth.

At the expiration or termination of this Lease, LESSEE agrees to:

- a) surrender possession of the entire leased premises to LESSOR;
- b) remove at LESSEE's expense any assets that LESSEE is entitled to remove as set forth below; and
- c) otherwise return the leased premises to LESSOR. All fixed buildings, fencing, utilities, and other improvements placed on the leased premises shall remain on the leased premises upon the termination of this Lease and become the sole property of LESSOR. Exceptions to the above are LESSEE's trade fixtures and personal property that can be removed from the leased premises without substantially altering or damaging other property.

30. LESSEE's Mortgagee. In the event LESSEE shall mortgage the leasehold estate and the improvements or assign this lease to any mortgagee who shall have advanced funds for the purposes described in the preceding Section 29, such mortgagee may give written notice of

its mortgagee's interest to the LESSOR at LESSOR'S address shown herein.

Thereafter, LESSOR, prior to taking any action to cancel or terminate the lease, shall give to the mortgagee the same notices that are required to be given to the LESSEE prior to cancellation or termination, and if no notice is required to be given to the LESSEE, then a written notice to the mortgagee shall be given of the event or events which are alleged to be the basis of the right to cancel or terminate. The mortgagee shall have the right

- a. to cure the default of the LESSEE, and
- b. at its election, to foreclose its lien or security interest in the leasehold estate and improvements and this lease and to sell such leasehold estate and improvements (and LESSEE'S interest in this lease) at public or private sale, whereupon the purchaser (the "Potential Purchaser") shall succeed to all rights of the LESSEE hereunder. **Notwithstanding the foregoing, such Potential Purchaser's (to include any assignee of said Potential Purchaser) use of the Demised Premises shall be EXPRESSLY SUBJECT TO (i) the prior approval of the Landlord and (ii) the terms and conditions of this lease agreement.** The mortgagee shall be accorded a reasonable period of time in which to cure the default, taking into account the nature of the LESSEE'S default, and a reasonable period of time in which to effect foreclosure, taking into account the statutory requirements for foreclosure of its lien or security interest. Further, if LESSEE shall default under the terms of its mortgage, the mortgagee shall likewise have the rights and power of foreclosure and sale as are set out in the preceding portions of this Section 30. The LESSOR agrees to execute such documents as may be requested by the LESSEE or the LESSEE'S mortgagee to provide LESSEE with the ability to meet requirements for obtaining secured financing, provided that such documents do not render LESSOR liable for the payment of LESSEE'S indebtedness or encumber LESSOR'S remainder interest.

31. Indemnification. LESSOR shall stand indemnified by LESSEE as herein provided. LESSEE is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and LESSOR shall in no way be responsible therefore. In the use of the premises, in the erection or construction of any improvements thereon, and in the exercise or enjoyment of the privileges herein granted, LESSEE shall indemnify and save harmless LESSOR from any and all damages that may proximately result to any third person because of any negligence on the part of LESSEE.

32. Insurance.

- a. Property Insurance:

LESSEE shall maintain or cause to be maintained all risk property insurance (to include fire and other casualty loss, windstorm and flood coverage), from a company authorized to do business in the State of Texas and keep in force said insurance, with extended coverage, upon the buildings located on the premises to the full insurable value thereof, as determined by the insurer. LESSOR shall be named as additional loss payee and LESSEE shall furnish LESSOR with evidence that such coverage has been provided and is being maintained.

In the event of an insured damage to the premises, the insurance proceeds will be used

for the purpose of restoring and reconstructing the improvements. However, if the improvements are more than 60% destroyed at any time during the term of this lease, the LESSEE may elect to terminate this lease by giving written notice thereof to LESSOR within 90 days after such destruction. If LESSEE so elects to terminate, insurance proceeds, to the extent necessary, shall be used to remove the damaged improvements, unless LESSOR shall notify LESSEE in writing that LESSOR wishes the damaged improvements to remain upon the land. If LESSEE shall fail to restore the improvements and shall also fail to terminate the lease in the manner aforesaid, LESSOR may, upon written notice to the LESSEE after such 90-day period, terminate the lease and remove damaged improvements at LESSEE'S expense.

b. Liability Insurance.

LESSEE shall promptly, after the execution of this lease, obtain commercial general liability insurance, covering loss, cost or expense by reason of injury to or death of persons or damage to or destruction of property by reason of the use and occupancy of the Demised Premises by Tenant, Tenant's assignees and/or Tenant's Invitees. Such insurance shall have limits of at least Five Hundred Thousand Dollars (\$500,000.00) per occurrence primary coverage, bodily injury and property damage. The amounts of minimum coverage herein specified may be modified from time to time in compliance with Jefferson County standard requirements. All policies shall name LESSOR, its officers, servants, agents, and employees as additional insureds. LESSEE shall furnish LESSOR with a certificate from the insurance carrier showing such insurance to be in full force and effect or shall deposit with LESSOR copies of said policies. Each policy or certificate shall contain a provision that written notice of cancellation or any material change in the policy by the insurer shall be delivered to LESSOR, thirty (30) days in advance of the effective date thereof.

33. Licenses. The LESSEE shall procure from all governmental authorities having jurisdiction of the operations of the LESSEE hereunder, all licenses, franchises, certificates, permits or other authorizations as may be necessary for the conduct of its operations. LESSOR will cooperate with LESSEE in this endeavor.

34. LESSOR's Remainder Interest. The LESSEE agrees that it shall not enter into any contracts of a type which would permit a lien or liens to become attached to the remainder interest of Jefferson County, or suffer or permit a lien or liens to be imposed or attached to the leasehold interest, provided, LESSEE shall have the right, upon posting security satisfactory to the County, to contest the amount or legality of any lien attached to or levied against the leasehold interest.

35. Airport Regulations. The LESSEE covenants and agrees to observe and obey the rules and regulations of the Airport and the FAA, as promulgated by governmental authorities, in the conduct of LESSEE's operations at the Leased Premises.

36. Airport Hazard—Non-Interference Obligations. The LESSEE and its successors and assigns, will not make or permit any use of the property which would interfere with landing or taking off of aircraft at the Airport, or otherwise constitute an airport hazard including such items as electrical and electronic interference with communications, electrical or electronic

equipment, creation of dust or glaring or misleading lights, and restrict any objects from penetrating the imaginary surfaces as defined in CFR Title 14 Part 77 – *Safe, Efficient Use, and Preservation of the Navigable Airspace*. Prior to any construction, erection of buildings, and or major alteration to airport ground contours, an airspace study will be required, allowing the FAA to identify potential aeronautical hazards in advance, thus preventing or minimizing the adverse impacts to the safe and efficient use of navigable airspace. LESSOR will cooperate with LESSEE in this endeavor.

37. Certification as to FAA compliance. LESSEE shall observe all applicable rules and regulations of the Federal Aviation Administration including requirements for Airport certification and safety codes.

38. Non-Discrimination. The LESSEE assures that it will undertake an affirmative action program as required by 14 Code of Federal Regulations (CFR) Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The LESSEE assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The LESSEE assures that it will require that its covered sub-organizations provide assurance to the LESSEE that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

39. LESSEE's Maintenance Obligations. LESSEE shall at all times keep, in a clean and orderly condition and appearance, the Leased Premises and improvements thereon, as well as all equipment and personal property. LESSEE shall maintain, repair, replace and paint all or any part of the improvements on the premises including therein, without limitations thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the furnishing of a fire alarm, fire protection, sprinkler, sewage, drainage and telephone service, including lines, pipes, mains, wires, conduits, and other equipment connected with or appurtenant to all such systems at its own expense as necessary. LESSOR shall have the right to enter upon the premises at reasonable times, in a manner which does not materially interrupt LESSEE's business, for the purpose of inspection, to determine LESSEE's compliance with LESSEE's obligation under this Section 39.

Enforcement Rights. If LESSEE fails to perform its obligations under Section 39, LESSOR shall have the right to give written notice to the LESSEE specifying the deficiencies in maintenance. If within 30 days after receipt of such notice, LESSOR does not make arrangements for the curing of such deficiencies in maintenance, LESSOR shall have the right to enter the premises and perform the necessary maintenance, the cost of which shall be borne by the LESSEE.

40. Utilities. LESSEE shall pay all costs and charges for utility services requested by and furnished to the LESSEE in the Demised Premises during the Demised Term. LESSEE shall, however, have the right to connect to any and all storm and sanitary sewers and water and

utility outlets located on or adjoining property of the LESSOR. The LESSEE shall pay for all cost and expense attendant to such connections, but no charge shall be assessed by the LESSOR for the right to make such connections.

LANDLORD shall not interrupt any utility services, under LANDLORD's direct control, to the Demised Premises unless:

- a) Such interruption is necessitated by the need to make emergency repairs; or
- b) LANDLORD schedules any necessary repair work with TENANT's general manager at the Demised Premises at least seventy-two (72) hours in advance.

Such repairs shall, to the extent possible, be made only during hours when TENANT is not open for business to the public. LANDLORD shall immediately give notice to TENANT of an impending interruption of any utility services to the Demised Premises. LANDLORD shall use its best efforts to minimize and promptly cure all utility interruptions that are caused by LANDLORD or subject to LANDLORD's control.

41. Hazardous Substances. A Hazardous Substance shall mean any petroleum product, asbestos product or any other material, substance or waste that is recognized as being hazardous or dangerous to health or the environment by and federal, state, or local agency having jurisdiction of the Demised Premises. LANDLORD represents and warrants:

- a) That it has never placed, generated, stored, handled or disposed of any Hazardous Substances in or about the Demised Premises; and
- b) That, to the best of its knowledge, LANDLORD is not aware of the existence, placement, generation, storage, handling or disposal of any Hazardous Substance in or upon the Demised Premises at any time by anyone else.

TENANT agrees not to generate, store, handle or dispose of any Hazardous Substance in or upon the Demised Premises during the Demised Term of the Lease. In the event however, that any substance used in TENANT's business shall, during the Demised Term, become designated as a Hazardous Substance, then TENANT shall, to the extent practicable, discontinue the use of the substance in or upon the Demised Premises in a manner consistent with all standards and regulations. TENANT shall indemnify and hold LANDLORD harmless from and against any and all demands, claims, enforcement actions, costs and expenses, including reasonable attorney's fees, arising out of the use of any Hazardous Substance by TENANT at the Demised Premises.

42. Ingress and Egress. LESSEE and all approved sub-lessees, and their respective contractors, suppliers of materials and furnishers of services, and employees and invitees, shall have the right of ingress and egress between the premises and the public rights-of-way outside the Airport by means of existing access roads, the same to be used in common with others having rights of passage within the Airport, provided that the Airport may from time to time substitute other means of ingress and egress which shall be reasonably equivalent to the means now provided. The use of such roadways shall be subject to reasonable rules and regulations established by the Airport.

43. LESSEE's Right to Cancel. This lease shall be subject to cancellation, at the option of LESSEE, upon the default of LESSOR in the performance of any covenant or agreement herein required to be performed by LESSOR and the failure of LESSOR to remedy such default for a period of ninety (90) days after receipt from LESSEE or written notice to remedy the same. LESSEE may exercise its right of cancellation by written notice to LESSOR at any time after the lapse of the applicable periods of time. This lease shall then terminate as of the termination date specified by LESSOR in such notice.

44. Amounts Payable Upon Cancellation by LESSEE. In the event this lease is canceled by LESSEE pursuant to LESSEE's rights under this lease, rental due shall be payable only to the date of termination, and the LESSOR shall pay to LESSEE liquidated damages computed as follows:

a. The liquidated damages shall be the actual construction cost of the fixed improvements less 3% of the cost for each year or partial year elapsed since the substantial completion of the improvements.

b. Actual construction cost shall be certified by LESSEE and approved in writing by the LESSOR within 30 days after construction is completed. Upon payment by LESSOR to LESSEE of liquidated damages, as computed above, LESSEE shall have no further estate in the improvements and LESSOR shall have exclusive right thereto.

45. LESSEE's Option to Remove. In lieu of liquidated damages provided in Section 45 hereof, LESSEE may, at Lessee's option, **and subject to Lessor's approval**, remove the improvements.

46. Events of Cancellation. This lease shall be subject to cancellation at the option of the LESSOR upon occurrence of any of the following events:

a. Failure of LESSEE to pay rent as herein provided within thirty (30) days after LESSOR shall have given LESSEE written notice of such default.

b. The permanent abandonment of the premises by the LESSEE.

c. Default by LESSEE in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by the LESSEE, if such default continues, without a good faith attempt by LESSEE to remedy the default, for a period of thirty (30) days after receipt of written notice from LESSOR specifying the default.

d. Any other event specifically named in this lease which affords LESSOR the right to cancel.

47. Method of Cancellation. LESSOR may exercise such right to cancellation by written notice to LESSEE at any time after the lapse of the applicable periods of time and this lease shall terminate as of the termination date specified by LESSOR in such notice.

In the event of default by TENANT, LANDLORD shall elect either of the following remedies:

a. LANDLORD may retake possession of the Demised Premises (without such action being deemed an acceptance of a surrender of this Lease or termination of TENANT's liability hereunder) and, upon taking possession, LANDLORD shall make reasonable efforts to relet the same on reasonable terms, with TENANT remaining liable to pay the Base Rent and other lease charges (but not the Percentage Rent) for the remainder of the Demised Term less the net amount of rent and other lease charges received by LANDLORD as a result of such reletting (after deducting reasonable brokerage fees and attorney's fees incurred for reletting the Demised Premises) and the cost of any necessary repairs (but not alterations or renovations) to the Demised Premises). If the net amount realized by LANDLORD from any reletting is less than the Base Rent and lease charges payable by TENANT hereunder, TENANT shall pay the amount of the deficiency to LANDLORD each month upon demand thereof; or

b. LANDLORD shall have the right, on a continuing basis, either before or after taking possession of the Demised Premises, to terminate this Lease, thereby releasing TENANT from any further liabilities hereunder.

For the enforcement of these remedies LANDLORD may have recourse to any applicable legal or equitable process for the recovery of possession of the Demised Premises and the right to seek an injunction or a declaratory judgment. No act of LANDLORD shall be deemed an act terminating this Lease or declaring the Demised Term ended unless notice is served upon TENANT by LANDLORD expressly setting forth therein that LANDLORD expressly setting forth therein that LANDLORD elects to terminate the Lease or declare the Demised Term ended.

Notwithstanding anything to the contrary, LANDLORD shall not be permitted to do any of the following:

c. Recover any speculative, indirect, consequential, or incidental damages against TENANT;

d. Recover any punitive damages against tenant;

e. Accelerate any payments of Base Rent or other charges due from TENANT to LANDLORD hereunder unless TENANT, after a default, fails to pay the Base Rent or deficiency as required in subparagraph aa above; or

f. Recover from TENANT any amounts expended by LANDLORD in connection with renovating, altering, adding to, installing upon, or otherwise modifying the Demised Premises for use by anyone other than TENANT.

48. Default by LANDLORD. If LANDLORD fails to perform any of its obligations as required by this Lease or if LANDLORD has otherwise breached any covenant, representation or warranty, and if LANDLORD shall fail to cure such misrepresentation or failure within the Applicable Grace Period, then TENANT shall have its rights and remedies at law or in equity, and TENANT may also take such steps as may be necessary to cure LANDLORD's default, in which event TENANT shall be entitled to recover from LANDLORD or offset against subsequent rent payments all amounts expended by TENANT for said purposes, together with reasonable attorney's fees and interest thereon from the date due until the paid at the Interest Rate

specified herein below until TENANT is paid in full; provided that any such offset shall not exceed, in any month, one hundred percent (100%) off the monthly installment of the Base Rate (the "Offset Limit"). Notwithstanding anything to the contrary contained within this Agreement, the undersigned parties agree that LANDLORD shall retain all applicable governmental immunities, whether provided by statute or otherwise, and nothing contained within this Agreement shall constitute a waiver of any such governmental immunities.

49. LESSOR's Rights Upon Cancellation. In the event LESSOR cancels this lease in the manner set out of this section LESSOR shall take possession of the premises and terminate LESSEE's rights therein. In any action brought by either party against the other for enforcement of the terms of this lease, the prevailing party shall be entitled to recover reasonable attorney's fees in addition to such other relief as may be awarded.

50. Airport Expansion. In the event LESSOR requires the premises for expansion or development of the Airport, LESSOR reserves the right, upon six (6) months' written notice to LESSEE, to relocate or replace LESSEE's improvements in substantially the same form acceptable to the LESSEE at another comparable location on the Airport acceptable to the LESSEE. The replacement facility shall be completed prior to relocation so that there is no interruption of LESSEE's business operation. All costs and expenses associated with the relocation shall be borne by the LESSOR.

51. Governmental Agreements. This lease shall not impair any existing or future agreement between LESSOR and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal Funds for the development of the Airport. Should the effect of such agreement with the United States Government be to take any of the property under the lease, or substantially destroy the commercial value of the improvements, or to materially impair LESSEE's operations, LESSOR shall relocate the improvements in the manner described in Section 49.

52. Option in Event of Relocation. In the event a relocation of improvements is required by the LESSEE under Section 50, or necessitated under Section 51 above, LESSEE shall have the option, in lieu of accepting such relocated premises, to cancel this lease prior to the commencement of construction of relocation facilities, in which event, LESSEE shall be entitled to the liquidated damages provided in Section 44.

53. Assignment. LESSEE shall not assign this lease or sublet all or any portion of the premises without the prior written consent of LESSOR, which consent shall not be unreasonably withheld. The LESSEE's sub-lessee shall be entitled to all of the same rights as the LESSEE (including but not limited to fuel purchase rights as set forth herein) and subjected to all of the same restrictions as set forth herein. However, LESSOR's consent shall not be required for any:

- a. assignment of subletting to an affiliate or subsidiary of the LESSEE, or
- b. the assignment or subletting to any mortgagee or to a purchaser from any mortgagee at foreclosure.

54. Other Instruments. Upon the request of either party, the LESSOR and the LESSEE will execute a recordable short form lease evidencing that the premises have been demised to the LESSEE and a recordable instrument evidencing the term of this lease and its commencement date, when commencement date shall have been determined.

55. Paragraph Headings. The paragraph headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this lease.

56. Notices. Notices to LESSOR provided for herein shall be sufficient if sent by Registered or Certified Mail, postage prepaid, addressed to:

JEFFERSON COUNTY, TEXAS
Attn: County Judge
Jefferson County Courthouse
1149 Pearl Street
Beaumont, TX 77701
409.835.8466

and notices to said LESSEE, if sent by Registered or Certified Mail, postage prepaid addressed to:

Judice dba Judice Restaurant
Attn: _____
_____ Jerry Ware Boulevard
Nederland, TX 77627
____-____-____

and/or to such other addresses as the parties may designate to each other in writing from time to time.

57. Successors and Assigns. All of the terms, covenants and agreements herein contained shall be binding upon and shall inure to the benefit of successors and assigns of the respective parties hereto.

58. Termination of Lease. This lease shall terminate at the end of the full term hereof. Upon such termination, LESSEE shall have no further right or interest in any of the land hereby demised or in any of the improvements thereon.

59. Attornment. Should Lessor sell, convey or transfer its interest in the premises, then Lessee shall attorn to such succeeding party as its Lessor under this lease promptly upon any such succession, provided that such succeeding party assumes all of Lessor's duties and obligations under this lease and agrees not to disturb Lessee's leasehold interest hereunder in accordance with this Section as long as Lessee is not in material default beyond any cure period hereunder.

60. Entire Agreement, Amendment and Binding Effect. This lease constitutes the

entire agreement between Lessor and Lessee relating to the subject matter hereof and all prior agreements relative hereto which are not contained herein are terminated. This lease may be amended only by a written document duly executed by Lessor and Lessee, and any alleged amendment which is not so documented shall not be effective as to either party.

61. Severability. This lease is intended to be performed in accordance with and only to the extent permitted by the law. If any provision of this lease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, but the extent of the invalidity or unenforceability does not destroy the basis of the bargain between the parties as contained herein, the remainder of this lease and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

62. Construction. Unless the context of this lease clearly requires otherwise,

- a. pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character;
- b. the singular shall include the plural wherever and as often as may be appropriate;
- c. the term "includes" or including" shall mean including without limitation; and
- d. the words "hereof" or "herein" refer to this entire lease and not merely the Section or Article number in which such words appear. Article and Section headings in this lease are for convenience of reference and shall not affect the construction or interpretation of this lease. Any reference to a particular "Article" or Section" shall be construed as referring to the indicated article or section of this lease.

