SEABROOK CITY COUNCIL
NOTICE OF REGULAR CITY COUNCIL MEETING
TUESDAY, SEPTEMBER 1, 2015 - 7:00 PM

NOTICE IS HEREBY GIVEN THAT THE SEABROOK CITY COUNCIL WILL MEET ON **TUESDAY SEPTEMBER 1, 2015 AT 7:00 PM** IN THE SEABROOK CITY HALL COUNCIL CHAMBERS, 1700 FIRST STREET, SEABROOK, TEXAS, **TO DISCUSS, CONSIDER, AND IF APPROPRIATE, TAKE ACTION** WITH RESPECT TO THE ITEMS LISTED BELOW.

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR OTHER ACCOMMODATIONS OR INTERPRETIVE SERVICES, MUST BE MADE, 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (281) 291-5600 OR FAX (281) 291-5710 FOR FURTHER INFORMATION.

PLEDGE OF ALLEGIANCE

1.0 PUBLIC COMMENTS AND ANNOUNCEMENTS

At this time we would like to listen to any member of the audience on any subject matter, whether or not that item is on the agenda. All comments are limited to a maximum of four minutes for each speaker. In accordance with the Open Meetings Act, members may not discuss or take action on any item that has not been posted on the agenda. When your name is called, please come to the podium and state your name and address clearly into the microphone before making your comments. Thank you.

1.1 Mayor, City Council and/or members of the city staff may make announcements about city/community events. (Council)

2.0 CONSENT AGENDA - Council will discuss, consider and if appropriate, take action on the items listed below.

All consent agenda items are considered by the City Council to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a council member, city manager, city attorney or city secretary so requests, in which event the item will be removed from the Consent Agenda and considered immediately following the Consent Agenda.

ATTACHMENT 1

2.1 Approve Resolution 2015-23, "Nominating Ed Heathcott for a Position on the Board of Directors of the Harris County Appraisal District." (Council)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEABROOK, TEXAS, NOMINATING ED HEATHCOTT FOR A POSITION ON THE BOARD OF DIRECTORS OF THE HARRIS COUNTY APPRAISAL DISTRICT."

ATTACHMENT 2

2.2 Approve an event permit, waiver of fee and temporary signs to the Galveston Bay Foundation for "Bike Around the Bay" on Sunday, October 18, 2015 from 10:00 a.m. until 1:00 p.m. (Hicks)

ATTACHMENT 3

2.3 Approve an event permit and waiver of permit fee to American Volkssport Association for the Happy Hikers Annual 5-K and 10-K walks on Saturday, November 14 from 8:30 a.m. until 3:00 p.m. (Hicks)

ATTACHMENT 4

2.4 Approve a special permit for Celebration Seabrook Food and Wine Festival on Saturday, November 14 from 11:00 a.m. until 9:00 p.m. along Main Street. (Cook)

END OF CONSENT AGENDA

3.0 NEW BUSINESS - Council will discuss, consider and if appropriate, take action on the items listed below.

ATTACHMENT 5

3.1 Consider approval of Ordinance 2015-16, "Natural Gas Franchise with CenterPoint Energy Texas Gas Operations." (Cook)

AN ORDINANCE GRANTING TO CENTERPOINT ENERGY RESOURCES CORP., DBA CENTERPOINT ENERGY TEXAS GAS OPERATIONS, THE RIGHT, PRIVILEGE, AND FRANCHISE TO CONSTRUCT, INSTALL, EXTEND, REMOVE, REPLACE, ABANDON, OPERATE AND MAINTAIN ITS FACILIITIES WITHIN THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF SEABROOK, TEXAS FOR THE TRANSPORTATION, DELIVERY, SALE, AND DISTRIBUTION OF NATURAL GAS; CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

ATTACHMENT 6

3.2 Discuss and consider approval of Supplemental Appropriations for FY 2014-15 budget in an amount not to exceed $155,600 for capital items in IT, Public Safety, Parks, and Public Works Departments. (Cook)

3.3 Review proposed FY 2015/2016 Budget and take action, as needed. (Lab)

ATTACHMENT 7

3.4 Consider and discuss the effective tax rate calculation for FY 2015/2016 and take action on proposed tax rate. If tax rate exceeds effective tax rate, take record vote and schedule 2 public hearings. (Lab)

4.0 ROUTINE BUSINESS - Council will discuss, consider and if appropriate, take action on the items listed below.

ATTACHMENT 8

4.1 Approve the Action Items Checklist which is attached and made a part of this agenda. (Council)

ATTACHMENT 9

4.2 Establish future meeting dates and agenda items. (Council)

5.0 EXECUTIVE SESSION

The City Council will now hold a closed executive meeting pursuant to the provisions of the open meetings Act, Charter 551, Government Code, and Vernon's Texas Codes Annotated, in accordance with the authority contained in one or more of the following sections: Section 551.071, Consultation with Attorney; Section 551.072, Real Property; Section 551.073, Deliberation Regarding a Prospective Gift; Section 551.074, Personnel Matters; Section 551.076. Security Devices; and Section 551.087, Economic Development.

Section 551.087

5.1 Discuss commercial information the city has received from a business prospect that it seeks to have locate, stay or expand in the City and which the city is conducting economic development negotiations, including deliberation of a financial offer or incentive as provided by Section 551.087 of the Texas Government Code. (Cook)

Section 551.074

ATTACHMENT 10

5.2 Conduct an Executive Session to deliberate the evaluation, duties, and employment of the City Attorney. (Royal)

Section 551.071

ATTACHMENT 11

5.3 Consult with attorney to receive legal advice on legal issues associated with a Memorandum of Understanding with the Port of Houston Authority. (Cook)

6.0 OPEN MEETING

Council will reconvene in open session to allow for possible action on any of the agenda items listed above under "Executive Session".

6.1 Consider and authorize approval or take action on commercial information the city has received from a business prospect that it seeks to have locate, stay or expand in the City and which the city is conducting economic development negotiations, including deliberation of a financial offer or incentive. (Cook)

6.2 Consider and authorize approval or take action on evaluation, duties, and employment of the City Attorney, including authorizing approval/execution of proposed new contract with Ross, Banks, May, Cron and Cavin, P.C. for appointment as City Attorney. (Council)

6.3 Consider and authorize approval or action on amendments to the Memorandum of Understanding (MOU) with the Port of Houston Authority (POHA). (Cook)

THE CITY COUNCIL RESERVES THE RIGHT TO HEAR ANY OF THE ABOVE DESCRIBED AGENDA ITEMS THAT QUALIFY FOR AN EXECUTIVE SESSION IN AN EXECUTIVE SESSION BY PUBLICLY ANNOUNCING THE APPLICABLE SECTION NUMBER OF THE OPEN MEETINGS ACT, (CHAPTER 551 OF THE TEXAS GOVERNMENT CODE) THAT JUSTIFIES EXECUTIVE SESSION TREATMENT.

CERTIFICATE

I certify that this notice was posted on the bulletin board on or before Friday, August 28, 2015 no later than 5:00 p.m. and that this notice will remain posted until the meeting has ended.

_____

Robin Hicks
City Secretary

RESOLUTION NO. 2015-23
HARRAIS COUNTY APPRAISAL DISTRICT
BOARD OF DIRECTORS NOMINATION

A RESOLUTION OF THE CITY OF SEABROOK, TEXAS, NOMINATING ED HEATHCOTT FOR A POSITION ON THE BOARD OF DIRECTORS OF THE HARRIS COUNTY APPRAISAL DISTRICT.

WHEREAS, those cities and towns other than the City of Houston within the Harris County Appraisal District have the right and responsibility to elect one person to the board of directors of the Harris County Appraisal District for a term of office commencing on January 1, 2016, and extending through December 31, 2017; and

WHEREAS, the City Council of the City of Seabrook desires to exercise its right to nominate a candidate for such position on said board of directors;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEABROOK:

Section 1. That the facts and recitations set forth in the preamble of this resolution be, and they are hereby, adopted, ratified, and confirmed.

Section 2. That Ed Heathcott be, and he is hereby, nominated as a candidate for that position on the board of directors of the Harris County Appraisal District to be filled by those cities and towns other than the City of Houston within the Harris County Appraisal District for a two-year term of office commencing on January 1, 2016.

Section 3. That the Mayor of the City of Seabrook be, and he is hereby, authorized and directed to deliver or cause to be delivered a certified copy of this resolution to the chief appraiser of the Harris County Appraisal District no later than October 15, 2015.

PASSED AND APPROVED this 1st day of September, 2015.

_____
Glenn R. Royal
Mayor

ATTEST:

_____
Robin Hicks
City Secretary

CITY OF SEABROOK
PARADE, CARNIVAL, SHOW, FESTIVAL, SPECIAL OR COMMUNITY EVENT APPLICATION

Date of Application: 08/05/15 Name of Applicant: EMILY DEMMECK / BIKE AROUND THE BAY

Full Address of Applicant: 17330 HIGHWAY 3, WEBSTER, TX 77598

Day Time Phone (281) 333-3381 Night time phone (___) _____

e-mail address: edemmeck@galvbay.org

Name of Organization, Firm or Corporation on whose behalf this application is made: GALVESTON BAY FOUNDATION / BIKE AROUND THE BAY

Address of Organization (if different from above): SAME AS ABOVE

City _____ State _____ Zip Code _____

Phone Number of Organization (if different from above): (___) SAME AS ABOVE

Is the organization recognized as a non-profit organization for tax purposes? YES, TAX EXEMPTION ATTACHED

Requested Date(s) and Times of the Event: SUNDAY, OCTOBER 18, 2015; 10:00 AM - 1:00PM

Location of the Event: FROM THE SEABROOK-KEMAH BRIDGE, NORTH ALONG TODVILLE ROAD; BREAKPOINT @ BAYBROOK PARK

Will any portion of this event be held on city property? If so, where? BAYBROOK PARK

Note: If you will hold the event in a city park or facility, you must also complete an additional application to use city facilities.

Give a brief description of the event: BAB is a 2-day, 180 mile cycling event AROUND GALVESTON BAY, BENEFITTING THE GALVESTON BAY FOUNDATION

Estimated No. of ~~Workers~~ VOLUNTEERS 250 Estimated No. of ~~Attendees~~ CYCLISTS 1,000

Will the event be held in a parking area? NO. If so, how many parking spaces will be temporarily lost? Ø.

How many parking spaces are you providing for the event? NONE

Will alcohol be served? NO If so, you are required to pay an additional deposit if you wish to serve alcohol on city property. You must also contact the Texas Alcoholic Beverage Commission.

Will admission be charged for this event? NO.; THERE IS A REGISTRATION FEE

Do you want to display temporary signs or banners to advertise this event? Yes; signs will be posted to mark the route and warn cars regarding cyclists on the road
Number of signs for this event 5 Complete the sign permit application attached to the packet. **Please note that signs may only be displayed on private property, with the property owners' permission and with a city permit. Signs are not permitted in any street rights-of-way.**

If this event is a parade, please answer the following additional questions.

Proposed Route (Attach Map): see attach map

Estimated number and kind of animals to be used: N/A

Estimated number of parade participants including, animals and riders, bicycle riders, animal-drawn vehicles, floats motor vehicles, motorized displays and marching units or organizations, such as bands, color-guards, and drill teams: N/A

THIS SECTION NEEDS TO BE COMPLETED IN ORDER TO PROCESS YOUR APPLICATION.

This application has been reviewed by the Seabrook Police Chief or designee and the signature below verifies that adequate provisions for security have been made by the applicant.

Bryan Brand
Print name
Police Department Representative

8/25/15
Date Approved

Signature
Police Department Representative

Comments: traffic handled

I have enclosed the following items as part of my application and have initialed each relevant item:

1. ✓ **completed applications form including approval by the Seabrook Police Department.**
2. N/A **If the event is to be held on city property, an additional application for the use of city facilities.**
3. see attached letter **Permit fee in the amount of $ 50.00. (Non-profit organizations may substitute a letter of request to the City Council requesting a waiver of the permit fee.**

4. ✓ If event is a parade a deposit fee of $500.00 is included. Deposits are not waived.

5. ✓ A certificate of insurance, naming the City of Seabrook as certificate holder. This insurance provides protection of not less than $100,000 against liability for damages to property and protection of not less than $100,000 for protection of injury to the death of one person and of not less than $300,000 for protection against injury to death of two or more persons in a single accident or occurrence. (A sample certificate of insurance is enclosed.)

6. ✓ For special events, a site plan is attached as required by the Code of the City of Seabrook, Section 4.07. (See attached excerpt.)

7. ✓ For parades, a map showing the parade route is attached.

NO APPLICATION WILL BE ACCEPTED UNLESS ALL ITEMS LISTED ABOVE ARE PROVIDED.

As applicant, I certify that all information contained in this application is true and correct to the best of my knowledge. I state that I am fully authorized to act and contract for any persons, organizations, firms or corporations on whose behalf this application is made. As applicant for the above organization, I do contract and agree that they will jointly and severally, indemnify and hold the City of Seabrook harmless against liability for any and all claims for damage to property or injury to or death of persons arising out of or resulting from the issuance of the permit or the conduct of the participants. As applicant, I understand that I may be held liable as principal in place of the organization for the cost of cleaning or repairing city property which may have sustained damage as a result of the special event. I understand that a special events permit may be issued for no more than five consecutive days. If the permit is granted, I, as representative, agree to adhere to all city ordinances regarding the special event.

I understand that if I am applying to use a city park, community house or other city facility to hold this event, additional applications and fees will be required. I also understand that all required applications, accompanying documents and fees must be submitted to the City Secretary's Office at least 30 days prior to the date of the event, and that the event may not be held without approval of the Seabrook City Council. I have read and have agreed to the above conditions.

Emily Demmeck
Signature of Applicant

EMILY DEMMECK
Printed Name of Applicant

08/05/2015
Date Submitted

FOR OFFICE USE ONLY

KA 8-28-15
Reviewed by City Secretary Date

If applicable: Fire Marshal notified N/A Building Official Notified ✓ City Mgr ✓

This application has been reviewed by the Seabrook City Council on 9-1-15
and has been APPROVED DENIED.

The following conditions are placed upon this event: _____

Type all items to complete all numbered spaces. Incomplete applications will not be processed.

Site Address

1 Route markers and breakpoint mileage signs will

Sign Owner Mail Address Zip Phone

2 be placed along the route to guide cyclists and

Contractor/ Installer Mail Address Zip Phone

3 warn cars. The signs are wire core step stake

Type of Sign

4 signs; mounting height: 30"; thickness: 1/4"

Describe purpose of sign (ie. election, special event, etc.)

5 Sign dimension: 12x18

Project Value Approved by

Issuance of this permit all allows for on-site inspections during the time of construction until the time of the final inspection.

DESCRIPTION OF SIGN

Total Height		TYPE OF LIGHTING	
Total square feet of faces of one face:		Internal Diffused	☐
Total square feet of all faces:		Indirect	☐
Minimum clearance beneath sign:		Neon	☐
TYPE OF SIGN (please check all that apply)		Directly Lighted	☐
Freestanding	☐	MATERIALS	
Roof mounted	☐	Foundation:	☐
Building mounted	☐	Sign Board:	☐
Shopping Center ID sign	☐	Support Structure:	☐
Permanent	☐	Face Material	☐
Temporary	☐		
Conventional	☐		
Spectacular	☐		

Signs in right-of-ways and easements are prohibited and will be removed at the owner's expense

* Please attach drawings of sign specifications for permanent signs *

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of the laws and ordinances governing this type of work will be complied with whether specified herein or not. The granting of this permit does not presume to give authority to violate or cancel the provisions of any state or local law regulating construction or performance of construction.

Signature of contractor or Authorized Agent Date Signature of Owner (if owner is builder) Date

Rev 5/9/2002

PLEASE LIST LOCATIONS OF ALL TEMPORARY SIGNS

1. Along route through Seabrook
2. and in front of Baybrook
3. Park on Todville Road
4.
5.
6.
7.
8.
9.
10.
11.
12.
13.
14.
15.
16.
17.
18.
19.
20.

August 5, 2015

City of Seabrook
Members of City Council
1700 First Street
Seabrook, TX77586

Dear Members of City Council:

We would like to request the $50.00 permit fee be waived in regards to our special events application. The Galveston Bay Foundation's Bike Around the Bay event will ride through the City of Seabrook on Sunday, October 18.

The Galveston Bay Foundation is a 501 (c)(3) non-profit founded in 1987 to preserve, protect, and enhance Galveston Bay. Its balanced programs in advocacy, conservation, education, and research strive to ensure that Galveston Bay remains a beautiful and productive place for generations to come.

We thank you for valuing our efforts to preserve, protect, and enhance Galveston Bay, and our request that the permit fee be waived. We are all beneficiaries of a healthy Bay system.

Sincerely,

Bob Stokes
President, Galveston Bay Foundation

Encl: Tax Exemption Certification

Bike Around the Bay- Sunday

Cyclists will come off Kemah Bridge and turn right onto N. Meyers Rd at the DQ, and work their way back to Todville Road.

Bike Around the Bay - Sunday

Cyclists continue on Todville Road and stop at a park in Seabrook The park is not very large, but a small parking lot is available at Red Bluff Road and Todville Road for volunteer parking..

Legend	← Direction of Riders

Map Layout Courtesy Of
WWW.BOLMANSKI.COM

GALVBAY-01 AJENKINS

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 1/22/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 4682
Houston, TX-Hub International Insurance Services
10777 Westheimer, Suite 300/335
Houston, TX 77042

CONTACT NAME:
PHONE (A/C, No, Ext): (713) 978-6668 FAX (A/C, No): (713) 978-6799
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Philadelphia Indemnity Insurance Company	18058
INSURER B : General Insurance Company of America	24732
INSURER C : Texas Mutual Insurance Company	22945
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Galveston Bay Foundation, Inc.
17330 Hwy 3
Webster, TX 77598

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			PHPK1262929	01/23/2015	01/23/2016	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
B	AUTOMOBILE LIABILITY			24BA0047515	01/23/2015	01/23/2016	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
							COMP/COLL DED	$ 1,000
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N	N / A		TSF0001006461	01/23/2015	01/23/2016	X PER STATUTE OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT	$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 500,000
							E.L. DISEASE - POLICY LIMIT	$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
RE: Bike Around the Bay

CERTIFICATE HOLDER

City of Seabrook
1700 First St.; Second Floor
Seabrook, TX 77586

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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GALVESTON BAY FOUNDATION

City of Seabrook

17547

8/21/2015

ance Due	Discount	Payment
500.00		500.00
	Check Amount	500.00

CITY OF SEABROOK
*****REPRINT RECEIPT*****

RECH: 00633911 8/24/2015 1:33 PM
OPER: 017 TERM: 001
REF#: 17547

TRAN: 4.0000 COMM HSE/CAROTHER'S
BIKE A THE BAY EVENT 10/18/15
DEPOSIT FOR EVENT 10/18/15
COMMUNITY HOUSE DEP 500.00CR

TENDERED: 500.00 CHECK
APPLIED: 500.00-

CHANGE: 0.00

Eventin (4)
10/18/15

500.00

Revised 03/11

CITY OF SEABROOK
PARADE, CARNIVAL, SHOW, FESTIVAL, SPECIAL OR COMMUNITY EVENT APPLICATION

Date of Application: 8-14-2015 Name of Applicant: Houston Happy Hikers

Full Address of Applicant: P. O. Box 101, Orchard, TX 77464

Day Time Phone (281) 435-9601 Night time phone (____)

e-mail address: ckellner@twlt.net

Name of Organization, Firm or Corporation on whose behalf this application is made: _____

Address of Organization (if different from above): Same as above

City _____ State _____ Zip Code _____

Phone Number of Organization (if different from above): (___)

Is the organization recognized as a non-profit organization for tax purposes? Yes

Requested Date(s) **and** Times of the Event:
November 14, 2015 from 8:30am-3pm

Location of the Event: Miramar Park and Pool Pavilion. 1900 N. Meyer Rd., Seabrook, Texas 77586

Give a brief description of the event:
5K & 10K walk starting at the Miramar Park and walking to the bay. Participants start at different times, so there may be one or two people walking together along the route.

Estimated No. of Workers 4 Estimated No. of Attendees 20 - 50

Will the event be held in a parking area? No If so, how many parking spaces will be temporarily lost? _____

How many parking spaces are you providing for the event? People need to park cars in front of park, but leave after they finish walk.

Will any portion of this event be held on city property? If so, where?
Miramar Park and the Pine Gulley Park by bay

Will alcohol be served? No If so, you are required to pay an additional deposit if you wish to serve alcohol on city property. You must also contact the Texas Alcoholic Beverage Commission.

Will admission be charged for this event? All applicants pay a $3. fee for a American Volkssport Stamp in their book

Do you want to display temporary signs or banners to advertise this event? No, we will put out some trail markings.

Document PDF Trial www.pdfwizard.com

Special Events Application
Revised 03/11
Page 2

Number of signs for this event [None] Complete the sign permit application attached to the packet. **Please note that signs may only be displayed on private property, with the property owners' permission and with a city permit. Signs are not permitted in any street rights-of-way.**

If this event is a parade, please answer the following additional questions.

Proposed Route (Attach Map): [No parade.]

Estimated number and kind of animals to be used: N/A

Estimated number of parade participants including, animals and riders, bicycle riders, animal-drawn vehicles, floats motor vehicles, motorized displays and marching units or organizations, such as bands, color-guards, and drill teams:
N/A

THIS SECTION NEEDS TO BE COMPLETED IN ORDER TO PROCESS YOUR APPLICATION.

This application has been reviewed by the Seabrook Police Chief or designee and the signature below verifies that adequate provisions for security have been made by the applicant.

Bryan Braud — 8/25/15
Print name — Date Approved
Police Department Representative

Signature
Police Department Representative

Comments: no police needed

I have enclosed the following items as part of my application:

1. **A completed application form including approval by the Seabrook Police Department.**
2. **Permit fee in the amount of $ 50.00. (Non-profit organizations may substitute a letter of request to the City Council requesting a waiver of the permit fee.** Letter ~~to be submitted~~. attached
3. **If event is a parade a deposit fee of** N/A **is included. Deposits are not waived.**
4. **A certificate of insurance, naming the City of Seabrook as certificate holder. This insurance provides protection of not less than $100,000 against liability for damages to property and protection of not less than $100,000 for protection of injury to the death of one person and of not less than $300,000 for protection against injury to death of two or**

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more persons in a single accident or occurrence. (A sample certificate of insurance is enclosed.)

5. For special events, a site plan is attached as required by the Code of the City of Seabrook, Section 4.07. (See attached excerpt.)

6. For parades, a map showing the parade route is attached.

NO APPLICATION WILL BE ACCEPTED UNLESS ALL ITEMS LISTED ABOVE ARE PROVIDED.

As applicant, I certify that all information contained in this application is true and correct to the best of my knowledge. I state that I am fully authorized to act and contract for any persons, organizations, firms or corporations on whose behalf this application is made. As applicant for the above organization, I do contract and agree that they will jointly and severally, indemnify and hold the City of Seabrook harmless against liability for any and all claims for damage to property or injury to or death of persons arising out of or resulting from the issuance of the permit or the conduct of the participants. As applicant, I understand that I may be held liable as principal in place of the organization for the cost of cleaning or repairing city property which may have sustained damage as a result of the special event. I understand that a special events permit may be issued for no more than five consecutive days. If the permit is granted, I, as representative, agree to adhere to all city ordinances regarding the special event.

I understand that If I am applying to use a city park, community house or other city facility to hold this event, additional applications and fees will be required.

I understand that all required applications, accompanying documents and fees must be submitted to the City Secretary's Office at least 30 days prior to the date of the event, and that the event may not be held without approval of the Seabrook City Council. I have read and have agreed to the above conditions.

Catherine Kellner Catherine Kellner

Catherine Kellner, President Houston Happy Hikers 8/14/2015

Printed Name of Applicant

8-14-15
Date Submitted

FOR OFFICE USE ONLY

Reviewed by City Secretary 8-28-15 Date

If applicable: Fire Marshal notified N/A Building Official Notified ✓ City Mgr ✓

This application has been reviewed by the Seabrook City Council on 9-1-15 and has been APPROVED DENIED.

