

**Exhibit 7**

**TGLO Coastal Surface Lease (for Marsh Project Implementation)**

# The State of Texas



Austin, Texas

## COASTAL SURFACE LEASE NO. SL20040025

STATE OF TEXAS

§

COUNTY OF CALHOUN

§

§

KNOW ALL MEN BY THESE PRESENTS:

This Coastal Surface Lease SL20040025, ("Lease"), is granted by virtue of the authority granted in Section 51.121, et seq., TEX. NAT. RES. CODE ANN. 31 TEX. ADMIN. CODE, Chapter 13, Land Resources, and all other applicable statutes and rules, as the same may be amended from time to time, and is subject to all applicable regulations promulgated from time to time.

### ARTICLE I. PARTIES

1.01. In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the STATE OF TEXAS, acting by and through the Commissioner of the General Land Office, on behalf of the Permanent School Fund of the State of Texas (the "State"), hereby grants to Alcoa, Inc., whose address is P.O. Box 101, Bldg. 505, Point Comfort, TX, 77978-0101, ("Lessee"), the right to use the surface estate of certain Permanent School Fund land (the "Leased Premises") for the purposes identified in Article V below.

### ARTICLE II. PREMISES

2.01. The Leased Premises is described below and further described or depicted on Exhibits A, B, C-1, C-2, C-3 and C-4, attached hereto and collectively incorporated by reference for all purposes:

Being an approximately 39 acre portion of State Tracts Nos. 32 and 49, Powderhorn Lake, Calhoun County, Texas (the "Premises").

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

### ARTICLE III. TERM

3.01. This Coastal Surface Lease No. SL20040025 is for a term of ten (10) years, commencing on September 1, 2004, and terminating on August 31, 2014, unless earlier terminated as provided herein. The State reserves the right to review, amend, cancel or otherwise modify this agreement at any time during its term upon 30-day written notice to Lessee in accordance with the procedures set forth in ARTICLE XI of this Lease. Renewal of this agreement is at the sole discretion of the State, and no right to renew is implied or provided for herein.

### ARTICLE IV. CONSIDERATION

4.01. A. As consideration ("Consideration") for the granting of this Lease, Lessee shall pay rent ("Rent") to the State (payable to the Commissioner of the General Land Office at Austin, Texas) the sum of **Thirty-nine Thousand and 00/100 Dollars (\$39,000.00)**.

B. Consideration for this Lease shall be payable in ten (10) annual installments, in advance, of **Three Thousand, Nine Hundred and 00/100 Dollars (\$3,900.00)**. The first annual installment shall be made upon the execution hereof and subsequent annual installments are to be made on or before each anniversary of the effective date hereof.

C. Upon proper early termination of this Lease in accordance with Section 9.01, the Consideration required in Section 4.01 shall be reduced by Three Thousand, Nine Hundred and 00/100 Dollars (\$3,900.00) for each year that would have been remaining under Article III if this Lease had not been terminated early.

Past due Rent and other past due payments shall bear interest from maturity at the rate of ten percent (10%) per annum from the date when due until actually paid, as provided in Section 51.301, TEX. NAT. RES. CODE ANN. Failure of Lessee to make a payment on or before the date the same becomes due shall, at the State's option, make all payments due and payable immediately.

### ARTICLE V. USE OF THE PREMISES

5.01. The Leased Premises may be used by Lessee solely for a **marsh construction and implementation project** and for no other purpose. All work authorized under this Lease shall be performed in accordance with the Consent Decree for Natural Resource Damages in the case of *United States of America and State of Texas v. Alcoa Inc. and Alcoa World Alumina L.L.C* ("NRD Consent Decree"), to be entered by the United States District Court for the Southern District of Texas, and the Marsh Implementation Plan (incorporated into the NRD Consent Decree by reference), including any modifications thereto made in accordance with the terms of the NRD Consent Decree. Upon entry of the NRD Consent Decree, a copy of such Decree shall be filed in the General Land Office records. Lessee is specifically prohibited from modifying the premises in any manner not authorized herein, and from using, or allowing the use by others of, the Leased Premises for any other purpose.

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

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

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

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

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

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

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

1. Lessee shall notify the General Land Office Corpus Christi Field Office in writing at least ten (10) days prior to commencing construction operations and within ten (10) days following completion of construction operations.
2. Upon request, the Lessee shall provide to the General Land Office Corpus Christi Field Office a copy of any data, information, report, or notice relating to the Marsh Implementation Plan required to be submitted to the Lead Administrative Trustee under the NRDA Consent Decree.
3. No later than the thirtieth (30<sup>th</sup>) day following the Lead Administrative Trustee's issuance of the Certification of Construction Completion of the Marsh Restoration Project, as provided under the Marsh Implementation Plan and Paragraph 47 of the NRD Consent Decree, Lessee shall submit to the GLO Corpus Christi Field Office an "as built" survey of the Leased Premises.
4. No later than the thirtieth (30<sup>th</sup>) day following the Lead Administrative Trustee's issuance of a Certificate of Project Completion for the Marsh Restoration Project as provided under the Marsh Implementation Plan and Paragraph 50 of the NRD Consent Decree, Lessee shall give written notice of such Certification to the General Land Office Corpus Christi Field Office.
5. In the event of any conflict between the requirements of this Lease and the terms of the NRD Consent Decree with respect to the work authorized under this Lease, the terms of the NRD Consent Decree shall control.
6. Riprap breakwaters shall be constructed of suitable rock or broken concrete material that is free of metal rebar.
7. The General Land Office reserves the right to approve all work prior to releasing Grantee from any and all contractual conditions.
8. Permanent markers/pilings and navigation aids as required by U.S. Coast Guard specifications and guidelines shall be installed and maintained during and upon the completion of construction of the breakwater and during the term of the Lease.