63. Force Majeure. Lessee shall be entitled to rely upon force majeure as an excuse for timely performance hereunder only as expressly provided herein and shall not be entitled to rely upon force majeure as an excuse for timely performance unless Lessee:

- a. uses its best efforts to overcome the effects of the event of force majeure;
- b. gives written notice to Lessor within twenty (20) days after the occurrence of the event describing with reasonable particularity the nature thereof;
- c. commences performance of its obligation hereunder immediately upon the cessation of the event, and;
- d. gives written notice to Lessor within twenty (20) days after the cessation of the event advising Lessor of the date upon which the event ceased to constitute an event of force majeure.

Force majeure shall mean:

- a) acts of God, landslides, lightning, earthquakes, hurricanes, tornadoes, blizzards and other adverse and inclement weather, fires, explosions, floods, acts of public enemy, wars, blockades, insurrections, riots or civil disturbances;
- b) labor disputes, strikes, work slowdowns, or work stoppages but nothing herein contained shall require the party subject to such labor disputes, strikes, work slowdowns, or work stoppages to settle or otherwise resolve same;
- c) orders or judgments of any federal, state or local court, administrative agency or governmental body, if not the result of willful or negligent action of the party relying thereon;

- d) power failure and outages affecting the leased premises; and
- e) any other similar cause or event, provided that the foregoing is beyond the reasonable control of the party claiming force majeure.

64. Interpretation. Both Lessor and Lessee and their respective legal counsel have reviewed and have participated in the preparation of this lease.

65. Multiple Counterparts. This lease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

66. Applicable Grace Period. Except as may be provided elsewhere in this Lease, the grace period for curing a party's failure to perform its obligations under this Lease (the "Applicable Grace Period") shall be **thirty (30)** days.

67. Interest Rate. Except where a different rate of interest is expressly provided for elsewhere in this Lease, interest payable under this Lease shall be paid at an annual rate (the "Interest Rate") equal to the lessor of:

- a. The prime interest rate charged by Citibank, N.A. plus two percent (2%), or
- b. The highest interest rate permitted by law.

68. Common Area Maintenance. NOT APPLICABLE.

69. Governmental Limitation. Notwithstanding any other provision of this lease agreement, Landlord **shall not be required to perform any action, make any expenditure or cure any default**, which would be in violation of any statutory or constitutional provision regulating the conduct of the County's business.

EXECUTED in triplicate originals as of the date first above written.

LESSOR:

Jefferson County

BY: 

Jeff Branick

Jefferson County Judge

ATTEST:

Jefferson County

BY: 

Carolyn Guidry

Jefferson County Clerk



LESSEE:

_____ Judice, dba

Judice's Restaurant

BY: _____

Authorized Representative

ORDER APPOINTING CRIMINAL ASSOCIATE JUDGE

Pursuant to the authority granted in the Texas Government Code Chapter 54A, sections 54A.001 through 54A.014, and pursuant to the authority of the undersigned duly-elected County Judge of Jefferson County, Texas and of the Criminal Courts of Jefferson County, Texas request and hereby approve of the appointment of Fred L. Jackson as Criminal Associate Judge for Jefferson County Criminal Courts.

The Criminal Associate Judge shall have the powers authorized under said Government Code provisions. Judge(s) of the Criminal Courts of Jefferson County, Texas handling misdemeanor and felony cases may refer to the Associate Criminal Judge any matter arising out of a criminal case involving:

1. A negotiated plea of guilty or no contest before the court;
2. A bond forfeiture;
3. A pretrial motion;
4. A writ of habeas corpus;
5. An examining trial;
6. A occupational driver's license;
7. An appeal of an administrative driver's license revocation hearing;
8. A civil commitment matter under Subtitle C, Title, Health and Safety Code;
9. Setting, adjusting or revoking bond;
10. The issuance of search warrants, including a search warrant under Article 18.02(10, Code of Criminal Procedure, notwithstanding Article 18.01©, Code of Criminal Procedure; and;
11. Any other matter the judge considers necessary and proper.

This Order shall be construed also as an order of referral from each of the undersigned Judges to the Associate Criminal Judge to handle all cases and dockets which they may hereafter refer to the Associate Criminal Judge without the need for a separate written order for any case, as authorized per Section 54A.007(b)(5).

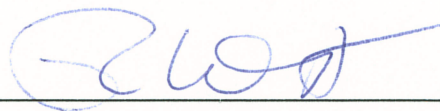
Nothing in this Order shall prevent a referring Judge from limiting the Associate Criminal Judge's powers in a specific case.

This Order is effective immediately as to each court listed below upon the signature of that court's judge.

Signed this 4th day of May, 2017.

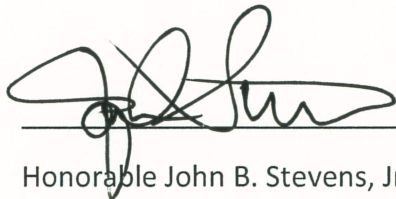


Jeff R. Brarick, County Judge



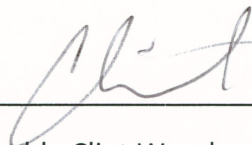
Honorable Raquel West

252nd District Court



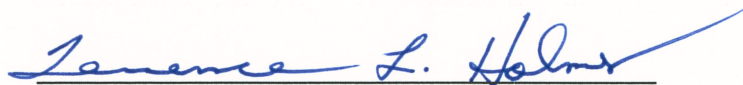
Honorable John B. Stevens, Jr

Criminal District Court



Honorable Clint Woods

County Court at Law No. 3



Honorable Terrence Holmes

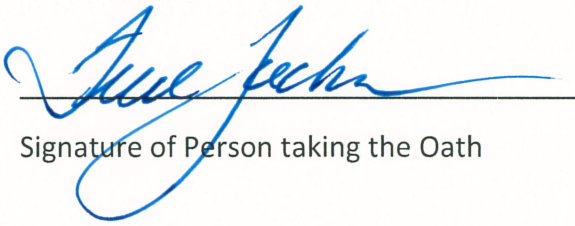
County Court at Law No. 2

In the name and by the authority of

The State of Texas

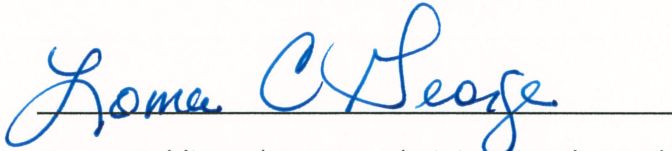
OATH OF OFFICE

I, Fred L. Jackson, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of Criminal Associate Judge of the State of Texas, and I will to the best of my ability preserve, protect and defend the Constitution and laws of the United States and of this State so help me God.



Signature of Person taking the Oath

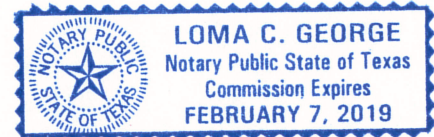
SWORN TO AND SUBSCRIBED before me by Fred L. Jackson on this 4th day of May, 2017.



Notary Public and Person Administering the Oath

Printed Name: Loma C George

Notary Public, State of Texas





ORDER

The Order Appointing Fred L. Jackson Criminal Associate Judge entered May 4, 2017 Pursuant to Texas Government Code Chapter 54A, sections 54A.001 through 54A.014, is hereby rescinded effective Monday, May 8, 2017.

Signed this 8th day of May, 2017.



 JEFF R. BRANICK
 COUNTY JUDGE



 HONORABLE JOHN B STEVENS, JR
 CRIMINAL DISTRICT COURT



 HONORABLE TERRENCE HOLMES
 COUNTY COURT AT LAW NO. 2



 HONORABLE RAQUEL WEST
 252nd DISTRICT COURT



 HONORABLE CLINT WOODS
 COUNTY COURT AT LAW NO 3

The State of Texas	§	Retail Development (Restaurant)
County of Jefferson	§	Land Lease Agreement (P-7)

This is a lease agreement (herein "Agreement" and/or "Lease"), made as of May __, 2017, by and between **Jefferson County, Texas**, ("LESSOR", "LANDLORD" and/or "COUNTY"), a political subdivision of the state of Texas, and **Glow Investment, Inc.**, (herein "LESSEE" or "TENANT") being a corporation formed under the laws of the State of Texas, and as such, authorized to do business in Jefferson County, Texas.

Recitals

WHEREAS, Jefferson County (herein sometimes the "County"), a political subdivision of the State of Texas, herein sometimes also referred to as "LANDLORD" or "LESSOR", is the owner and operator of the Jack Brooks Regional Airport (herein the "Airport") and certain property adjacent to the Airport described more particularly in Exhibit "A" (herein the "**Development Property**") attached hereto and incorporated herein for all purposes, all of which property is subject to various rules, regulations and limitations as to use imposed by the Federal Aviation Administration ("FAA"); and

WHEREAS, Glow Investment, Inc., herein sometimes referred to as "LESSEE" and/or "TENANT", is in the business of real estate development and incident to the same, has expressed a desire to ground lease, in various stages, appropriate portions of the Development Property from Landlord, for the express purpose of developing, constructing and operating, whether directly or through subtenants, certain improvements to and upon the property, including certain building improvements, all as detailed more particularly hereinafter, which overall building and other improvements to be constructed by or through the Tenant as part of the development master plan referred generally as "The Landing" commercial development, with same being referred to herein as the "**Development**"; and

WHEREAS, in order to enhance the opportunities related to the economic success of the Development, LESSEE has entered into a separate agreement with the Nederland Economic Development Corporation ("NEDC") whereby certain funding opportunities, subject to limitations detailed within said separate agreement, will be provided by the NEDC to LESSEE to reimburse LESSEE'S actual costs incurred in the construction of certain infrastructure improvements to the Development Property, to include roadway and access improvements, drainage improvements and utility improvements, the construction of which infrastructure improvements to and/or within the Development Property shall be subject to final approval by the LANDLORD, although the LANDLORD shall not have any obligation to LESSEE related to the costs of such improvements.

In consideration of the mutual covenants herein contained, LANDLORD and TENANT enter into the following ground lease agreement, herein called the "Lease", subject to the terms, conditions and limitations detailed hereinafter.

Terms

1. **Demised Premises.** Jefferson County, as LESSOR, hereby lets to LESSEE and LESSEE hereby leases from LESSOR, on an exclusive basis, that certain tract of land within the Development Property, which specific tract is generally described as the **Ground Lease for Restaurant Pad Improvements**, which containing approximately **1.50 acres or 65,340** square feet more or less detailed in Exhibit "B" attached, located at the Airport; together with the right to use and enjoy all improvements, rights and appurtenances thereon, whether existing or constructed or to be constructed, referred to herein as the "**Property**", "**Leased Premises**" and/or "**Demised Premises.**" The final actual acreage and or square footage of the Property shall be determined jointly by and between LESSOR and LESSEE (and/or third party professionals retained and/or approved by the undersigned parties), with the final description, to include detailed determination of the actual square footage of the tract, which final description is to be evidenced by a post effective date exhibit (to be attached hereto upon completion as Exhibit "C"), with said exhibit to be approved by both parties, and with such approval being evidenced by the execution of the final form of Exhibit "C" by authorized representatives of both LESSOR and LESSEE. Reference to the term "**Property**" and/or "**Leased Premises**" hereinafter shall refer to the property described more particularly in either or both Exhibit "B", and upon completion of same, Exhibit "C".

Subject to and with the benefit of the terms, covenants, and conditions of this Lease, the LANDLORD hereby demises and leases to TENANT, and TENANT hereby takes and leases from LANDLORD, certain Property (herein also the "**Demised Premises**"), to have and to hold during the Demised Term of this Lease.

2. **Development / Phase 7.** The Development contemplated by LESSEE, as detailed more particularly hereinafter, is to include "**Phase 7**", which is defined as that certain **Restaurant and related improvements**, comprised of not more than a 1-story building, subject to all applicable FAA regulations as well as all County and City of Nederland (the "City") building codes and regulations, which improvements to be constructed are to be described in Exhibit "E", a post execution exhibit, to be attached hereto, **after approval by the LESSOR, the City and the NEDC.**

3. **Right of Flight Reservation.** LESSOR, for itself, other lessees and tenants of the County and/or the Airport as well as for its permittees, invitees, successors and assigns, reserves the right of flight for the passage of all types of aircraft now in existence or hereafter created above the Development Property, to include, without reservation, the Property. LESSOR, its consignees, additional lessees and tenants of the Airport, and its permittees, licensees, successors and assigns, shall likewise be entitled to cause such noise, smoke, vapors, sound effects and other distractions as may be reasonably inherent in landing at, taking off from, or operation of aircraft on, above or upon the Airport.

4. **Inspection Period.** Tenant acknowledges and agrees that, since the execution of certain Letters of Intent ("LOI") related to the Property and other adjacent Development Property to be included in the proposed Development, it has had a reasonable opportunity to conduct certain relevant due diligence analysis, inspection and investigation of the Property, all prior to

the effective date of this Lease, and that TENANT has independently determined that the Property is suitable for its intended developmental and construction purposes, including the proposed intended purpose of construction of the **Restaurant Improvements defined herein as Phase 7** of the development. Notwithstanding the foregoing, TENANT shall be permitted to further conduct additional due diligence related to (i) the Development, (ii) **Phase 7** related to same, and (iii) the overall suitability of the Property for commercial and/or business development, with such additional due diligence being subject to the terms, conditions and limitations detailed more particularly in Section 4 herein.

Commencing as of the effective date of that certain Letter of Intent ("LOI") entered into previously by and between Tenant and Landlord, Tenant acknowledges that it has been provided an ongoing opportunity to complete inspections and evaluations of the Property and incident to the execution of this lease, Tenant will be provided an additional period of time to complete any additional due diligence, related inspections, and evaluations (herein the "**Inspection Period**"), with said Inspection Period to terminate **THREE HUNDRED SIXTY (360) days** from the date hereof. **Notwithstanding the foregoing, Tenant shall use reasonable efforts to complete inspections and obtain requisite permits and governmental approvals within one hundred eighty (180) days** from the date hereof. Tenant and its agents and representatives shall be authorized to go upon the Development Property, including the Property/Demised Premises made the basis of this Agreement, at all reasonable times to inspect the condition of the Property, perform evaluations, inspections and testings, determine the status and/or availability of utilities and access, conduct zoning investigations, feasibility studies and other studies or tests that Tenant, and/or its lenders (if any) may deem necessary or appropriate to determine if, in Tenant's sole discretion, the Demised Premises are suitable for Tenant's intended use contemplated by **Phase 7** of the Development. **Tenant may terminate, with or without cause, this Lease, WITHOUT FURTHER OBLIGATION, prior to 5:00 P.M., Beaumont, Texas time on the date the Inspection Period terminates. IF TENANT DOES NOT TERMINATE THIS LEASE AGREEMENT, AS PROVIDED HEREIN, TENANT SHALL BE OBLIGATED TO COMMENCE ACTUAL CONSTRUCTION OF THE PHASE 7 IMPROVEMENTS WITHIN NINETY (90) DAYS OF THE EXPIRATION OF THE LEASE TERMINATION DEADLINE.**

Upon the waiver of all contingencies, if any, to the commencement of this Lease detailed more particularly in Section 4 herein above, and provided such additional time shall be necessary for TENANT to secure and complete (i) its lease negotiations with its tenants with respect to the **Phase 7** or (ii) acquisition of requisite governmental approvals necessary for the operations contemplated by this Lease, TENANT may, upon LANDLORD'S approval, extend the Inspection Period for additional periods of time, not to exceed thirty (30) days each, with said option to extend being expressly subject to prior approval by the **Nederland Economic Development Corporation** (herein the "NEDC"), which entity is providing funding to the Tenant to construct certain infrastructure improvement providing utilities and road improvements to the Development Property, including the Demised Premises. The NEDC reserves the right and option to deny further extension to Inspection Period IF the NEDC has expended and/or reimbursed (or is obligated to do the same) sums to third parties (to include Tenant, Tenant's contractors and/or

Landlord) for construction of said infrastructure improvements related to the Development. Should TENANT fail to notify LANDLORD of its election to **terminate** this Lease on or before the expiration of the Inspection Period and/or any extended Inspection Period, **this Lease shall be deemed to have been accepted by all parties and TENANT shall be obligated to construct Phase 7, to include the Restaurant improvements, related facilities and improvements contemplated by Exhibit "E", with said construction to commence, as detailed hereinabove, within ninety (90) days of the deemed Lease acceptance date.**

TENANT's obligations under this Lease shall be subject to the satisfaction, **during the Inspection Period**, of each of the following conditions, **which shall be completed or verified by Tenant PRIOR TO expiration of the Inspection Period**:

a. Existence of appropriate commercial and other zoning for the entirety of the Development Property permitting the construction and operation of (i) an event/conference center, (ii) a water fountain with related lighting improvements, (iii) a hotel, (iv) retail stores and related common and/or marketing area space associated with same, (v) restaurant facilities that will be authorized to serve mixed alcoholic beverages, beer and wine, (vi) bars authorized to serve such alcoholic beverages, and (vii) such other commercial uses as TENANT shall deem appropriate related to the Development;

b. Existence of a valid access and exit point to the Development Property to and from public road (with appropriate curb cuts approved by all governmental bodies having jurisdiction there over) together with duly recorded easements or right-of-way(s), if necessary, which may be used without restrictions by TENANT and its customers, employees, suppliers and invitees. It is acknowledged by TENANT that the Texas Department of Transportation has approved a new curb cut from the existing public highway access road to the Development Property in a location acceptable to TENANT and that the NEDC will provide funding, in an amount not to exceed \$2,000,000.00, to be utilized by TENANT and its contractor to construct such access road and to construct extension of utility improvements (which utility improvements are referenced in the following subparagraph) to the Development Property, including the Demised Premises;

c. The availability of utility services, including but not limited to electrical service, natural gas and/or propane service, to the Demised Premises and approval of Tenant's proposed storm water drainage plans related to the project contemplated herein (including approvals from appropriate governmental entities to include Jefferson County, the Jack Brooks Regional Airport, the FAA, Jefferson County Drainage District No. 7, the City of Nederland, and other requisite governmental entities, if any;

d. Approval of this lease by TENANT's Board of Directors;

e. Execution and recording, where applicable, of an appropriate memorandum of lease, as detailed herein;

f. TENANT's receipt of the non-disturbance agreements(s), where applicable, referred herein;

g. TENANT's either actual obtaining, or being satisfied as to the availability of, all

appropriate licenses and permits by the appropriate state and local authorities for the sale to the public by TENANT, or an entity controlled by the TENANT or a tenant of the TENANT, of mixed alcoholic beverages, beer and wine on all seven (7) days of the week and for the maximum hours of operation authorized by the County and the laws of the State of Texas;

h. TENANT's receipt of a final building permit for the construction of TENANT's **Phase 7** improvements, detailed in Exhibit "E" to be attached hereto, to be constructed upon the Demised Premises, which shall include the **Restaurant and related improvements** detailed within the final form of Exhibit "E", which exhibit is to be attached to this Lease upon final approval of same as contemplated herein; and

i. TENANT's satisfaction that the environmental condition of the Development Property, to include the Demised Premises, is acceptable to Tenant and/or Tenant's lenders, if any. TENANT may, in so determining, conduct Phase I and or Phase II tests and or conduct soils testing, all of which shall be conducted in accordance with standard procedures. TENANT shall provide LANDLORD copies of all such environmental evaluations, tests and reports related to same, on or before the expiration of the Inspection Period, regardless of whether or not the Lease shall terminate.

TENANT may waive any condition of this section in its sole discretion. Further, Tenant shall be **DEEMED TO HAVE WAIVED SAME**, to the extent not approved or affirmatively waived, if not resolved before expiration of the Inspection Period.