The following conditions are placed upon this event: _____

Document PDF Trial www.pdfwizard.com

P. O. Box 101
Orchard, TX 77464
August 14, 2015

City Council
City of Seabrook
Seabrook, TX

Dear Council,

Houston Happy Hikers is a walking group planning to come to Seabrook on November 14, 2015, for a walk starting at Miramar Park at 1900 N. Meyer Rd. We will use one picnic table to register the walkers. An estimation of approximately 20-50 walkers may attend. The walking route is attached. Insurance information will be sent to you from American Volkssporting Association on completion of the sanction process by Houston Happy Hikers.

Houston Happy Hikers is a non-profit group and we request a waiver for the $50 fee. We have been invited and have come to Seabrook to walk the trails for many years. In the past, we have worked with the Tourism committee and citizens of Seabrook.

Thanks,

Catherine Kellner

Catherine Kellner
President Houston Happy Hikers
P. O. Box 101
Orchard, TX 77464
281-435-9601

Seabrook 10K Walk

From the check-in point at the Pavilion at Miramar Park, exit toward Hammer turning left on the gravel path before the wooden fence. Walk to the intersection of Hammer & N. Meyer. Carefully cross Hammer to the gravel footpath. Take a RIGHT on the path. (Restrooms are available around the first curve to the left.) Follow the trail to Hester Gully (not named here) and turn RIGHT. Continue along the Gully, ignoring the wooden bridge on your left. Continue forward to Todville Rd.

LEFT on Todville Rd. and continue on the footpath past Hester Garden Park. Continue past Baybrook Park (restrooms here), crossing several streets to Red Bluff. Cross Red Bluff to the Gazebo in Robinson Park. Continue to follow the footpath on the right of the Bayou.

The trail will curve to the right intersecting with Todville Rd.

CAREFULLY cross Todville Rd to the footpath.

LEFT on footpath and follow the path through the chain link fence into the back of Pine Gully Park. Stay to the LEFT as you enter the woods.

After passing the cemetery, follow the footpath to the LEFT to the automobile entrance to Pine Gully Park.

RIGHT on Pine Gully Rd./entrance. Continue to the picnic area with restrooms on the left. Go to the end of the pier and back.

Enter the woods at the sign showing a MAP of Seabrook Trails.

LEFT at trail intersection. This is the footpath you came in on.

Follow the path back past the cemetery along the Bayou and over the wooden bridge.

LEFT on Todville Rd. Cross bridge. Then cross Todville Rd. to the RIGHT at the end of the bridge and reconnect with the footpath and return to the Gazebo. There is a bridge you may cross to the opposite side of the Bayou to return to the Gazebo. It gives a different view of the Bayou.

CROSS Red Bluff Rd. and return along the path along Todville Rd. to Hester Garden Park. (This is right before the bridge and the small parking lot. Look for the ***brown iron gate*** and go RIGHT into the park.)

Follow the footpath through Hester Park. Watch for the low hanging tree and just past that STAY TO THE LEFT to Hester Gully. (There is a path to the right just after the low-hanging tree – do not take this path.)

RIGHT along Hester Gully to N. Meyer.

LEFT at N. Meyer to the other side of Hester Gully.

LEFT along the opposite side of Hester Gully to the first path intersecting from the RIGHT.

RIGHT on this intersecting path and continue behind Meador Library. Follow the path to the corner of N. Meyer and Hammer. CROSS Hammer to the Pavilion (start point) in Miramar Park.

Seabrook 5K Walk

From the check-in point at the Pavilion at Miramar Park, exit toward Hammer, turning left on the gravel path before the wooden fence. Walk to the intersection of Hammer & N. Meyer. Carefully cross Hammer to the gravel footpath. Take a RIGHT on the path. (Restrooms are available around the first curve to the left.) Follow the footpath to Hester Gully (not named here) and turn RIGHT. Continue along the Gully, ignoring the wooden bridge on your left. Continue forward to Todville Rd.

LEFT on Todville Rd. and continue on the path past Hester Garden Park. Continue past Baybrook Park (restrooms here), crossing several streets to Red Bluff. Cross Red Bluff Rd. to the Gazebo in Robinson Park.

TURN AROUND and return the way you came, as follows:

CROSS Red Bluff Rd. and return along Todville Rd. footpath to Hester Garden Park. This is just before the bridge and the small parking lot. Look for the ***brown iron gate*** and go RIGHT into the park.

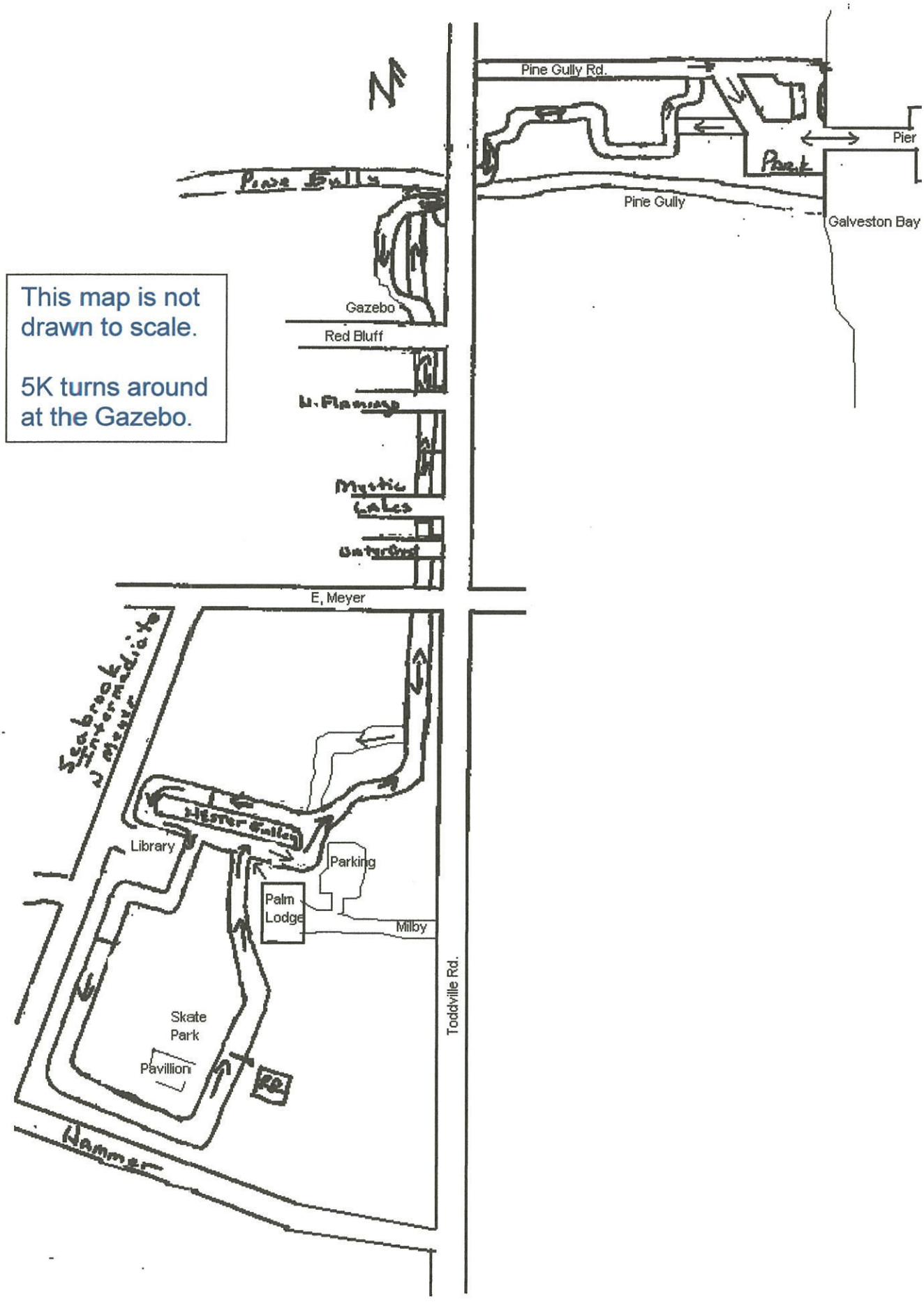
Follow the trail through Hester Park. Watch out for the low hanging tree and past that STAY TO THE LEFT to Hester Gully. (There is a path to the right just after the low-hanging tree – do not take this path.)

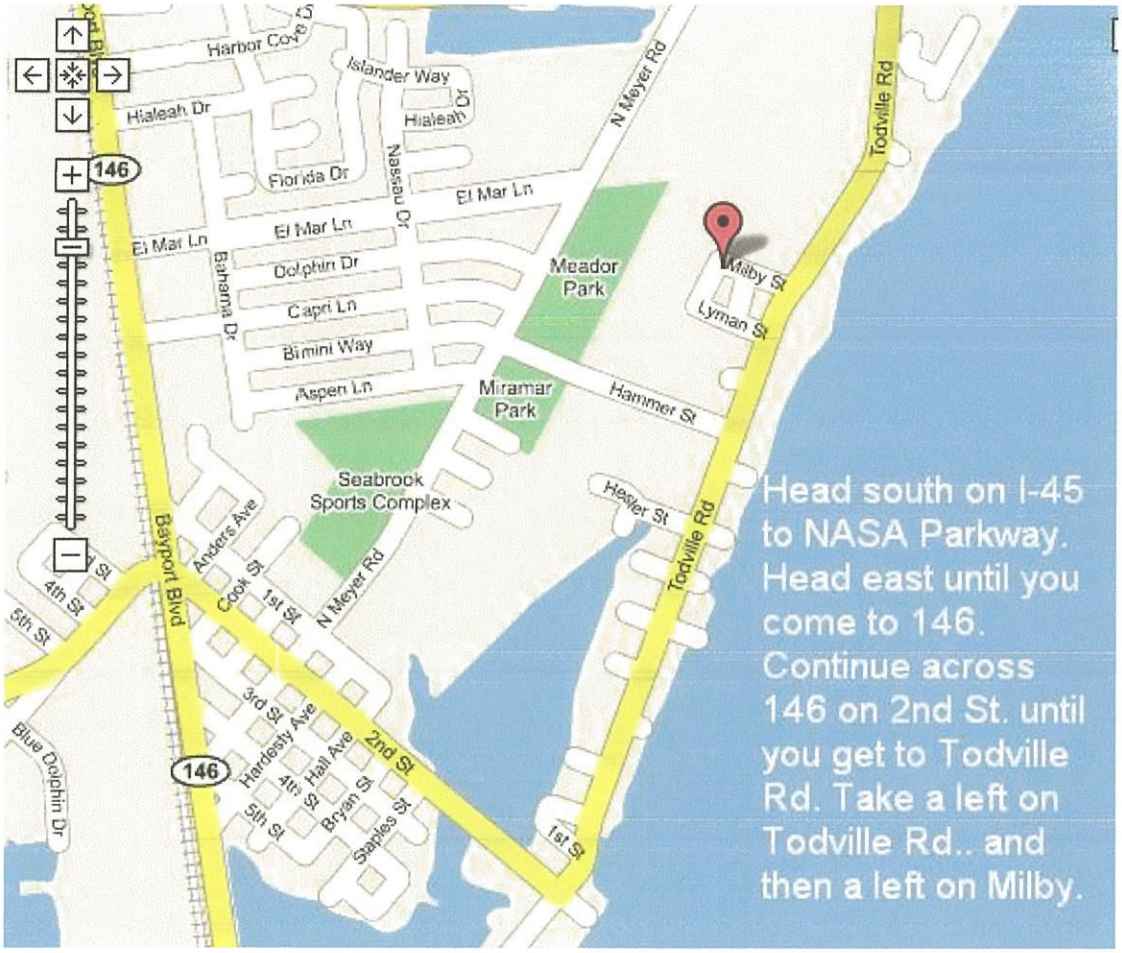
RIGHT along Hester Gully to N. Meyer.

LEFT at N. Meyer to the other side of Hester Gully.

LEFT along the opposite side of Hester Gully to the first trail intersecting from the RIGHT.

RIGHT on this intersecting trail and continue behind Meador Library following the trail. When you reach the corner of N. Meyer and Hammer, cross Hammer to the Pavilion (start point) in Miramar Park.


This map is not drawn to scale.
5K turns around at the Gazebo.
Pine Gully Rd.
Pier
Park
Pine Gully
Galveston Bay
Gazebo
Red Bluff
E, Meyer
Library
Parking
Palm Lodge
Milby
Toddville Rd.
Skate Park
Pavillion


Harbor Cove Ct
Islander Way
Hialeah Dr
Hialeah Dr
Florida Dr
Nassau Dr
El Mar Ln
El Mar Ln
El Mar Ln
Bahama Dr
Dolphin Dr
Capri Ln
Bimini Way
Aspen Ln
Meador Park
Miramar Park
N Meyer Rd
Todville Rd
Milby St
Lyman St
Hammet St
Hester St
Seabrook Sports Complex
Anders Ave
Cook St
1st St
N Meyer Rd
Todville Rd
Bayport Blvd
4th St
5th St
3rd St
Hardesty Ave
4th St
Hall Ave
2nd St
5th St
Bryan St
Staples St
1st St
Blue Dolphin Dr
146
146
Head south on I-45 to NASA Parkway. Head east until you come to 146. Continue across 146 on 2nd St. until you get to Todville Rd. Take a left on Todville Rd.. and then a left on Milby.

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 8/19/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

Frazier Insurance Agency, Inc.
P.O Box 1250
Midlothian, VA 23113-1250

CONTACT NAME: Frazier Insurance Agency, Inc.
PHONE (A/C, No, Ext): (804) 754-7610 FAX (A/C, No): (804) 754-7613
E-MAIL ADDRESS: ifrazier@frazierinsurance.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: United States Fire Insurance Company	21113
INSURER B: United States Fire Insurance Company	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED

Sports & Recreation Providers Assn. Risk Management Inc

American Volkssport Association, Inc.
1001 Pat Booker Road, Suite 101
Universal City, TX 78148

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR X INCLUDES ATHLETIC PARTICIPANTS GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC			SRPGP-101-0414	01/01/2015	01/01/2016 12:01 AM	GENERAL AGGREGATE PRODUCTS - COMP/OP AGG PERSONAL & ADV INJURY EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person)	$ 2,000,000.00 $ 2,000,000.00 $ 1,000,000.00 $ 1,000,000.00 $ 300,000.00 $ 5,000.00
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTO NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
B	Accident/Medical			US262801	01/01/2015	01/01/2016 12:01AM	MAXIMUM MEDICAL BENEFIT AD&D	$ 10,000.00 $ 2,500.00 Per Claim

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
POLICY DEDUCTIBLE $0.00 PER EACH BODILY INJURY OR PROPERTY DAMAGE CLAIM

Event: Walk Location: Seabrook, TX Date: 11/14/15 Club: Houston Happy Hikers

Certificate Holder is An Additional Insured, But Only As Respects The Operations Of The Named Insured.

CERTIFICATE HOLDER

City of Seabrook
1900 N. Meyer
Seabrook, TX 77586

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

John W. Frazier

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American Volkssport Association
1001 Pat Booker Road, Suite 101
Universal City, Texas 78148-4147
210.659.2112 ' 210.659.1212 Fax
avahc@ava.org ' www.ava.org

Fun, Fitness, Friendship

Monday, January 26, 2015

CERTIFICATION OF TAX EXEMPTION

To Whom It May Concern:

This is to certify that the following American Volkssport Association Chartered Club has been included under the American Volkssport Association's 501(c)(3) group exemption:

AVA-0015
Catherine H. Kellner
Houston Happy Hikers
PO Box 101
Orchard, TX 77464

The American Volkssport Association's Group Tax Exemption Number is: 7124. Your club's EIN# is 74-2046074. Be sure to use your club's EIN number when completing the e-postcard and any other communication with the IRS. Keep this letter permanately as proof of your exemption from Federal income tax. This exemption does not apply to state, county, city or any other government exemption.

Sincerely,

Candace Purcell
Financial Director

Revised 03/11

CITY OF SEABROOK
PARADE, CARNIVAL, SHOW, FESTIVAL, SPECIAL OR COMMUNITY EVENT APPLICATION

Date of Application: 8/18/2015 Name of Applicant: City of Seabrook (Food and Vine Time Productions)

Full Address of Applicant: 1700 First Street

Day Time Phone ( ) 281-291-5688 Night time phone ( )

e-mail address: City Manager

Name of Organization, Firm or Corporation on whose behalf this application is made: City of Seabrook

Address of Organization (if different from above):

City State Zip Code

Phone Number of Organization (if different from above): ( )

Is the organization recognized as a non-profit organization for tax purposes? No

Requested Date(s) **and** Times of the Event: November 14, 2015

Location of the Event: Main Street

Give a brief description of the event: Food and Wine Festival

Estimated No. of Workers 30 Estimated No. of Attendees 1,500

Will the event be held in a parking area? NO. If so, how many parking spaces will be temporarily lost? .

How many parking spaces are you providing for the event? Bay Elem; City Hall; Meador Park; Street Parking

Will any portion of this event be held on city property? If so, where? City Street and Private Property (Owners will have an agreement on file with Food and Vine Time and City of Seabrook for permission of use)

Will alcohol be served? Yes If so, you are required to pay an additional deposit if you wish to serve alcohol on city property. You must also contact the Texas Alcoholic Beverage Commission.

Will admission be charged for this event? Yes, see attached

Do you want to display temporary signs or banners to advertise this event? Yes

Number of signs for this event 30 Complete the sign permit application attached to the packet. **Please note that signs may only be displayed on private property, with the property owners' permission and with a city permit. Signs are not permitted in any street rights-of-way.**

If this event is a parade, please answer the following additional questions.

Proposed Route (Attach Map): _____

_____

Estimated number and kind of animals to be used: _____

Estimated number of parade participants including, animals and riders, bicycle riders, animal-drawn vehicles, floats motor vehicles, motorized displays and marching units or organizations, such as bands, color-guards, and drill teams:

_____

_____

THIS SECTION NEEDS TO BE COMPLETED IN ORDER TO PROCESS YOUR APPLICATION.

This application has been reviewed by the Seabrook Police Chief or designee and the signature below verifies that adequate provisions for security have been made by the applicant.

SEAN Wright
Print name
Police Department Representative

8-26-15
Date Approved

Signature
Police Department Representative

Comments: _____

_____

I have enclosed the following items as part of my application:

1. **A completed application form including approval by the Seabrook Police Department.**
2. **Permit fee in the amount of $ 50.00. (Non-profit organizations may substitute a letter of request to the City Council requesting a waiver of the permit fee.**
3. **If event is a parade a deposit fee of _____ is included. Deposits are not waived.**
4. **A certificate of insurance, naming the City of Seabrook as certificate holder. This insurance provides protection of not less than $100,000 against liability for damages to property and protection of not less than $100,000 for protection of injury to the death of one person and of not less than $300,000 for protection against injury to death of two or**

more persons in a single accident or occurrence. (A sample certificate of insurance is enclosed.)

5. **For special events, a site plan is attached as required by the Code of the City of Seabrook, Section 4.07. (See attached excerpt.)**

6. **For parades, a map showing the parade route is attached.**

NO APPLICATION WILL BE ACCEPTED UNLESS ALL ITEMS LISTED ABOVE ARE PROVIDED.

As applicant, I certify that all information contained in this application is true and correct to the best of my knowledge. I state that I am fully authorized to act and contract for any persons, organizations, firms or corporations on whose behalf this application is made. As applicant for the above organization, I do contract and agree that they will jointly and severally, indemnify and hold the City of Seabrook harmless against liability for any and all claims for damage to property or injury to or death of persons arising out of or resulting from the issuance of the permit or the conduct of the participants. As applicant, I understand that I may be held liable as principal in place of the organization for the cost of cleaning or repairing city property which may have sustained damage as a result of the special event. I understand that a special events permit may be issued for no more than five consecutive days. If the permit is granted, I, as representative, agree to adhere to all city ordinances regarding the special event.

I understand that If I am applying to use a city park, community house or other city facility to hold this event, additional applications and fees will be required.

I understand that all required applications, accompanying documents and fees must be submitted to the City Secretary's Office at least 30 days prior to the date of the event, and that the event may not be held without approval of the Seabrook City Council. I have read and have agreed to the above conditions.

Gayle Cook
_____
Signature of Applicant

Gayle Cook, City Manager
Printed Name of Applicant

8/18/2015
Date Submitted

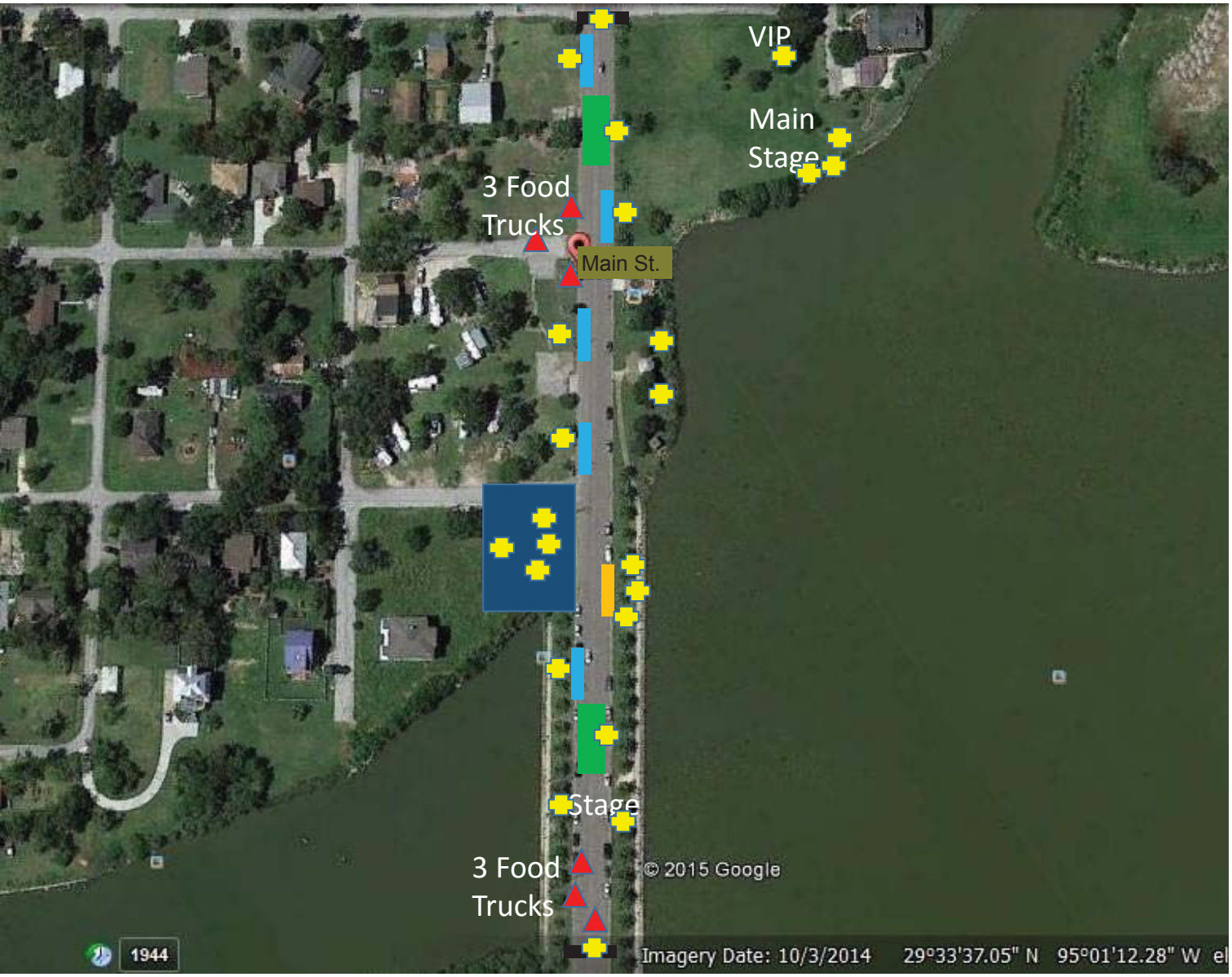
FOR OFFICE USE ONLY

_____
Reviewed by City Secretary Date

If applicable: Fire Marshal notified _____ Building Official Notified _____ City Mgr _____

This application has been reviewed by the Seabrook City Council on _____
and has been APPROVED ☐ DENIED. ☐

The following conditions are placed upon this event: _____
_____



100 v 15amp

220 v 30amp (Generator)

Food Vendors

Beer & Wine Garden

Retail Vendors

Event Entrance

KID ZONE

CITY OF SEABROOK

AGENDA BRIEFING

Date of Meeting: TUESDAY, SEPTEMBER 1, 2015

Submitter/Requestor: Gayle Cook **Date Submitted: 8/14/2015 2:50:57 PM**

Presenter: Gayle Cook

Description/Subject:

Consider and approve the first reading of Ordinance 2015-16, Natural Gas Franchise with Centerpoint Energy Texas Gas Operations.