LESSEE ACKNOWLEDGES THAT, AS PROVIDED BY A SEPARATE AGREEMENT BETWEEN THE LESSEE AND THE NEDERLAND ECONOMIC DEVELOPMENT CORPORATION ("NEDC"), THE NEDC HAS AGREED TO PROVIDE CERTAIN FUNDING RIGHTS TO LESSEE TO ASSIST LESSEE IN THE CONSTRUCTION OF INFRASTRUCTURE IMPROVEMENTS (to include utility, drainage and roadway/access improvements) TO BENEFIT THE DEVELOPMENT. NOTWITHSTANDING THE FOREGOING, LESSEE ACKNOWLEDGES, AS EVIDENCED BY SAID SEPARATE AGREEMENT, THE NEDC SHALL NOT BE OBLIGATED, WHETHER UNDER THE SEPARATE AGREEMENT BETWEEN LESSEE AND THE NEDC OR UNDER THIS AGREEMENT, TO EITHER (i) REIMBURSE LESSEE ANY COSTS INCURRED BY OR ON BEHALF OF LESSEE OR (ii) DIRECTLY INCUR OR PAY ANY COSTS, WHICH ARE RELATED TO, DIRECTLY OR INDIRECTLY, DEVELOPMENT OF INFRASTRUCTURE CONSTRUCTION PLANS AND/OR ACTUAL CONSTRUCTION OF INFRASTRUCTURE IMPROVEMENTS FOR THE BENEFIT OF THE DEVELOPMENT UNTIL SUCH TIME AS TENANT NO LONGER HAS THE OPTION TO TERMINATE THIS LEASE, OR ANY OTHER LEASE RELATED TO THE DEVELOPMENT, OR ALTERNATIVELY, UNTIL TENANT HAS WAIVED, IN WRITING, ALL SUCH TERMINATION RIGHTS. FURTHER, LESSEE ACKNOWLEDGES THAT THE LANDLORD SHALL NOT HAVE ANY DIRECT OBLIGATION TO LESSEE RELATED TO THE CONSTRUCTION OF SUCH INFRASTRUCTURE IMPROVEMENT OR ANY OBLIGATION TO REIMBURSE COST INCURRED BY LESSEE IN REGARDS TO SUCH IMPROVEMENTS AND THAT THE AGREEMENTS, IF ANY, BETWEEN THE NEDC AND THE LESSEE ARE INDEPENDENT OF THIS AGREEMENT.

TENANT shall diligently pursue the satisfaction of the conditions set forth above, however, Tenant shall be deemed to have satisfied same as of the expiration of the Inspection

Period UNLESS Tenant either (i) provides notice of termination of this Lease or (ii) provide a written extension of the Inspection Period from Landlord.

TENANT shall indemnify and hold LANDLORD, the City and the NEDC harmless from and against any and all losses, claims and/or liabilities, including attorney's fees, arising or resulting from inspections made by TENANT detailed herein, which indemnification obligations shall survive the expiration or termination of this Lease.

5. Effective Date/Base Rent Effective Date. The effective date of this lease shall be the date of execution by the last to execute of either Tenant or Landlord.

The effective date upon which Base Rent shall commence shall be on the EARLIER of (i) the date the LESSEE actually completes construction of the **Phase 7 – Restaurant improvements** detailed in Exhibit "E" and receives its certificate of occupancy related to same, or (ii) twelve (12) months from the date Tenant receives all permits, variances, and governmental approvals necessary to construct the **Phase 7 improvements** and Landlords work, contemplated by this Lease, has been completed. *So long as Tenant timely proceeds with the construction of Phase 7 contemplated by this Lease, and any other Phases (currently Phase 1-6 and 8) of the Development, the effective date for payment of Base Rent as to each succeeding phase shall be extended by a period of not more than SIX (6) MONTHS for each succeeding phase of the Development. For example, so long as Tenant timely commences construction of Phase 4, the effective date for Base Rent as to next phase (i.e., Phase 5) shall be extended by an additional six months (or more particularly, to eighteen months after receipt of all requisite approvals required by this subsection) and thereafter, if Tenant then timely commences construction of Phase 5, the effective date for payment of Base Rent commencement shall be extended an additional six months, or more particularly to twenty four months as to Phase 6., and so forth as to each succeeding Phase of the Development, through, but possibly not limited to, currently contemplated Phase 8. The phases contemplated to be included within the Development (currently Phases 1-8) do NOT have to be completed in numerical order in order to receive the extensions contemplated by this section 5 SO LONG AS the Tenant timely commences each successive phase within the time frames detailed within this Agreement, including without limitation, within this Section 5.*

6. Original Term. The initial term of this lease shall be for a period of 360 calendar months (30 years), plus the partial month, if any, following the effective date of this lease, unless sooner terminated or extended by virtue of a provision herein.

7. Option Term. LESSEE shall have the option to extend the term of this lease for up to an additional 228 months (19 years) following the initial term. The option terms are comprised as follows: (1) 60 months (5 years); (2) 120 months (10 years); (4) 60 months (5 years); and (1) 48 months (4 years). Nothing herein shall require the LESSEE to exercise any of the option terms. LESSEE may exercise all, or any portion of, the foregoing options in writing at any time, so long as same are exercised not less than ninety (90) days prior to the expiration of the term under Tenant's then current occupancy (at the time of said notice).

The Original Term and Option Term(s) (which are properly and timely exercised) by

TENANT are collectively referred to in this Lease as the “**Demised Term.**”

9. **Hold Over Tenant.** If TENANT remains in possession of the Demised Premises after the expiration of the Demised Term, TENANT shall be deemed to be occupying the Demised Premises as a tenant at sufferance, on a month-to-month basis, with base rent during said holding over period accruing at a minimum of one hundred and twenty-five percent (125%) of the Base Rent herein specified (prorated on a monthly basis), subject to all conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy at sufferance.

10. **Base Rent.** As rent for the premises and the Lessee’s right and privileges hereunder, the Lessee agrees to pay the Lessor in accordance with the following schedule:

Term Years	Annual Base Rate (SqFt)	Annual Base Rent
1-5	\$ 0.2000	\$ 13,068.00
6-10	\$ 0.2100	\$ 13,721.40
11-15	\$ 0.2205	\$ 14,407.47
16-20	\$ 0.2315	\$ 15,126.21
21-25	\$ 0.2431	\$ 15,884.15
26-30	\$ 0.2553	\$ 16,681.30
31-35	\$ 0.2680	\$ 17,511.12
36-40	\$ 0.2814	\$ 18,386.68
40-45	\$ 0.2955	\$ 19,307.98
46-49	\$ 0.3103	\$ 20,275.00

for the exclusive use of the DEMISED PREMISES. Rents shall be paid in monthly installments, in advance, on the first day of each month, in a sum equal to 1/12 of such annual base rent. Rental installments not paid by the fifteenth (15th) day of the month in which due shall bear interest from the fifteenth day of the month due until paid at the rate of 10% per annum.

Base rent detailed herein is based upon an estimated square foot size of **65,340 square feet**. The base rent will be adjusted as necessary to comply with the final actual square foot determined by either Title Company and or surveyors retained to determine the Legal Description of the Property, which final determination shall be attached to this Lease as Exhibit B as detailed herein above.

11. **Commencement of Rent.** Rental payments as provided above shall be payable on

but not before the Base Rent effective date of this lease as determined in Section 5 hereof.

12. Adjustment of Rent. The rent shall be adjusted as set forth in herein above.

13. Exhibits. The following exhibits are attached to (or **in the future** will be attached hereto as provided herein) and made a part of this Lease for all purposes:

- a. Exhibit A. Plot plan and/or legal description of the Landing Development Property, showing schematically the Development location;
- b. Exhibit B. Plot Descriptions of Demised Premises;
- c. Exhibit C. Legal Descriptions of Demised Premises in final form, to be attached after final approval by the Lessee and Lessor;
- d. Exhibit D. Tenant Subordination and Non-Disturbance Agreement Form, to be attached if applicable;
- e. Exhibit E. Construction Specifications and Requirements, once finally **approved by LANDLORD**, the City of Nederland (herein the "**City**") and the Nederland Economic Development Corporation ("**NEDC**"), for construction of the Restaurant and related improvements, including parking (where applicable).
- f. Exhibit F. Tenant's Artist Rendering of the improvements contemplated by this Lease, with said exhibit to be attaché after completion and final approval by Lessor, the City and the NEDC.

14. Restrictions Affecting the Demised Premises. LANDLORD represents and warrants that there are no easements, covenants, conditions or restrictions affecting the Demised Premises that (i) are in conflict with any provision of this Lease or (ii) require the consent or approval of this Lease or any provision contained herein by any third party other than the FAA as previously disclosed to Tenant. Landlord shall be responsible for acquisition of approvals as may be necessary from the FAA. Entrances to the Development and access routes to the Demised Premises shall not be closed or materially rearranged during the Demised Term unless necessary for maintenance of infrastructure or airport operations.

15. Construction of the Demised Premises. The improvements constructed by TENANT or TENANT's lessees on the Demised Premises ("Tenant's Improvements") shall be constructed in accordance with Exhibit E, to be attached hereto upon final approval of same, and shall be and remain the property of TENANT or TENANT's lessees, as applicable. Upon the expiration of the Terms or Renewal Terms hereof, the Tenant's Improvements shall be deemed the property of and owned by LANDLORD. In the event TENANT fails to commence construction of the improvements contemplated by Exhibit "E" to be attached hereto on or before 150 days after the date TENANT obtains all necessary governmental approvals and third party financing, at the option of the LANDLORD,

- a. LANDLORD, or its assignees, may sue for specific performance to enforce this Lease, including TENANT's obligation to construct the improvements, or;
- b. Landlord may be authorized, in its sole discretion, to terminate the Lease as of

such time and TENANT's Security Deposit, if any, shall be deemed forfeited and paid to LANDLORD and all obligations of this Lease, save and except those specifically intended to survive, shall terminate and be of no further force or effect.

16. Taxes. LESSEE agrees to pay any taxes or special assessments that may be levied against the leased premises, or against the leasehold interest, or against the Airport because of these leased premises, by any taxing unit or entity, whether levied against LESSOR or LESSEE, and LESSEE further agrees to hold LESSOR harmless from any claims or liens in connection with any such tax or special assessment attributable to the leased premises. Taxes payable by LESSEE pursuant to this Section shall be subject to proration to account for the term of this Lease and the taxable value of the leased premises as compared to the taxable value of the larger legal parcel of which the leased premises is a part, if applicable. If the LESSOR is assessed taxes on the larger legal parcel which includes the leased premises, then LESSOR shall pay such taxes and assessments to the taxing authority and LESSEE shall reimburse LESSOR for the pro-rata portion of the taxes assessed on the taxable value of the leased premises within thirty (30) days of receipt of an invoice therefore and proof of payment by LESSOR. If taxes are assessed on the premises made the subject of this lease, or upon any business personal properties located upon or within same, LESSEE shall pay such taxes directly to the taxing authorities assessing the taxes.

17. Plans and Specifications. Exhibit "E" (whether attached now or sometime prior to commencement of construction of the improvements contemplated by this Lease, **the final form of which exhibit and the construction contemplated by same shall bear approval by Landlord, the City of Nederland, and the NEDC**), shall detail the specific final Plans and Specifications for the construction of **Phase 7**. Exhibit "F", whether attached now or to be attached in the future, is an artist's rendering of the **Phase 7 Restaurant** improvements that LESSEE proposes to build on the premises. If Exhibit "F" is attached to this agreement at time of execution by Lessor, then such Execution of this agreement constitutes the acceptance by LESSOR of the **proposed esthetic appearance** of the proposed improvements and LESSEE covenants to erect any improvements in substantial compliance with the appearance represented in Exhibit "F". If Exhibit "F" is not attached at the time of execution, same shall NOT be attached to and incorporated within this Lease until same has been approved, in writing, by the Lessor, the City and the NEDC. Prior to any construction, plans and specifications for buildings and parking as required by Section 25, shall be submitted to LESSOR for approval which approval shall not be unreasonably withheld. All architectural and color schemes shall be consistent with the Airport Master Plan requirements. **Notwithstanding the foregoing, Lessee further agrees that Lessee shall NOT submit for Lessor's approval such Exhibit "F" until such time as Lessee has already obtained the written approval of Exhibit "F" from BOTH the NEDC and the City and Lessee shall further certify said approvals to Lessor upon submission of Exhibit "F" for approval.**

18. Indemnity. LESSEE agrees to indemnify, hold harmless, defend and insure Jefferson County, The Airport, the City of Nederland, the NEDC and all their officials, agents and employees against the risk of death, injury, or damage to any person or property arising out of or in connection with the performance of any such construction work, and/or services provided in connection with, directly or indirectly, the Development. LESSEE shall include in all

construction contracts entered into by it, in connection with any or all of the construction work related to the **Phase 7 improvements** contemplated by this Lease, appropriate provisions requiring all contractors, their subcontractors and on-site vendors, to indemnify, hold harmless, defend and insure Jefferson County, the Airport, the City of Nederland, the NEDC and all of the foregoing parties officials, agents and employees against the risk of death, injury, or damage to persons or property, arising out of or in connection with the performance of any or all of such construction work and/or services provided in connection with, directly or indirectly, the Development.

LESSEE shall require all contractors to furnish liability insurance, including contractual indemnity coverage, in an amount not less than the maximum dollar amount of recovery permitted against a county by the Texas Tort Claims Act as it now exists or may be hereafter amended. LESSEE shall provide evidence to LESSOR of its compliance with this section prior to commencement of any construction related to the Development, including, without limitation, the construction contemplated by this Lease. LESSEE covenants and agrees to hold LESSOR, the City and the NEDC free and harmless from loss from each and every claim and demand of whatever nature, including but not limited to fines, assessments, fees and attorney's fees, made on behalf of or by any third person or persons, for any wrongful act or omission on the part of LESSEE, LESSEE's contractors and/or their respective agents, servants, officers, directors, and employees, and from all loss and damages to any third person or persons by reason of such acts or omissions.

19. Workmanship. The LESSEE further covenants that all construction work related directly or indirectly to the Development, including without limitation construction contemplated by Phase 6 made the basis of this Lease, will be performed by it or its contractors, including all workmanship or materials, such that same will be of first class quality.

20. Utility Connections. LESSEE, at its own expense, shall construct utility connections such as it may desire from utility lines or pipelines in existence on the airport property or from outside the Airport, following existing roads or easements, unless express authority for deviation from existing roads or easements is given to it by the Commissioners' Court. LESSEE will be responsible for the installation of a sanitary sewer grinder pump system, which shall be approved by the Landlord, the City and the NEDC before installation of same by LESSEE and/or its contractor. After installation should the pump system fail in the future for any reason, LESSEE will be responsible for the cost of maintenance and/or replacement of such pump. The deviation authority and additional easements may be granted by LESSOR, if needed by the LESSEE to achieve economy or convenience. If other property is subsequently leased by LESSOR to other tenants in the vicinity who choose to extend existing utility lines provided by this LESSEE to other property so leased, the subsequent tenants shall have the right to do so at their sole cost and expense, but LESSOR covenants that it will require each subsequent tenant, as a condition to the extension of the utility lines, to pay to present LESSEE a pro rata share of the depreciated value of the actual cost actually incurred by LESSEE to extend utilities from present utility lines to the Demised Premises, which "actual cost" will be reduced by the amount of said actual cost that are reimbursed to LESSEE, including reimbursements, if any, received from the City, the NEDC and/or

the utility providers. It is acknowledged by LESSEE, as detailed hereinabove, that the NEDC has agreed, by separate agreement, to provide reimbursement to LESSEE for certain infrastructure costs incurred related to the Development, which costs to be reimbursement may include costs incurred related to certain utilities access improvements, and as such, **the LANDLORD shall have NO OBLIGATION to LESSEE related to the construction of said utility access improvements.** While future potential tenants the Landlord will be authorized to utilize the utility extensions constructed by LESSEE, the right of any such subsequent tenant to extend utility enhanced by LESSESS lines is further conditioned that the extension will not impair the capability and capacity of the line as used by the present LESSEE and/or its authorized assignees. **Notwithstanding the foregoing, it is acknowledged that Lessee has been advised that to the extent said utility improvements are not already in place and available to the Lessee, the NEDC will provide funding reimbursement to Lessee for the actual out of pocket costs incurred by Lessee to provide said utility improvements SO LONG AS THE TOTAL REIMBURSEMENT OBLIGATIONS OF THE NEDC FOR SUCH UTILITY (for Phases 1-6), DRAINAGE AND ACCESS ROAD CONSTRUCTION IMPROVEMENTS DO NOT EXCEED, IN THE AGGREGATE, THE SUM OF \$2,000,000.00, with said reimbursement obligation to be subject to the terms of that certain separate agreement to be executed between the NEDC and LESSEE.**

21. Certificate of Completion. When the construction hereinabove provided for has been completed, the LESSEE shall, within a reasonable time thereafter, deliver to the LESSOR a certificate from LESSEE'S architect and/or general contractor, that the construction has been completed in compliance with all laws, ordinances and governmental rules, regulations and orders.

22. Proof of Payment. All improvements shall be free and clear of all mechanics' and other liens and from liability arising from the construction of said improvements, and no later than 30 days after completion of construction LESSEE shall furnish to LESSOR full and satisfactory evidence in writing of (i) the area of such improvements, (ii) the actual cost of such improvements (to include proof of the payment thereof), (iii) the value of such improvements immediately after construction, and (iv) the fact that said improvements are free and clear of all mechanics' and other liens and/or liabilities related thereto arising from said construction.

23. Refuse and Trash. No refuse or trash shall be kept, stored or allowed to accumulate on the premises. LESSEE shall provide, at its sole cost and expense, necessary arrangements for adequate sanitation, handling and disposal from the airport of all trash, garbage and other refuse which results from tenants' business operations, including receptacles for the deposit of such trash, garbage, and other refuse.

24. Outside Storage Prohibited. Storage of vehicles, equipment, supplies or any other items outside of the building(s) is prohibited. For the purpose of this provision, the term "storage" shall mean the placing of vehicles, equipment, supplies or any other items outside the building and which vehicles, equipment, supplies or any other items do not serve as an actual day-to-day business function.

25. Off-Street Parking. The LESSEE shall make provision for automobile parking for its

employees, visitors, and other invitees on the premises. No parking shall be permitted on street improvements, if any, immediately adjacent to the Leased Premises. The LESSEE further agrees to pave its on-premise parking facilities in order to provide a dust-free, all-weather surface. Pavement plans shall be approved by LESSOR, the City and the NEDC prior to construction.

26. Permitted Uses. The LESSEE shall have the privilege of using, subject to the terms and conditions herein, the premises for the operation of a **Restaurant and related facilities**, and any other lawful commercial activities including all services normally connected therewith.

27. Prohibited Uses. Without first obtaining LESSOR'S written consent, LESSEE shall not use the Leased Premises for the sale of aircraft fuels, lubricants or propellants. Further, in no event, shall TENANT, or its authorized assignees, allow a (i) flea market, (ii) second-hand store, (iii) "sex," "head" or "pawn" shop use or (iv) an adults only bookstore to occupy or otherwise use, directly or indirectly, the Leased Premises.

28. Quiet Enjoyment. LESSOR covenants and agrees that at the granting and delivery of this lease it has good title, free and clear of all liens and encumbrances; and that LESSOR has full right and authority to lease the premises as herein set forth. LESSOR further covenants that all things have happened and been done to make its granting of this lease effective, and LESSOR warrants to LESSEE peaceful possession and quiet enjoyment of the premises during the term hereof, upon performance of LESSEE'S covenants herein.

Notwithstanding any other provision of this Lease to the contrary, LANDLORD and TENANT hereby acknowledge and agree that title to ownership of the Tenant's Improvements shall be vested in TENANT during the Demised Term. Any claim by any person or persons as to ownership or legal rights to the demised premises, as defined in Section 1, regarding the agreements in this section, will be defended by LANDLORD.

29. LESSEE'S Estate. Title to all improvements constructed by LESSEE shall vest and remain in LESSEE during the term of this lease and LESSEE shall be entitled to any and all investment tax credits generated by reason of construction, installation, and operations on the premises. Subject to the rights of LESSEE'S mortgage (as specifically provided in Section 30 and elsewhere herein) and to LESSEE'S right of reimbursement to the extent set out in this Lease, title to improvements shall pass to and vest in the LESSOR upon the effective date of a cancellation or termination of this lease. LESSEE shall have the right at any time prior to or subsequent to the construction of improvements to mortgage its leasehold estate in the premises and the improvements; and to assign its interest in this lease to any mortgagee who shall have advanced funds to the LESSEE under any loan, the proceeds of which have been used for the construction of the improvements or to refinance loans for the construction of improvements. Any mortgagee claiming under the LESSEE shall have the rights and privileges hereinafter set forth.

At the expiration or termination of this Lease, LESSEE agrees to:

- a) surrender possession of the entire leased premises to LESSOR;
- b) remove at LESSEE's expense any assets that LESSEE is entitled to remove as set forth below; and

c) otherwise return the leased premises to LESSOR. All fixed buildings, fencing, utilities, and other improvements placed on the leased premises shall remain on the leased premises upon the termination of this Lease and become the sole property of LESSOR. Exceptions to the above are LESSEE's trade fixtures and personal property that can be removed from the leased premises without substantially altering or damaging other property.