Purpose/Need: NA

Background/Issue(What prompted this need):

The current gas franchise in effect is Ordinance No. 2 that was approved December 11, 1961, for a period of 50 years. As such, the agreement expired and staff has been working with Centerpoint to renew terms.

Impacted Parties(Expected/Notified):

Miscellaneous Comments:

The current gas franchise fee is 2% and this will raise to 4% along with the addition of 7 cents per Mcf of transported gas.

Attachments:

(Please list description of attachments and number of pages in each attachment)

1961 Ord

2015 Ord

Fiscal Impact:	Budgeted	Yes	Finance Officer Review:	
	Budget Amendment Required	Yes		
	Future/Ongoing Impact	Yes		

Budget Dept/Line Item Number

Funding Comments:

Where on the agenda should this item be placed?
New Business

Suggested Motion:

Motion to approve the first reading of Ordinance 2015-16, Natural Gas Franchise with Centerpoint Energy Texas Gas Operations

Agenda Language:

Consider approval of Ordinance 2015-16, "Natural Gas Franchise with CenterPoint Energy Texas Gas Operations." (Cook)

AN ORDINANCE GRANTING TO CENTERPOINT ENERGY RESOURCES CORP., DBA CENTERPOINT ENERGY TEXAS GAS OPERATIONS, THE RIGHT, PRIVILEGE, AND FRANCHISE TO CONSTRUCT, INSTALL, EXTEND, REMOVE, REPLACE, ABANDON, OPERATE AND MAINTAIN ITS FACILIITIES WITHIN THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF SEABROOK, TEXAS FOR THE TRANSPORTATION, DELIVERY, SALE, AND DISTRIBUTION OF NATURAL GAS; CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

City Manager Review:

(All items are to be reviewed and approved by the city manager, except items submitted by the mayor or any council member or routine consent agenda items such as minutes and second & third readings of ordinances)

(City Attorney should review all ordinances, resolutions, contracts and executive session items.)

Ordinance No. 2

AN ORDINANCE OF THE CITY OF SEABROOK, HARRIS COUNTY, TEXAS, CONTRACTING WITH AND GRANTING TO HOUSTON NATURAL GAS CORPORATION, ITS SUCCESSORS, LESSEES AND ASSIGNS, RIGHT OF WAY, PRIVILEGE AND EASEMENT TO LAY, CONSTRUCT, EQUIP, USE, OPERATE AND MAINTAIN GAS MAINS, PIPES, AND CONNECTIONS ALONG, ACROSS AND THROUGH THE STREETS, AVENUES, ALLEYS, ROADS, HIGHWAYS AND OTHER PUBLIC PLACES AND GROUNDS OF THE CITY OF SEABROOK FOR THE PURPOSES OF CONVEYING AND TRANSPORTING NATURAL GAS INTO, OUT OF AND THROUGH SAID CITY OF SEABROOK FOR SALE AND DISTRIBUTION; PROVIDING FOR THE REGULATION OF THE MANNER OF LAYING SAID GAS MAINS; PROVIDING FOR A RENTAL OF TWO PER CENT (2%) OF GROSS RECEIPTS AS HEREINAFTER PROVIDED; PROVIDING FOR AN ANNUAL REPORT SHOWING GROSS RECEIPTS AS HEREINAFTER PROVIDED; PROVIDING FOR ACCEPTANCE OF THE ORDINANCE WHICH IS EFFECTIVE FOR FIFTY (50) YEARS; PROVIDING A SAVINGS CLAUSE; AND DECLARING AN EMERGENCY.

WHEREAS, Houston Natural Gas Corporation, a Texas corporation domiciled in the City of Houston, Harris County, Texas, under its general franchise from Harris County, State of Texas, has been distributing, selling and delivering natural gas to consumers within what now constitutes the corporate limits of the City of Seabrook, in Harris County, Texas; and,

WHEREAS, since the installation of such pipe line system, the City of Seabrook has incorporated, taking on the status of a city under the General Laws of the State of Texas, and the Houston Natural Gas Corporation desires to obtain a formal franchise and contract from the City of Seabrook for distributing, selling and delivering natural gas to consumers within the boundaries and limits of the City of Seabrook;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEABROOK, HARRIS COUNTY, TEXAS:

Section 1. That, subject to the terms, conditions and provisions of the contract and franchise contained in this Ordinance, the right, privilege and franchise is hereby given to Houston Natural Gas Corporation, a Texas corporation having its domicile in Houston, Harris County, Texas, and hereinafter called "Company," and to its successors, lessees and assigns, to lay,

construct, equip, use, operate and maintain a system of gas mains, pipes, connections, conduits and feeders, together with all necessary or desirable attachments, connections, fixtures and appurtenances, along, across and through the streets, avenues, alleys, roads, highways and other public places and grounds of said City of Seabrook as now or hereafter laid out, for the purpose of conveying and transporting natural gas into, out of and through said City of Seabrock for distribution and sale for light, fuel, power, heat and any and all other purposes to persons within the said City of Seabrook, and for any other use by Company beyond and outside of the limits of said City of Seabrook, with the right to connect said gas mains with the pipes and other equipment of persons to whom Company may sell or distribute such gas; also, the right to construct and install, operate and maintain all necessary or desirable cutoffs, connections, laterals, attachments and equipment as a part of and connected with gas mains and such use thereof.

Section 2. Company agrees said gas mains shall be placed underground at a minimum depth of eighteen inches (18") and Company shall place the streets, alleys, etc., through which same are laid in as good condition as they were previous to the laying of such mains, and shall pay to the City of Seabrook any and all damages for failure so to do, and shall indemnify said City of Seabrook against any damages to any persons by reason of the laying of said mains and the use and maintenance thereof.

Section 3. Wherever the word "Company" occurs in this Ordinance, it shall mean and be understood to be Houston Natural Gas Corporation or its successors, lessees or assigns; and wherever the word "persons" appears in this Ordinance, it shall be understood to mean any natural persons, firm, corporation or association of any kind or character whatsoever. All rights given Company shall inure to the benefit of Company's successors, lessees and assigns.

Section 4. (a) In consideration of the rights and privileges herein granted, the Company agrees to pay as rental to the City of Seabrook annually during the continuance of this agreement a sum of money equal to two per cent (2%) of the annual gross receipts for the preceding year received by the Company from the sale of gas within the corporate limits of the City of Seabrook, Texas, for residential and commercial purposes, excluding the amounts received from any governmental agency.

On or before the first (1st) day of March of each and every year beginning with March 1, 1962, the Company shall file with the Secretary of the City of Seabrook a sworn report showing the gross receipts from the sale of gas to consumers for residential and commercial purposes within the corporate limits of the City of Seabrook for the next preceding calendar year ending December 31. The report to be filed on or before March 1, 1962, shall cover and apply to that portion of the calendar year 1961 beginning on October 14, 1961, the date the City of Seabrook was incorporated, and ending on December 31, 1961, and the two per cent (2%) of gross receipts for the calendar year 1961 shall apply to such portion of the calendar year 1961. With each such annual report the Company shall pay to the City of Seabrook a sum of money equal to two per cent (2%) of the gross receipts covered by the report.

Upon receipt of the above amount of money by the City of Seabrook, the City Secretary thereof shall deliver to the Company a receipt for such amount.

(b) The consideration set forth in subsection (a) of this Section 4 shall be paid and received in lieu of any licenses, charge, fee, street or alley rental or other character of charge for use and occupancy of the streets, alleys, and public places of the City of Seabrook, and in lieu of any pipe tax or inspection fee or tax.

Section 5. There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction, and the Mayor having in writing declared the existence of such emergency and requested such passage, this Ordinance shall be passed finally on the date of its introduction, this 11th day of December, 1961, shall become effective immediately upon its passage and approval by the Mayor, and shall continue in full force and effect for a period of fifty (50) years from and after the date of the written acceptance by the Company.

Section 6. If any section, paragraph, subdivision, clause, phrase or provision of this Ordinance shall be adjudicated invalid or unconstitutional, or be unenforceable for any reason, the same shall not affect the validity of this Ordinance as a whole, or any part thereof, other than the part which is invalid, unconstitutional, or unenforceable.

PASSED AND APPROVED THIS 11th DAY OF December, 1961.

W P Hamblen Jr.
Mayor, City of Seabrook, Texas

ATTEST:

Ronald A. Barrington
City Secretary

I, Rosella S. Carrington, City Secretary for the City of Seabrook, Texas, do hereby certify that the above and foregoing Ordinance was duly passed, adopted and approved at a meeting of the Council of the said City of Seabrook held on the 11th day of December, 1961, and that the same is now in all things effective and is of record in the Minutes of the Council of said City of Seabrook; TO CERTIFY WHICH WITNESS my hand and the seal of the City of Seabrook, Texas, this 11th day of December, 1961.

Rosella S. Carrington
City Secretary of the City of
Seabrook, Texas

CITY OF SEABROOK
ORDINANCE NO. 2015-16

AN ORDINANCE GRANTING TO CENTERPOINT ENERGY RESOURCES CORP., DBA CENTERPOINT ENERGY TEXAS GAS OPERATIONS, THE RIGHT, PRIVILEGE AND FRANCHISE TO CONSTRUCT, INSTALL, EXTEND, REMOVE, REPLACE, ABANDON, OPERATE AND MAINTAIN ITS FACILITIES WITHIN THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF SEABROOK, TEXAS FOR THE TRANSPORTATION, DELIVERY, SALE AND DISTRIBUTION OF NATURAL GAS; CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEABROOK STATE OF TEXAS:

Section 1. GRANT OF AUTHORITY. Subject to the terms, conditions and provisions of this ordinance, the right, privilege and franchise is hereby granted to CenterPoint Energy Resources Corp., DBA CenterPoint Energy Texas Gas Operations, hereinafter called "Company", to construct, install, extend, remove, replace, abandon, operate and maintain its facilities within the Public Rights-of-Way of the City of Seabrook, Texas for the transportation, delivery, sale and distribution of natural gas within the corporate limits of the City of Seabrook, as the same are now and as the same may from time to time be extended.

Section 2. DEFINITIONS.

A. "City" shall mean the City of Seabrook, Texas.

B. "Company" shall mean CenterPoint Energy Resources Corp., DBA CenterPoint Energy Texas Gas Operations, a Delaware Corporation, and shall not mean any of its affiliates and subsidiaries who shall have no right, privilege or franchise granted hereunder.

C. "Facilities" shall mean pipes, pipelines, natural gas mains, laterals, feeders, regulators, meters, fixtures, connections and attachments and other instrumentalities and appurtenances, used in or incident to providing transportation, distribution, supply and sales of natural gas for heating, lighting, power and any other purposes for which natural gas may now or hereafter be used.

D. "Public Rights-of-Way" shall mean the areas in, under, upon, over, across, and along any and all of the present and future Streets or streams now or hereafter owned or controlled by City.

E. "Street" shall mean the surface and the space above and below any public street, road, highway, alley, bridge, sidewalk, or other public place or way.

Section 3. TERM OF FRANCHISE. This Franchise shall become effective on the Effective Date described in Section 21 and shall be in full force and effect for a term of 15 years.

Section 4. CONSTRUCTION AND MAINTENANCE OF NATURAL GAS DISTRIBUTION SYSTEM. All Facilities installed by Company shall be of sound material and good quality, and shall be laid so that they will not interfere with the artificial drainage of the City or its underground fixtures, or with navigation in or the natural drainage of any stream. All Facilities shall be installed in accordance with applicable Federal, State, City and Harris County Flood Control District regulations and in the absence of such regulations in accordance with accepted industry practice. Within the Public Rights-of-Way, the location and route of the Facilities by the Company shall be subject to the reasonable and proper regulation, direction and control of the City or the City official to whom such duties have been delegated. Such regulation shall include, but not be limited to, the right to require in writing to the extent provided in Section 14 the relocation of Company's Facilities at Company's cost within the Public Rights-of-Way of the City whenever such relocation shall be reasonably necessary to accommodate the widening, change of grade, or relocation by City of Streets or Public Rights-of-Way, or construction or relocation by City of City utility lines or drainage facilities. No paving cuts shall be made by Company without first obtaining the permission of the City or the City official to whom this responsibility is delegated. However, paving cuts may be made in order to make emergency repairs to Company's lines or equipment provided that Company notify the City official of such paving cuts within twenty-four hours (24) after the repairs are made. Company shall keep current and up-to-date maps showing the physical location of Company's facilities and make available for inspection by the City at no cost during normal working hours. The Company and the City will work diligently and in good faith to resolve any dispute about the provision of maps pursuant to this Section.

Section 5. STREETS TO BE RESTORED TO GOOD CONDITION. Company and its contractors shall give City reasonable notice, of the dates, location and nature of all work to be performed on its Facilities within the Public Rights-of-Way. Following completion of work in the Public Rights-of-Way, Company shall repair the affected Public Rights-of-Way as soon as possible after the completion of the work to as good a condition as before the commencement of the work in accordance with the City's specification, but in all cases Company shall comply with all City ordinances governing time periods and standards relating to excavating in the Public Rights-of-Way. Company shall be responsible for the payment of all repair or maintenance costs incurred as a result of any defects, impairments, or substandard condition in any street, alley, highway, sidewalk, or public way caused by the work of Company for one (1) year from the date the surface of said street, alley, highway or public way is broken for such construction or maintenance work, after which time the responsibility for the maintenance shall become the duty of City. No street, alley, highway or public place shall be encumbered for a longer period than shall be necessary to execute the work.

Section 6. PERMITS. Company and its contractors shall obtain a permit at no cost to Company prior to its commencement of any work within the Streets or Public Rights-of-Way, except as otherwise provided below. All work shall be performed in compliance with the City ordinances and regulations. No permit shall be required to promptly initiate emergency repairs as may be required by the rules and regulations of the Railroad Commission of Texas in the Texas One-Call Statute (Texas Utilities Code, Chapter 251, and any successor statutes). Company shall give the City telephone notice of the initiation of emergency repairs involving breaks in the paved surface of the Public Rights-of Way, including sidewalks and curbs, as soon as practicable under the circumstances and shall submit promptly following completion of the work. Company and contractors performing work for the Company shall not be required to obtain any permits for relocations of Facilities requested by the City, provided that the relocated facilities are placed in the location designated by the City and relocation is otherwise in accordance with the City's request to relocate. This Franchise shall constitute a permit to park vehicles in the Streets and other Public Rights of Way when necessary for the installation, replacement, abandonment, operation or maintenance of Company's Facilities. Company and contractors performing work for Company shall not be required to pay any fee in addition to the franchise fee in order to obtain a permit to perform work on Company's facilities, or park within the Streets and other Public Rights of Way.

Section 7. QUALITY OF SERVICE. The service furnished hereunder to the City and its inhabitants shall be in accordance with the quality of service rules of the Railroad Commission of Texas and all other applicable local, state and federal regulations. Company shall furnish the grade of service to its customers as provided by its rate schedules and shall maintain its system in reasonable operating condition during the continuance of this Franchise. An exception to this requirement is automatically in effect, but only for so long as is necessary, when caused by a shortage in materials, supplies and equipment beyond the control of the Company as a result of fires, strikes, riots, storms, floods and other casualties, governmental regulations, limitations and restrictions as to the use and availability of materials, supplies and equipment and as to the use of the services, and unforeseeable and unusual demands for service. In any of such events the Company shall do all things reasonably within its power to restore normal service as quickly as practicable.

Section 8. PAYMENT TO THE CITY. In consideration of the rights and privileges herein granted, the administration of the Franchise by the City, the temporary interference with the use of Public Rights-of-Way and cost and obligations undertaken by the city in relation thereto and in lieu of any license, charge, fee, street or alley rental or other character of charge for use and occupancy of the Streets, alleys, and public places of the City, and in lieu of any inspection fee, the Company agrees to pay to the City franchise fees in the amount and manner described herein.

Company agrees to pay to the City quarterly during the continuance of this Franchise a sum of money equal to four percent (4%) of the Company's gross receipts for the preceding calendar quarter received by the Company from the sale of gas within the corporate limits of the City plus seven cents (7¢) per Mcf for natural gas transported by Company for its Transport Customers during such quarter. "Transport Customer" means any person or entity for whom Company transports gas through the distribution system of Company within the corporate limits of City for consumption within the corporate limits of City. The franchise fees hereunder shall be calculated for the calendar quarters ending March 31, June 30, September 30, and December 31 and shall be payable on or before the fifteenth day of May, August, November, and February following the quarter for which payment is made, beginning with the first such date following the Effective Date of this Franchise and each August 15th, November 15th, February 15th, and May 15th thereafter; provided, however, the first such payment shall be prorated as necessary to reflect only those gross receipts received and transportation volumes delivered by Company after the Effective Date of this Franchise. In no event shall the Company be required to remit to the City franchise fee amounts that for any reason whatsoever are not fully recoverable from its customers. Upon receipt of the above amount of money, the City Secretary shall deliver to the Company a receipt for such amount. If any payment due date required herein falls on a weekend or bank holiday, payment shall be made on or before the close of business of the first working day after the payment due date.

Section 9. ANNEXATIONS BY CITY. This Franchise shall extend to and include any and all territory that is annexed by the City during the term of this Franchise. Within sixty (60) days from the receipt of notice from the City of any such annexation, the Company shall assure that any and all customers within such annexed territory are included and shown on its accounting system as being within the corporate limits of the City of Seabrook. After such sixty (60) day period the payment provisions specified in Section 8 of this Franchise shall apply to gross receipts and transport fees received by the Company from customers located within such annexed territory. Company shall true-up its map of City boundaries to the City's map on an annual basis.

Section 10. NON-EXCLUSIVE FRANCHISE. Nothing contained in this Franchise shall ever be construed as conferring upon the Company any exclusive rights or privileges of any nature whatsoever.

Section 11. COMPLIANCE AND REMEDIES. (a) In the event the Company by act or omission violates any material term, condition or provision of this Franchise, the City shall notify the Company in writing of such violation. Should the Company fail or refuse to correct any such violation within thirty (30) days from the date of City's notice, the City shall, upon written notification to the Company, have the right to terminate this agreement. Any such termination and cancellation shall be by ordinance adopted by City Council; provided, however, before any such ordinance is adopted, the Company must be given at least sixty (60) days' advance written notice. Such notice shall set forth the causes and reasons for the proposed termination and cancellation, shall advise the Company that it will be provided an opportunity to be heard by City Council regarding such proposed action before any such action is taken and shall set forth the time, date and place of the hearing.

(b) Other than its failure, refusal or inability to pay its debts and obligations, including, specifically, the payments to the City required by this Franchise, the Company shall not be declared in default or be subject to any sanction under any provision of this Franchise in those cases in which performance of such provision is prevented by reasons beyond its control.

(c) The rights and remedies of City and Company set forth herein shall be in addition to, and not in limitation of, any other rights and remedies provided at law or in equity and City's exercise of any particular remedy shall not constitute a waiver of its rights to exercise any other remedy.

Section 12. RESERVE OF POWERS. Except as otherwise provided in this Franchise, the City by the granting of this Franchise does not surrender or to any extent lose, waive, impair or lessen the lawful powers, claims and rights, now or hereafter vested in the City under the Constitution and statutes of the State of Texas and under the Charter and Ordinances of the City of Seabrook or other applicable law, to regulate public utilities within the City and to regulate the use of the Streets by the Company; and the Company by its acceptance of this Franchise agrees that, except as otherwise provided in this Franchise, all lawful powers and rights, whether regulatory or otherwise, as are or as may be from time to time vested in or reserved to the City, shall be in full force and effect and subject to the exercise thereof by the City at any time and from time to time.

SECTION 13. INDEMNITY. THE COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL PROTECT AND HOLD THE CITY AND ITS OFFICERS, AGENTS, AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "THE CITY") HARMLESS AGAINST ANY AND ALL CLAIMS OR DEMANDS FOR DAMAGES TO ANY PERSON OR PROPERTY BY REASON OF THE CONSTRUCTION AND MAINTENANCE OF THE COMPANY'S NATURAL GAS DISTRIBUTION SYSTEM, OR IN ANY WAY GROWING OUT OF THE RIGHTS GRANTED BY THIS FRANCHISE, EITHER DIRECTLY OR INDIRECTLY, OR BY REASON OF ANY ACT, NEGLIGENCE OR NONFEASANCE OF THE COMPANY OR THE CONTRACTORS, AGENTS OR EMPLOYEES OF THE COMPANY OR ITS SUCCESSORS AND ASSIGNS, AND SHALL REFUND TO THE CITY ALL SUMS WHICH THE CITY MAY BE ADJUDGED TO PAY ON ANY SUCH CLAIM, OR WHICH MAY ARISE OR GROW OUT OF THE EXERCISE OF THE RIGHTS AND PRIVILEGES HEREBY GRANTED OR BY THE ABUSE THEREOF, AND THE COMPANY OR ITS SUCCESSORS AND ASSIGNS SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND ON ACCOUNT OF ALL DAMAGES, COSTS, EXPENSES, ACTIONS, AND CAUSES OF ACTION THAT MAY ACCRUE TO OR BE BROUGHT BY, A PERSON, PERSONS, COMPANY OR COMPANIES AT ANY TIME HEREAFTER BY REASON OF THE EXERCISE OF THE RIGHTS AND PRIVILEGES HEREBY GRANTED, OR OF THE ABUSE THEREOF.

Section 14. RELOCATION OF FACILITIES. The Company shall, upon written request of the City, relocate its Facilities within Public Rights-of-Way at Company's own expense, exclusive of Facilities installed for service directly to City, whenever such shall be reasonably necessary on account of the widening, change of grade, or relocation by City of Streets or Public Rights-of-Way, or construction or relocation by City of City utility lines or drainage facilities. City shall bear the costs of all relocations of Facilities installed for service directly to City and of any relocation of other Facilities requested by City for reasons other than the widening, change of grade, or relocation by City of Streets or Public Rights-of-Way, or construction or relocation by the City of City utility lines or drainage facilities. In the event of a conflict between this Franchise and an ordinance of the city addressing right-of-way management, such ordinance shall control.

Section 15. GOVERNMENTAL FUNCTION. All of the regulations and activities required by this Franchise are hereby declared to be governmental and for the health, safety and welfare of the general public.

Section 16. RECORDS AND REPORTS. (a) Books of Account. The Company shall keep complete and accurate books of accounts and records of its business and operations under and in connection with this Franchise. All such books of accounts and records shall be kept at the company's principal office in Houston, Texas.

(b) Access by City. The City may conduct an audit or other inquiry or may pursue a cause of action in relation to the payment of the franchise fee only if such audit, inquiry, or pursuit of a cause of action concerns a payment made less than three (3) years before the commencement of such audit, inquiry, or pursuit of a cause of action. Each party shall bear its own costs of any such audit or inquiry. Upon receipt of a written request from the City, all books and records related to Company's operations under this Franchise shall be made available for inspection and copying no later than thirty (30) days from receipt of such request.