30. LESSEE's Mortgagee. In the event LESSEE shall mortgage the leasehold estate and the improvements or assign this lease to any mortgagee who shall have advanced funds for the purposes described in the preceding Section 29, such mortgagee may give written notice of its mortgagee's interest to the LESSOR at LESSOR'S address shown herein.

Thereafter, LESSOR, prior to taking any action to cancel or terminate the lease, shall give to the mortgagee the same notices that are required to be given to the LESSEE prior to cancellation or termination, and if no notice is required to be given to the LESSEE, then a written notice to the mortgagee shall be given of the event or events which are alleged to be the basis of the right to cancel or terminate. The mortgagee shall have the right

a. to cure the default of the LESSEE, and
 b. at its election, to foreclose its lien or security interest in the leasehold estate and improvements and this lease and to sell such leasehold estate and improvements (and LESSEE'S interest in this lease) at public or private sale, whereupon the purchaser shall succeed to all rights of the LESSEE hereunder. Notwithstanding such right to sell such leasehold estate, the eventual purchaser (whether that be the mortgagee or a third party purchaser) of said leasehold estate at any foreclosure sale, shall be obligated to obtain approval from the Landlord as to any expected future business operations that will be undertaken on or at the location of the foreclosed leasehold estate. The mortgagee shall be accorded to a reasonable period of time in which to cure the default, taking into account the nature of the LESSEE'S default, and a reasonable period of time in which to effect foreclosure, taking into account the statutory requirements for foreclosure of its lien or security interest. Further, if LESSEE shall default under the terms of its mortgage, the mortgagee shall likewise have the rights and power of foreclosure and sale as are set out in the preceding portions of this Section 30. The LESSOR agrees to execute such documents as may be requested by the LESSEE or the LESSEE'S mortgagee to provide LESSEE with the ability to meet requirements for obtaining secured financing, provided that such documents do not render LESSOR liable for the payment of LESSEE'S indebtedness or encumber LESSOR'S remainder interest.

31. Indemnification. LESSOR shall stand indemnified by LESSEE as herein provided. LESSEE is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and LESSOR shall in no way be responsible therefore. In the use of the premises, in the erection or construction of any improvements thereon, and in the exercise or enjoyment of the privileges herein granted, LESSEE shall indemnify and save harmless LESSOR from any and all damages that may proximately result to any third person because of any negligence on the part of LESSEE.

32. Insurance.

a. Property Insurance:

LESSEE shall maintain or cause to be maintained all risk property insurance (to include fire and other casualty loss, windstorm and flood coverage), from a company authorized to do business in the State of Texas and keep in force said insurance, with extended coverage, upon the buildings located on the premises to the full insurable value thereof, as determined by the insurer. LESSOR shall be named as additional loss payee and LESSEE shall furnish LESSOR with evidence that such coverage has been provided and is being maintained.

In the event of an insured damage to the premises, the insurance proceeds will be used for the purpose of restoring and reconstructing the improvements. However, if the improvements are more than 60% destroyed at any time during the term of this lease, the LESSEE may elect to terminate this lease by giving written notice thereof to LESSOR within 90 days after such destruction. If LESSEE so elects to terminate, insurance proceeds, to the extent necessary, shall be used to remove the damaged improvements, unless LESSOR shall notify LESSEE in writing that LESSOR wishes the damaged improvements to remain upon the land. If LESSEE shall fail to restore the improvements and shall also fail to terminate the lease in the manner aforesaid, LESSOR may, upon written notice to the LESSEE after such 90-day period, terminate the lease and remove damaged improvements at LESSEE'S expense.

b. Liability Insurance.

LESSEE shall promptly, after the execution of this lease, obtain commercial general liability insurance, covering loss, cost or expense by reason of injury to or death of persons or damage to or destruction of property by reason of the use and occupancy of the Demised Premises by Tenant, Tenant's assignees and/or Tenant's Invitees. Such insurance shall have limits of at least One Million Dollars (\$1,000,000.00) per occurrence primary coverage, bodily injury and property damage combined with Three Million Dollars (\$3,000,000.00) excess coverage.

The amounts of minimum coverage herein specified may be modified from time to time in compliance with Jefferson County standard requirements. All policies shall name LESSOR, its officers, servants, agents, and employees as additional insureds. LESSEE shall furnish LESSOR with a certificate from the insurance carrier showing such insurance to be in full force and effect or shall deposit with LESSOR copies of said policies. Each policy or certificate shall contain a provision that written notice of cancellation or any material change in the policy by the insurer shall be delivered to LESSOR, thirty (30) days in advance of the effective date thereof.

33. Licenses. The LESSEE shall procure from all governmental authorities having jurisdiction of the operations of the LESSEE hereunder, all licenses, franchises, certificates, permits or other authorizations as may be necessary for the conduct of its operations. LESSOR will cooperate with LESSEE in this endeavor.

34. LESSOR's Remainder Interest. The LESSEE agrees that it shall not enter into any contracts of a type which would permit a lien or liens to become attached to the remainder interest of Jefferson County, or suffer or permit a lien or liens to be imposed or attached to the leasehold interest, provided, LESSEE shall have the right, upon posting security satisfactory to the

County, to contest the amount or legality of any lien attached to or levied against the leasehold interest.

35. Airport Regulations. The LESSEE covenants and agrees to observe and obey the rules and regulations of the Airport and the FAA, as promulgated by governmental authorities, in the conduct of LESSEE's operations at the Leased Premises.

36. Airport Hazard—Non-Interference Obligations. The LESSEE and its successors and assigns, will not make or permit any use of the property which would interfere with landing or taking off of aircraft at the Airport, or otherwise constitute an airport hazard including such items as electrical and electronic interference with communications, electrical or electronic equipment, creation of dust or glaring or misleading lights, and restrict any objects from penetrating the imaginary surfaces as defined in CFR Title 14 Part 77 – *Safe, Efficient Use, and Preservation of the Navigable Airspace*. Prior to any construction, erection of buildings, and or major alteration to airport ground contours, an airspace study will be required, allowing the FAA to identify potential aeronautical hazards in advance, thus preventing or minimizing the adverse impacts to the safe and efficient use of navigable airspace. LESSOR will cooperate with LESSEE in this endeavor.

37. Certification as to FAA compliance. LESSEE shall observe all applicable rules and regulations of the Federal Aviation Administration including requirements for Airport certification and safety codes.

38. Non-Discrimination. The LESSEE assures that it will undertake an affirmative action program as required by 14 Code of Federal Regulations (CFR) Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The LESSEE assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The LESSEE assures that it will require that its covered sub-organizations provide assurance to the LESSEE that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

39. LESSEE's Maintenance Obligations. LESSEE shall at all times keep, in a clean and orderly condition and appearance, the Leased Premises and improvements thereon, as well as all equipment and personal property. LESSEE shall maintain, repair, replace and paint all or any part of the improvements on the premises including therein, without limitations thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the furnishing of a fire alarm, fire protection, sprinkler, sewage, drainage and telephone service, including lines, pipes, mains, wires, conduits, and other equipment connected with or appurtenant to all such systems at its own expense as necessary. LESSOR shall have the right to enter upon the premises at reasonable times, in a manner which does not materially interrupt LESSEE's business, for the purpose of inspection, to determine LESSEE's compliance with LESSEE's obligation under this Section 39 and or Section 40.

40. Enforcement Rights. If LESSEE fails to perform its obligations under Section 39, LESSOR shall have the right to give written notice to the LESSEE specifying the deficiencies in

maintenance. If within 30 days after receipt of such notice, LESSEE does not make arrangements for the curing of such deficiencies in maintenance, LESSOR shall have the right to enter the premises and perform the necessary maintenance, the cost of which shall be borne by the LESSEE.

41. Utilities. LESSEE shall pay all costs and charges for utility services requested by and furnished to the LESSEE in the Demised Premises during the Demised Term. LESSEE shall, however, have the right to connect to any and all storm and sanitary sewers and water and utility outlets located on or adjoining property of the LESSOR. The LESSEE shall pay for all cost and expense attendant to such connections, but no charge shall be assessed by the LESSOR for the right to make such connections.

LANDLORD shall not interrupt any utility services, under LANDLORD's direct control, to the Demised Premises unless:

- a) Such interruption is necessitated by the need to make emergency repairs; or
- b) LANDLORD schedules any necessary repair work with TENANT's general manager at the Demised Premises at least seventy-two (72) hours in advance.

Such repairs shall, to the extent possible, be made only during hours when TENANT is not open for business to the public. LANDLORD shall immediately give notice to TENANT of an impending interruption of any utility services to the Demised Premises. LANDLORD shall use its best efforts to minimize and promptly cure all utility interruptions that are caused by LANDLORD or subject to LANDLORD's control.

42. Hazardous Substances. A Hazardous Substance shall mean any petroleum product, asbestos product or any other material, substance or waste that is recognized as being hazardous or dangerous to health or the environment by and federal, state, or local agency having jurisdiction of the Demised Premises. LANDLORD represents and warrants:

- a) That it has never placed, generated, stored, handled or disposed of any Hazardous Substances in or about the Demised Premises; and
- b) That, to the best of its knowledge, LANDLORD is not aware of the existence, placement, generation, storage, handling or disposal of any Hazardous Substance in or upon the Demised Premises at any time by anyone else.

TENANT agrees not to generate, store, handle or dispose of any Hazardous Substance in or upon the Demised Premises during the Demised Term of the Lease. In the event however, that any substance used in TENANT's business shall, during the Demised Term, become designated as a Hazardous Substance, then TENANT shall, to the extent practicable, discontinue the use of the substance in or upon the Demised Premises in a manner consistent with all standards and regulations. TENANT shall indemnify and hold LANDLORD harmless from and against any and all demands, claims, enforcement actions, costs and expenses, including reasonable attorney's fees, arising out of the use of any Hazardous Substance by TENANT at the Demised Premises.

43. Ingress and Egress. LESSEE and all approved sub-lessees, and their respective contractors, suppliers of materials and furnishers of services, and employees and invitees, shall

have the right of ingress and egress between the premises and the public rights-of-way outside the Airport by means of existing access roads, the same to be used in common with others having rights of passage within the Airport, provided that the Airport may from time to time substitute other means of ingress and egress which shall be reasonably equivalent to the means now provided. The use of such roadways shall be subject to reasonable rules and regulations established by the Airport.

44. LESSEE's Right to Cancel. This lease shall be subject to cancellation, at the option of LESSEE, upon the default of LESSOR in the performance of any covenant or agreement herein required to be performed by LESSOR and the failure of LESSOR to remedy such default for a period of sixty (60) days after receipt from LESSEE or written notice to remedy the same. LESSEE may exercise its right of cancellation by written notice to LESSOR at any time after the lapse of the applicable periods of time. This lease shall then terminate as of the termination date specified by LESSOR in such notice.

45. Amounts Payable Upon Cancellation by LESSEE. In the event this lease is canceled by LESSEE pursuant to Section 44, rental due shall be payable only to the date of termination, and the LESSOR shall pay to LESSEE liquidated damages computed as follows:

a. The liquidated damages shall be the actual construction cost of the fixed improvements less 3% of the cost for each year or partial year elapsed since the substantial completion of the improvements.

b. Actual construction cost shall be certified by LESSEE and approved in writing by the LESSOR within 30 days after construction is completed. Upon payment by LESSOR to LESSEE of liquidated damages, as computed above, LESSEE shall have no further estate in the improvements and LESSOR shall have exclusive right thereto.

46. LESSEE's Option to Remove. In lieu of liquidated damages provided in Section 45 hereof, LESSEE may, at Lessee's option, **and subject to Lessor's approval**, remove the improvements.

47. Events of Cancellation. This lease shall be subject to cancellation at the option of the LESSOR upon occurrence of any of the following events:

a. Failure of LESSEE to pay rent as herein provided within thirty (30) days after LESSOR shall have given LESSEE written notice of such default.

b. The permanent abandonment of the premises by the LESSEE.

c. Default by LESSEE in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by the LESSEE, if such default continues, without a good faith attempt by LESSEE to remedy the default, for a period of thirty (30) days after receipt of written notice from LESSOR specifying the default.

d. Any other event specifically named in this lease which affords LESSOR the right to cancel.

48. Method of Cancellation. LESSOR may exercise such right to cancellation by written

notice to LESSEE at any time after the lapse of the applicable periods of time and this lease shall terminate as of the termination date specified by LESSOR in such notice.

In the event of default by TENANT, LANDLORD shall elect either of the following remedies:

a. LANDLORD may retake possession of the Demised Premises (without such action being deemed an acceptance of a surrender of this Lease or termination of TENANT's liability hereunder) and, upon taking possession, LANDLORD shall make reasonable efforts to relet the same on reasonable terms, with TENANT remaining liable to pay the Base Rent and other lease charges (but not the Percentage Rent) for the remainder of the Demised Term less the net amount of rent and other lease charges received by LANDLORD as a result of such reletting (after deducting reasonable brokerage fees and attorney's fees incurred for reletting the Demised Premises) and the cost of any necessary repairs (but not alterations or renovations) to the Demised Premises). If the net amount realized by LANDLORD from any reletting is less than the Base Rent and lease charges payable by TENANT hereunder, TENANT shall pay the amount of the deficiency to LANDLORD each month upon demand thereof; or

b. LANDLORD shall have the right, on a continuing basis, either before or after taking possession of the Demised Premises, to terminate this Lease, thereby releasing TENANT from any further liabilities hereunder.

For the enforcement of these remedies LANDLORD may have recourse to any applicable legal or equitable process for the recovery of possession of the Demised Premises and the right to seek an injunction or a declaratory judgment. No act of LANDLORD shall be deemed an act terminating this Lease or declaring the Demised Term ended unless notice is served upon TENANT by LANDLORD expressly setting forth therein that LANDLORD expressly setting forth therein that LANDLORD elects to terminate the Lease or declare the Demised Term ended.

Notwithstanding anything to the contrary, LANDLORD shall not be permitted to do any of the following:

c. Recover any speculative, indirect, consequential, or incidental damages against TENANT;

d. Recover any punitive damages against tenant;

e. Accelerate any payments of Base Rent or other charges due from TENANT to LANDLORD hereunder unless TENANT, after a default, fails to pay the Base Rent or deficiency as required in subparagraph aa above; or

f. Recover from TENANT any amounts expended by LANDLORD in connection with renovating, altering, adding to, installing upon, or otherwise modifying the Demised Premises for use by anyone other than TENANT.

49. Governmental Immunities. Notwithstanding anything to the contrary contained within this Agreement, the undersigned parties agree that LANDLORD shall retain all applicable governmental immunities, whether provided by statute or otherwise, and nothing contained within this Agreement shall constitute a waiver of any such governmental immunities.

50. Airport Expansion. In the event LESSOR requires the premises for expansion or development of the Airport, LESSOR reserves the right, upon six (6) months' written notice to LESSEE, to relocate or replace LESSEE's improvements in substantially the same form acceptable to the LESSEE at another comparable location on the Airport acceptable to the LESSEE. The replacement facility shall be completed prior to relocation so that there is no interruption of LESSEE's business operation. All costs and expenses associated with the relocation shall be borne by the LESSOR.

51. Governmental Agreements. This lease shall not impair any existing or future agreement between LESSOR and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal Funds for the development of the Airport. Should the effect of such agreement with the United States Government be to take any of the property under the lease, or substantially destroy the commercial value of the improvements, or to materially impair LESSEE's operations, LESSOR shall relocate the improvements in the manner described in Section 50.

52. Option in Event of Relocation. In the event a relocation of improvements is required by the LESSEE under Section 51, or necessitated under Section 51 above, LESSEE shall have the option, in lieu of accepting such relocated premises, to cancel this lease prior to the commencement of construction of relocation facilities, in which event, LESSEE shall be entitled to the liquidated damages provided in Section 45.

53. Assignment. LESSEE shall not assign this lease or sublet all or any portion of the premises without the prior written consent of LESSOR, which consent shall not be unreasonably withheld. The LESSEE's sub-lessee shall be entitled to all of the same rights as the LESSEE (including but not limited to fuel purchase rights as set forth herein) and subjected to all of the same restrictions as set forth herein. However, LESSOR's consent shall not be required for any:

- a. assignment of subletting to an affiliate or subsidiary of the LESSEE, or
- b. the assignment or subletting to any mortgagee or to a purchaser from any mortgagee at foreclosure.

54. Other Instruments. Upon the request of either party, the LESSOR and the LESSEE will execute a recordable short form lease evidencing that the premises have been demised to the LESSEE and a recordable instrument evidencing the term of this lease and its commencement date, when commencement date shall have been determined.

55. Paragraph Headings. The paragraph headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this lease.

56. Notices. Notices to LESSOR provided for herein shall be sufficient if sent by Registered or Certified Mail, postage prepaid, addressed to:

JEFFERSON COUNTY, TEXAS

Attn: County Judge
 Jefferson County Courthouse
 1149 Pearl Street
 Beaumont, TX 77701
 409.835.8466

and notices to said LESSEE, if sent by Registered or Certified Mail, postage prepaid addressed to:

GLOW INVESTMENT, INC.
 Attn: Tri Nguyen
 1416B Campbell Road, Suite 206
 Houston, TX 77055
 713.360.3408

and/or to such other addresses as the parties may designate to each other in writing from time to time.

57. Successors and Assigns. All of the terms, covenants and agreements herein contained shall be binding upon and shall inure to the benefit of successors and assigns of the respective parties hereto.

58. Termination of Lease. This lease shall terminate at the end of the full term hereof. Upon such termination, LESSEE shall have no further right or interest in any of the land hereby demised or in any of the improvements thereon.

59. Attornment. Should Lessor sell, convey or transfer its interest in the premises, then Lessee shall attorn to such succeeding party as its Lessor under this lease promptly upon any such succession, provided that such succeeding party assumes all of Lessor's duties and obligations under this lease and agrees not to disturb Lessee's leasehold interest hereunder in accordance with this Section as long as Lessee is not in material default beyond any cure period hereunder.

60. Entire Agreement, Amendment and Binding Effect. This lease constitutes the entire agreement between Lessor and Lessee relating to the subject matter hereof and all prior agreements relative hereto which are not contained herein are terminated. This lease may be amended only by a written document duly executed by Lessor and Lessee, and any alleged amendment which is not so documented shall not be effective as to either party.

61. Severability. This lease is intended to be performed in accordance with and only to the extent permitted by the law. If any provision of this lease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, but the extent of the invalidity or unenforceability does not destroy the basis of the bargain between the parties as contained herein, the remainder of this lease and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

62. Construction. Unless the context of this lease clearly requires otherwise,

- a. pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character;
- b. the singular shall include the plural wherever and as often as may be appropriate;
- c. the term "includes" or including" shall mean including without limitation; and
- d. the words "hereof" or "herein" refer to this entire lease and not merely the Section or Article number in which such words appear. Article and Section headings in this lease are for convenience of reference and shall not affect the construction or interpretation of this lease. Any reference to a particular "Article" or Section" shall be construed as referring to the indicated article or section of this lease.

63. Force Majeure. Lessee shall be entitled to rely upon force majeure as an excuse for timely performance hereunder only as expressly provided herein and shall not be entitled to rely upon force majeure as an excuse for timely performance unless Lessee:

- a. uses its best efforts to overcome the effects of the event of force majeure;
- b. gives written notice to Lessor within twenty (20) days after the occurrence of the event describing with reasonable particularity the nature thereof;
- c. commences performance of its obligation hereunder immediately upon the cessation of the event, and;
- d. gives written notice to Lessor within twenty (20) days after the cessation of the event advising Lessor of the date upon which the event ceased to constitute an event of force majeure.

Force majeure shall mean:

- a) acts of God, landslides, lightning, earthquakes, hurricanes, tornadoes, blizzards and other adverse and inclement weather, fires, explosions, floods, acts of public enemy, wars, blockades, insurrections, riots or civil disturbances;
- b) labor disputes, strikes, work slowdowns, or work stoppages but nothing herein contained shall require the party subject to such labor disputes, strikes, work slowdowns, or work stoppages to settle or otherwise resolve same;
- c) orders or judgments of any federal, state or local court, administrative agency or governmental body, if not the result of willful or negligent action of the party relying thereon;
- d) power failure and outages affecting the leased premises; and
- e) any other similar cause or event, provided that the foregoing is beyond the reasonable control of the party claiming force majeure.

64. Interpretation. Both Lessor and Lessee and their respective legal counsel have reviewed and have participated in the preparation of this lease.

65. Multiple Counterparts. This lease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

66. Applicable Grace Period. Except as may be provided elsewhere in this Lease, the grace period for curing a party's failure to perform its obligations under this Lease (the "Applicable Grace Period") shall be **thirty (30)** days.