(c) Interest on Underpayments and Overpayments. (1) Amounts due to City for late payments shall include interest, compounded daily equal to the return on equity plus three percent (3%) granted to the Company in its most recent proceeding fixing rates applicable to customers within the corporate limits of the City. (2) If the City identifies, as a result of a franchise fee compliance review, amounts owed by the Company from prior periods or prior underpayments, then the Company shall pay simple interest on such amounts equal to the return on equity granted to the Company in its most recent proceeding fixing rates applicable to customers within the corporate limits of the City. Said interest shall be payable on such sums from the date the initial payment was due until it is paid and shall not be billed to customers. (3) Amounts due Company for past overpayments shall include simple interest equal to the return on equity granted to the Company in its most recent proceeding fixing rates applicable to customers within the corporate limits of the City; provided, however, if there is a change in the approved return on equity during the time period subject to the City's audit or inquiry, then for each time period during which there was an overpayment, the approved return on equity in effect during such time period shall be used in calculating interest under this subparagraph (c). Interest payable on such sums shall be credited to customers.

Section 17. EASEMENT. In consideration for the compensation set forth in Section 8, City agrees that if City sells, conveys, or surrenders possession of any portion of the Public Right-of-Way that is being used by Company pursuant to this Franchise, City, to the maximum extent of its right to do so, shall first grant Company an easement for such use and the sale, conveyance, or surrender of possession of the Public Right-of-Way shall be subject to the right and continued use of Company.

Section 18. ACCEPTANCE. The Company shall, within thirty (30) days following the final passage and approval of this Franchise, file with the City Secretary of the City of Seabrook a written statement signed in its name and behalf in the following form:

"To the Honorable Mayor: and City Council of the City of Seabrook:

CenterPoint Energy Resources Corp., DBA CenterPoint Energy Texas Gas Operations, its successors and assigns, hereby accepts the attached Franchise Ordinance and agrees to be bound by all of its terms and provisions."

CENTERPOINT ENERGY RESOURCES CORP.,
DBA CENTERPOINT ENERGY TEXAS GAS
OPERATIONS

By: _____
Randal M. Pryor, Division Vice President,
Regional Operations

Dated this _____ day of _____2015.

Section 19. SEVERABILITY. If any provision, section, subsection, sentence, clause or phrase of this Franchise is for any reason held to be unconstitutional, void, or invalid or for any reason unenforceable, the validity of the remaining portions of this Franchise shall not be affected thereby, it being the intent the City of Seabrook in adopting this Franchise that no portion hereof or provision hereof shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion, provision or regulation and, to this end, all provisions of this ordinance are declared to be severable.

Section 20. NOTICES. Every notice, order, petition, documents or other direction or communication to be served upon the City or the Company shall be deemed sufficiently given if sent by registered or certified mail, return receipt requested. Every such communication to the Company shall be sent to:

CenterPoint Energy Resources Corp.
Vice President Regulatory Relations
PO Box 4567
Houston, TX 77210-4567

With a copy to:
General Counsel, Gas Division
PO Box 2628
Houston, TX 77252-2628

Every such communication to the City or the City Council shall be sent to the:

Mayor
City of Seabrook
1700 First St
Seabrook, Texas 77586

With a copy to:
City Manager
1700 First St.
Seabrook, Texas 77586

Section 21. PUBLICATION, PASSAGE AND EFFECTIVE DATE. The City Secretary shall give notice of the enactment of this Ordinance by promptly publishing it or its descriptive caption after final passage in the official newspaper of the City; the Ordinance will take effect after publication and be in force from and after the first day of the month following thirty days after receipt by the Company's acceptance filed pursuant to Section 18 ("Effective Date"). The Company shall pay the cost of those publications.

PASSED on first reading on the ___ day of _____, 2015.

PASSED AND APPROVED on second and final reading on the ___ day of _____, 2015.

_____
Glenn R. Royal
Mayor

ATTEST:

_____
Robin Hicks
City Secretary

APPROVED AS TO FORM:

_____
Steven L. Weathered, City Attorney

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

I, the duly appointed, qualified and acting City Secretary of Seabrook, Texas, do hereby certify that the above and foregoing ordinance was read on first reading at a regular meeting of the City Council of said Seabrook, Texas, held on the _____ day of _____, 2015; that written notice of the date, place and subject of said meeting was posted on a bulletin board located at a place convenient to the public in the City Hall for at least 72 hours preceding the day of said meeting; that the Mayor _____, and _____ Council members:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

were present at said meeting and acted as the Council throughout; that the same has been signed and approved by the Mayor and is duly attested by the City Secretary; that the above and foregoing ordinance was read on second reading at a regular meeting of the City Council of said Seabrook, Texas, held on the _____ day of _____, 2015; that written notice of the date, place and subject of said meeting was posted on a bulletin board located at a place convenient to the public in the City Hall for at least 72 hours preceding the day of said meeting; that the Mayor _____, and _____ Council members:

1._____
2._____
3._____
4. _____
5. _____
6. _____

were present at said meeting and acted as the Council throughout; that the same has been signed and approved by the Mayor and is duly attested by the City Secretary; that the above and foregoing ordinance was read on third reading at a regular meeting of the City Council of said Seabrook, Texas, held on the _____ day of _____, 2015; that written notice of the date, place and subject of said meeting was posted on a bulletin board located at a place convenient to the public in the City Hall for at least 72 hours preceding the day of said meeting; that the Mayor _____, and _____ Council members:

1 _____ 4. _____

2_____ 5. _____

3_____ 6. _____

were present at said meeting and acted as the Council throughout; that the same has been signed and approved by the Mayor and is duly attested by the City Secretary; and that the same has been duly filed with the City Secretary and recorded by the City Secretary in full in the books kept for the purpose of recording the ordinances of the City of Seabrook.

EXECUTED under my hand and the official seal of the seal of the City of Seabrook, Texas at said City, this the _____ day of _____, 2015.

_____
Robin Hicks
City Secretary
City of Seabrook, Texas

[SEAL]

CITY OF SEABROOK

AGENDA BRIEFING

Date of Meeting: TUESDAY, SEPTEMBER 1, 2015

Submitter/Requestor: Cook **Date Submitted: 8/26/2015 4:11:37 PM**

Presenter: Cook

Description/Subject:

Discuss and consider approval of Supplemental Appropriations for FY 2014-15 budget in an amount not to exceed $155,600 for capital items in IT, Public Safety, Parks, and Public Works Departments.

Purpose/Need: NA

Background/Issue(What prompted this need):

As per Section 5.06 of the City Charter, the City Manager is able to certify that there are available for appropriation revenues in excess of those budgeted, City Council may make supplemental appropriations for the year up to the excess.

Impacted Parties(Expected/Notified):

Miscellaneous Comments:

Attachments:
(Please list description of attachments and number of pages in each attachment)
appropriations
budget

Fiscal Impact:	Budgeted	Yes	Finance Review:	Officer
	Budget Amendment Required	Yes		
	Future/Ongoing Impact	Yes		
	Budget Dept/Line Item Number			

Funding Comments:

Where on the agenda should this item be placed?
New Business

Suggested Motion:

Agenda Language:

Discuss and consider approval of Supplemental Appropriations for FY 2014-15 budget in an amount not to exceed $155,600 for capital items in IT, Public Safety, Parks, and Public Works Departments. (Cook)

City Manager Review:

(All items are to be reviewed and approved by the city manager, except items submitted by the mayor or any council member or routine consent agenda items such as minutes and second & third readings of ordinances)

(City Attorney should review all ordinances, resolutions, contracts and executive session items.)

Supplemental Appropriation # 2015-05
FY 2014-15

Backup System	14600
Incode Module	8000
Email Servers	12500
4 Ticket Writers and Printers	12000
72" Zero Turn Mower	12000
Walk Behind Saw	5500
Backhoe	91000
Total	$ 155,600.00

Revenue Budget Variances
as of July 31, 2015

Property Tax	-108,000	Lawsuit & hearing losses
Sales Tax	214,000	
Franch & Mix Bev Tax	99,000	
License & permits	-76,000	
Intergovernmental	93,000	Trails grant
Court fees	36,000	
Other Revenue	65,000	
Transfer to Pks Fund	-45,000	
	278,000	
Budgeted repayment of Reserves not needed	210,417	
Projected Surplus 2014/15	**488,417**	All previously approved amendments included
Supplemental Appropriation Request #2015-05	155,600	
Estimated Ending Surplus	**332,817**	

Supplemental Appropriation #2015-05

Backup system	14,600
Incode Module	8,000
Email Servers	12,500
4 Ticket Writers & Printers	12,000
72' Zero Turn Mower	12,000
Walk Behind Saw	5,500
Backhoe	91,000
	155,600

Council Approved Amendments

Description	Amount	
Laptops - Police	74,599	Approved 3/3/15 #2015-01
Master Plan	70,000	Approved 3/17/15 #2015-02
Thoroughfare plan	55,633	Approved 6/2/15 #2015-03
Christmas decorations	20,000	Approved 6/23/15 #2015-04
Total amendments included in forecast	220,232	

2015 Property Tax Rates in City of Seabrook

This notice concerns the 2015 property tax rates for City of Seabrook. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per $100 of property value.

Last year's tax rate:	
Last year's operating taxes	$3,738,355
Last year's debt taxes	$1,468,659
Last year's total taxes	$5,207,014
Last year's tax base	$813,557,802
Last year's total tax rate	$0.640030/$100
This year's effective tax rate:	
Last year's adjusted taxes (after subtracting taxes on lost property)	$5,173,585
÷ This year's adjusted tax base (after subtracting value of new property)	$890,385,072
=This year's effective tax rate	$0.581050/$100
(Maximum rate unless unit publishes notices and holds hearings.)	
This year's rollback tax rate:	
Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	$3,721,806
÷ This year's adjusted tax base	$890,385,072
=This year's effective operating rate	$0.418000/$100
x 1.08=this year's maximum operating rate	$0.451440/$100
+ This year's debt rate	$0.218263/$100
= This year's total rollback rate	$0.669703/$100

Statement of Increase/Decrease

If City of Seabrook adopts a 2015 tax rate equal to the effective tax rate of $0.581050 per $100 of value, taxes would increase compared to 2014 taxes by $74,522.

Schedule A - Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
General Fund	4,427,546
Debt Service Fund	1,609,994

Schedule B - 2015 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
GO Bonds Series 2003	260,000	141,020	0	401,020
GO Bonds Series 2005	375,000	28,125	300	403,425
GO Bonds Series 2008	255,000	260,062	500	515,562
Cert of Oblig Series 2010	45,000	27,315	825	73,140
GO Refunding Series 2013	40,000	71,982	750	112,732
GO Bonds Series 2015	240,000	237,187	875	478,062

Total required for 2015 debt service	$1,983,941
- Amount (if any) paid from Schedule A	$0
- Amount (if any) paid from other resources	$0

- Excess collections last year	$0
= Total to be paid from taxes in 2015	$1,983,941
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2015	$0
= Total debt levy	$1,983,941

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 1700 First Street Seabrook, TX 77586.

Name of person preparing this notice: Pam Lab
Title: Director of Finance
Date Prepared: 08/26/2015

Revised 07/01/2015

ACTION ITEM CHECK LIST STATUS

#		STATUS	DATE ASSIGNED	NEXT REVIEW DATE	PROPOSED CLOSURE DATE	RESPONSIBLE ORGANIZATION	City Council RESPONSIBILITY	PLANNING OBJECTIVE #	AGENDA ITEM NUMBER	DESCRIPTION OF ACTION ITEM	STATUS AND DATE
23		OPEN/IN WORK	11/4/2014			Mayor/ City Mgr.			5.1	Provide periodic updates on TxDOT's progress to improve/widen SH 146.	
30		OPEN/IN WORK	11/18/2014			Staff			4.2	Provide periodic updates of Strategic Plan	
32		OPEN/IN WORK	2/17/2015			Staff			6.1	Provide periodic project updates	

September 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 **Regular City Council Meeting 7:00pm**	*2*	*3* **Open Space & Trails Committee 5:00pm**	*4*	*5*
6	*7* **Labor Day City offices closed**	*8*	*9*	*10* **EDC 7:00pm**	*11*	*12*
13	*14*	*15* **Regular City Council Meeting 7:00pm**	*16*	*17* **P&Z 7:00pm**	*18*	*19* **Kids' Fish**
20	*21*	*22*	*23*	*24*	*25*	*26*
27	*28*	*29*	*30*			

October 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1 **Open Space and Trails 5:00p.m.**	*2*	*3*
4	*5*	*6* **Regular City Council Meeting 7:00p.m.**	*7*	*8* **EDC 7:00p.m.**	*9*	*10* **JFest Southwest 2015**
11 **JFest Southwest 2015**	*12*	*13*	*14*	*15* **Planning & Zoning 7:00p.m.**	*16*	*17*
18	*19*	*20* **Regular City Council Meeting 7:00p.m.**	*21*	*22*	*23*	*24*
25	*26*	*27*	*28*	*29*	*30*	*31*

Steven L. Weathered
Shareholder

vmail: (713) 626-1200 ext. 4026
email: sweathered@rossbanks.com

ATTORNEY/CLIENT PRIVILEGE

M E M O R A N D U M

DATE: **July 31, 2015**

TO: **The Honorable Mayor and City Council**
City of Seabrook, Texas
Gayle Cook, City Manager

FROM: **Steve Weathered, City Attorney**

RE: **Legal Services Compensation Proposal**

For the past 10 years, our firm has been truly honored to be City Attorney for the City of Seabrook and more recently the Seabrook Economic Development Corporation. We are proud of what has been accomplished and more particularly, the level of service that has been brought to the City. We have always thought that the greatest service that we can offer to a city is to be available when needed, regardless of the hour or day. As a part of that availability, we equip ourselves with the latest information that may be available so that we can provide accurate and definitive information as needed on a true "when needed basis."

In addition, we have a background in litigation and utilize what we have learned from our experience in court to avoid defensive litigation. The incidence of litigation in the City of Seabrook has been and remains extremely low for cities of our size. Benefits such as this come about through care and primarily recognizing potential problems and working to avoid troubling situations before they occur. More importantly, if a risk exists in some action that is before you because of some aspect of the law, we have attempted to help you, before you act, to fully recognize the extent of the risk that may exist for your evaluation.

As you know, there has not been an adjustment to City Attorney hourly compensation level for years, which is currently $185 per hour, which does not include travel time or mileage. *We feel it should be clearly understood that we are keenly aware of the economic pressures that have impacted the City in the last several years as well as the economic pressures which will impact the City in the upcoming years.* Thus, we think it is fair to say that if this issue was not important to us and in fact, critical to the service we want to continue to provide the City and

SEDC, we would not be making this offer for a flat fee agreement as reflected in the attached proposed Agreement. As attorneys, we must look upon our practice as a business and make certain basic assumptions, as does the City. We must determine our needs and compare our income from a flat fee representation with that which would be generated from an hourly fee representation as being an amount necessary to pay all of our expenses, no matter what they may be, to provide fair and reasonable compensation for us while carefully examining the needs of our client. Of course, it is not effective to look at a fee relationship solely based upon an hourly number, but in addition, many other factors must be considered, which include such things as the long standing nature of the relationship, our expertise, the increased needs of the City, particularly at this time, with the commensurate current needs and demands on the City Attorney to provide legal services to the City and our ability to respond to those needs in a very effective manner.

Accordingly, we are pleased to extend the attached proposed Agreement for your consideration on a flat fee basis. Upon consideration, we believe that this type of fee may be appropriate for the City, and would allow more flexibility and depth in providing coordinated legal services on a budgeted basis, with an understanding of the current needs of the City. It is understood that this is a departure from a prior hourly fee basis, and accordingly will need to be evaluated annually for potential evaluation and adjustment.

LEGAL SERVICES AGREEMENT

The purpose of this letter agreement is to set forth our understanding of certain aspects of the legal representation by Ross, Banks, May, Cron & Cavin. P.C. ("Firm") to the City of Seabrook ("City").

UNDERSTANDING. We are pleased and very enthusiastic about the opportunity to provide a proposed "flat fee" arrangement. Steven L. Weathered, shareholder with the Firm, would continue to serve as lead City Attorney with the assistance of other personnel in the Firm. Our aim is to provide the highest quality and most efficient legal service possible. We know that your satisfaction with our service is the key to a successful professional relationship and experience has shown that our relationship will be stronger if we have a mutual understanding about the terms of our engagement. Unless our engagement letter alters these arrangements, we will assume that these terms are acceptable to you and that they will also apply to future matters on which we can be of service to you.

The Seabrook City Charter and Code of Ordinances shall provide the legal authority for the officers/representatives to receive legal services under this agreement, which specifically includes the City Council, Mayor, City Manager, and City Secretary.

SCOPE OF SERVICES AND FEES. RETAINER SERVICES (Flat Fee): These are services of an ongoing nature. They are repetitive by nature and include the following tasks:

1. Attend regular Council meetings (currently, the City Council has regular meetings on the 1st and 3rd Tuesday of each month at 7:00 p.m.), and provide legal advice to the Council at such meetings;

2. Attend regular agenda conferences (currently held the week prior to a regular City Council by telephone conference);

3. Prepare or review all ordinances which are to be considered by the City Council;

4. Prepare or review all resolutions, which are to be considered by the City Council;

5. Review legal documents conveyed to the City for consideration, including, for example, uncontested expunction and record-sealing documents, subpoenas for City records, releases, and related documents;

6. Provide legal advice to the City on an ongoing basis, as required, including but not limited to advice necessary for compliance with statutory requirements applicable to the City, such as the Texas Open Meetings Act, the Texas Public Information Act, and the Texas Local Government Code;

7. Review all contracts and other documents in which the City has an interest; however, any such services requiring technical expertise, specialized knowledge, or negotiation are subject to the hourly rate provisions set out below;

8. Prepare deeds, easements, and various other documents necessary for day-to-day business of the City;

9. Remain available at reasonable times for consultation with the City Manager and administrative City staff to provide oral and written opinions regarding interpretation of City ordinances, and State and Federal laws applicable to day-to-day administration of City business; and

10. Provide legal representation to the Planning and Zoning Commission, the Zoning Board of Adjustment/Building and Standards Commission (as may be applicable, from time to time).

12. Work cooperatively with any special legal counsel retained by the City of Seabrook for special projects.

13. Assist City/Council and staff to maintain awareness of ethical standards, and to avoid potential conflicts of interests, prohibited transactions, and appearance of prohibited transactions.

14. Maintain Errors & Omissions Policy of at least $2,000,000.00.

The firm proposes a flat monthly fee of $ 14,0000 plus out-of-pocket expenses, for the above described Retainer Services. Subject to notice and approval by the City, the Firm reserves the right to adjust such rate on an annual basis consistent with the Firm's rates to other similarly situated clients.

LITIGATION, LEGAL RESEARCH/SPECIALIZED SERVICES ("SPECIAL MATTERS"): These are legal services required in special circumstances and not included on the list of Retainer Services – which may include:

1. Acting in the capacity of Bond Counsel, Tax Counsel or Grant Counsel. The Firm does not act as Bond, Tax or Grant Counsel.

2. Special Matters and services outside of typical day-to-day legal services, such as litigation, administrative appeals, condemnation work, recodification of Code, Charter Review Commission/other City commissions, regulatory work (CenterPoint PUC, TCEQ, etc.) and such special matters not described under routine Retainer Services. Work on such special matters shall be subject to prior approval of Council, or City Manager, as applicable.

For these services, the Firm proposes an hourly rate for attorneys and paralegals, consistent with the Firm's discounted municipal rates to other similarly situated clients, reserving the right to adjust such rate on an annual basis subject to prior notice to the City, plus out-of-pocket expenses, for the above-described Litigation/Legal Research/Specialized Services. The Firm will not perform or charge for such services, however, without prior approval by the City.

DISBURSEMENTS ON YOUR ACCOUNT. Statements will normally be rendered monthly for hourly billable work done in the previous month, but in no event more than 60 days from the date of the performance of such work, (or when the receipt is received for such out-of-pocket expenses), covering and identifying services rendered as well as disbursements and other charges. These disbursements and charges include items incurred and paid for by the firm on your behalf, such as long distance telephone charges, postage, delivery charges, telex or telecopy charges, travel, photocopying, and use of other service providers such as printers, real property/title search or reports, or experts, if needed. In litigated matters, we include payments we must make for process servers, court reporters, witness fees and related expenses. We also make separate charges for the use of "Lexis" or "Westlaw", which are computerized legal research systems that, in our experience, significantly reduce lawyer research time. Except for specialized word processing services, we normally do not make a separate charge for stenographic or word processing work unless there is an unusual situation arising out of your needs that requires overtime staff work. We will request that significant disbursement items be billed directly to you for payment. All disbursements and charges will be reasonable and subject to approval by the client.

For flat fee services outlined in Retainer Services, monthly statements including generalized hourly statements for work done and disbursements/charges incurred and paid for by the Firm on your behalf (out-of-pocket expenses) such as charges for real property/title searches, certified copies, postage, delivery charges, telex/telecopy charges, photocopying, but shall not include charges for legal research provided by contract with Lexis/Westlaw, routine travel and related expenses as referenced for special hourly matters without specific prior authorization of City. Should extensive legal research be necessary, which will incur increased out of pocket costs for the Firm, the Firm will provide prior notice to the City and request approval for reimbursement of such expenses or request designation of the matter as a billable Special Matter. The Firm shall provide statements no more than 60 days from the date of performance, or when the receipt is received for such out of pocket expenses.

PAYMENT. Payment will be due 30 days after the date of our statement. We ask that you submit any comments about the statement within 30 days of the statement date. Payments should be made in the form of checks, drafts or wired funds payable to **"Ross, Banks, May, Cron & Cavin, P.C."** If any of our statements remain unpaid for more than 90 days, we may, consistent with our ethical obligations and judicial requirements, cease performing services for you until arrangements satisfactory to us have been made for payment of arrearages and prospective future fees.

RETAINER. Depending upon the nature of the matter undertaken by the Firm on behalf of any client, we reserve the right to require a retainer before commencement of services. Such retainer, if any, will be credited to the client's account to help defray out-of-pocket expenses such as telephone, telecopy, duplication, travel and related expenses. The Firm is not requesting a retainer from the City in connection with the services to be performed under this agreement.

QUESTIONS. If you have questions about any aspect of representation of your interests or our statements for professional fees and expenses, please do not hesitate to communicate with me. It is important that we proceed on a mutually clear and satisfactory basis in our work for you. We always welcome the opportunity to discuss any aspect of our representation of your interests, including the amount of our statements, and we encourage you to be frank about them.

COMPLAINTS OR DISPUTES. The Firm requests that should you have any complaint with its service or dispute with any invoice that you feel free to contact the lawyer involved or the Managing Partner of the Firm. While the Firm fully expects any complaint or dispute to be resolved by direct contact with its representatives, Texas law requires that we notify you that the State Bar of Texas investigates and prosecutes professional misconduct of Texas Attorneys and that should you have any questions, the Office of General Counsel of the State Bar will provide you with information regarding the applicable procedures.

TERM OF AGREEMENT AND TERMINATION OF REPRESENTATION. This agreement shall be effective as of October 1, 2015, and it shall remain in effect until terminated by either party. The Firm reserves the right to withdraw from this representation after 30 days' written notice, with or without cause, including without limitation any time fees or expenses that are unpaid for more than 90 days from the date of invoice, or for any other reason permitted under Texas law or by the rules of the courts of the State of Texas, and the City reserves the right to terminate the representation at any time, with or without cause. Notice of termination by either party shall be given in writing to the other party. In the event of such termination, the City agrees to promptly pay the Firm for all services rendered and all other fees, charges and expenses incurred pursuant to this agreement prior to the date of such termination. Upon termination of the representation for any reason, by either the Firm or the City, the Firm agrees to cooperate with any successor counsel to accommodate a smooth transition of the representation.

A full and candid communication about all aspects of our work for you is essential. If at any time you have any question, please contact me immediately. If this letter accurately sets forth our agreement for legal services, please counter sign the enclosed copies in the spaces indicated, keep one of the enclosed copies for your records and return one to me for our files.

Very truly yours,

_____

Steven L. Weathered
Ross, Banks, May, Cron & Cavin, P.C.

AGREED TO AND APPROVED this, the _____ day of _____, 2015

By:_____
Glenn R. Royal, Mayor
City of Seabrook, Texas

MEMORANDUM OF SETTLEMENT AGREEMENT
CITY OF SEABROOK AND PORT OF HOUSTON AUTHORITY

This Memorandum of Settlement Agreement (the "Agreement") is entered into as of the date last set forth beneath the parties' signatures below (the "Approval Date"), by and between the City of Seabrook, Texas, a home rule municipality ("Seabrook"), and the Port of Houston Authority of Harris County, Texas, a governmental subdivision of the State of Texas ("PHA"), with reference to the following:

A. PHA is the owner of certain real property as depicted on Exhibit "A" to this Agreement (the "Bayport Property").

B. PHA holds Department of the Army Permit No. 21520 (the "Permit") authorizing, among other things, the development of a container terminal and cruise terminal (collectively, the "Terminals") on the Bayport Property.

C. In connection with the development of the Terminals, PHA has sought to acquire (i) the real property depicted on Exhibit "A" (the "Acryl I Property"), in the matter entitled *Port of Houston Authority v. American Acryl, NA LLC, et al.*, Cause No. 774,891 in the County Civil Court at Law No. 3 of Harris County, Texas (the "Acryl I Suit") and (ii) the real property depicted on Exhibit "A" (the "Acryl II Property"), in the matter entitled *Port of Houston Authority v. American Acryl, NA LLC, et al.*, Cause No. 806,268 in the County Civil Court at Law No. 3, Harris County, Texas (the "Acryl II Suit").

D. Portions of the Bayport Property, and the Acryl I Property and the Acryl II Property, are located within the city limits of Seabrook, as depicted on Exhibit "A."

E. Seabrook has intervened in the Acryl I Suit (the "Seabrook Intervention"), to challenge PHA's right to acquire the Acryl I Property, and has appealed the County Civil Court's ruling in the Acryl I Suit in the matter entitled *The City of Seabrook, Texas v. Port of Houston Authority,* Cause No. 01-04-00925 in the Court of Appeals for the First District of Texas at Houston, Texas (the "Seabrook Appeal"), which is now before the Texas Supreme Court under Case Number 06-0566.

F. Seabrook maintains that PHA's construction of the Terminals has caused or is related to sedimentation of Pine Gully in Seabrook as depicted on Exhibit "B" ("Pine Gully"). PHA disputes these claims. The parties' disagreement with respect to such matters is termed the "Pine Gully Dispute."

G. The Official Zoning Map and the Comprehensive Zoning Ordinance of Seabrook (the "Zoning Ordinance") provides that portions of the Bayport Property are within L-I and Residential zoning districts. PHA maintains that Seabrook's power to zone property does not extend to any property that may be owned by the PHA within Seabrook, and that Seabrook cannot use its zoning powers to prevent or restrict the exercise of PHA's port development authority. Seabrook disputes these claims. The parties' disagreement with respect to such matters is termed the "Zoning Dispute."

H. Seabrook previously requested relocation of the proposed PHA rail switchyard outside of its city boundaries pursuant to a study conducted by PHA, which included this option; however, due to objections of other municipalities, it was determined that Seabrook's request for placement of the rail switchyard outside of its boundaries was not a viable option. The parties' disagreement with respect to such matters is termed the "Rail Dispute."

I. Seabrook and PHA each recognize that there are legal limitations on governmental entities, including authority to surrender, delegate or barter away governmental functions, and understanding such limitations, each now desire to utilize their best efforts to finally settle and resolve the Seabrook Intervention, the Seabrook Appeal, the Pine Gully Dispute, the Zoning Dispute, and the Rail Dispute, on the terms and conditions set forth herein. As further essential elements of that settlement, Seabrook and PHA desire to (i) provide for the joint improvement of Pine Gully, (ii) provide for the conveyance of a portion of the Bayport Property as illustrated on Exhibit "A" and described by metes and bounds in Exhibit "C" (the "Park Property") by PHA to Seabrook pursuant to the terms hereof, (iii) provide for disannexation from Seabrook of certain portions of the Bayport Property and, following their acquisition by the PHA, the Acryl I Property and the Acryl II, as illustrated on Exhibit "A" (collectively, the "Industrial District Property"), and (iv) enter into an Industrial District Agreement, in order to establish certain guidelines, standards, and agreements to govern improvement and use of the Industrial District Property. The parties consider that such a settlement would be in the best interests of each, and that proceeding with the measures described herein will assist PHA's construction and operation of the Terminal, enhance the economic stability and growth of Seabrook, and provide economic development with Harris County.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seabrook and PHA agree as follows:

1. Resolution of the Seabrook Intervention and the Seabrook Appeal.

a. The parties acknowledge that they shall advise the County Civil Court in the Acryl I Suit and the Texas Supreme Court of the fact that Seabrook and PHA have settled their disputes subject to the terms and conditions hereof.

b. As soon after the Effective Date (as defined below) as reasonably possible, the parties shall cause their respective counsel to file with the Texas Supreme Court in the Seabrook Appeal a Joint Motion to Dismiss the Appeal, and shall take all other actions and execute all other documents necessary to obtain entry of a Final Judgment in the Seabrook Appeal, in form and substance reasonably acceptable to the parties and their respective counsel.

c. As soon after the Effective Date as reasonably possible, Seabrook shall cause its counsel to file with the County Civil Court in the Acryl I Suit a Motion to Dismiss its Claims with Prejudice, incorporating the terms of this Agreement for matters within the jurisdiction of such Court, in form and substance reasonably acceptable to the parties and their respective counsel, and shall take all other actions and execute all other documents necessary to obtain dismissal of

Seabrook's claims in the Acryl I Suit, in form and substance reasonably acceptable to the parties and their respective counsel.

d. Seabrook agrees not to further intervene in the Acryl I Suit, or intervene in the Acryl II Suit.

2. Pine Gully.

a. In the interest of resolving the Pine Gully Dispute, each of the parties has contracted with the Galveston Bay Foundation ("GBF"), under substantially identical agreements providing for equal shares of responsibility and reimbursement in all respects, to investigate and mitigate sedimentation of Pine Gully in Seabrook (the "Pine Gully Project"). In connection therewith, GBF engaged the engineering firm Moffat & Nichols ("M&N") to assist with Pine Gully Creek – Phase I of the Pine Gully Project, as described under the heading of "PHASE I SCOPE OF WORK" in M&N's letter of June 7, 2007.

b. The parties agree to further contract with GBF, under substantially identical agreements acceptable to the parties and providing for equal shares of responsibility and reimbursement in all respects (individually, a "Pine Gully II Agreement"), to assist with Pine Gully Creek – Phase II of the Pine Gully Project ("Pine Gully Project – Phase II"), provided that the cost thereof incurred by each party shall not exceed $36,400. The parties agree and stipulate that they each have available funds for the expenditure of the subject costs. The parties agree that Pine Gully Project – Phase II shall consist of preliminary engineering design and permitting of the Pine Gully Project, as further described under the heading of "PHASE II OUTLINE OF WORK" in M&N's letters of June 7, 2007 and October 5, 2007. It is the express understanding and intent of the parties that the GBF shall be the permittee of the Pine Gully Project and shall apply for such permits (collectively, the "Pine Gully Permits") on or before one hundred twenty (120) days following the Approval Date.

c. The parties agree to further contract with GBF, under agreements acceptable to the parties providing for equal shares of responsibility, and that PHA shall bear the costs of the work (individually, a "Pine Gully III Agreement"), to assist with Pine Gully Creek – Phase III of the Pine Gully Project ("Pine Gully Project – Phase III"), provided that the cost thereof incurred by the PHA shall not exceed $302,200. In the event the cost of Pine Gully Project – Phase III exceeds, or is expected to exceed, such amount, the parties shall attempt to resolve the matter using the procedures set forth in Section 10 below. The parties agree that Pine Gully Project – Phase III shall consist of the final design and construction services phase of the Pine Gully Project, as further described under the heading of "PHASE III OUTLINE OF WORK" in M&N's letters of June 7, 2007 and October 5, 2007, and with terms providing for construction to begin on or before three (3) months after GBF obtains all the Pine Gully Permits. It is the express understanding and intent of the parties that the GBF shall manage construction of the Pine Gully Project. The Pine Gully III Agreement shall also provide that GBF shall use its reasonable best efforts to diligently complete the Pine Gully Project – Phase III after obtaining all the Pine Gully Permits and the funds required to complete it.

d. The parties further agree that PHA shall commit and/or set aside an additional $200,000 that would be available during a period of three (3) years from the completion of the re-vegetation of Pine Gully at the end of Phase III, with such funds to be applied by GBF to any expenditures required for additional rehabilitation of Pine Gully only if future problems, such as re-sedimentation of Pine Gully, arise within that three-year period (Pine Gully Project – Phase IV). The criteria of Pine Gully Project – Phase IV are set forth in Exhibit B-1. PHA stipulates that it has currently available funds for the obligations required herein.

e. The parties acknowledge that they have cooperated to obtain third-party funding for the Pine Gully Project. The parties agree that any third-party funds, including any CEPRA grant funds from the Texas General Land Office, shall be applied to permissible expenditures relating to the design/permit and/or restoration of Pine Gully, and that funds that Seabrook and/or PHA would have otherwise spent, as described above, shall be applied as necessary to cover monitoring costs associated with Pine Gully restoration. It is further agreed that any remaining funds intended for Phase II or Phase III shall be available for enhancement and improvement of Pine Gully Park within the time limitations of Pine Gully Project – Phase IV in the manner requested by Galveston Bay Foundation and approved by the parties. The parties shall continue to reasonably cooperate to obtain third-party funding.

3. Park Property.

a. The parties agree that contemporaneously with the dismissal of the Seabrook Intervention and Seabrook Appeal as described herein, PHA shall transfer to Seabrook, and Seabrook shall accept conveyance of, the approximately forty one (41) acres comprising the Park Property and more particularly described in Exhibit "C." PHA shall transfer the Park Property by quitclaim deed in form and substance reasonably acceptable to the parties and their respective counsel (the "Quitclaim Deed"), and pursuant to closing instructions that the parties may enter into containing such provisions as are reasonably acceptable to the parties.

b. The parties acknowledge and agree, and the Quitclaim Deed shall incorporate provisions, that:

i. PHA makes no representations or warranties, express or implied, with respect to any aspect of the Park Property.

ii. Seabrook is receiving the Park Property strictly in "AS-IS, WHERE-IS, AND WITH ALL FAULTS" condition, and Seabrook accepts and agrees to bear all risks regarding all attributes and conditions, latent or otherwise, of the Park Property.

iii. Seabrook has made, or will make prior to the transfer of the Park Property, its own inspection and investigation of the Park Property, and is agreeing to accept transfer and conveyance of the Park Property based upon its own inspection and investigation and not in reliance on any statement, representation, inducement or agreement of PHA except as specifically provided herein.

iv. Seabrook agrees that neither PHA nor anyone acting on its behalf has made any representation, guarantee, or warranty whatsoever, either written or oral, concerning the Park

Property.

v. PHA shall not have any responsibility, liability, or obligation hereunder subsequent to transfer and conveyance of the Park Property with respect to any conditions, or as to any other matters whatsoever, respecting in any way the Park Property.

c. The parties acknowledge and agree, and the Quitclaim Deed shall incorporate, provisions restricting use of the Park Property to public park purposes by Seabrook, and providing for preservation in natural condition of that portion of the Park Property within one hundred (100) yards south of Pine Gully, and for development for park purposes of the remainder of the Park Property no later than fifteen (15) years following the Effective Date. It is specifically understood and agreed that notwithstanding any provision in this Agreement or any other agreement to the contrary, that there shall be no other condition or event for which the Park Property shall revert to PHA.

d. The parties acknowledge that transfer of the Park Property, and preservation and use as provided herein, substantially assist in mitigation of the effects of operation of the Terminal, and settlement of the parties' disputes.

4. Non-Terminal Improvements.

a. Berm and Trail System.

i. Berm Routing and Development. PHA agrees to construct a non-continuous berm on the south border of the Terminals, as depicted on Exhibit "D" (the "Berm"), on the terms and conditions provided herein.

x. PHA agrees to construct the portions of the Berm west of the intersecting Commercial Road (as defined below), as depicted on Exhibit "D" and Exhibit "E" (the "West Berm"), prior to PHA's construction of the Exterior Rail Line (as defined below) for cargo operations. PHA shall complete landscaping of the West Berm as soon as reasonably possible in connection with such construction. Completion of construction and landscaping shall be subject to approval of any third-party permits required in connection therewith, and weather and other conditions of force majeure.

y. PHA agrees to construct the portions of the Berm east of the intersecting Commercial Road, as depicted on Exhibit "D" (the "East Berm"), prior to PHA's construction of the remainder of the Terminal rail line as shown on Exhibit "D" for cargo operations. PHA shall complete landscaping of the East Berm as soon as reasonably possible in connection with such construction. Completion of construction and landscaping shall be subject to approval of any third-party permits required in connection therewith, and weather and other conditions of force majeure.

ii. Berm Specifications. PHA agrees that height, width, and landscaping of the Berm shall comply in all respects with the specifications provided for in the Permit, and set forth in Exhibit "E."

iii. Trail System.

x. The parties shall cooperate to plan a trail system south of the Berm, in the areas depicted on Exhibit "A" (the "Trail System"), to become a portion of the established network of hike and bike trails in Seabrook.

y. PHA agrees to dedicate easements for applicable portions of the Trail System prior to the commencement of Seabrook's improvement of such portion(s) of the Trail System. The instrument(s) dedicating the Trail System shall provide that Seabrook shall improve, or cause third parties to improve, and maintain, and bear responsibility for use of the Trail System, and shall otherwise be in form and substance reasonably acceptable to the parties and their respective counsel.

z. The parties acknowledge that dedication of the Trail System as provided herein substantially assists in mitigation of the effects of operation of the Terminal, and settlement of the parties' disputes.

b. Commercial Road.

i. Routing. The parties agree upon the routing of a new commercial road within Seabrook as depicted on Exhibit "E" (and labeled in the exhibit "Prop. Cruise Road") (the "Commercial Road"). The parties acknowledge that the configuration of the West Berm and Commercial Road are related to one another, and therefore any change in the configuration of either the West Berm or Commercial Road shall require consideration of the impact of any such reconfiguration on both, and the consent of both parties. The parties acknowledge that a portion of the Bayport Property located within the city limits of Seabrook adjoins the Commercial Road, as depicted on Exhibit "A" (the "PHA Commercial Property").

ii. Dedication. Contemporaneous with the Effective Date, PHA shall dedicate for public use those portions of the Commercial Road located on the Bayport Property for formal acceptance by Seabrook. The parties acknowledge that the width of such dedicated property shall total eighty six (86) feet. The instrument dedicating such portions of the Commercial Road shall not require PHA to improve, maintain, or bear responsibility for use of the Commercial Road, and shall otherwise be in form and substance reasonably acceptable to PHA and the grantee, and their respective counsel. The parties acknowledge that dedication of the Commercial Road substantially assists in mitigation of the effects of operation of the Terminal, and settlement of the parties' disputes.

iii. Improvement. The parties acknowledge that at this time no mechanism exists for the improvement, maintenance, or ownership of the Commercial Road. However, the parties shall reasonably cooperate, at no obligation to incur any expense, to obtain the improvement of Commercial Road in compliance with the specifications set forth in Exhibit "G." The parties shall in addition reasonably cooperate, at no obligation to incur any expense, to request that a suitable third-party government agency own and maintain the Commercial Road. The parties acknowledge that in the event reasonable changes in the specifications and routing of Commercial Road are required to

obtain its improvement or the consent of such government agency to own and maintain it, such changes shall be deemed acceptable to each party.

iv. Rezoning. Seabrook shall take the following actions notwithstanding and without prejudice to either party's claims in the Zoning Dispute. Prior to the dismissal of the Seabrook Intervention, the Seabrook Appeal and PHA conveyance to Seabrook of the Park Property, as described herein, Seabrook shall prepare and place on the agenda of the Seabrook Planning and Zoning Commission (the "Commission"), for its consideration and action, the rezoning of the PHA Commercial Property to provide that the PHA Commercial Property is within the C-3 zoning district (the "Commercial Rezoning"). No later than thirty (30) days following consideration or action on the Commercial Rezoning by the Commission, Seabrook shall place the Commercial Rezoning on the agenda of the Council, for consideration and action by the Council.

c. Rail.

i. Routing. The parties agree upon the routing within Seabrook of rail service to the Terminals as depicted on Exhibit "D" and Exhibit "E" (the "Exterior Rail Line"). The parties acknowledge that in the event reasonable changes in the routing of the Exterior Rail Line are required to obtain any third party consents to its improvement or operations, they shall reasonably cooperate to design such changes to be acceptable to each party.

ii. Sound Barrier. The parties shall cooperate to design a sound barrier in the vicinity of the Exterior Rail Line, as generally depicted on Exhibit "D" and Exhibit "E," and PHA shall acquire easements as required to construct it, and shall thereafter construct it, to help ameliorate the operational sounds from use of the Exterior Rail Line (the "Sound Barrier").

x. PHA agrees to construct the Sound Barrier prior to PHA's construction of the Exterior Rail Line for cargo operations, subject to approval of any third party permits required in connection therewith, acquisition of the easements and third-party agreements required for its construction, and weather and other conditions of force majeure.

y. PHA shall construct the Sound Barrier pursuant to improvement plans prepared by PHA and acceptable to Seabrook in its reasonable discretion, provided that the total cost of the Sound Barrier incurred by PHA shall not exceed One Million Six Hundred Thousand Dollars ($1,600,000). In the event that the Sound Barrier cannot be constructed by PHA for reasons beyond the control of either party, the parties shall attempt to determine an alternative use for the funds using the procedures set forth in Section 10 below.

d. Ponds.

i. Pond Location and Development. PHA agrees to construct detention ponds, retention ponds, and detention/retention ponds on the south border of the Terminals, as depicted on Exhibit "D" (the "Pond Areas"), when required under the Permit. The parties acknowledge that the Pond Areas shall be included in the Industrial District Property.

ii. Pond Specifications. PHA agrees that specifications for construction of the detention ponds shall comply in all respects with the specifications provided for in the Permit, and set forth in Exhibit "D."

iii. Use Restrictions. PHA agrees that the Pond Area shall be designated a special conservation area, restricted to pond use as provided for in the Permit.

5. Terminal Use and Development.

a. Terminal Use Restrictions. PHA agrees to the following matters (collectively, the "Terminal Use Restrictions") with respect to the Industrial District Property:

i. Light. Outdoor lighting improvements within the Industrial District Property shall adhere to the lighting specifications provided for in the Permit, and the specifications set forth in Exhibit "H-1."

ii. Sound. Operations equipment used within the Industrial District Property shall adhere to the sound specifications set forth in Exhibit "H-2."

iii. Container Storage. Container storage within the Industrial District Property shall adhere to the container storage specifications set forth in Exhibit "H-3."

iv. Rail. Rail operations within the Industrial District Property shall be conducted to minimize sound and related interference with Seabrook, and the parties shall reasonably cooperate to design the rail improvements and associated switchyard to minimize sound and related interference with Seabrook, provided that the rail shall be routed as provided in Section 4(c).

b. Exterior Rail Line. Seabrook agrees that PHA may locate and construct the Exterior Rail Line within Seabrook, and conduct operations on the Exterior Rail Line, subject to the terms of this Agreement.

6. Disannexation and Industrial District Agreement. In the interest of resolving the Zoning Dispute, the parties intend to take the following actions:

a. Prior to the dismissal of the Seabrook Intervention, the Seabrook Appeal and PHA conveyance to Seabrook of the Park Property, as described herein, and subject to receipt of the final legal description for the Industrial District Property, no later than December 4, 2007, Seabrook shall prepare and place on the agenda of the Council, for its consideration and action, (i) the petition of PHA for disannexation and a proposed ordinance for disannexation from Seabrook that portion of the Industrial District Property owned by PHA, (ii) a proposed ordinance (the "Industrial District Ordinance") establishing an Industrial District covering that portion of the Industrial District Property owned by PHA, and (iii) adoption of an Industrial District Agreement, in the form attached as Exhibit "J" (the "Industrial District Agreement"), with respect to such property (collectively, the "Industrial District Actions").

b. No later than thirty (30) days following PHA's notice to Seabrook that it acquired the Acryl I Property, Seabrook shall prepare and place on the agenda of the Council, for its consideration and action, (i) a proposed ordinance for disannexation from Seabrook the Acryl I Property, (ii) an amendment to the Industrial District Ordinance enlarging the previously established Industrial District to cover the Acryl I Property, and (iii) an amendment to the Industrial District Agreement with PHA to include the Acryl I Property (collectively, the "Acryl I Actions").

c. No later than thirty (30) days following PHA's notice to Seabrook that it acquired the Acryl II Property, Seabrook shall prepare and place on the agenda of the Council, for its consideration and action, (i) a proposed ordinance to disannex from Seabrook the Acryl I Property, (ii) an amendment to the Industrial District Ordinance enlarging the previously established Industrial District to cover the Acryl I Property, and (iii) an amendment to the Industrial District Agreement with PHA to include the Acryl II Property (collectively, the "Acryl II Actions").

7. Seabrook Regulation of Development and Operations.

a. Seabrook shall not impose or enact any additional conditions, exactions, improvements, dedications, rules, regulations, or official policies applicable to, or governing the development or operation of, the Berm, Trail System, Commercial Road, PHA Commercial Property, Exterior Rail Line, Pond Area, or Industrial District Property except as provided herein or in the Industrial District Agreement. To the extent that any new or amended rules, regulations, or official policies of Seabrook not specifically enumerated in this Section 7 above conflict with this Agreement or Industrial District Agreement, this Agreement or the Industrial District Agreement shall control.

b. Seabrook shall timely cooperate and process promptly any requests and applications for any necessary approvals relating to the development of the PHA Commercial Property by PHA and its successors and assigns, or otherwise provided for hereunder, in the same manner as it cooperates and processes requests and applications for similar properties owned by third parties.

c. The parties shall cooperate with respect to any future action by PHA to acquire property north of the Berm for port and terminal development and PHA's development of any such property or the Industrial District Property as provided for herein or in the Permit, or PHA's use of any such property or the Industrial District Property as a maritime terminal as provided for herein.

8. Conditions to Effectiveness of Agreement.

a. The effectiveness of this Agreement is expressly conditioned upon the occurrence of the following actions on or before the dates specified herein, or any extensions as provided for herein:

i. Approval by the Council of the Pine Gully II Agreement on or before January 22, 2008, with no conditions or stipulations unacceptable to PHA in its sole discretion.

ii. Approval by the Port Commission of the Pine Gully II Agreement on or before January 22, 2008, with no conditions or stipulations unacceptable to Seabrook in its sole discretion.

iii. To the extent permitted by law, approval by the Council of the Commercial Rezoning, on or before February 5, 2008, with no conditions or stipulations unacceptable to the PHA in its sole discretion.

iv. Approval by the Port Commission of the Industrial District Agreement on or before January 22, 2008, with no conditions or stipulations unacceptable to Seabrook in its sole discretion.

v. Approval by the Council of the Industrial District Actions, on or before January 22, 2008, with no conditions or stipulations unacceptable to the PHA in its sole discretion.

vi. Approval by the Council of the Pine Gully III Agreement on or before January 22, 2008, with no conditions or stipulations unacceptable to PHA in its sole discretion.

vii. Approval by the Port Commission of the Pine Gully III Agreement on or before January 22, 2008, with no conditions or stipulations unacceptable to Seabrook in its sole discretion.