67. Interest Rate. Except where a different rate of interest is expressly provided for elsewhere in this Lease, interest payable under this Lease shall be paid at an annual rate (the "Interest Rate") equal to the lessor of:

- a. The prime interest rate charged by Citibank, N.A. plus two percent (2%), or
- b. The highest interest rate permitted by law.

68. Common Area Maintenance. NOT APPLICABLE.

69. Governmental Limitation. Notwithstanding any other provision of this lease agreement, Landlord **shall not be required to perform any action, make any expenditure or cure any default**, which would be in violation of any statutory or constitutional provision regulating the conduct of the County's business.

EXECUTED in triplicate originals as of the date first above written.

LESSOR:

Jefferson County

BY: _____

Jeff Branick

Jefferson County Judge

ATTEST:

Jefferson County

BY: _____

Carolyn Guidry

Jefferson County Clerk



LESSEE:

Glow Investment, Inc.

BY: _____

Authorized Representative

**AGENDA ITEM****May 8, 2017**

Consider, possibly approve and authorize the County Judge to execute a Retail Development Land Lease Agreement (Retail Pads- Phase 8) between Jefferson County, Texas and Glow Investment, Inc. for development of the Airport property.

The State of Texas	§	Retail Development (Retail Pads)
County of Jefferson	§	Land Lease Agreement (P-8)

This is a lease agreement (herein "Agreement" and/or "Lease"), made as of May __, 2017, by and between **Jefferson County, Texas**, ("LESSOR", "LANDLORD" and/or "COUNTY"), a political subdivision of the state of Texas, and **Glow Investment, Inc.**, (herein "LESSEE" or "TENANT") being a corporation formed under the laws of the State of Texas, and as such, authorized to do business in Jefferson County, Texas.

Recitals

WHEREAS, Jefferson County (herein sometimes the "County"), a political subdivision of the State of Texas, herein sometimes also referred to as "LANDLORD" or "LESSOR", is the owner and operator of the Jack Brooks Regional Airport (herein the "Airport") and certain property adjacent to the Airport described more particularly in Exhibit "A" (herein the "**Development Property**") attached hereto and incorporated herein for all purposes, all of which property is subject to various rules, regulations and limitations as to use imposed by the Federal Aviation Administration ("FAA"); and

WHEREAS, Glow Investment, Inc., herein sometimes referred to as "LESSEE" and/or "TENANT", is in the business of real estate development and incident to the same, has expressed a desire to ground lease, in various stages, appropriate portions of the Development Property from Landlord, for the express purpose of developing, constructing and operating, whether directly or through subtenants, certain improvements to and upon the property, including certain building improvements, all as detailed more particularly hereinafter, which overall building and other improvements to be constructed by or through the Tenant as part of the development master plan referred generally as "The Landing" commercial development, with same being referred to herein as the "**Development**"; and

WHEREAS, in order to enhance the opportunities related to the economic success of the Development, LESSEE has entered into a separate agreement with the Nederland Economic Development Corporation ("NEDC") whereby certain funding opportunities, subject to limitations detailed within said separate agreement, will be provided by the NEDC to LESSEE to reimburse LESSEE'S actual costs incurred in the construction of certain infrastructure improvements to the Development Property, to include roadway and access improvements, drainage improvements and utility improvements, the construction of which infrastructure improvements to and/or within the Development Property shall be subject to final approval by the LANDLORD, although the LANDLORD shall not have any obligation to LESSEE related to the costs of such improvements.

In consideration of the mutual covenants herein contained, LANDLORD and TENANT enter into the following ground lease agreement, herein called the "Lease", subject to the terms, conditions and limitations detailed hereinafter.

Terms

1. **Demised Premises.** Jefferson County, as LESSOR, hereby lets to LESSEE and LESSEE hereby leases from LESSOR, on an exclusive basis, that certain tract of land within the Development Property, which specific tract is generally described as the **Ground Lease for Retail Pad Improvements**, which containing approximately **2.00 acres or 87,120** square feet more or less detailed in Exhibit "B" attached, located at the Airport; together with the right to use and enjoy all improvements, rights and appurtenances thereon, whether existing or constructed or to be constructed, referred to herein as the "**Property**", "**Leased Premises**" and/or "**Demised Premises.**" The final actual acreage and or square footage of the Property shall be determined jointly by and between LESSOR and LESSEE (and/or third party professionals retained and/or approved by the undersigned parties), with the final description, to include detailed determination of the actual square footage of the tract, which final description is to be evidenced by a post effective date exhibit (to be attached hereto upon completion as Exhibit "C"), with said exhibit to be approved by both parties, and with such approval being evidenced by the execution of the final form of Exhibit "C" by authorized representatives of both LESSOR and LESSEE. Reference to the term "**Property**" and/or "**Leased Premises**" hereinafter shall refer to the property described more particularly in either or both Exhibit "B", and upon completion of same, Exhibit "C".

Subject to and with the benefit of the terms, covenants, and conditions of this Lease, the LANDLORD hereby demises and leases to TENANT, and TENANT hereby takes and leases from LANDLORD, certain Property (herein also the "**Demised Premises**"), to have and to hold during the Demised Term of this Lease.

2. **Development / Phase 1.** The Development contemplated by LESSEE, as detailed more particularly hereinafter, is to include "**Phase 8**", which is defined as that certain **Retail Pad and related improvements**, comprised of not more than a 1-story building, subject to all applicable FAA regulations as well as all County and City of Nederland (the "City") building codes and regulations, which improvements to be constructed are to be described in Exhibit "E", a post execution exhibit, to be attached hereto, **after approval by the LESSOR, the City and the NEDC.**

3. **Right of Flight Reservation.** LESSOR, for itself, other lessees and tenants of the County and/or the Airport as well as for its permittees, invitees, successors and assigns, reserves the right of flight for the passage of all types of aircraft now in existence or hereafter created above the Development Property, to include, without reservation, the Property. LESSOR, its consignees, additional lessees and tenants of the Airport, and its permittees, licensees, successors and assigns, shall likewise be entitled to cause such noise, smoke, vapors, sound effects and other distractions as may be reasonably inherent in landing at, taking off from, or operation of aircraft on, above or upon the Airport.

4. **Inspection Period.** Tenant acknowledges and agrees that, since the execution of certain Letters of Intent ("LOI") related to the Property and other adjacent Development Property to be included in the proposed Development, it has had a reasonable opportunity to conduct certain relevant due diligence analysis, inspection and investigation of the Property, all prior to

the effective date of this Lease, and that TENANT has independently determined that the Property is suitable for its intended developmental and construction purposes, including the proposed intended purpose of construction of the **Additional Retail Pad Improvements defined herein as Phase 8** of the development. Notwithstanding the foregoing, TENANT shall be permitted to further conduct additional due diligence related to (i) the Development, (ii) **Phase 8** related to same, and (iii) the overall suitability of the Property for commercial and/or business development, with such additional due diligence being subject to the terms, conditions and limitations detailed more particularly in Section 4 herein.

Commencing as of the effective date of that certain Letter of Intent ("LOI") entered into previously by and between Tenant and Landlord, Tenant acknowledges that it has been provided an ongoing opportunity to complete inspections and evaluations of the Property and incident to the execution of this lease, Tenant will be provided an additional period of time to complete any additional due diligence, related inspections, and evaluations (herein the "**Inspection Period**"), with said Inspection Period to terminate **THREE HUNDRED SIXTY (360) days** from the date hereof. **Notwithstanding the foregoing, Tenant shall use reasonable efforts to complete inspections and obtain requisite permits and governmental approvals within one hundred eighty (180) days** from the date hereof. Tenant and its agents and representatives shall be authorized to go upon the Development Property, including the Property/Demised Premises made the basis of this Agreement, at all reasonable times to inspect the condition of the Property, perform evaluations, inspections and testings, determine the status and/or availability of utilities and access, conduct zoning investigations, feasibility studies and other studies or tests that Tenant, and/or its lenders (if any) may deem necessary or appropriate to determine if, in Tenant's sole discretion, the Demised Premises are suitable for Tenant's intended use contemplated by **Phase 8** of the Development. **Tenant may terminate, with or without cause, this Lease, WITHOUT FURTHER OBLIGATION, prior to 5:00 P.M., Beaumont, Texas time on the date the Inspection Period terminates. IF TENANT DOES NOT TERMINATE THIS LEASE AGREEMENT, AS PROVIDED HEREIN, TENANT SHALL BE OBLIGATED TO COMMENCE ACTUAL CONSTRUCTION OF THE PHASE 8 IMPROVEMENTS WITHIN NINETY (90) DAYS OF THE EXPIRATION OF THE LEASE TERMINATION DEADLINE.**

Upon the waiver of all contingencies, if any, to the commencement of this Lease detailed more particularly in Section 4 herein above, and provided such additional time shall be necessary for TENANT to secure and complete (i) its lease negotiations with its tenants with respect to the **Phase 8** or (ii) acquisition of requisite governmental approvals necessary for the operations contemplated by this Lease, TENANT may, upon LANDLORD'S approval, extend the Inspection Period for additional periods of time, not to exceed thirty (30) days each, with said option to extend being expressly subject to prior approval by the **Nederland Economic Development Corporation** (herein the "NEDC"), which entity is providing funding to the Tenant to construct certain infrastructure improvement providing utilities and road improvements to the Development Property, including the Demised Premises. The NEDC reserves the right and option to deny further extension to Inspection Period IF the NEDC has expended and/or reimbursed (or is obligated to do the same) sums to third parties (to include Tenant, Tenant's contractors and/or

Landlord) for construction of said infrastructure improvements related to the Development. Should TENANT fail to notify LANDLORD of its election to **terminate** this Lease on or before the expiration of the Inspection Period and/or any extended Inspection Period, **this Lease shall be deemed to have been accepted by all parties and TENANT shall be obligated to construct Phase 8, to include the Retail Pad, related facilities and improvements contemplated by Exhibit "E", with said construction to commence, as detailed hereinabove, within ninety (90) days of the deemed Lease acceptance date.**

TENANT's obligations under this Lease shall be subject to the satisfaction, **during the Inspection Period**, of each of the following conditions, **which shall be completed or verified by Tenant PRIOR TO expiration of the Inspection Period**:

a. Existence of appropriate commercial and other zoning for the entirety of the Development Property permitting the construction and operation of (i) an event/conference center, (ii) a water fountain with related lighting improvements, (iii) a hotel, (iv) retail stores and related common and/or marketing area space associated with same, (v) restaurant facilities that will be authorized to serve mixed alcoholic beverages, beer and wine, (vi) bars authorized to serve such alcoholic beverages, and (vii) such other commercial uses as TENANT shall deem appropriate related to the Development;

b. Existence of a valid access and exit point to the Development Property to and from public road (with appropriate curb cuts approved by all governmental bodies having jurisdiction there over) together with duly recorded easements or right-of-way(s), if necessary, which may be used without restrictions by TENANT and its customers, employees, suppliers and invitees. It is acknowledged by TENANT that the Texas Department of Transportation has approved a new curb cut from the existing public highway access road to the Development Property in a location acceptable to TENANT and that the NEDC will provide funding, in an amount not to exceed \$2,000,000.00, to be utilized by TENANT and its contractor to construct such access road and to construct extension of utility improvements (which utility improvements are referenced in the following subparagraph) to the Development Property, including the Demised Premises;

c. The availability of utility services, including but not limited to electrical service, natural gas and/or propane service, to the Demised Premises and approval of Tenant's proposed storm water drainage plans related to the project contemplated herein (including approvals from appropriate governmental entities to include Jefferson County, the Jack Brooks Regional Airport, the FAA, Jefferson County Drainage District No. 7, the City of Nederland, and other requisite governmental entities, if any;

d. Approval of this lease by TENANT's Board of Directors;

e. Execution and recording, where applicable, of an appropriate memorandum of lease, as detailed herein;

f. TENANT's receipt of the non-disturbance agreements(s), where applicable, referred herein;

g. TENANT's either actual obtaining, or being satisfied as to the availability of, all

appropriate licenses and permits by the appropriate state and local authorities for the sale to the public by TENANT, or an entity controlled by the TENANT or a tenant of the TENANT, of mixed alcoholic beverages, beer and wine on all seven (7) days of the week and for the maximum hours of operation authorized by the County and the laws of the State of Texas;

h. TENANT's receipt of a final building permit for the construction of TENANT's **Phase 8** improvements, detailed in Exhibit "E" to be attached hereto, to be constructed upon the Demised Premises, which shall include the **Additional Retail Pad and related improvements** detailed within the final form of Exhibit "E", which exhibit is to be attached to this Lease upon final approval of same as contemplated herein; and

i. TENANT's satisfaction that the environmental condition of the Development Property, to include the Demised Premises, is acceptable to Tenant and/or Tenant's lenders, if any. TENANT may, in so determining, conduct Phase I and or Phase II tests and or conduct soils testing, all of which shall be conducted in accordance with standard procedures. TENANT shall provide LANDLORD copies of all such environmental evaluations, tests and reports related to same, on or before the expiration of the Inspection Period, regardless of whether or not the Lease shall terminate.

TENANT may waive any condition of this section in its sole discretion. Further, Tenant shall be **DEEMED TO HAVE WAIVED SAME**, to the extent not approved or affirmatively waived, if not resolved before expiration of the Inspection Period.

LESSEE ACKNOWLEDGES THAT, AS PROVIDED BY A SEPARATE AGREEMENT BETWEEN THE LESSEE AND THE NEDERLAND ECONOMIC DEVELOPMENT CORPORATION ("NEDC"), THE NEDC HAS AGREED TO PROVIDE CERTAIN FUNDING RIGHTS TO LESSEE TO ASSIST LESSEE IN THE CONSTRUCTION OF INFRASTRUCTURE IMPROVEMENTS (to include utility, drainage and roadway/access improvements) TO BENEFIT THE DEVELOPMENT. NOTWITHSTANDING THE FOREGOING, LESSEE ACKNOWLEDGES, AS EVIDENCED BY SAID SEPARATE AGREEMENT, THE NEDC SHALL NOT BE OBLIGATED, WHETHER UNDER THE SEPARATE AGREEMENT BETWEEN LESSEE AND THE NEDC OR UNDER THIS AGREEMENT, TO EITHER (i) REIMBURSE LESSEE ANY COSTS INCURRED BY OR ON BEHALF OF LESSEE OR (ii) DIRECTLY INCUR OR PAY ANY COSTS, WHICH ARE RELATED TO, DIRECTLY OR INDIRECTLY, DEVELOPMENT OF INFRASTRUCTURE CONSTRUCTION PLANS AND/OR ACTUAL CONSTRUCTION OF INFRASTRUCTURE IMPROVEMENTS FOR THE BENEFIT OF THE DEVELOPMENT UNTIL SUCH TIME AS TENANT NO LONGER HAS THE OPTION TO TERMINATE THIS LEASE, OR ANY OTHER LEASE RELATED TO THE DEVELOPMENT, OR ALTERNATIVELY, UNTIL TENANT HAS WAIVED, IN WRITING, ALL SUCH TERMINATION RIGHTS. FURTHER, LESSEE ACKNOWLEDGES THAT THE LANDLORD SHALL NOT HAVE ANY DIRECT OBLIGATION TO LESSEE RELATED TO THE CONSTRUCTION OF SUCH INFRASTRUCTURE IMPROVEMENT OR ANY OBLIGATION TO REIMBURSE COST INCURRED BY LESSEE IN REGARDS TO SUCH IMPROVEMENTS AND THAT THE AGREEMENTS, IF ANY, BETWEEN THE NEDC AND THE LESSEE ARE INDEPENDENT OF THIS AGREEMENT.

TENANT shall diligently pursue the satisfaction of the conditions set forth above, however, Tenant shall be deemed to have satisfied same as of the expiration of the Inspection

Period UNLESS Tenant either (i) provides notice of termination of this Lease or (ii) provide a written extension of the Inspection Period from Landlord.

TENANT shall indemnify and hold LANDLORD, the City and the NEDC harmless from and against any and all losses, claims and/or liabilities, including attorney's fees, arising or resulting from inspections made by TENANT detailed herein, which indemnification obligations shall survive the expiration or termination of this Lease.

5. Effective Date/Base Rent Effective Date. The effective date of this lease shall be the date of execution by the last to execute of either Tenant or Landlord.

The effective date upon which Base Rent shall commence shall be on the EARLIER of (i) the date the LESSEE actually completes construction of the **Phase 8 – Additional Retail Pad improvements** detailed in Exhibit "E" and receives its certificate of occupancy related to same, or (ii) twelve (12) months from the date Tenant receives all permits, variances, and governmental approvals necessary to construct the Phase 1 improvements and Landlords work, contemplated by this Lease, has been completed. ***So long as Tenant timely proceeds with the construction of Phase 8 contemplated by this Lease, and any other Phases (currently Phase 1-8) of the Development, the effective date for payment of Base Rent as to each succeeding phase shall be extended by a period of not more than SIX (6) MONTHS for each succeeding phase of the Development. For example, so long as Tenant timely commences construction of Phase 1, the effective date for Base Rent as to Phase 2 shall be extended by an additional six months (or more particularly, to eighteen months after receipt of all requisite approvals required by this subsection) and thereafter, if Tenant then timely commences construction of Phase 2, the effective date for payment of Base Rent commencement shall be extended an additional six months (or more particularly to twenty four months as to Phase 3, and so forth as to each succeeding Phase of the Development, through the currently contemplated Phase 8. The Phases contemplated to be included within the Development (currently Phases 1-8) do NOT have to be completed in numerical order in order to receive the extensions contemplated by this section No. 5 SO LONG AS the Tenant timely commences each successive phase within the timeframes detailed within this Agreement, including without limitation, within this section 5.***

6. Original Term. The initial term of this lease shall be for a period of 360 calendar months (30 years), plus the partial month, if any, following the effective date of this lease, unless sooner terminated or extended by virtue of a provision herein.

7. Option Term. LESSEE shall have the option to extend the term of this lease for up to an additional 228 months (19 years) following the initial term. The option terms are comprised as follows: (1) 60 months (5 years); (2) 120 months (10 years); (4) 60 months (5 years); and (1) 48 months (4 years). Nothing herein shall require the LESSEE to exercise any of the option terms. LESSEE may exercise all, or any portion of, the foregoing options in writing at any time, so long as same are exercised not less than ninety (90) days prior to the expiration of the term under Tenant's then current occupancy (at the time of said notice).

The Original Term and Option Term(s) (which are properly and timely exercised) by TENANT are collectively referred to in this Lease as the "**Demised Term.**"

9. **Hold Over Tenant.** If TENANT remains in possession of the Demised Premises after the expiration of the Demised Term, TENANT shall be deemed to be occupying the Demised Premises as a tenant at sufferance, on a month-to-month basis, with base rent during said holding over period accruing at a minimum of one hundred and twenty-five percent (125%) of the Base Rent herein specified (prorated on a monthly basis), subject to all conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy at sufferance.

10. **Base Rent.** As rent for the premises and the Lessee's right and privileges hereunder, the Lessee agrees to pay the Lessor in accordance with the following schedule:

Term Years	Annual Base Rate (SqFt)	Annual Base Rent
1-5	\$ 0.2000	\$ 17424.00
6-10	\$ 0.2100	\$ 18,295.20
11-15	\$ 0.2205	\$ 19,209.96
16-20	\$ 0.2315	\$ 20,168.28
21-25	\$ 0.2431	\$ 21,178.88
26-30	\$ 0.2553	\$ 22,241.74
31-35	\$ 0.2680	\$ 23,348.16
36-40	\$ 0.2814	\$ 24,515.56
40-45	\$ 0.2955	\$ 25,743.96
46-49	\$ 0.3103	\$ 27,033.34

for the exclusive use of the DEMISED PREMISES. Rents shall be paid in monthly installments, in advance, on the first day of each month, in a sum equal to 1/12 of such annual base rent. Rental installments not paid by the fifteenth (15th) day of the month in which due shall bear interest from the fifteenth day of the month due until paid at the rate of 10% per annum.

Base rent detailed herein is based upon an estimated square foot size of **87,120 square feet**. The base rent will be adjusted as necessary to comply with the final actual square foot determined by either Title Company and or surveyors retained to determine the Legal Description of the Property, which final determination shall be attached to this Lease as Exhibit B as detailed herein above.

11. **Commencement of Rent.** Rental payments as provided above shall be payable on but not before the Base Rent effective date of this lease as determined in Section 5 hereof.