The conditions described in Section 8(a) of this Agreement are referred to herein as the "Conditions."

b. The parties do not believe that this Agreement or any action to be taken or approved in furtherance of this Agreement is subject to stay, injunction, referendum, or appeal (any appeal rights of the parties hereto being expressly waived). If however, a court of competent jurisdiction were to determine otherwise, the effectiveness of this Agreement shall further be conditioned on the entry of a final non-appealable judgment dismissing or terminating such injunction, stay, or referendum, or upon confirmation of this Agreement in an appropriate referendum election, provided however that PHA shall have the right in its sole discretion to waive this condition at any time and from time to time.

c. Subject to the provisions of Section 8(b) of this Agreement, the Conditions may only be waived or extended by written agreement of the parties; provided, however, that either party may, in its sole and unfettered discretion, extend the date for the other party's compliance with the Conditions by written notification of such extension.

d. In the event of failure of a Condition which has not been waived, this Agreement shall be void and of no force or effect. In such circumstances, the parties shall take all actions and execute all documents, instruments and stipulations (and instruct their counsel to take all actions and to execute all documents, instruments and stipulations), necessary to restore to parties, to the extent practicable, to the status quo existing prior to execution of this Agreement, and neither this Agreement nor the negotiations which led to the execution of such agreements, shall be admissible in

any action involving the parties (including Acryl I Suit, the Acryl II Suit, and the Seabrook Appeal) other than an action to enforce, or to declare the rights of the parties, under this Agreement.

e. The date upon which all conditions (including, without limitation, the Conditions) to effectiveness of this Agreement have been satisfied or fulfilled is referred to in this Agreement as the "Effective Date."

9. Mutual Releases.

a. Releases, representations and covenants.

i. To the extent permitted by the Constitution and the laws of the State of Texas, Seabrook for itself and its officials, employees, agents, representatives, successors and assigns and each of them (the "Seabrook Releasors") hereby releases, acquits and forever discharges the PHA and its officials, employees, agents, representatives, successors, and assigns, and each of them (the "Seabrook Releasees") of and from any and all alleged claims, demands, charges, accounts, obligations, liabilities, causes of action, sums of money, and other claims of every kind and nature, now in existence, whether known or unknown, and whether anticipated or unanticipated, which the Seabrook Releasors have or may now claim to have or may hereinafter claim to have against the Seabrook Releasees with respect to the Seabrook Intervention, the Seabrook Appeal, the Pine Gully Dispute, and the Zoning Dispute (collectively, the "Released Matters"). Seabrook hereby covenants for itself and the Seabrook Releasors not to bring any claims, actions, suits, or proceedings, in law or in equity, against the Seabrook Releasees, arising out of the Released Matters.

ii. To the extent permitted by the Constitution and the laws of the State of Texas, the PHA for itself and its officials, employees, representatives, successors and assigns and each of them (the "PHA Releasors"), hereby releases, acquits and forever discharges Seabrook and its officials, employees, agents, representatives, successors and assigns, and each of them (the "PHA Releasees"), of and from any and all alleged claims, demands, charges, accounts, obligations, liabilities, causes of action, sums of money, and other claims of every kind and nature, now in existence, whether known or unknown, and whether anticipated or unanticipated, which the PHA Releasors have or may now claim to have or may hereinafter claim to have against the PHA Releasees with respect to the Released Matters. PHA hereby covenants for itself and the PHA Releasors not to bring any claims, actions, suits, or proceedings, in law or in equity, against the PHA Releasees, arising out of the Released Matters.

iii. Notwithstanding anything in Sections 9(a)(i) and (ii) to the contrary, the covenants contained in this Agreement shall survive the Effective Date, and are specifically excluded from coverage of any and all of the releases contained in this Agreement.

iv. Each party hereby represents and warrants to the other that as of the Effective Date, it does not know of any claims it may have against the other with respect to the Released Matters except as expressly provided in this Agreement.

v. Each party represents and warrants that it has relied wholly upon its judgment, belief and knowledge of, and the full and complete legal advice of counsel, as to the existence, nature, extent or duration of any claim, demand, debt, cause of action, rights, agreements or promises

that it may have against the other or released herein, or regarding any other matters, made by the other, or by any other persons representing the other, or by any other person, except as otherwise set forth herein.

b. Additional Facts. The parties hereto and each of them acknowledges that they may hereafter discover facts different from or in addition to those which they know or believe to be true with respect to all or any of the claims, causes of action, costs or demands herein released. However, the parties hereto and each of them agree these mutual releases shall be and remain effective in all respects, notwithstanding the discovery of such different or additional facts.

10. Cooperation and Alternative Dispute Resolution.

a. To further the commitment of the parties to cooperate in the implementation of this Agreement, upon the request of either party, Seabrook and PHA shall each designate and appoint a representative to act respectively on behalf of Seabrook and PHA, except as otherwise provided in this Agreement or by law. The initial representative for Seabrook shall be [Chuck Pinto,] and the initial representative for PHA shall be [Charlie Jenkins.] Each party may identify alternative representatives from time to time. The representatives shall be available at all reasonable times to discuss and review the performance of the parties to this Agreement, and shall cooperate in order to facilitate any third party action needed to complete the actions contemplated by this Agreement.

b. If an impasse or dispute arises out of or relates to this Agreement, or the breach thereof, the parties shall first try in good faith to settle the dispute by negotiation. In the event of any such negotiation, the parties shall personally meet in an effort to resolve such dispute within twenty (20) days of written request to do so by either Seabrook or PHA.

c. In the event the parties cannot, within a reasonable time, resolve any impasse or dispute pursuant to the procedures set forth in Sections 10(a) and 10(b), the parties shall submit the disputed issue to non-binding mediation. The parties shall try in good faith to settle the dispute by mediation, but in no event shall they be obligated to pursue mediation that does not resolve the issue within thirty (30) days after the mediation is initiated or sixty (60) days after mediation is requested. The parties shall share the costs of the mediation equally.

d. Upon a failure or unreasonable delay by either party to perform or otherwise act in accordance with any term or provision of this Agreement, and failure of the procedures set forth in Sections 10(a), 10(b), and 10(c), the other party may give written notice of default specifying the nature of the failure or delay and the manner in which it may be satisfactorily cured, if possible. In the event such failure or delay is not cured within ten (10) days after such notice, the party receiving such notice shall be in default hereunder, and the non-defaulting party shall have all rights and remedies that may be available at law or in equity against the party in default hereunder.

11. Notices and Filings.

a. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in

writing and delivered personally or sent by telephonic facsimile or registered or certified United States Mail, postage prepaid, if to:

Seabrook, the Council, and the Seabrook City Secretary:	Seabrook City Secretary City of Seabrook 1700 1st St Seabrook, TX 77586 Fax No. (281) 291-5600
With a copy to:	City Attorney Steven L. Weathered Ross, Banks, May, Cron & Cavin, P.C. 2 Riverway, Suite 700 Houston, Texas 77056-1918 Fax No. (713) 623-6014
PHA:	111 East Loop North Houston, Texas 77029 Attention: Executive Director Fax No. (713) 670-2429

or to such other addresses as either party hereto may from time to time designate in writing and deliver in a like manner.

b. Mailing or Facsimile Effective. Notices, filings, consents, approvals, and communications given by mail or facsimile shall be deemed delivered twenty-four (24) hours following deposit in the U.S. mail, postage prepaid and addressed as set forth above, or confirmation of facsimile delivery to the telephone number set forth above.

12. General Provisions.

a. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Seabrook or PHA of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

b. Headings. The descriptive headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

c. Exhibits. Any exhibit attached hereto shall be deemed to have been incorporated herein by this reference with the same force and effect as if fully set forth in the body hereof.

d. Further Acts. Each of the parties hereto shall execute, acknowledge and deliver all such documents, instruments, stipulations, and affidavits and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

e. Texas Local Government Code Chapter 245. Seabrook agrees that this Agreement shall be considered a "permit" filed on the Effective Date (as defined herein), under Texas Local Government Code Chapter 245, with respect to the PHA Commercial Property.

f. Third Parties. No term or provision of this Agreement is intended to or shall be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

g. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

h. Amendments. No change or addition shall be made to this Agreement except by a written amendment executed by the parties hereto. Any such amendment shall be adopted by Seabrook ordinance or resolution, and Port Commission action.

i. Approvals. Each of the parties respectively represents and warrants to the other that all approvals or consents necessary to the effectiveness of this Agreement have been granted or obtained.

j. Authority. Each party hereby represents that:

i. Each party has complied or shall timely comply with all applicable laws and has taken or shall take all necessary steps, including without limitation, the holding of all required public hearings, to enter into this Agreement and obligate itself hereunder.

ii. Each party has the authority to enter into this Agreement and comply with its requirements.

iii. The individuals executing this Agreement on behalf of the respective parties is authorized and empowered to bind the party on whose behalf each such individual is signing.

k. Severability. Except for the conditions to effectiveness of this Agreement set forth in Section 8, if any other provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect and this Agreement shall be deemed reformed to replace the void or unenforceable provision with a valid and enforceable provision as similar as possible in effect to the void or unenforceable provision. The parties shall meet and confer as soon as practicable for the purpose of drafting, in good faith, the substitute provision. If an applicable law or court of competent jurisdiction prohibits or excuses either party from undertaking any contractual commitment to perform an act hereunder, this

Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit such party to take such action at its discretion. If, however, such party fails to take the action required hereunder, the other shall be entitled (subject to, and in addition to the remedies provided in Section 10) to terminate this Agreement. Further, in the event that this Agreement is terminated for any reason, including any of the reasons contemplated and described herein, after Seabrook has dismissed its claims as specified in Section 1 of this Agreement, the parties agree that Seabrook's dismissal is provided as consideration for PHA's transfer of certain Park Property as described in Section 3 of this Agreement, and PHA shall effectuate such transfer in accordance with the terms and restrictions described in Section 3. In that event, Section 3 shall survive termination of this Agreement.

l. Time of Essence. Time is of the essence of this Agreement and each provision hereof.

m. Counterparts. This Agreement may be signed in counterparts, and the fully executed counterparts shall together constitute a single original Agreement.

n. Attorneys' Fees. Each party shall bear its own costs and attorneys' fees in the Acryl I Suit and the Seabrook Appeal and its own costs and attorneys' fees in connection with the negotiation and drafting of this Agreement.

IN WITNESS WHEREOF, this instrument has been executed in multiple counterparts by the parties as of the Approval Date, to be effective upon the Effective Date.

ATTEST:

Michele L. Glaser
City Secretary

CITY OF SEABROOK, TEXAS

By: _____
Robin C. Riley
Mayor

Date: _____

APPROVED AS TO FORM:

Steven L. Weathered
City Attorney

PORT OF HOUSTON AUTHORITY

By: _____
H. Thomas Kornegay
Executive Director

Date: _____

APPROVED AS TO FORM:

Erik A. Eriksson
General Counsel

APPROVED AS TO CONTENT:

Charlie Jenkins
Director of Planning and Environment

Table of Exhibits

Exhibit "A"	Bayport Property Map, also depicting Acryl I Property Acryl II Property Park Property Industrial District Property Trail System Area PHA Commercial Property
Exhibit "B"	Pine Gully Map
Exhibit "B-1"	Pine Gully Phase IV Criteria
Exhibit "C"	Park Property Legal Description and Survey
Exhibit "D"	Bayport Land Use Map, also depicting Sound Barrier West Berm East Berm Commercial Road (i.e. "Cruise Terminal Access Road") Pond Areas
Exhibit "E"	Off-Site Rail Map, also depicting Sound Barrier West Berm Portion of East Berm Portion of Commercial Road (i.e. "Prop. Cruise Road")
Exhibit "F"	Berm Specifications
Exhibit "G"	Commercial Road Specifications
Exhibit "H-1"	Lighting Specifications
Exhibit "H-2"	Equipment Sound Specifications
Exhibit "H-3"	Container Storage Specifications
Exhibit "I"	Form of Industrial District Agreement

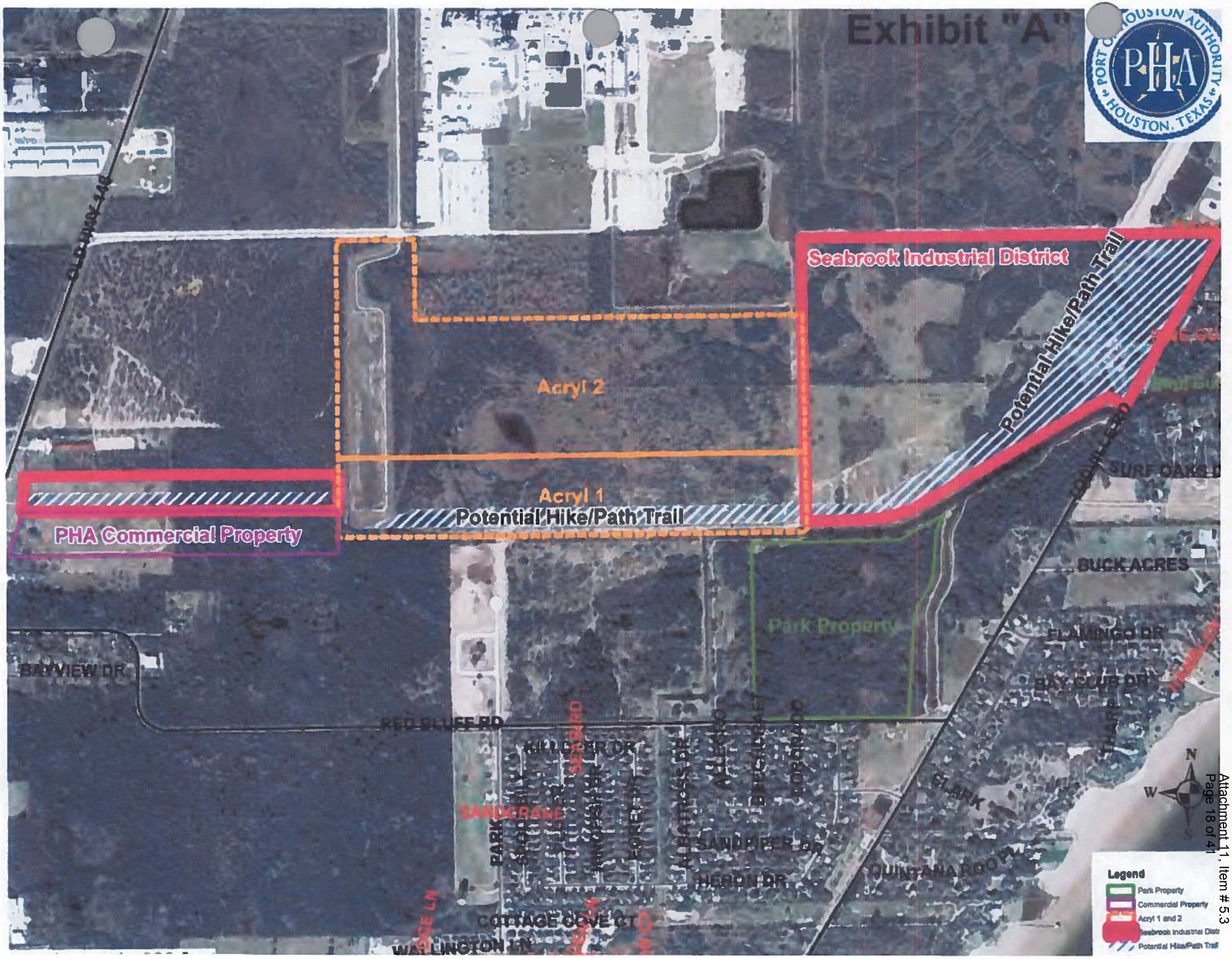


Exhibit "A"
PORT OF HOUSTON AUTHORITY
PHA
HOUSTON, TEXAS
Seabrook Industrial District
Potential Hike/Path Trail
Acryl 2
Acryl 1
Potential Hike/Path Trail
PHA Commercial Property
Park Property
BUCK ACRES
FLAMINGO DR
BAY CLUB DR
BAYVIEW DR
RED BLUFF RD
SEABIRD
SANDGRAND
SANDPIPER
HERON DR
QUINTANA RD
COTTAGE COVE CT
WALLINGTON LN
SURF OAKS
N
W
Legend
Park Property
Commercial Property
Acryl 1 and 2
Seabrook Industrial Dist
Potential Hike/Path Trail

Exhibit "B"
PORT OF HOUSTON AUTHORITY
PHA
HOUSTON, TEXAS
PINE GULLY
Pine Gully
GODWILL RD
SURF OAKS DR
SURF OAKS DR
BUCK ACRES
1 inch equals 300 feet
N
W
E
S

EXHIBIT B-1

Pine Gully Phase 4 Criteria

1) Based on topographic/hydrographic surveys, the Gully main channel or north branch is blocked at any cross-section with less than a 15 ft width in main channel or 5 ft width in north branch below the mean lower low water (MLLW) datum.

2) Based on topographic/hydrographic surveys, the Gully main channel has an average depth of less than 2 ft MLLW for reach from mouth of Galveston Bay to the bend just east of Todville Road or the north branch has an average depth of less than 1 ft MLLW for reach from Pine Gully Road to main channel.

3) Shoaling occurs which substantially (>60% of cross-sectional area) blocks the culverts under Pine Gully Road.

4) Based on georeferenced aerial or satellite photos ground-truthed by biological surveys, shoaling causes significant (>50% aerial extent) loss of established wetland vegetation (vegetation which has been in place for at least 6 months).

These criteria are based on biannual monitoring topographic/hydrographic and biological surveys performed during the first three years of the project. If the surveys show that any one of the four above criteria have been met for two consecutive surveys (12 months) then further assessment of the issue and its cause, and possible restoration work will be triggered, unless the sedimentation is directly attributable to a tropical storm or hurricane.

EXHIBIT C

METES AND BOUNDS
41.194 ACRES OUT OF THE
RITSON MORRIS SURVEY A-52

A tract of land containing 41.194 acres being out of a called 500 acre tract as described in Harris County Clerk's File No. P201191 and being located in the Ritson Morris Survey, Abstract No. 52, Harris County, Texas and being more particularly described by metes and bounds as follows;

BEGINNING, at a found five eighths inch iron rod marking the southwest corner of a called 19.184 acre tract as described in Harris County Clerk's File No. R714160 and being the southeast corner of said called 500 acre tract and being in the north line of Red Bluff Road (60 feet wide);

1. THENCE, South 86 degrees 50 minutes 39 seconds West, along the north line of said Red Bluff Road and the south line of said called 500 acre tract, for a distance of 1296.55 feet to a set five eighths inch iron rod with cap stamped "CCI" marking the southwest corner of said called 500 acre tract and the southeast corner of a called 3.05 acre tract as described in Harris County Clerk's File No. X911771, from which a found five eighths inch iron rod with cap bears South 88 degrees East, 0.50 feet;

2. THENCE, North 03 degrees 07 minutes 07 seconds West, along the west line of said called 500 acre tract, for a distance of 1324.83 feet to a set five eighths inch iron rod with cap stamped "CCI" in the south line of a Harris County Flood Control District Easement and Right-of-way as described in Harris County Clerk's File No. D193039;

3. THENCE, North 86 degrees 55 minutes 53 seconds East, along the south line of said Harris County Flood Control District Easement and Right-of-way, for a distance of 1139.04 feet to a set five eighths inch iron rod with cap stamped "CCI";

4. THENCE, North 57 degrees 29 minutes 14 seconds East, continuing along the Harris County Flood Control District Easement and Right-of-way, for a distance of 389.44 feet to a found five eighths inch iron rod with cap stamped "CCI", in the westerly line of said called 19.184 acre tract, from which a found five eighths inch iron rod bears South 41 degrees West, 0.6 feet and a found five eighths inch iron rod bears South 33 degrees West, 1.9 feet;

5. THENCE, South 27 degrees 03 minutes 51 seconds West, along the westerly line of said called 19.184 acre tract for a distance of 30.20 feet (called 29.56 feet) to a found five eighths inch iron rod being the beginning of a tangent curve to the left;

6. THENCE, continuing along the westerly line of said called 19.184 acre tract and following the curve to the left, having a radius of 300.00 feet an chord bearing of South

12 degrees 03 minutes 51 seconds West, a chord length of 155.29 feet for an arc length of 157.08 feet to a found five eighths inch iron rod with cap;

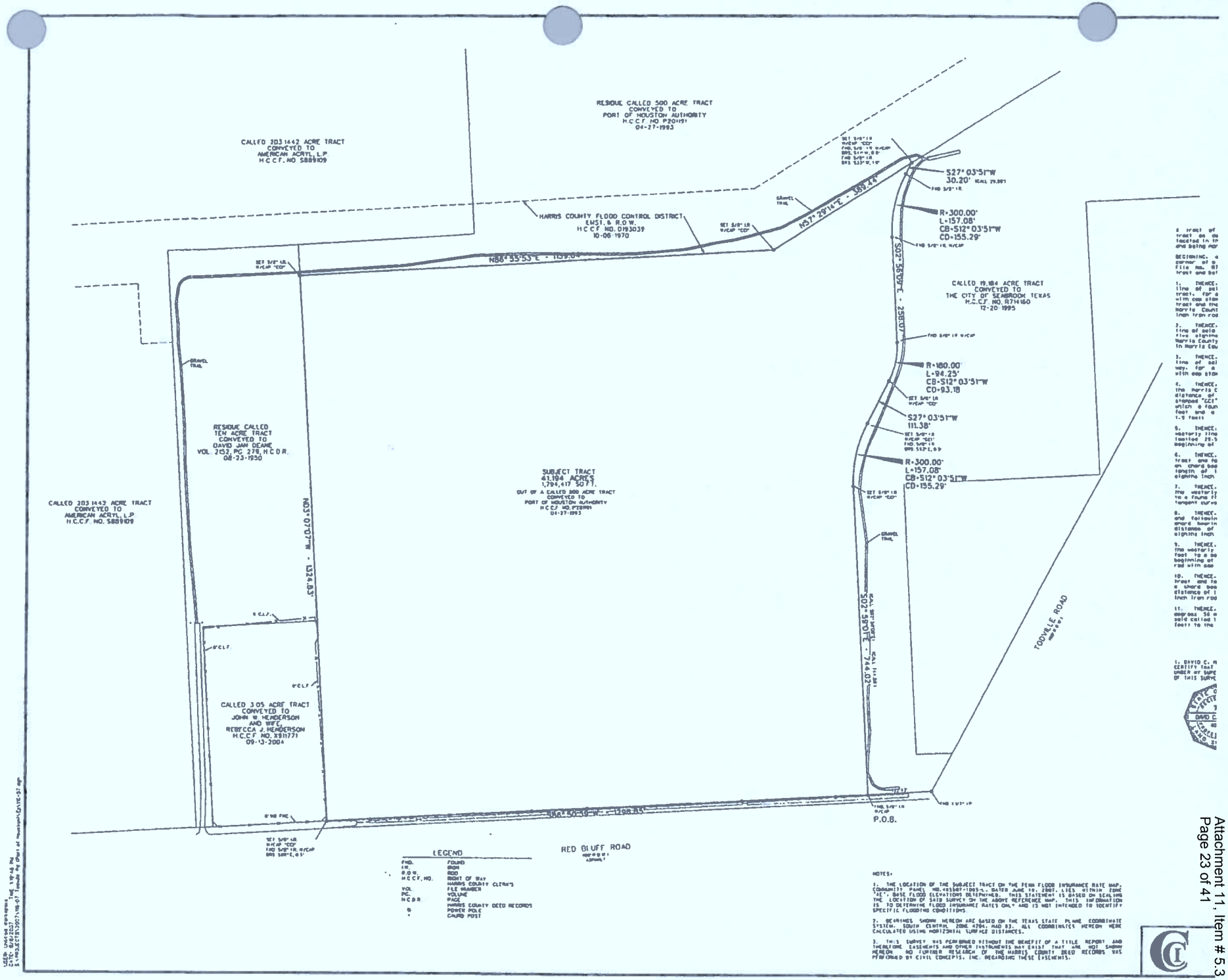
7. THENCE, South 02 degrees 56 minutes 09 seconds East, continuing along the westerly line of said 19.184 acre tract, for a distance of 258.07 feet to a found five eighths inch iron rod with cap and being the beginning of a tangent curve to the right;