12. Adjustment of Rent. The rent shall be adjusted as set forth in herein above.
13. Exhibits. The following exhibits are attached to (or **in the future** will be attached hereto as provided herein) and made a part of this Lease for all purposes:
- a. Exhibit A. Plot plan and/or legal description of the Landing Development Property, showing schematically the Development location;
 - b. Exhibit B. Plot Descriptions of Demised Premises;
 - c. Exhibit C. Legal Descriptions of Demised Premises in final form, to be attached after final approval by the Lessee and Lessor;
 - d. Exhibit D. Tenant Subordination and Non-Disturbance Agreement Form, to be attached if applicable;
 - e. Exhibit E. Construction Specifications and Requirements, once finally **approved by LANDLORD**, the City of Nederland (herein the "**City**") and the Nederland Economic Development Corporation ("**NEDC**"), for construction of the Restaurant and related improvements, including parking (where applicable).
 - f. Exhibit F. Tenant's Artist Rendering of the improvements contemplated by this Lease, with said exhibit to be attaché after completion and final approval by Lessor, the City and the NEDC.
14. Restrictions Affecting the Demised Premises. LANDLORD represents and warrants that there are no easements, covenants, conditions or restrictions affecting the Demised Premises that (i) are in conflict with any provision of this Lease or (ii) require the consent or approval of this Lease or any provision contained herein by any third party other than the FAA as previously disclosed to Tenant. Landlord shall be responsible for acquisition of approvals as may be necessary from the FAA. Entrances to the Development and access routes to the Demised Premises shall not be closed or materially rearranged during the Demised Term unless necessary for maintenance of infrastructure or airport operations.
15. Construction of the Demised Premises. The improvements constructed by TENANT or TENANT's lessees on the Demised Premises ("Tenant's Improvements") shall be constructed in accordance with Exhibit E, to be attached hereto upon final approval of same, and shall be and remain the property of TENANT or TENANT's lessees, as applicable. Upon the expiration of the Terms or Renewal Terms hereof, the Tenant's Improvements shall be deemed the property of and owned by LANDLORD. In the event TENANT fails to commence construction of the improvements contemplated by Exhibit "E" to be attached hereto on or before 150 days after the date TENANT obtains all necessary governmental approvals and third party financing, at the option of the LANDLORD,
- a. LANDLORD, or its assignees, may sue for specific performance to enforce this Lease, including TENANT's obligation to construct the improvements, or;
 - b. Landlord may be authorized, in its sole discretion, to terminate the Lease as of such time and TENANT's Security Deposit, if any, shall be deemed forfeited and paid to

LANDLORD and all obligations of this Lease, save and except those specifically intended to survive, shall terminate and be of no further force or effect.

16. Taxes. LESSEE agrees to pay any taxes or special assessments that may be levied against the leased premises, or against the leasehold interest, or against the Airport because of these leased premises, by any taxing unit or entity, whether levied against LESSOR or LESSEE, and LESSEE further agrees to hold LESSOR harmless from any claims or liens in connection with any such tax or special assessment attributable to the leased premises. Taxes payable by LESSEE pursuant to this Section shall be subject to proration to account for the term of this Lease and the taxable value of the leased premises as compared to the taxable value of the larger legal parcel of which the leased premises is a part, if applicable. If the LESSOR is assessed taxes on the larger legal parcel which includes the leased premises, then LESSOR shall pay such taxes and assessments to the taxing authority and LESSEE shall reimburse LESSOR for the pro-rata portion of the taxes assessed on the taxable value of the leased premises within thirty (30) days of receipt of an invoice therefore and proof of payment by LESSOR. If taxes are assessed on the premises made the subject of this lease, or upon any business personal properties located upon or within same, LESSEE shall pay such taxes directly to the taxing authorities assessing the taxes.

17. Plans and Specifications. Exhibit "E" (whether attached now or sometime prior to commencement of construction of the improvements contemplated by this Lease, **the final form of which exhibit and the construction contemplated by same shall bear approval by Landlord, the City of Nederland, and the NEDC**), shall detail the specific final Plans and Specifications for the construction of **Phase 8**. Exhibit "F", whether attached now or to be attached in the future, is an artist's rendering of the **Phase 8 Additional Retail Pad Improvements** that LESSEE proposes to build on the premises. If Exhibit "F" is attached to this agreement at time of execution by Lessor, then such Execution of this agreement constitutes the acceptance by LESSOR of the **proposed esthetic appearance** of the proposed improvements and LESSEE covenants to erect any improvements in substantial compliance with the appearance represented in Exhibit "F". If Exhibit "F" is not attached at the time of execution, same shall NOT be attached to and incorporated within this Lease until same has been approved, in writing, by the Lessor, the City and the NEDC. Prior to any construction, plans and specifications for buildings and parking as required by Section 25, shall be submitted to LESSOR for approval which approval shall not be unreasonably withheld. All architectural and color schemes shall be consistent with the Airport Master Plan requirements. **Notwithstanding the foregoing, Lessee further agrees that Lessee shall NOT submit for Lessor's approval such Exhibit "F" until such time as Lessee has already obtained the written approval of Exhibit "F" from BOTH the NEDC and the City and Lessee shall further certify said approvals to Lessor upon submission of Exhibit "F" for approval.**

18. Indemnity. LESSEE agrees to indemnify, hold harmless, defend and insure Jefferson County, The Airport, the City of Nederland, the NEDC and all their officials, agents and employees against the risk of death, injury, or damage to any person or property arising out of or in connection with the performance of any such construction work, and/or services provided in connection with, directly or indirectly, the Development. LESSEE shall include in all construction contracts entered into by it, in connection with any or all of the construction work

related to the **Phase 8 improvements** contemplated by this Lease, appropriate provisions requiring all contractors, their subcontractors and on-site vendors, to indemnify, hold harmless, defend and insure Jefferson County, the Airport, the City of Nederland, the NEDC and all of the foregoing parties officials, agents and employees against the risk of death, injury, or damage to persons or property, arising out of or in connection with the performance of any or all of such construction work and/or services provided in connection with, directly or indirectly, the Development.

LESSEE shall require all contractors to furnish liability insurance, including contractual indemnity coverage, in an amount not less than the maximum dollar amount of recovery permitted against a county by the Texas Tort Claims Act as it now exists or may be hereafter amended. LESSEE shall provide evidence to LESSOR of its compliance with this section prior to commencement of any construction related to the Development, including, without limitation, the construction contemplated by this Lease. LESSEE covenants and agrees to hold LESSOR, the City and the NEDC free and harmless from loss from each and every claim and demand of whatever nature, including but not limited to fines, assessments, fees and attorney's fees, made on behalf of or by any third person or persons, for any wrongful act or omission on the part of LESSEE, LESSEE's contractors and/or their respective agents, servants, officers, directors, and employees, and from all loss and damages to any third person or persons by reason of such acts or omissions.

19. Workmanship. The LESSEE further covenants that all construction work related directly or indirectly to the Development, including without limitation construction contemplated by Phase 6 made the basis of this Lease, will be performed by it or its contractors, including all workmanship or materials, such that same will be of first class quality.

20. Utility Connections. LESSEE, at its own expense, shall construct utility connections such as it may desire from utility lines or pipelines in existence on the airport property or from outside the Airport, following existing roads or easements, unless express authority for deviation from existing roads or easements is given to it by the Commissioners' Court. LESSEE will be responsible for the installation of a sanitary sewer grinder pump system, which shall be approved by the Landlord, the City and the NEDC before installation of same by LESSEE and/or its contractor. After installation should the pump system fail in the future for any reason, LESSEE will be responsible for the cost of maintenance and/or replacement of such pump. The deviation authority and additional easements may be granted by LESSOR, if needed by the LESSEE to achieve economy or convenience. If other property is subsequently leased by LESSOR to other tenants in the vicinity who choose to extend existing utility lines provided by this LESSEE to other property so leased, the subsequent tenants shall have the right to do so at their sole cost and expense, but LESSOR covenants that it will require each subsequent tenant, as a condition to the extension of the utility lines, to pay to present LESSEE a pro rata share of the depreciated value of the actual cost actually incurred by LESSEE to extend utilities from present utility lines to the Demised Premises, which "actual cost" will be reduced by the amount of said actual cost that are reimbursed to LESSEE, including reimbursements, if any, received from the City, the NEDC and/or the utility providers. It is acknowledged by LESSEE, as detailed hereinabove, that the NEDC has

agreed, by separate agreement, to provide reimbursement to LESSEE for certain infrastructure costs incurred related to the Development, which costs to be reimbursement may include costs incurred related to certain utilities access improvements, and as such, **the LANDLORD shall have NO OBLIGATION to LESSEE related to the construction of said utility access improvements.** While future potential tenants the Landlord will be authorized to utilize the utility extensions constructed by LESSEE, the right of any such subsequent tenant to extend utility enhanced by LESSESS lines is further conditioned that the extension will not impair the capability and capacity of the line as used by the present LESSEE and/or its authorized assignees. **Notwithstanding the foregoing, it is acknowledged that Lessee has been advised that to the extent said utility improvements are not already in place and available to the Lessee, the NEDC will provide funding reimbursement to Lessee for the actual out of pocket costs incurred by Lessee to provide said utility improvements SO LONG AS THE TOTAL REIMBURSEMENT OBLIGATIONS OF THE NEDC FOR SUCH UTILITY (for Phases 1-6), DRAINAGE AND ACCESS ROAD CONSTRUCTION IMPROVEMENTS DO NOT EXCEED, IN THE AGGREGATE, THE SUM OF \$2,000,000.00, with said reimbursement obligation to be subject to the terms of that certain separate agreement to be executed between the NEDC and LESSEE.**

21. Certificate of Completion. When the construction hereinabove provided for has been completed, the LESSEE shall, within a reasonable time thereafter, deliver to the LESSOR a certificate from LESSEE'S architect and/or general contractor, that the construction has been completed in compliance with all laws, ordinances and governmental rules, regulations and orders.

22. Proof of Payment. All improvements shall be free and clear of all mechanics' and other liens and from liability arising from the construction of said improvements, and no later than 30 days after completion of construction LESSEE shall furnish to LESSOR full and satisfactory evidence in writing of (i) the area of such improvements, (ii) the actual cost of such improvements (to include proof of the payment thereof), (iii) the value of such improvements immediately after construction, and (iv) the fact that said improvements are free and clear of all mechanics' and other liens and/or liabilities related thereto arising from said construction.

23. Refuse and Trash. No refuse or trash shall be kept, stored or allowed to accumulate on the premises. LESSEE shall provide, at its sole cost and expense, necessary arrangements for adequate sanitation, handling and disposal from the airport of all trash, garbage and other refuse which results from tenants' business operations, including receptacles for the deposit of such trash, garbage, and other refuse.

24. Outside Storage Prohibited. Storage of vehicles, equipment, supplies or any other items outside of the building(s) is prohibited. For the purpose of this provision, the term "storage" shall mean the placing of vehicles, equipment, supplies or any other items outside the building and which vehicles, equipment, supplies or any other items do not serve as an actual day-to-day business function.

25. Off-Street Parking. The LESSEE shall make provision for automobile parking for its employees, visitors, and other invitees on the premises. No parking shall be permitted on street

improvements, if any, immediately adjacent to the Leased Premises. The LESSEE further agrees to pave its on-premise parking facilities in order to provide a dust-free, all-weather surface. Pavement plans shall be approved by LESSOR, the City and the NEDC prior to construction.

26. Permitted Uses. The LESSEE shall have the privilege of using, subject to the terms and conditions herein, the premises for the operation of construction and **operation of a multi tenant retails sales and related operations complex** and any other lawful commercial activities including all services normally connected therewith.

27. Prohibited Uses. Without first obtaining LESSOR'S written consent, LESSEE shall not use the Leased Premises for the sale of aircraft fuels, lubricants or propellants. Further, in no event, shall TENANT, or its authorized assignees, allow a (i) flea market, (ii) second-hand store, (iii) "sex," "head" or "pawn" shop use or (iv) an adults only bookstore to occupy or otherwise use, directly or indirectly, the Leased Premises.

28. Quiet Enjoyment. LESSOR covenants and agrees that at the granting and delivery of this lease it has good title, free and clear of all liens and encumbrances; and that LESSOR has full right and authority to lease the premises as herein set forth. LESSOR further covenants that all things have happened and been done to make its granting of this lease effective, and LESSOR warrants to LESSEE peaceful possession and quiet enjoyment of the premises during the term hereof, upon performance of LESSEE'S covenants herein.

Notwithstanding any other provision of this Lease to the contrary, LANDLORD and TENANT hereby acknowledge and agree that title to ownership of the Tenant's Improvements shall be vested in TENANT during the Demised Term. Any claim by any person or persons as to ownership or legal rights to the demised premises, as defined in Section 1, regarding the agreements in this section, will be defended by LANDLORD.

29. LESSEE's Estate. Title to all improvements constructed by LESSEE shall vest and remain in LESSEE during the term of this lease and LESSEE shall be entitled to any and all investment tax credits generated by reason of construction, installation, and operations on the premises. Subject to the rights of LESSEE'S mortgage (as specifically provided in Section 30 and elsewhere herein) and to LESSEE'S right of reimbursement to the extent set out in this Lease, title to improvements shall pass to and vest in the LESSOR upon the effective date of a cancellation or termination of this lease. LESSEE shall have the right at any time prior to or subsequent to the construction of improvements to mortgage its leasehold estate in the premises and the improvements; and to assign its interest in this lease to any mortgagee who shall have advanced funds to the LESSEE under any loan, the proceeds of which have been used for the construction of the improvements or to refinance loans for the construction of improvements. Any mortgagee claiming under the LESSEE shall have the rights and privileges hereinafter set forth.

At the expiration or termination of this Lease, LESSEE agrees to:

- a) surrender possession of the entire leased premises to LESSOR;
- b) remove at LESSEE's expense any assets that LESSEE is entitled to remove as set forth below; and

c) otherwise return the leased premises to LESSOR. All fixed buildings, fencing, utilities, and other improvements placed on the leased premises shall remain on the leased premises upon the termination of this Lease and become the sole property of LESSOR. Exceptions to the above are LESSEE's trade fixtures and personal property that can be removed from the leased premises without substantially altering or damaging other property.

30. LESSEE's Mortgagee. In the event LESSEE shall mortgage the leasehold estate and the improvements or assign this lease to any mortgagee who shall have advanced funds for the purposes described in the preceding Section 29, such mortgagee may give written notice of its mortgagee's interest to the LESSOR at LESSOR'S address shown herein.

Thereafter, LESSOR, prior to taking any action to cancel or terminate the lease, shall give to the mortgagee the same notices that are required to be given to the LESSEE prior to cancellation or termination, and if no notice is required to be given to the LESSEE, then a written notice to the mortgagee shall be given of the event or events which are alleged to be the basis of the right to cancel or terminate. The mortgagee shall have the right

a. to cure the default of the LESSEE, and
b. at its election, to foreclose its lien or security interest in the leasehold estate and improvements and this lease and to sell such leasehold estate and improvements (and LESSEE'S interest in this lease) at public or private sale, whereupon the purchaser shall succeed to all rights of the LESSEE hereunder. Notwithstanding such right to sell such leasehold estate, the eventual purchaser (whether that be the mortgagee or a third party purchaser) of said leasehold estate at any foreclosure sale, shall be obligated to obtain approval from the Landlord as to any expected future business operations that will be undertaken on or at the location of the foreclosed leasehold estate. The mortgagee shall be accorded to a reasonable period of time in which to cure the default, taking into account the nature of the LESSEE'S default, and a reasonable period of time in which to effect foreclosure, taking into account the statutory requirements for foreclosure of its lien or security interest. Further, if LESSEE shall default under the terms of its mortgage, the mortgagee shall likewise have the rights and power of foreclosure and sale as are set out in the preceding portions of this Section 30. The LESSOR agrees to execute such documents as may be requested by the LESSEE or the LESSEE'S mortgagee to provide LESSEE with the ability to meet requirements for obtaining secured financing, provided that such documents do not render LESSOR liable for the payment of LESSEE'S indebtedness or encumber LESSOR'S remainder interest.

31. Indemnification. LESSOR shall stand indemnified by LESSEE as herein provided. LESSEE is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and LESSOR shall in no way be responsible therefore. In the use of the premises, in the erection or construction of any improvements thereon, and in the exercise or enjoyment of the privileges herein granted, LESSEE shall indemnify and save harmless LESSOR from any and all damages that may proximately result to any third person because of any negligence on the part of LESSEE.

32. Insurance.

a. Property Insurance:

LESSEE shall maintain or cause to be maintained all risk property insurance (to include fire and other casualty loss, windstorm and flood coverage), from a company authorized to do business in the State of Texas and keep in force said insurance, with extended coverage, upon the buildings located on the premises to the full insurable value thereof, as determined by the insurer. LESSOR shall be named as additional loss payee and LESSEE shall furnish LESSOR with evidence that such coverage has been provided and is being maintained.

In the event of an insured damage to the premises, the insurance proceeds will be used for the purpose of restoring and reconstructing the improvements. However, if the improvements are more than 60% destroyed at any time during the term of this lease, the LESSEE may elect to terminate this lease by giving written notice thereof to LESSOR within 90 days after such destruction. If LESSEE so elects to terminate, insurance proceeds, to the extent necessary, shall be used to remove the damaged improvements, unless LESSOR shall notify LESSEE in writing that LESSOR wishes the damaged improvements to remain upon the land. If LESSEE shall fail to restore the improvements and shall also fail to terminate the lease in the manner aforesaid, LESSOR may, upon written notice to the LESSEE after such 90-day period, terminate the lease and remove damaged improvements at LESSEE'S expense.

b. Liability Insurance.

LESSEE shall promptly, after the execution of this lease, obtain commercial general liability insurance, covering loss, cost or expense by reason of injury to or death of persons or damage to or destruction of property by reason of the use and occupancy of the Demised Premises by Tenant, Tenant's assignees and/or Tenant's Invitees. Such insurance shall have limits of at least One Million Dollars (\$1,000,000.00) per occurrence primary coverage, bodily injury and property damage combined with Three Million Dollars (\$3,000,000.00) excess coverage.

The amounts of minimum coverage herein specified may be modified from time to time in compliance with Jefferson County standard requirements. All policies shall name LESSOR, its officers, servants, agents, and employees as additional insureds. LESSEE shall furnish LESSOR with a certificate from the insurance carrier showing such insurance to be in full force and effect or shall deposit with LESSOR copies of said policies. Each policy or certificate shall contain a provision that written notice of cancellation or any material change in the policy by the insurer shall be delivered to LESSOR, thirty (30) days in advance of the effective date thereof.

33. Licenses. The LESSEE shall procure from all governmental authorities having jurisdiction of the operations of the LESSEE hereunder, all licenses, franchises, certificates, permits or other authorizations as may be necessary for the conduct of its operations. LESSOR will cooperate with LESSEE in this endeavor.

34. LESSOR's Remainder Interest. The LESSEE agrees that it shall not enter into any contracts of a type which would permit a lien or liens to become attached to the remainder interest of Jefferson County, or suffer or permit a lien or liens to be imposed or attached to the leasehold interest, provided, LESSEE shall have the right, upon posting security satisfactory to the

County, to contest the amount or legality of any lien attached to or levied against the leasehold interest.

35. Airport Regulations. The LESSEE covenants and agrees to observe and obey the rules and regulations of the Airport and the FAA, as promulgated by governmental authorities, in the conduct of LESSEE's operations at the Leased Premises.

36. Airport Hazard—Non-Interference Obligations. The LESSEE and its successors and assigns, will not make or permit any use of the property which would interfere with landing or taking off of aircraft at the Airport, or otherwise constitute an airport hazard including such items as electrical and electronic interference with communications, electrical or electronic equipment, creation of dust or glaring or misleading lights, and restrict any objects from penetrating the imaginary surfaces as defined in CFR Title 14 Part 77 – *Safe, Efficient Use, and Preservation of the Navigable Airspace*. Prior to any construction, erection of buildings, and or major alteration to airport ground contours, an airspace study will be required, allowing the FAA to identify potential aeronautical hazards in advance, thus preventing or minimizing the adverse impacts to the safe and efficient use of navigable airspace. LESSOR will cooperate with LESSEE in this endeavor.

37. Certification as to FAA compliance. LESSEE shall observe all applicable rules and regulations of the Federal Aviation Administration including requirements for Airport certification and safety codes.

38. Non-Discrimination. The LESSEE assures that it will undertake an affirmative action program as required by 14 Code of Federal Regulations (CFR) Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The LESSEE assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The LESSEE assures that it will require that its covered sub-organizations provide assurance to the LESSEE that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

39. LESSEE's Maintenance Obligations. LESSEE shall at all times keep, in a clean and orderly condition and appearance, the Leased Premises and improvements thereon, as well as all equipment and personal property. LESSEE shall maintain, repair, replace and paint all or any part of the improvements on the premises including therein, without limitations thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the furnishing of a fire alarm, fire protection, sprinkler, sewage, drainage and telephone service, including lines, pipes, mains, wires, conduits, and other equipment connected with or appurtenant to all such systems at its own expense as necessary. LESSOR shall have the right to enter upon the premises at reasonable times, in a manner which does not materially interrupt LESSEE's business, for the purpose of inspection, to determine LESSEE's compliance with LESSEE's obligation under this Section 39 and or Section 40.

40. Enforcement Rights. If LESSEE fails to perform its obligations under Section 39, LESSOR shall have the right to give written notice to the LESSEE specifying the deficiencies in

maintenance. If within 30 days after receipt of such notice, LESSEE does not make arrangements for the curing of such deficiencies in maintenance, LESSOR shall have the right to enter the premises and perform the necessary maintenance, the cost of which shall be borne by the LESSEE.

41. Utilities. LESSEE shall pay all costs and charges for utility services requested by and furnished to the LESSEE in the Demised Premises during the Demised Term. LESSEE shall, however, have the right to connect to any and all storm and sanitary sewers and water and utility outlets located on or adjoining property of the LESSOR. The LESSEE shall pay for all cost and expense attendant to such connections, but no charge shall be assessed by the LESSOR for the right to make such connections.

LANDLORD shall not interrupt any utility services, under LANDLORD's direct control, to the Demised Premises unless:

- a) Such interruption is necessitated by the need to make emergency repairs; or
- b) LANDLORD schedules any necessary repair work with TENANT's general manager at the Demised Premises at least seventy-two (72) hours in advance.

Such repairs shall, to the extent possible, be made only during hours when TENANT is not open for business to the public. LANDLORD shall immediately give notice to TENANT of an impending interruption of any utility services to the Demised Premises. LANDLORD shall use its best efforts to minimize and promptly cure all utility interruptions that are caused by LANDLORD or subject to LANDLORD's control.

42. Hazardous Substances. A Hazardous Substance shall mean any petroleum product, asbestos product or any other material, substance or waste that is recognized as being hazardous or dangerous to health or the environment by and federal, state, or local agency having jurisdiction of the Demised Premises. LANDLORD represents and warrants:

- a) That it has never placed, generated, stored, handled or disposed of any Hazardous Substances in or about the Demised Premises; and
- b) That, to the best of its knowledge, LANDLORD is not aware of the existence, placement, generation, storage, handling or disposal of any Hazardous Substance in or upon the Demised Premises at any time by anyone else.

TENANT agrees not to generate, store, handle or dispose of any Hazardous Substance in or upon the Demised Premises during the Demised Term of the Lease. In the event however, that any substance used in TENANT's business shall, during the Demised Term, become designated as a Hazardous Substance, then TENANT shall, to the extent practicable, discontinue the use of the substance in or upon the Demised Premises in a manner consistent with all standards and regulations. TENANT shall indemnify and hold LANDLORD harmless from and against any and all demands, claims, enforcement actions, costs and expenses, including reasonable attorney's fees, arising out of the use of any Hazardous Substance by TENANT at the Demised Premises.

43. Ingress and Egress. LESSEE and all approved sub-lessees, and their respective contractors, suppliers of materials and furnishers of services, and employees and invitees, shall

have the right of ingress and egress between the premises and the public rights-of-way outside the Airport by means of existing access roads, the same to be used in common with others having rights of passage within the Airport, provided that the Airport may from time to time substitute other means of ingress and egress which shall be reasonably equivalent to the means now provided. The use of such roadways shall be subject to reasonable rules and regulations established by the Airport.

44. LESSEE's Right to Cancel. This lease shall be subject to cancellation, at the option of LESSEE, upon the default of LESSOR in the performance of any covenant or agreement herein required to be performed by LESSOR and the failure of LESSOR to remedy such default for a period of sixty (60) days after receipt from LESSEE or written notice to remedy the same. LESSEE may exercise its right of cancellation by written notice to LESSOR at any time after the lapse of the applicable periods of time. This lease shall then terminate as of the termination date specified by LESSOR in such notice.

45. Amounts Payable Upon Cancellation by LESSEE. In the event this lease is canceled by LESSEE pursuant to Section 44, rental due shall be payable only to the date of termination, and the LESSOR shall pay to LESSEE liquidated damages computed as follows:

a. The liquidated damages shall be the actual construction cost of the fixed improvements less 3% of the cost for each year or partial year elapsed since the substantial completion of the improvements.

b. Actual construction cost shall be certified by LESSEE and approved in writing by the LESSOR within 30 days after construction is completed. Upon payment by LESSOR to LESSEE of liquidated damages, as computed above, LESSEE shall have no further estate in the improvements and LESSOR shall have exclusive right thereto.

46. LESSEE's Option to Remove. In lieu of liquidated damages provided in Section 45 hereof, LESSEE may, at Lessee's option, **and subject to Lessor's approval**, remove the improvements.

47. Events of Cancellation. This lease shall be subject to cancellation at the option of the LESSOR upon occurrence of any of the following events:

a. Failure of LESSEE to pay rent as herein provided within thirty (30) days after LESSOR shall have given LESSEE written notice of such default.

b. The permanent abandonment of the premises by the LESSEE.

c. Default by LESSEE in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by the LESSEE, if such default continues, without a good faith attempt by LESSEE to remedy the default, for a period of thirty (30) days after receipt of written notice from LESSOR specifying the default.

d. Any other event specifically named in this lease which affords LESSOR the right to cancel.

48. Method of Cancellation. LESSOR may exercise such right to cancellation by written

notice to LESSEE at any time after the lapse of the applicable periods of time and this lease shall terminate as of the termination date specified by LESSOR in such notice.

In the event of default by TENANT, LANDLORD shall elect either of the following remedies:

a. LANDLORD may retake possession of the Demised Premises (without such action being deemed an acceptance of a surrender of this Lease or termination of TENANT's liability hereunder) and, upon taking possession, LANDLORD shall make reasonable efforts to relet the same on reasonable terms, with TENANT remaining liable to pay the Base Rent and other lease charges (but not the Percentage Rent) for the remainder of the Demised Term less the net amount of rent and other lease charges received by LANDLORD as a result of such reletting (after deducting reasonable brokerage fees and attorney's fees incurred for reletting the Demised Premises) and the cost of any necessary repairs (but not alterations or renovations) to the Demised Premises). If the net amount realized by LANDLORD from any reletting is less than the Base Rent and lease charges payable by TENANT hereunder, TENANT shall pay the amount of the deficiency to LANDLORD each month upon demand thereof; or

b. LANDLORD shall have the right, on a continuing basis, either before or after taking possession of the Demised Premises, to terminate this Lease, thereby releasing TENANT from any further liabilities hereunder.

For the enforcement of these remedies LANDLORD may have recourse to any applicable legal or equitable process for the recovery of possession of the Demised Premises and the right to seek an injunction or a declaratory judgment. No act of LANDLORD shall be deemed an act terminating this Lease or declaring the Demised Term ended unless notice is served upon TENANT by LANDLORD expressly setting forth therein that LANDLORD expressly setting forth therein that LANDLORD elects to terminate the Lease or declare the Demised Term ended.

Notwithstanding anything to the contrary, LANDLORD shall not be permitted to do any of the following:

c. Recover any speculative, indirect, consequential, or incidental damages against TENANT;

d. Recover any punitive damages against tenant;

e. Accelerate any payments of Base Rent or other charges due from TENANT to LANDLORD hereunder unless TENANT, after a default, fails to pay the Base Rent or deficiency as required in subparagraph aa above; or

f. Recover from TENANT any amounts expended by LANDLORD in connection with renovating, altering, adding to, installing upon, or otherwise modifying the Demised Premises for use by anyone other than TENANT.

49. Governmental Immunities. Notwithstanding anything to the contrary contained within this Agreement, the undersigned parties agree that LANDLORD shall retain all applicable governmental immunities, whether provided by statute or otherwise, and nothing contained within this Agreement shall constitute a waiver of any such governmental immunities.

50. Airport Expansion. In the event LESSOR requires the premises for expansion or development of the Airport, LESSOR reserves the right, upon six (6) months' written notice to LESSEE, to relocate or replace LESSEE's improvements in substantially the same form acceptable to the LESSEE at another comparable location on the Airport acceptable to the LESSEE. The replacement facility shall be completed prior to relocation so that there is no interruption of LESSEE's business operation. All costs and expenses associated with the relocation shall be borne by the LESSOR.

51. Governmental Agreements. This lease shall not impair any existing or future agreement between LESSOR and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal Funds for the development of the Airport. Should the effect of such agreement with the United States Government be to take any of the property under the lease, or substantially destroy the commercial value of the improvements, or to materially impair LESSEE's operations, LESSOR shall relocate the improvements in the manner described in Section 50.

52. Option in Event of Relocation. In the event a relocation of improvements is required by the LESSEE under Section 51, or necessitated under Section 51 above, LESSEE shall have the option, in lieu of accepting such relocated premises, to cancel this lease prior to the commencement of construction of relocation facilities, in which event, LESSEE shall be entitled to the liquidated damages provided in Section 45.

53. Assignment. LESSEE shall not assign this lease or sublet all or any portion of the premises without the prior written consent of LESSOR, which consent shall not be unreasonably withheld. The LESSEE's sub-lessee shall be entitled to all of the same rights as the LESSEE (including but not limited to fuel purchase rights as set forth herein) and subjected to all of the same restrictions as set forth herein. However, LESSOR's consent shall not be required for any:

- a. assignment of subletting to an affiliate or subsidiary of the LESSEE, or
- b. the assignment or subletting to any mortgagee or to a purchaser from any mortgagee at foreclosure.

54. Other Instruments. Upon the request of either party, the LESSOR and the LESSEE will execute a recordable short form lease evidencing that the premises have been demised to the LESSEE and a recordable instrument evidencing the term of this lease and its commencement date, when commencement date shall have been determined.

55. Paragraph Headings. The paragraph headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this lease.

56. Notices. Notices to LESSOR provided for herein shall be sufficient if sent by Registered or Certified Mail, postage prepaid, addressed to:

JEFFERSON COUNTY, TEXAS

Attn: County Judge
 Jefferson County Courthouse
 1149 Pearl Street
 Beaumont, TX 77701
 409.835.8466

and notices to said LESSEE, if sent by Registered or Certified Mail, postage prepaid addressed to:

GLOW INVESTMENT, INC.
 Attn: Tri Nguyen
 1416B Campbell Road, Suite 206
 Houston, TX 77055
 713.360.3408

and/or to such other addresses as the parties may designate to each other in writing from time to time.

57. Successors and Assigns. All of the terms, covenants and agreements herein contained shall be binding upon and shall inure to the benefit of successors and assigns of the respective parties hereto.

58. Termination of Lease. This lease shall terminate at the end of the full term hereof. Upon such termination, LESSEE shall have no further right or interest in any of the land hereby demised or in any of the improvements thereon.

59. Attornment. Should Lessor sell, convey or transfer its interest in the premises, then Lessee shall attorn to such succeeding party as its Lessor under this lease promptly upon any such succession, provided that such succeeding party assumes all of Lessor's duties and obligations under this lease and agrees not to disturb Lessee's leasehold interest hereunder in accordance with this Section as long as Lessee is not in material default beyond any cure period hereunder.

60. Entire Agreement, Amendment and Binding Effect. This lease constitutes the entire agreement between Lessor and Lessee relating to the subject matter hereof and all prior agreements relative hereto which are not contained herein are terminated. This lease may be amended only by a written document duly executed by Lessor and Lessee, and any alleged amendment which is not so documented shall not be effective as to either party.

61. Severability. This lease is intended to be performed in accordance with and only to the extent permitted by the law. If any provision of this lease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, but the extent of the invalidity or unenforceability does not destroy the basis of the bargain between the parties as contained herein, the remainder of this lease and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

62. Construction. Unless the context of this lease clearly requires otherwise,

- a. pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character;
- b. the singular shall include the plural wherever and as often as may be appropriate;
- c. the term "includes" or including" shall mean including without limitation; and
- d. the words "hereof" or "herein" refer to this entire lease and not merely the Section or Article number in which such words appear. Article and Section headings in this lease are for convenience of reference and shall not affect the construction or interpretation of this lease. Any reference to a particular "Article" or Section" shall be construed as referring to the indicated article or section of this lease.

63. Force Majeure. Lessee shall be entitled to rely upon force majeure as an excuse for timely performance hereunder only as expressly provided herein and shall not be entitled to rely upon force majeure as an excuse for timely performance unless Lessee:

- a. uses its best efforts to overcome the effects of the event of force majeure;
- b. gives written notice to Lessor within twenty (20) days after the occurrence of the event describing with reasonable particularity the nature thereof;
- c. commences performance of its obligation hereunder immediately upon the cessation of the event, and;
- d. gives written notice to Lessor within twenty (20) days after the cessation of the event advising Lessor of the date upon which the event ceased to constitute an event of force majeure.

Force majeure shall mean:

- a) acts of God, landslides, lightning, earthquakes, hurricanes, tornadoes, blizzards and other adverse and inclement weather, fires, explosions, floods, acts of public enemy, wars, blockades, insurrections, riots or civil disturbances;
- b) labor disputes, strikes, work slowdowns, or work stoppages but nothing herein contained shall require the party subject to such labor disputes, strikes, work slowdowns, or work stoppages to settle or otherwise resolve same;
- c) orders or judgments of any federal, state or local court, administrative agency or governmental body, if not the result of willful or negligent action of the party relying thereon;
- d) power failure and outages affecting the leased premises; and
- e) any other similar cause or event, provided that the foregoing is beyond the reasonable control of the party claiming force majeure.

64. Interpretation. Both Lessor and Lessee and their respective legal counsel have reviewed and have participated in the preparation of this lease.

65. Multiple Counterparts. This lease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

66. Applicable Grace Period. Except as may be provided elsewhere in this Lease, the grace period for curing a party's failure to perform its obligations under this Lease (the "Applicable Grace Period") shall be **thirty (30)** days.

67. Interest Rate. Except where a different rate of interest is expressly provided for elsewhere in this Lease, interest payable under this Lease shall be paid at an annual rate (the "Interest Rate") equal to the lessor of:

- a. The prime interest rate charged by Citibank, N.A. plus two percent (2%), or
- b. The highest interest rate permitted by law.

68. Common Area Maintenance. NOT APPLICABLE.

69. Governmental Limitation. Notwithstanding any other provision of this lease agreement, Landlord **shall not be required to perform any action, make any expenditure or cure any default**, which would be in violation of any statutory or constitutional provision regulating the conduct of the County's business.

EXECUTED in triplicate originals as of the date first above written.

LESSOR:

Jefferson County

BY: _____

Jeff Branick

Jefferson County Judge

ATTEST:

Jefferson County

BY: _____

Carolyn Guidry

Jefferson County Clerk



LESSEE:

Glow Investment, Inc.

BY: _____

Authorized Representative

SECTION 4.2

EMPLOYMENT PROCESS

Notification of vacancies resulting from promotion, transfer, demotion, discharge, retirement, resignation or budgetary action should be sent to the Human Resources Department prior to filling the position. This notification shall consist of an updated job description outlining the essential functions and the minimum essential qualifications of the position, which has been signed by the Department Head/Elected Official. In general, notices of all job vacancies are posted, although Jefferson County reserves its discretionary right not to post a particular opening. In certain instances, such as intra-departmental reclassifications/promotions where employees within a specific department are being reclassified, upgraded or promoted, advance posting of such activities is not necessary. In these instances, once the Commissioners' Court approves the restructuring (if required), Department Heads/Elected Officials may assign personnel to the reclassified positions from employees within their departments whom they feel are best suited for the positions. In addition, when in the best interests of a department or the county, such as a critical skill or immediate needs of a department, as determined by the Department Heads/Elected Officials in conjunction with Human Resources, the "Employment Process" procedures may not apply.

The Human Resources Department will ensure that the job description is complete with correct salary, posting date, department, job title, and all changes in the job descriptions as provided by the Department Head/Elected Official and in accordance with the Americans With Disabilities Act and other federal and state laws.

The Human Resources Department in conjunction with the Department Head/Elected Official will determine the length of time for posting vacancies and where the vacancies will be advertised. The Human Resources Department will also activate appropriate outside recruiting sources.

Vacancies should normally be posted for a minimum of three days. The Human Resources Department is responsible for posting all vacancies as appropriate. A copy of all postings shall be forwarded to areas that are accessible to employees and the public. The postings should remain up until the closing date.

A. Methods for Filing Applications

1. Applications and resumes for employment, transfer, voluntary demotion and promotion shall normally be accepted only in the County's Human Resources Department through the closing date of the vacancy. Applications will only be accepted for advertised positions.
2. The Human Resources Department, in conjunction with the Department Head/Elected Official, may decide to:
 - a. Re-post vacancies to ensure that a sufficient number of qualified applicants have applied.
 - b. Remove postings before the deadline date once a sufficient number of qualified applicants have applied.

Section 4.2 – Continued

3. All applications and resumes for vacancies posted by the Human Resources Department shall be time-stamped to ensure that they are received during the recruiting period.
4. An “Application For Promotion or Transfer” form should be completed by current County employees for promotion, lateral transfer or voluntary demotion. Forms may be completed in the department or in the Human Resources Office. All applications should be received in the Human Resources Office by 4:30 p.m. on the closing date.
5. A Jefferson County application should be completed before a candidate is interviewed and must be completed before a candidate is hired.

B. Establishment of a Qualified Group

1. A Human Resources Department representative may review/screen applications, administer pre-employment tests, and establish a qualified group of applicants to refer for a vacant position.
2. Only applicants meeting minimum requirements listed in the job description will normally be referred for an interview.
3. Departmental interviews are responsible for evaluating the following qualifications of applicants: (a) job-related education/training courses; (b) job knowledge; (c) abilities/skills; (d) job-related work experience; (e) ability to communicate. All questions asked during an interview must be job-related and the same questions should be asked of all applicants. It is recommended that a copy of all questions to be used during an interview be reviewed by Human Resources before the interview. The departmental interviewer should complete an interview summary on each person interviewed. This summary should be completed immediately after the interviews have been conducted. All forms and interview notes shall be returned to the Human Resources Department after all interviews have been completed. No notes should be made on the application and/or resume.
4. A representative of the Human Resources Department may participate in the departmental interviews at the request of the Department Head/Elected Official.
5. A representative of the Human Resources Department may check references for qualified applicants at the request of the employing department, or the reference check may be made by the department interviewer.
6. The departmental interviewer should rank all applicants interviewed on the applicant referral form (see Attachment B) and select the best match for the vacant position.
7. Department Heads/Elected Officials are responsible for approving applicants selected for employment via the applicant referral form and a completed Personnel Status Change Form.

8. The Human Resources Department is responsible for notifying the applicant of his/her selection contingent upon the successful completion of a required post-employment offer drug/alcohol screening test for all applicants, physical therapy exam for applicant whose jobs will entail heavy physical activities, and a medical exam for Corrections Officers, Deputy Sheriffs, and Juvenile Detention Officers and any other conditional requirements. Human Resources will schedule the successful applicant for the necessary test/exams after the conditional offer of employment has been extended and accepted.
9. The Human Resources Department shall notify the employing department after receiving notification that the applicant has successfully completed the physical. A start date should then be set by the Department Head or designee.

Note: See Attachment C for a list of “Interviewing Do’s and Don’ts”

C. Post-Employment Offer Examinations

Employment is contingent upon the successful completion:

1. Drug Screen for all potential hires and re-hires (regulars, part-time and temporaries) or part-time to full-time hires who have not had a drug screen within the last six (6) months.
2. Physical Therapy Pre-placement exam for all potential hires and rehires (regulars, part-time and temporary) whose jobs require heavy physical demands.
3. Medical Exam for Deputy Sheriffs, Corrections and Juvenile Detention Officers.
4. Department of Transportation (DOT) Physicals for jobs falling under DOT standards.
5. Background/Criminal History check, Driver’s License check, etc.

Note: Non-regular employees who are carried on the County’s payroll, but who do not work for a period of six (6) months must be re-tested before returning to work.

D. Residency

All other qualifications being equal, citizens of Jefferson County will be given preference in employment for all County positions.

E. Non-Disclosure & Confidentiality Policy

It is the policy of Jefferson County that employees must maintain the confidentiality of ALL private or confidential information, documents, credit card information, trade secrets and personal information of any type and that such information may only be used for the intended business purpose. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Any other use of confidential and personal information is strictly prohibited and may result in immediate dismissal of employment.