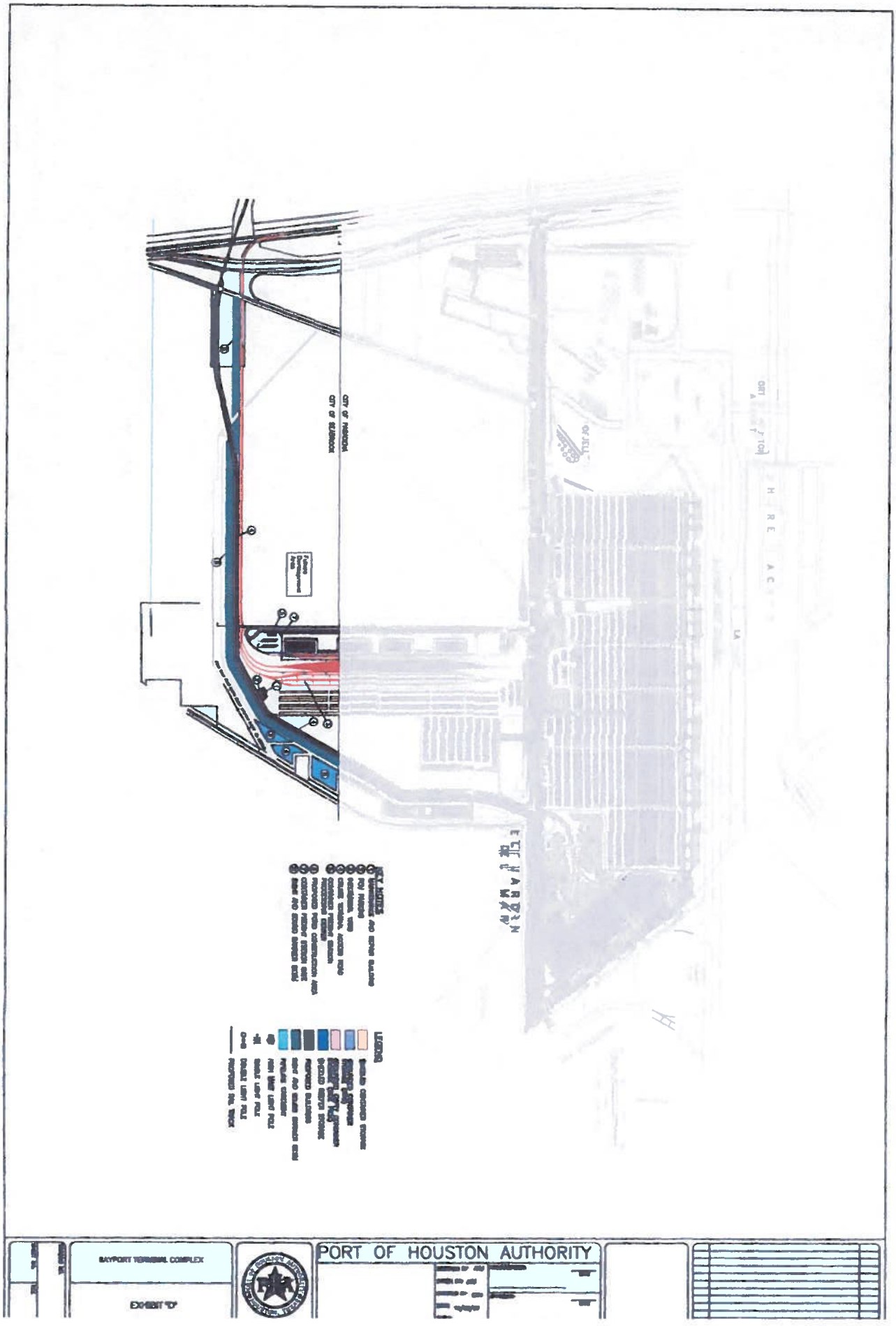
8. THENCE, continuing along the westerly line of said 19.184 acre tract and following the curve to the right, having a radius of 180.00 feet, a chord bearing of South 12 degrees 03 minutes 51 seconds West, a chord distance of 93.18 feet, for an arc length of 94.25 feet to a set five eighths inch iron rod with cap stamped "CCI";

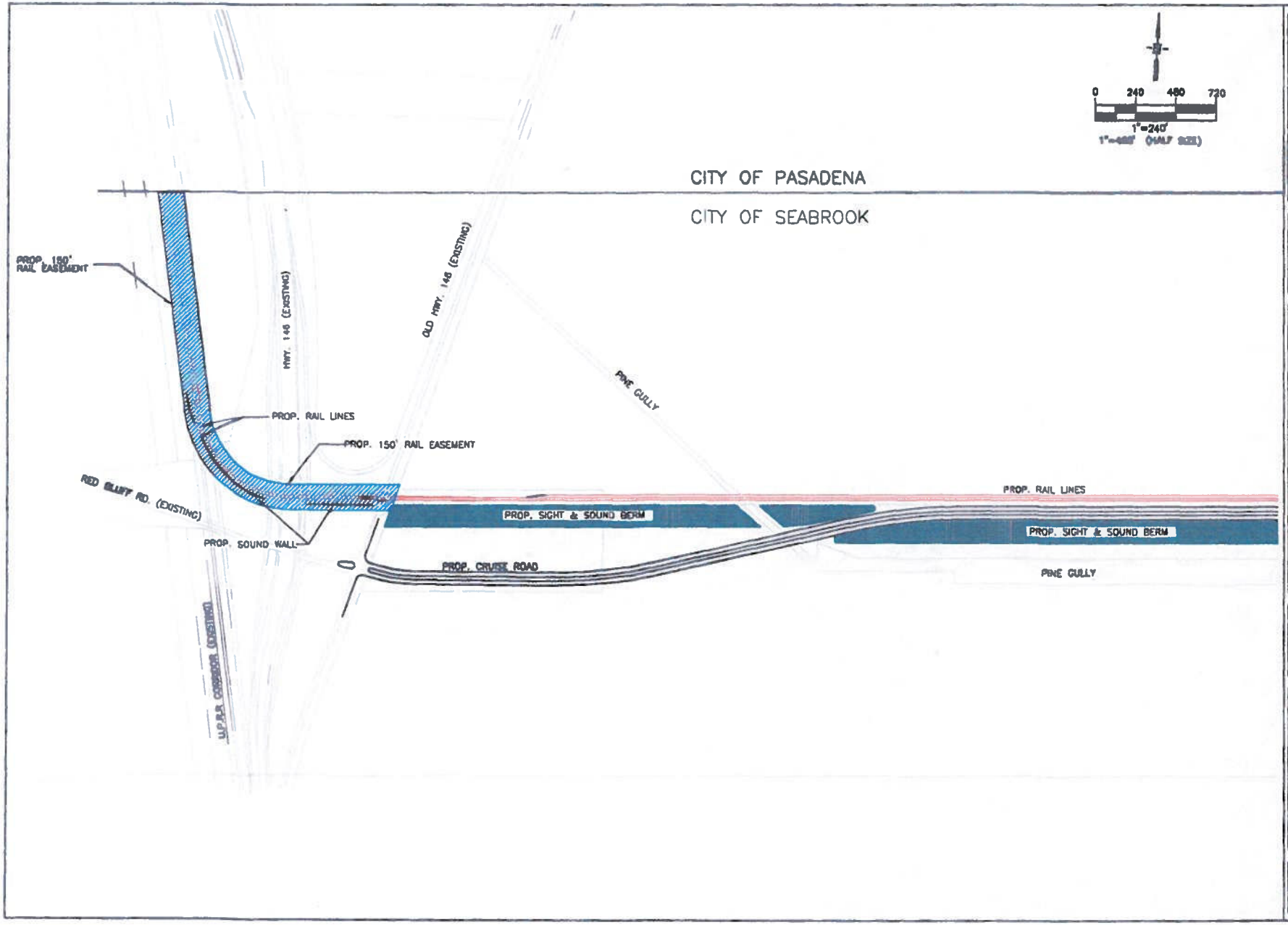
9. THENCE, South 27 degrees 03 minutes 51 seconds West, continuing along the westerly line of said called 19.184 acre tract for a distance of 111.38 feet to a set five eighths inch iron rod with cap stamped "CCI" being the beginning of a curve to the left, from which a found five eighths inch iron rod with cap bears South 53 degrees East, 0.9 feet;

10. THENCE, continuing along the westerly line of said called 19.184 acre tract and following the curve to the left, having a radius of 300.00 feet, a chord bearing of South 12 degrees 03 minutes 51 seconds West, a chord distance of 155.29, for an arc length of 157.08 feet, to a set five eighths inch iron rod with cap stamped "CCI";

11. THENCE, South 02 degrees 59 minutes 01 seconds East (called South 02 degrees 56 minutes 09 seconds East) continuing along the westerly line of said called 19.184 acre tract, for a distance of 744.02 feet (called 744.58 feet) to the POINT OF BEGINNING.


RESIDUE CALLED 500 ACRE TRACT
CONVEYED TO
PORT OF HOUSTON AUTHORITY
H.C.C.F. NO. P201191
04-27-1993
CALLED 203.1442 ACRE TRACT
CONVEYED TO
AMERICAN ACRYL, L.P.
H.C.C.F. NO. S889109
HARRIS COUNTY FLOOD CONTROL DISTRICT
EMST. & R.O.W.
H.C.C.F. NO. D193039
10-06-1970
N57°29'14"E - 389.44'
N86°55'53"E - 1139.04'
S27°03'51"W
30.20'
R=300.00'
L=157.08'
CB=S12°03'51"W
CD=155.29'
S02°56'09"E - 258.07'
CALLED 19.184 ACRE TRACT
CONVEYED TO
THE CITY OF SEABROOK TEXAS
H.C.C.F. NO. R714160
12-20-1995
R=180.00'
L=94.25'
CB=S12°03'51"W
CD=93.18
S27°03'51"W
111.38'
R=300.00'
L=157.08'
CB=S12°03'51"W
CD=155.29'
RESIDUE CALLED
TEN ACRE TRACT
CONVEYED TO
DAVID JAN DEANE
VOL. 2152, PG. 279, H.C.D.R.
08-23-1950
SUBJECT TRACT
41.194 ACRES
1,794,417 SQ.FT.
OUT OF A CALLED 500 ACRE TRACT
CONVEYED TO
PORT OF HOUSTON AUTHORITY
H.C.C.F. NO. P201191
04-27-1993
CALLED 203.1442 ACRE TRACT
CONVEYED TO
AMERICAN ACRYL, L.P.
H.C.C.F. NO. S889109
N03°07'07"W - 1324.83'
S02°59'01"E - 744.02'
TODDVILLE ROAD
CALLED 3.05 ACRE TRACT
CONVEYED TO
JOHN W. HENDERSON
AND WIFE,
REBECCA J. HENDERSON
H.C.C.F. NO. X911771
09-13-2004
P.O.B.
RED BLUFF ROAD
LEGEND
FND. FOUND
IR. IRON
R.O.W. ROD
H.C.C.F. NO. RIGHT OF WAY
HARRIS COUNTY CLERK'S
VOL. FILE NUMBER
PG. VOLUME
H.C.D.R. PAGE
HARRIS COUNTY DEED RECORDS
POWER POLE
CAUTION POST
NOTES:
1. THE LOCATION OF THE SUBJECT TRACT ON THE FEMA FLOOD INSURANCE RATE MAP, COMMUNITY PANEL NO. 4835071-1005-L, DATED JUNE 18, 2007, LIES WITHIN ZONE "AE", BASE FLOOD ELEVATIONS DETERMINED. THIS STATEMENT IS BASED ON SCALING THE LOCATION OF SAID SURVEY ON THE ABOVE REFERENCE MAP. THIS INFORMATION IS TO DETERMINE FLOOD INSURANCE RATES ONLY AND IS NOT INTENDED TO IDENTIFY SPECIFIC FLOODING CONDITIONS.
2. BEARINGS SHOWN HEREON ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE 4204, NAD 83. ALL COORDINATES HEREON WERE CALCULATED USING HORIZONTAL SURFACE DISTANCES.
3. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND THEREFORE EASEMENTS AND OTHER INSTRUMENTS MAY EXIST THAT ARE NOT SHOWN HEREON. NO FURTHER RESEARCH OF THE HARRIS COUNTY DEED RECORDS WAS PERFORMED BY CIVIL CONCEPTS, INC. REGARDING THESE EASEMENTS.


PORT OF HOUSTON AUTHORITY
BAYPORT TERMINAL COMPLEX
EXHIBIT "D"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1"=240'
CITY OF PASADENA
CITY OF SEABROOK
PROP. 150' RAIL EASEMENT
HWY. 146 (EXISTING)
OLD HWY. 146 (EXISTING)
PINE GULLY
PROP. RAIL LINES
PROP. 150' RAIL EASEMENT
RED GULLY RD. (EXISTING)
PROP. RAIL LINES
PROP. SIGHT & SOUND BERM
PROP. SIGHT & SOUND BERM
PROP. SOUND WALL
PROP. CRUISE ROAD
PINE GULLY
U.P.R.R. CORRIDOR (EXISTING)
PORT OF HOUSTON AUTHORITY

EXHIBIT "F" - RAILROAD CORRIDOR-CRUISE ROAD-BERM CROSS SECTION

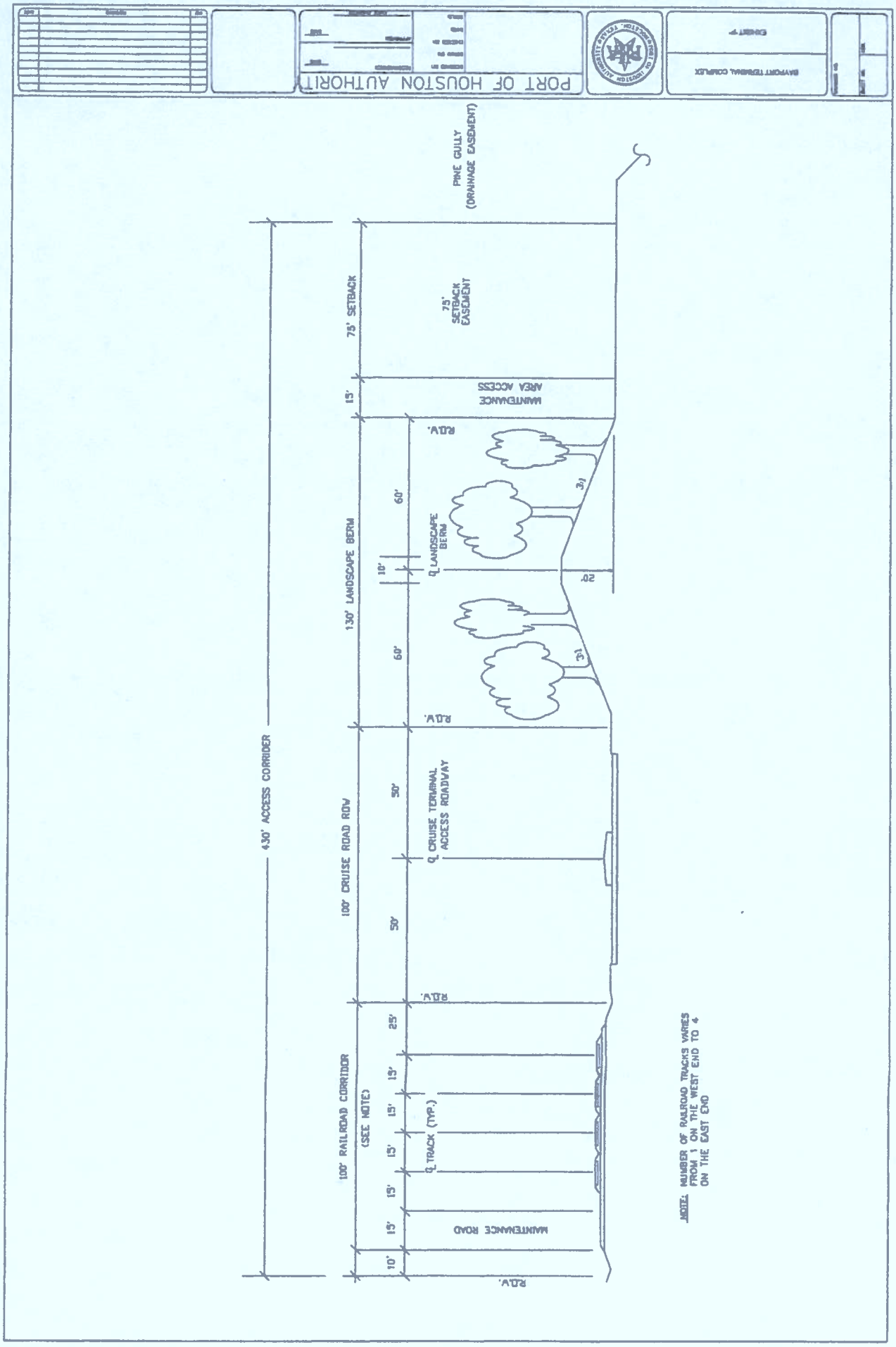


EXHIBIT "F" - CRUISE ROAD - BERM - DETENTION POND CROSS SECTION

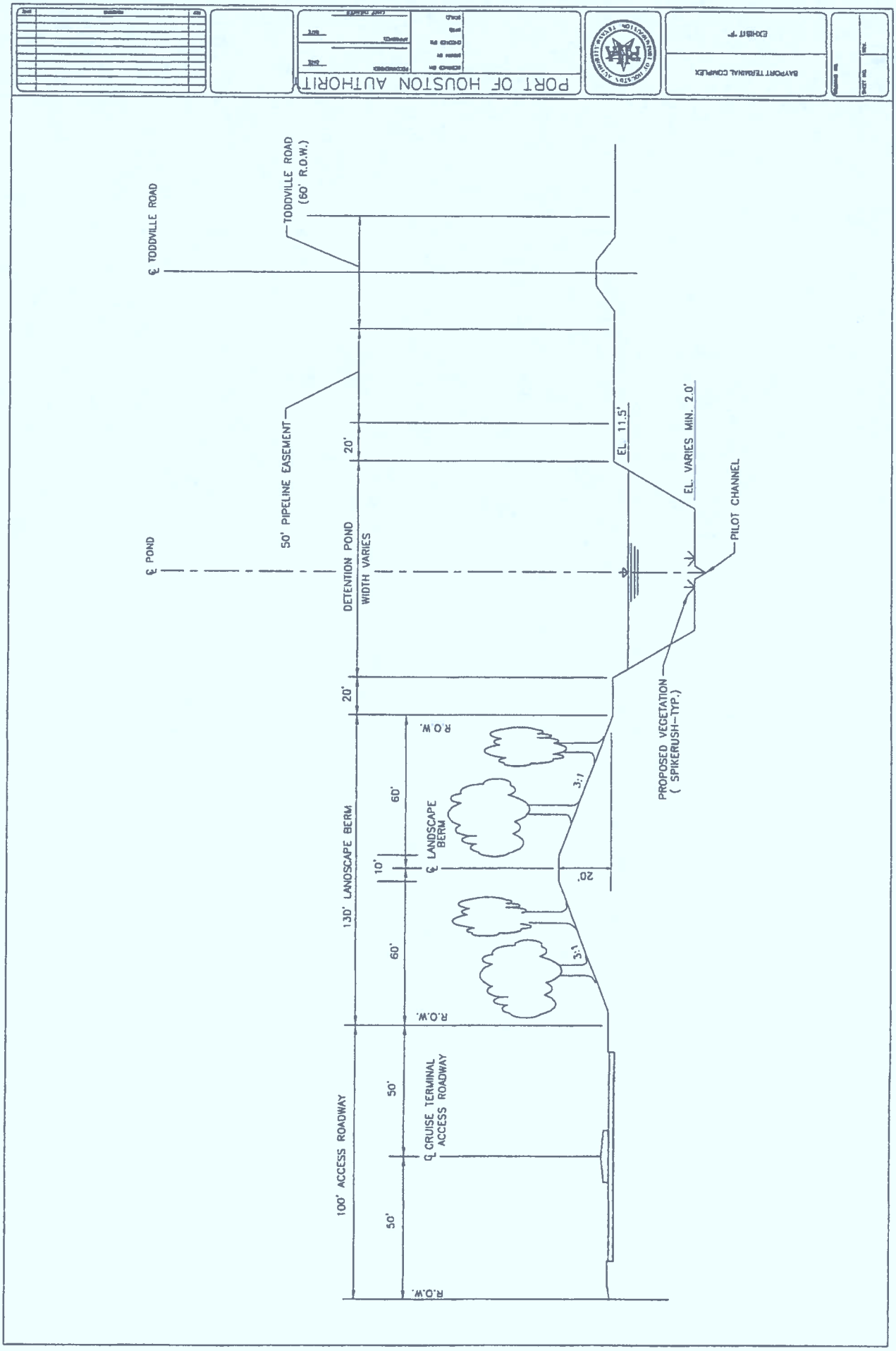


EXHIBIT "F" - CONCEPTUAL LANDSCAPE BERM PLANTING PLAN

PLANT PALETTE

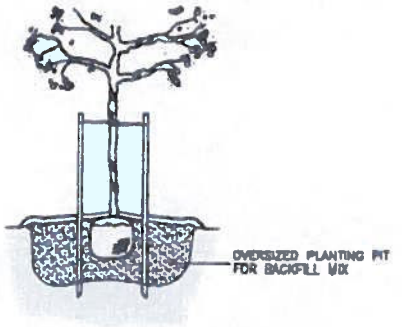
EVERGREEN TREES
- CHERRY LAUREL – PRUNUS CAROLINIANA
- LIVE OAK – QUERCUS VIRGINIANA
- LOBLOLLY PINE – PINUS TAEDA
- SAVANNAH HOLLY – ILEX X ATTENUATA 'SAVANNAH'

DECIDUOUS TREES
- BALD CYPRESS – TAXODIUM DISTICHUM
- BUR OAK – QUERCUS MACROCARPA
- CEDAR ELM – ULMUS PUMILA
- MEXICAN PLUM – PRUNUS MEXICANA
- SHUMARD OAK – QUERCUS SCHUMARDII
- WATER OAK – QUERCUS NIGRA
- WILLOW OAK – QUERCUS PHELLOS