SECTION 5.6

GROUNDS FOR IMMEDIATE SUSPENSION OR DISMISSAL

All employees are expected to maintain the highest possible ethical and moral standards and to perform their duties within the laws of the State of Texas, and other rules and regulations as may be set forth by Commissioners' Court. The County expects that all employees will conduct themselves in a manner that will reflect positively upon the County. Employees may be subject to disciplinary action up to and including termination of employment for violation of Departmental or County guidelines. The following gross violations of the County's code of conduct and rules are grounds for immediate suspension or dismissal:

1. Insubordination – may involve verbal or physical abuse of a supervisor or refusal to obey or carry out reasonable and legitimate orders or instructions as issued by a supervisor.
2. Possession, consumption or being under the influence of alcohol or illegal drugs while at work or on County property.
3. Possession or use of **unauthorized** firearms, explosives or other weapons while on County property.
4. Immoral or indecent conduct, including the harassment or sexual harassment of any employee.
5. Threatening, intimidating, coercing, use of abusive or obscene language or interfering with the performance of others.
6. Advocacy of, participation in, or failure to report the unlawful seizure, theft or distribution of County property, or engaging in fraud or theft.
7. Willful or repeated violation of County Policies and or Procedures.
8. Safety and Security violations.
9. At the discretion of the Department Head/Elected Official, violation of tardiness, attendance or departmental call-in procedures.
10. Fraud, to include but not limited to, falsifying employment application and/or resume whenever discovered, timekeeping records, personnel or other County documents.
11. Fighting, throwing things, horseplay, practical jokes or other disorderly conduct which may endanger the well-being of any employee or County operation.
12. Performance, which in the Department Head's/Elected Official's opinion, does not meet the requirements of the position.
13. Failure to report to work for three (3) consecutive workdays without calling in.

Section 5.6 – Continued

14. Personal use of county equipment/vehicles by an employee is prohibited.
15. Other circumstances for which the County feels that corrective action is warranted.
16. Use of confidential or personal information, trade secrets, development of systems, processes, products, know-how and technology used other than for the intended business purpose.
17. **ANY EMPLOYEE MAY BE DISMISSED AT ANY TIME WHEN, IN THE JUDGMENT OF THE DEPARTMENT HEAD/ELECTED OFFICIAL, THE QUALITY OF THE EMPLOYEE'S WORK OR CONDUCT IS NOT SUCH AS TO MERIT CONTINUATION IN SERVICE TO THE COUNTY.**

Note: The actions numbered are not listed in order of importance and are not the only actions for which an employee may be discharged or otherwise disciplined, but are given to illustrate conduct that is subject to discipline. It is not intended to be comprehensive and does not alter the employment-at-will relationship between employees and the County. Employees must also observe departmental or special rules or instructions. Moreover, some actions that are generally acceptable elsewhere may not be acceptable on the part of County employees.

SECTION 10.2

VACATION

The County requires each employee to take an annual vacation entitlement as paid time off away from work. Vacations may be taken by separate weeks, days or by hours. The County prefers, however, that employees take at least one vacation period of at least five consecutive days. Subject to the availability of funds, with the exception of those employees having fifteen years or more of service, the County generally does not provide vacation pay unless vacation time is actually taken as time off from work, or upon separation. In addition, employees shall not be allowed to borrow vacation time against future vacation accrual.

1. Subject to the schedules and restrictions set out below, regular employees will be allowed absence for vacation at the employee's regular rate of pay and according to the employee's regular schedule. The Department Head/Elected Official will be responsible for scheduling vacations so that additional employees will not be needed, except in special cases approved in advance by the Commissioners' Court.
2. Requests for vacation should be submitted to the Department Heads/Elected Officials at least 24 hours in advance. Preference in selection of dates will be granted based on length of employee service.
3. Employees who have completed at least twelve consecutive months of service with the County shall be paid for any accrued but unused vacation to which they are entitled upon separation.
4. Employees who are separated before completing twelve consecutive months of service shall not be entitled to payment for accrued vacation.
5. Employees having fifteen (15) **consecutive** years or more of service may request to receive payment in lieu of vacation for a maximum of eighty (80) hours, subject to the availability of funds. **Such requests are limited to twice annually, and do not include carry forward vacation hours.**
6. Ordinarily, persons who have commenced their vacations may not seek to have their vacation time rescheduled due to unforeseen occurrences, or request vacation time be converted to sick leave or emergency leave. However, documented cases of hospitalization, serious illness or other unexpected emergencies may be submitted to the Department Head/Elected Official, along with request for rescheduling of vacation days affected. Granting or refusal of such request shall be at the discretion of the Department Head/Elected Official.
7. If a County-paid holiday falls during an employee's vacation, the holiday will not be counted as vacation taken. The employee may extend the vacation by one day or take the vacation day at a later date.
8. Vacation may be carried forward from year to year only if it is in the best interest of the County and with the approval of their Department Head/Elected Official. Vacation carried forward must be reported to the Auditor's Office no later than January 15 and must be used by March 15 of the year following the year the vacation was due. Employees who carry forward vacation but terminate employment with the County prior to March 15 will not receive payment for any remaining unused vacation carried forward at the date of termination. Employees will not receive payment for vacation carried forward.

Section 10.2 – Continued

9. No employee shall be entitled to take vacation time until after working twelve (12) consecutive months. Upon completion of twelve (12) consecutive months, an employee will be entitled to vacation, based on the following schedule, during the remainder of that calendar year:

Month of Employment	Hours of Vacation
January	80
February	72
March	64
April	60
May	56
June	48
July	40
August	32
September	24
October	20
November	16
December	8

10. In subsequent years, for the purpose of computing vacations, “commencement of employment” shall be January 1, of the calendar year in which the employee was last employed.
11. Vacation leave credits are not transferable between employees.
12. Vacation is accrued on an annual basis for use the following year. The rate of accrual depends upon the years of service. An employee accrues vacation consistent with the years of employment shown on the schedule below, as measured from the “commencement of employment” as defined above.

Schedule of Vacation Allowances

At Least	Employment of But Less Than	Vacation Allowance	Rate of Accrual Per Pay Period
0 months	1 year	Prorated by date employed – not usable until after one year.	
1 year	5 years	80 hours	3.08 hours
5 years	10 years	120 hours	4.62 hours
10 years	15 years	160 hours	6.15 hours
15 years	-----	200 hours	7.69 hours

SECTION 17

TRAVEL POLICIES & PROCEDURES

The purpose of this document is to establish and communicate equitable standards and effective procedures for reducing travel expenditures, and to ensure consistent and fair treatment of all members of the County whose travel will be reimbursed or paid for by the County. This policy applies to all travel regardless of the source of funds.

This policy should help employees:

- Identify reimbursable versus non-reimbursable expenditures;
- Clarify responsibility for controlling and reporting travel expenditures;
- Identify required documentation for reimbursement of travel expenditures.

1. Introduction

Travel expenditures incurred on official County business will be paid by the County if the expenditures are properly approved, reasonable, and documented. County approved travelers who incur such expenditures should neither lose nor gain personal funds as a result of the travel. Travel shall be defined as traveling outside the Jefferson County area. Travel outside the Jefferson County area during assigned shift/workday hours will not be reimbursed for meals, unless travel results in an overnight stay.

This document covers reimbursement for transportation, auto mileage, auto rentals, hotel lodging, meals, tolls and parking, telephone calls, meeting registration fees, and other miscellaneous expenditures. It also details the documentation required, as well as describing travel cash advance procedures and the authorizations needed for reimbursement.

The County will reimburse travelers for the cost of accommodations and services that meet reasonable and customary standards for convenience, safety and comfort. Travelers should incur expenditures prudently to assist in controlling their department's travel budget.

If travel expenditures are to be changes to a grant, sponsored by an outside agency, the requirements of the outside agency prevail.

2. Approvals

Each person who is to travel on official business for the County is required to obtain prior approval by the appropriate department head or his/her designee.

All out-of-state travel must be either specifically listed in the adopted budget with location identified or placed on the agenda and approved by Commissioners' Court.

3. Reimbursable Expenditures

For authorized trips, the actual reasonable expenditures will be reimbursed subject to the limits set forth in this policy document.

The following items are reimbursable within the limits explained in the supporting sections:

- a. Use of personal automobile
- b. Cost of car rental
- c. Airplane travel
- d. Lodging
- e. Meals
- f. Business related telephone calls
- g. Registration fees for meetings

4. Use of Personal Automobile

A County vehicle must be used if available.

Personal vehicle travel shall be reimbursed at the official IRS rate for the effective calendar year. Plus parking and tolls (with original receipt). The County will only reimburse the self-parking rate unless valet is the only option available at the location. Also, the County does not pay toll violation fees. Mileage will be calculated using any of the online mapping websites. A copy of the printout used to calculate mileage must be included with the travel claim form. Departments, with multiple employees traveling to same location, should consider requesting employees to travel together. For two or more persons traveling together in the same vehicle, only one person will be reimbursed for mileage.

Reimbursement should not exceed the cost of commercial transportation, where available. For any round trip, where County vehicle is not available, and a person decides to drive his/her personal vehicle, the County will pay the lesser of the cost of one plane ticket (provided air service is available) or the current reimbursable rate per mile.

An employee involved in an auto accident while on County business is covered by his/her own automobile insurance policy for damage to his/her own vehicle. An employee involved in an accident using his/her own automobile for County business will not be reimbursed for any out-of-pocket deductible expense to repair his/her automobile.

5. Rental Cars

Automobile rentals should be limited to situations where other means of transportation are not practical, economical or available, and to emergency situations. Reimbursable costs include the daily rental fee of a mid-sized car, mileage fees, gasoline charges, parking expenditures, and tollway fees. In order to get reimbursement for the above items, original receipts and the original rental agreement or check-in receipt must be turned in with the Travel Expenditure Claim Form. Automobile rental companies offer various forms of insurance. It is important when renting automobiles on County business to purchase the correct type of Insurance offered by rental companies.

a. Insurance You Should Take:

The insurance coverage called variously “collision,” “loss Damage Waiver,” or “Damage Waiver.” This type of insurance covers damage to or theft of the rental vehicle.

b. Insurance you should NOT take:

Insurance offered as “Personal Accident” or “Personal Injury” insurance covers the medical bills of the driver of the rental car and any passengers. This is redundant coverage for persons covered under the County’s health insurance plan.

Coverage variously titled “Additional Liability” or “Liability” or “Excess Liability” pays for damage to other people or their property. The County has a policy covering this exposure. If you have an accident please file a report with the rental company, the Auditor’s Office and the Risk Management Department

c. Insurance You Can Take If You Want To (But The County Won’t Pay For it):

Another type of insurance is variously called “Personal Effects” or “Personal Belongings” insurance. This add-on provides coverage for the personal belongings of the driver or passengers in the rental car.

6. Travel by Air

When the most efficient travel is by air, reimbursement will be limited to coach fare except for the instances noted below:

- In the event of medical necessity;
- In an extreme emergency.

An employee may upgrade his/her travel class at any time by personally paying the incremental cost. A letter of explanation will be required for any exceptions. The County will reimburse travelers for the use of his/her personal airplane at the official State of Texas rate for the effective calendar year. The current effective rates are as follows:

- Single engine aircrafts - \$.40 per highway mile;
- Twin engine aircrafts - \$.55 per highway mile.

Highway miles will be calculated using any online mapping websites.

Note: The last page of the ticket showing the itinerary and costs, usually called the “passenger receipt,” is required for reimbursement. Also, cab fares or shuttles to destination will be reimbursed with original receipt.

The County agrees in general that frequent flier points accumulated by employees traveling on County business belong to the individual, not the County. The traveler, in turn, has the responsibility to the County never to elect more expensive travel alternatives in order to accrue frequent flier mileage credit.

a. Cost Savings Considerations

When planning your airline itinerary, consider the following cost saving strategies. Make reservations in advance. Discounted fares are available when purchased thirty days before departure. Most of these fares are non-refundable but the fare paid can be applied to a future non-refundable ticket on the same airline upon payment of a fee (usually \$50). Be flexible in selection of airlines and times of travel. One airline may have a promotional fare not offered by competing carriers.

7. Lodging

Reimbursement shall be allowed for accommodations up to the single room rate unless two or more County employees are sharing a room.

Note: The actual itemized hotel bill (or any other documentation acceptable to the County Auditor) is required for reimbursement.

8. Meals

Reimbursement shall be allowed for meals as follows: Commissioners' Court approved the use of the Federal Per Diem Rates for **Meals only** for Travel. ***The county does not reimburse the incidental rate.*** The website to be used is www.gsa.gov/perdiem. The GSA per diem website will have the amount by city and listed by Breakfast, Lunch, and Dinner. If the city is not in their system it will show the standard rate for the state in question.

When submitting your travel claim form and if the city is not on the table, please print the page that shows the daily meals and incidentals rate for the city and include it with your travel claim form. Meals included in the costs of registration fees or when served by airlines at no additional charge to the traveler shall not be submitted as reimbursable items.

Times for reimbursement of meals:

Breakfast – Time of departure must be on or before 7:00 am to receive reimbursement for breakfast; or Time of return must be on or before 8:00 am to receive reimbursement for breakfast.

Lunch – Time of departure must be on or before 11:00 am to receive reimbursement for lunch; or Time of return must be on or after 1:00 pm to receive reimbursement for lunch.

Dinner – Time of departure must be on or before 5:00 pm to receive reimbursement for dinner; or Time of return must be on or after 6:00 pm to receive reimbursement for dinner.

9. Telephone

The County will reimburse all "County business" telephone calls.

10. Registration Fees

Registration fees will be paid directly to the sponsoring organization upon submission of a properly completed debtor form to the Auditor's Office. Since most travel is budgeted a year in advance, and dates and times are known, there should be no problem submitting for registration fees at least a month in advance of a meeting.

If registration fees are not prepaid, the County will reimburse travelers for registration fees and conference materials when receipts are submitted with the Travel Expenditure Claim Form. If a receipt cannot be obtained, conference brochures listing costs or other documentation for the expenditure should be submitted.

11. Non-Reimbursable Expenditures

Reimbursement shall not be made for expenditures incurred for the sole benefit of the traveler such as valet service, entertainment, movie rentals, etc. Other expenditures not reimbursable include:

- Traffic fines for parking or speeding violations;
- Lost or stolen cash or other personal property;
- Repairs to personal vehicles used for County travel;
- Cancellation fees for unreasonable failure to cancel hotel or transportation reservations;
- Spouse or family member expenditures;
- Commuting costs between home and the office;
- Laundry service.

Travel with companion

The County will not reimburse personal, spouse, or companion travel and other related travel expenditures. The employee is responsible for allocating only his/her portion of expenditure on the Travel Expenditure Claim Form and for identifying them in the hotel and other receipts. The County will pay only up to the single room rate at hotels unless two or more County employees are sharing a room.

12. Travel Cash Advance

Travel cash advances for hotel fees, per diem meals, known mileage, known parking fees, rental car fees, etc. should be submitted to the Auditor's Office for approval and presented to the Treasurer's Office for payment no more than one week before the trip. Use the standard, Cash Advance Form as indicated in Exhibit II.

13. Personal Travel

The County does not provide reimbursement for personal expenses incurred while on official County business. If, for other than County business, a traveler takes an indirect

route; reimbursement for transportation costs will be that which have been incurred by traveling the most direct route. Documentation should be included with the travel claim form to support any additional expense for costs, including prior to day of the event or after the conclusion of the event. Events such as socials and recreational activities are not considered official County business. Any travel expenditures deemed unnecessary or unreasonable by the County Auditor's office are subject to non-reimbursement.

14. Travel Expenditure Claim

The key to prompt reimbursement is proper documentation. This includes a clear statement of the business purpose of the trip, a copy of the meeting/conference agenda, and receipts. The points from which, and to which, the claimant travels, with the hour and date of departure and arrival; towns visited; object of each visit; and the specific expenditures incurred are to be clearly shown.

To receive reimbursement for authorized travel, please submit a Travel Expenditure Claim Form and attached documentation to the Auditor's Office. All Travel Expenditure Claim Forms should be submitted within one week from return of trip. Travel Expenditure Claim Forms are available in Printing and can be requested at any time. One form is included with this policy. A separate Travel Expenditure Claim Form is to be submitted for each trip taken. Original documents (not photocopies) such as receipted bills for all hotel charges, the last page of the airline ticket showing the itinerary and costs, usually called the "passenger receipt" and receipts for other expenditures whenever possible must be attached to the Travel Expenditure Claim Form for documentation. Credit card charge slips will not serve as adequate documentation for transportation, room or car rental expenditures. In the event a receipt is lost, please provide a written explanation. If a Travel Cash Advance was acquired for a trip, this should be noted on the Travel Expenditure Claim Form, and a copy of the Cash Advance should be attached.

The traveler is required to sign the Travel Expenditure Claim Form certifying that the amounts included on the report are actual and reasonable; the purpose of the trip must be indicated. The Travel Expenditure Claim must be approved by the department head or his/her designee. Elected officials' and department heads' Travel Expenditure Claim Forms will be reviewed by the Auditor's Office.

The Auditor's Office is responsible for the review of all Travel Expenditure Claim Forms. During the review of these reports, the Auditor is authorized to return any questionable or incomplete reports to the employee in order to obtain additional approval or documentation to support expenditures.

Although the Auditor's Office has 'final review' of documentation before payment of these expenditures, it is the responsibility of each employee, as well as the person approving the Travel Expenditure Claim Form to ensure that there is neither appearance nor occurrence of extravagant unsupported expenditures for travel.

Refunds of unused travel cash advances should be submitted to the Treasurer's Office. A copy of the receipt should be submitted with the Travel Expenditure Claim Form.

**AGENDA ITEM****May 8, 2017**

Consider and approve acceptance, Pursuant to Sec.81.032 of the Texas Local Government Code, of a donation to the Sheriff's Department from Brewster Procurement Group. The Department will use the money for Emergency Responders to educate on topics such as pipeline awareness precautions, pipeline markers and signs, potential hazards, etc., in the amount of \$1000.00.



JEFFERSON COUNTY SHERIFF'S OFFICE

SHERIFF ZENA STEPHENS

Memorandum

May 2, 2017

To: Honorable Judge Jeff Branick
Commissioner Eddie Arnold
Commissioner Brent Weaver
Commissioner Michael Sinegal
Commissioner Everette Alfred

From: Major John Shauburger

RE: Donations for First Responders

Please consider and possibly approve donations from the Brewster Procurement Group on behalf of Shell Pipeline Company LP. The money would be used for Emergency Responders to educate on topics such as pipeline awareness precautions, pipeline markers and signs, potential hazards, etc.

The amount of the donations is \$1,000.

Please let me know if you need additional information.

THIS DOCUMENT HAS A COLORED BACKGROUND AND MICROPRINTING. THE REVERSE SIDE INCLUDES AN ARTIFICIAL WATERMARK.



Brewster Procurement Group
401 West Main Street
Lafayette, LA 70501
337-291-9009

Capital One
124 Heymann Blvd
Lafayette, LA 70503
337-268-4512

58185

DATE 3/2/2017

14-9 / 650

PAY TO THE
ORDER OF

Jefferson County Sheriff's Dept.

\$ **500.00

FIVE-HUNDRED AND 00/100 * * * * * DOLLARS

Jefferson County Sheriff's Dept.
1001 Pearl Street
Beaumont, TX 77701

MEMO On Behalf of Shell Pipeline

[Signature]

⑈058185⑈ ⑆065000090⑆74 20⑈7194 4⑈

THIS DOCUMENT HAS A COLORED BACKGROUND AND MICROPRINTING. THE REVERSE SIDE INCLUDES AN ARTIFICIAL WATERMARK.



Brewster Procurement Group
401 West Main Street
Lafayette, LA 70501
337-291-9009

Capital One
124 Heymann Blvd
Lafayette, LA 70503
337-268-4512

58184

DATE 3/2/2017

14-9 / 650

PAY TO THE
ORDER OF

Jefferson County Public Safety Answering Point

\$ **500.00

FIVE-HUNDRED AND 00/100 * * * * * DOLLARS

Jefferson County Public Safety Answering Point
1001 Pearl Street
Beaumont, TX 77701

MEMO On Behalf of Shell Pipeline

[Signature]

⑈058184⑈ ⑆065000090⑆74 20⑈7194 4⑈

Regular, May 08, 2017

There being no further business to come before the Court at this time,
same is now here adjourned on this date, May 08, 2017