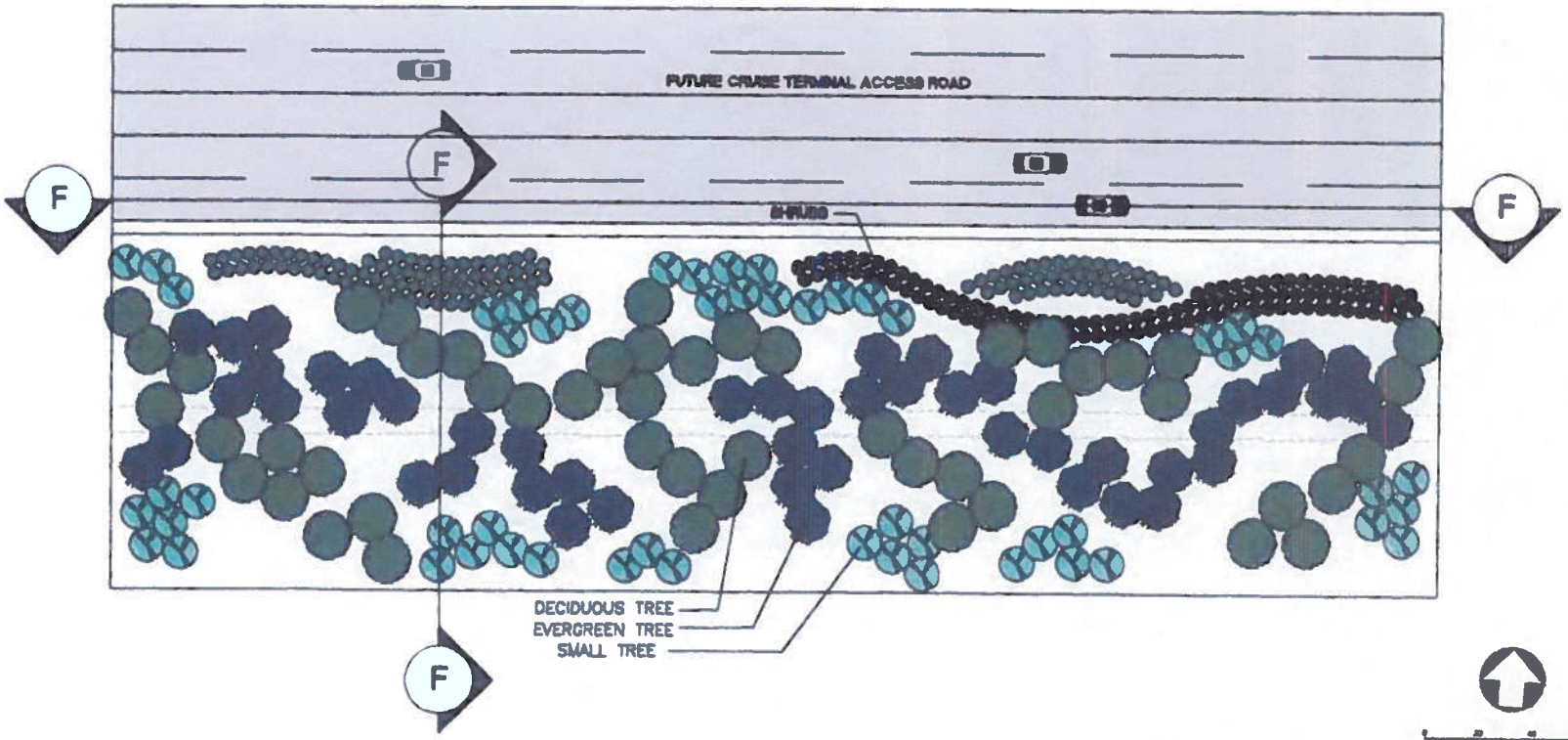
EVERGREEN SHRUBS
- DWARF BURFORD HOLLY – ILEX CORNUTA 'BURFORDII'
- DAHOON HOLLY – ILEX CASSINE 'DAHOON'
- ELEAGNUS – ELEAGNUS PUNGENS
- FOSTER'S HOLLY – ILEX X ATTENUATA 'FOSTERI'
- TEXAS SAGE – LEUCOPHYLLUM FRUTESCENS
- WAX MYRTLE – MYRICA CERIFERA
- YAUPON – ILEX VOMITORIA

DECIDUOUS SHRUBS
- AMERICAN BEAUTYBERRY – CALLICARPA AMERICANA VAR. AMERICANA
- CHASTE TREE – VITEX AGNUS CASTUS
- DECIDUOUS HOLLY – ILEX DECIDUA
- PINK PEPPERBUSH – CLETHRA ALNIFOLIA
- SWEETSPIRE – ITEA VIRGINICA

HERBACEOUS LAYER
- BAMBOO MUHLY – MUHLENBERGIA DUMOSA
- BIG BLUESTEM – ANDROPOGON GERARDII
- CORALBEAN – ERYTHRINA HERBACEA
- GULF COAST MUHLY – MUHLENBERGIA CAPILLARIS
- INLAND SEA OATS – CHASMANTHIUM LATIFOLIUM
- MAIDEN GRASS – MISCANTHUS SINENSIS 'GRACILLIMUS'
- MEXICAN FEATHER GRASS – STIPA TINUSSIMA
- TEXAS WAX MALLOW – MALVAVISCUS ARBOREUS



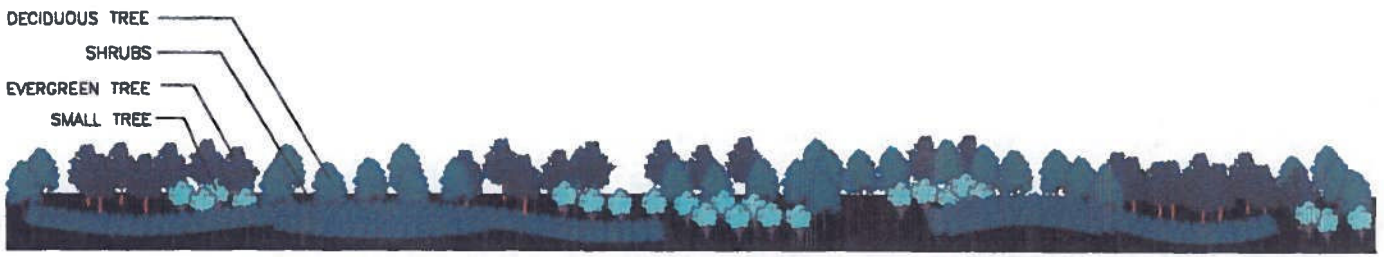
TYPICAL TREE PLANTING

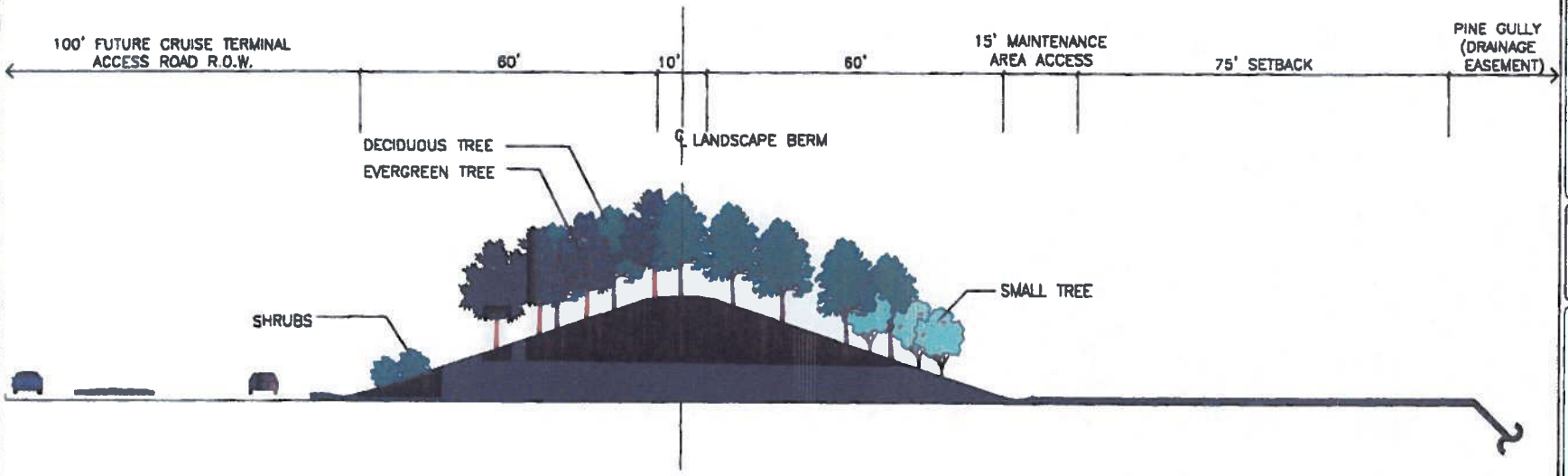


PORT OF HOUSTON AUTHORITY

BAYPORT TERMINAL COMPLEX

EXHIBIT "F" - CONCEPTUAL LANDSCAPE BERM ELEVATION AND SECTION





PORT OF HOUSTON AUTHORITY

BAYPORT TERMINAL COMPLEX

EXHIBIT "F"

EXHIBIT G
BERM-COMMERCIAL ZONE-CRUISE ROAD CROSS SECTION

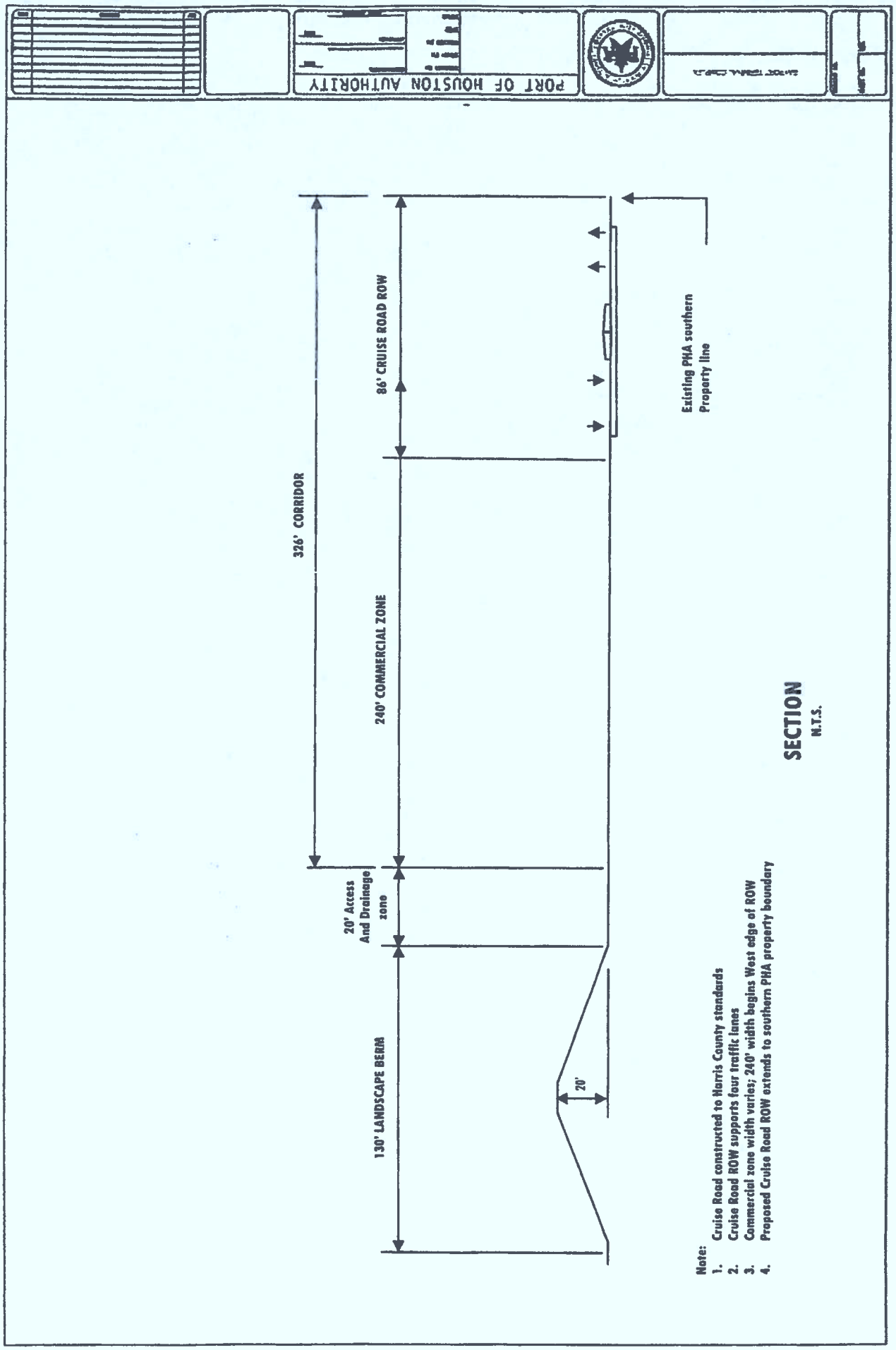


EXHIBIT H-1

Lighting Specifications

The design elements have been developed to minimize glare, light spill, light trespass, and light pollution to surrounding areas, especially residential areas. These elements are:

All high mast lighting fixtures will be of the "dark sky" type developed by major manufacturers.

All high mast lighting will incorporate the use of either light shields or compact bulbs solutions to avoid changes to lighting conditions to Seabrook.

During the lighting design, an effort would be made to control light rays to avoid unacceptable light trespass or pollution while adhering to these general lighting criteria.

EXHIBIT H-2

Equipment Sound Specifications

Excessive Noise will be prohibited from 10:00 p.m. to 7:00 a.m. during construction. Excessive noise, in this case, is defined as +55 dBA L_{eq} (h) (hourly equivalent sound level) or 5 dBA above the ambient sound level where the ambient sound level is less than 50 dBA L_{eq} (h). This limit will be applied at the property line of the noise receptor. Reports of non-compliance will be referred to the appropriate local authorities for investigation and resolution.

EXHIBIT H-3

Container Storage Specifications

Containers shall be stored at the Terminal within Seabrook so as not to be visible to a normal adult observer standing on Todville Road or Red Bluff Road within Seabrook, once the Berm is constructed and landscaped as required in the Agreement.

EXHIBIT I
INDUSTRIAL DISTRICT AGREEMENT
CITY OF SEABROOK AND PORT OF HOUSTON AUTHORITY

This Industrial District Agreement (the "Agreement") is entered into as of the date last set forth beneath the parties' signatures below (the "Effective Date"), by and between the City of Seabrook, Texas, a municipal corporation ("Seabrook"), and the Port of Houston Authority of Harris County, Texas, a governmental subdivision of the State of Texas ("PHA"), with reference to the following:

A. It is established policy of the City Council of Seabrook to adopt reasonable measures permitted by law, which will enhance the economic stability and growth of Seabrook and its environs, and such policy is hereby reaffirmed and adopted by the Seabrook City Council as being in the best interest of Seabrook and its citizens.

B. Pursuant to that certain Memorandum of Settlement Agreement, which was approved by the parties _____, 2007 (the "Memorandum of Settlement Agreement"), Seabrook and PHA have undertaken to finally settle and resolve certain disputes between them on the terms set forth therein. In consideration therewith, Seabrook has disannexed certain property owned by PHA as more particularly described in Exhibit "A" (the "Industrial District Property") as established by Ordinance __-__, and designated the Industrial District Property as the City of Seabrook Industrial District (the "PHA Industrial District"), as established by Ordinance __-__, and the parties intend to enter into an Industrial District Agreement, in order to establish certain guidelines, standards, and agreements to govern improvement and use of the Industrial District Property.

C. Pursuant to said policy, the Memorandum of Settlement Agreement, and the provisions of Local Government Code §42.044, Seabrook desires to enter into this Agreement with PHA pursuant to Resolution adopted by Seabrook and recorded in the official minutes of Seabrook.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seabrook and PHA agree as follows:

1. Industrial District Property Status. Seabrook covenants and agrees that during the term of this Agreement, and subject to the terms and provisions of this Agreement, the Industrial District Property shall continue and retain its extraterritorial status within the Industrial District. Seabrook does further covenant and agree that the Industrial District Property shall be immune from annexation by Seabrook during the term of this Agreement, subject to the provisions of this Agreement.

2. Term. The term of this Agreement shall be fifteen (15) years, beginning on the Effective Date, unless extended for additional period or periods of time upon mutual consent of PHA and Seabrook as provided by Local Government Code §42.044.

3. No Municipal Services. During the term of this Agreement, Seabrook shall have no obligation to provide any governmental, proprietary, or other municipal services to the Industrial District Property, including without limitation, any (a) sewer or water service, (b) police protection, (c) fire protection, (d) road or street repairs, or (e) garbage pickup service.

4. No Exercise of Powers. Seabrook further covenants and agrees that during the term of this Agreement, Seabrook shall not extend or enforce with respect to the Industrial District Property any exercise or attempted exercise of any police power or powers of health, safety and welfare of Seabrook, including without limitation its extension or enforcement of any ordinances, rules or regulations attempting to (a) govern zoning, plats and subdivisions of land, (b) prescribe any building, electrical, plumbing, inspection, or other development code or codes, (c) exercise, in any manner whatsoever, control over the conduct of PHA's development of the Industrial District Property, except as set forth in the Memorandum of Settlement Agreement and/or this Agreement, or (d) exercise, in any manner whatsoever, control over the conduct of PHA's business with respect to the Industrial District Property, except as set forth in the Memorandum of Settlement Agreement, which is incorporated herein by reference. The conduct of PHA's business with respect to the Industrial District Property shall be governed by the Memorandum of Settlement Agreement. As a condition hereto, PHA covenants and agrees that PHA will not file any type of subdivision plat or related development document for the Property with Harris County or Seabrook without Seabrook's consent.

5. Remedies. In the event either party breaches or attempts to breach this Agreement, then at the option of the non-breaching party, the party breaching or attempting to breach this Agreement shall be temporarily enjoined from the date of its breach for the balance of the term of this Agreement, from taking any action in violation of this Agreement.

6. Attempted Annexation or Incorporation by Third Party.

a. If any attempt to annex the Industrial District Property or any portion thereof is made by another municipality, or if the incorporation of any new municipality should be attempted so as to include within its limits all or any portion of the Industrial District Property, Seabrook and PHA jointly shall have the right to institute or intervene in a judicial proceeding seeking a temporary and permanent injunction against such annexation or incorporation and shall take such other legal action as may be necessary or advisable under the circumstances.

b. The costs of any such legal action shall be equally shared by Seabrook and PHA to pursue a joint and common effort, the judicial proceedings seeking the temporary and permanent injunction against such annexation or incorporation and any other legal action as may be necessary or advisable under the circumstances for the good and benefit of both Seabrook and PHA. However, the fees of any special legal counsel shall be paid by the party retaining same.

c. If Seabrook and PHA are unsuccessful in obtaining a temporary injunction enjoining such annexation or incorporation, PHA shall have the option of terminating this Agreement.

7. PHA Affiliates. The benefits accruing to the Industrial District Property under this Agreement shall extend only to PHA or PHA 's "Affiliates" that are governmental non-taxable entities (as hereinafter defined) that may own such land and property, and where reference is made herein to land and property owned by PHA, such reference shall also include land and property owned by PHA's Affiliates. "Affiliates" as used in this Agreement shall mean all corporations, partnerships, limited liability companies, or other business enterprises in which PHA directly or indirectly through one or more intermediaries, owns or controls a majority of the equity interests of such corporation, partnership, limited liability, company, or other business enterprise so long as the Affiliate is a non taxable governmental subdivision/entity.

8. Transfer of Industrial District Property. If the Industrial District Property or any portion thereof is sold by PHA, or any other owner to a third party, PHA shall provide prior written notice of this Agreement to the prospective purchaser/grantee and to Seabrook. Seabrook shall, if the purchaser is a non taxable governmental subdivision/entity, enter into an agreement binding the purchaser and its assigns upon terms substantially similar to those contained in this Agreement for the balance of the term of this Agreement. If the proposed purchaser is a taxable entity, than Seabrook, in its sole discretion shall determine whether to enter into a similar Agreement, and evaluate other terms/conditions determined necessary by Seabrook to address issues associated with a third party that is not a political subdivision, (specifically including payment for the taxable values of the subject property and taxable sales of the entity), for the balance of the term of this Agreement. If such purchaser or its assigns for any reason fail to execute such agreement within four (4) months after the date of the sale, all the Industrial District Property sold shall be excluded from coverage of this Agreement and shall be subject to annexation and regulation by Seabrook.

9. Authority for Agreement. This Agreement is made under the authority of the Constitution and laws of the State of Texas, including Local Government Code §42.044, as amended, and under the general power to contract of each of the parties to this Agreement. It is understood and agreed that should Local Government Code §42.044 ever be held by a court of competent jurisdiction to be void or invalid, such holding shall not affect the validity and enforceability of this Agreement by and against the parties to this Agreement.

10. Recordation. An original counterpart of the Agreement shall be promptly recorded by PHA in the Real Property Records of Harris County, Texas following the Effective Date.

11. Notices and Filings.

a. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in writing and delivered personally or sent by telephonic facsimile or registered or certified United States Mail, postage prepaid, if to:

Seabrook, the City Council, and the Seabrook City Secretary:	Seabrook City Secretary City of Seabrook 1700 1st St Seabrook, TX 77586

Fax No. (281) 291-5600

With a copy to:

City Attorney
Steven L. Weathered
Ross, Banks, May, Cron & Cavin, P.C.
2 Riverway, Suite 700
Houston, Texas 77056-1918
Fax No. (713) 623-6014

PHA:

111 East Loop North
Houston, Texas 77029
Attention: Executive Director
Fax No. (713) 670-2429

or to such other addresses as either party hereto may from time to time designate in writing and deliver in a like manner.

b. Mailing or Facsimile Effective. Notices, filings, consents, approvals, and communications given by mail or facsimile shall be deemed delivered twenty-four (24) hours following deposit in the U.S. mail, postage prepaid and addressed as set forth above, or confirmation of facsimile delivery to the telephone number set forth above.

12. General Provisions.

a. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Seabrook or PHA of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

b. Headings. The descriptive headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

c. Exhibits. Any exhibit attached hereto shall be deemed to have been incorporated herein by this reference with the same force and effect as if fully set forth in the body hereof.

d. Further Acts. Each of the parties hereto shall execute, acknowledge and deliver all such documents, instruments, stipulations, and affidavits and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

e. Third Parties. No term or provision of this Agreement is intended to or shall be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

f. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

g. Amendments. No change or addition shall be made to this Agreement except by a written amendment executed by the parties hereto. Any such amendment shall be adopted by Seabrook ordinance or resolution, and Port Commission action.

h. Approvals. Each of the parties respectively represents and warrants to the other that all approvals or consents necessary to the effectiveness of this Agreement have been granted or obtained.

i. Authority. Each party hereby represents that:

i. Each party has complied or shall timely comply with all applicable laws and has taken or shall take all necessary steps, including without limitation, the holding of all required public hearings, to enter into this Agreement and obligate itself hereunder.

ii. Each party has the authority to enter into this Agreement and comply with its requirements.

iii. The individuals executing this Agreement on behalf of the respective parties is authorized and empowered to bind the party on whose behalf each such individual is signing.

j. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect and this Agreement shall be deemed reformed to replace the void or unenforceable provision with a valid and enforceable provision as similar as possible in effect to the void or unenforceable provision. The parties shall meet and confer as soon as practicable for the purpose of drafting, in good faith, the substitute provision. If an applicable law or court of competent jurisdiction prohibits or excuses either party from undertaking any contractual commitment to perform an act hereunder, this Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit such party to take such action at its discretion. If, however, such party fails to take the action required hereunder, the other shall be entitled (subject to, and in addition to the remedies provided elsewhere herein) to terminate this Agreement.

k. Counterparts. This Agreement may be signed in counterparts, and the fully executed counterparts shall together constitute a single original Agreement.

l. Attorneys' Fees. Each party shall bear its own costs and attorneys' fees in connection with the negotiation and drafting of this Agreement.

m. Change in Law. No subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or Seabrook's ability to annex the properties covered herein pursuant to the terms of this Agreement.

n. Survival of Agreement. This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of paragraphs 2, 4, and 5 herein.

IN WITNESS WHEREOF, this instrument has been executed in multiple counterparts by the parties to be effective as of the Effective Date.

ATTEST:

_____
Michele L. Glaser
City Secretary

CITY OF SEABROOK, TEXAS

By: _____
Robin C. Riley
Mayor
Date: _____

APPROVED AS TO FORM:

_____
Steven L. Weathered
City Attorney

PORT OF HOUSTON AUTHORITY

By: _____
H. Thomas Kornegay
Executive Director
Date: _____

APPROVED AS TO FORM:

_____
Erik A. Eriksson
General Counsel

APPROVED AS TO CONTENT:

_____
Charlie Jenkins
Director of Planning and Environment

SEABROOK ACKNOWLEDGEMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____, 2007, by Robin C. Riley, Mayor of the City of Seabrook, Texas, a municipal corporation, on behalf of said municipal corporation.

_____
Notary Public, State of Texas

PHA ACKNOWLEDGEMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____, 2007, by H. Thomas Kornegay, Executive Director of the Port of Houston Authority of Harris County, Texas, a governmental subdivision of the State of Texas, on behalf of said governmental subdivision.

_____
Notary Public, State of Texas

Table of Exhibits

Exhibit "A"	Industrial District Property