#### ARTICLE VI. ASSIGNMENTS AND SUBLEASES

6.01. Lessee shall not assign the Premises or the rights granted herein, or sublease any portion of the Premises, in whole or part, to any third party for any purpose without the prior written consent of the State, which may be granted or denied in the State's sole discretion. Any unauthorized assignment shall be void and of no effect and such assignment shall not relieve Lessee of any liability for any obligation, covenant, or condition of this Lease. This provision, and the prohibition against assignment contained herein, shall survive expiration or earlier termination of

this Lease. For purposes of this Lease, an assignment is any transfer, including by operation of law, to another of all or part of the property, interest or rights herein granted.

#### ARTICLE VII. PROTECTION OF NATURAL AND HISTORICAL RESOURCES

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

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

#### ARTICLE VIII. INDEMNITY

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

#### ARTICLE IX. DEFAULT, TERMINATION AND EXPIRATION

9.01 The Lessee shall have the right to request termination of this Lease prior to the expiration of the Term set forth in ARTICLE III upon the Lead Administrative Trustee's issuance of the Certification of Project Completion of the Marsh Restoration Project, as provided under the Marsh Implementation Plan and Paragraph 50 of the NRD Consent Decree. After the issuance of such certification, the Lessee may submit a written request for early termination of this Lease to the State. Pursuant to such written request, the State shall have the right to terminate this Lease and all rights inuring to Lessee herein prior to the expiration of the Term by sending written notice of such termination to Lessee in accordance with ARTICLE XI of this Lease. Upon sending by the State of such written notice of termination to Lessee, this Lease shall automatically terminate and all rights granted herein to Lessee shall revert to the State. Such termination shall not prejudice the rights of the State to collect any money due or to seek recovery on any claim arising hereunder. The exercise of the State's right of early termination shall not be unreasonably delayed or withheld.

9.02 If, following thirty (30) days prior written notice from the State specifying a default or breach, Lessee fails to pay any money due hereunder or is in breach of any term or condition of this Lease, the State shall have the right, at its option and its sole discretion, to terminate this Lease and all rights inuring to Lessee herein by sending written notice of such termination to Lessee in accordance with the procedures set forth in ARTICLE XI of this Lease. Upon sending of such written notice, this Lease shall automatically terminate and all rights granted herein to Lessee shall

revert to the State. Such termination shall not prejudice the rights of the State to collect any money due or to seek recovery on any claim arising hereunder.

9.03 Unless the State has granted Lessee's request to waive the requirements of this paragraph under Section 9.04, Lessee shall, within one hundred twenty (120) days from the expiration or termination date, remove all personal property, structures, and improvements from the Premises and restore the Premises (and all other property affected by the Lessee's removal activities) to the same condition that existed prior to the placement, construction, or installation thereof on the Premises, provided that Lessee shall not be required to remove any structures or improvements from the Premises following the Lessee's full performance of its obligation to implement the Marsh Restoration Project in accordance with the terms of the NRD Consent Decree. Lessee's activities shall be conducted in accordance with General Land Office guidelines in effect at the time of such activity, including, without limitation, specific techniques required for protection of natural resources and mitigation, or payment in lieu of mitigation, for damages resulting from removal activity. Upon such expiration or termination Lessee shall notify the State in writing within ten (10) days following completion of Lessee's removal and restoration activity. If Lessee fails to remove its personal property from the Leased Premises within the time specified in Section 9.02 above, or if Lessee fails to remove improvements placed or constructed on the Leased Premises by or behalf of Lessee pursuant to a notice by the State to do so pursuant to Section 9.02, the State may, at its sole option, remove and dispose of such property (with no obligation to sell or otherwise maintain such property in accordance with the Uniform Commercial Code), at Lessee's sole cost and expense, or the State may elect to own such property by filing a notice of such election pursuant to Section 51.302(g) of the Texas Natural Resources Code. If the State elects to remove Lessee's property and dispose of it pursuant to this section, then in such an event Lessee shall be obligated to reimburse the State for the reasonable costs of such removal and disposal within ten (10) days of State's demand for reimbursement. **THE TERMS OF THIS SECTION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

9.04 The Lessee shall have the right to request waiver of the removal requirement of Section 9.03 with respect to structures on and improvements to the Premises. Prior to termination of this Lease, the Lessee may submit a written request for waiver of the removal requirement to the State. Pursuant to such written request, the State shall have the right, at its option and its sole discretion, to waive the removal requirement by sending written notice of such waiver to Lessee in accordance with ARTICLE XI of this Lease. Upon sending by the State of such written notice of waiver to Lessee, the obligation of the Lessee to remove structures and improvements shall automatically terminate and all property rights in such structures and improvements shall revert to the State. Such waiver shall not prejudice the rights of the State to collect any money due or to seek recovery on any claim arising hereunder. The exercise of the State's right to waive the removal requirement of Section 9.03 shall not be unreasonably withheld.

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

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

#### ARTICLE X. HOLDOVER

10.01. If Lessee holds over and continues in possession of the Premises after expiration or earlier termination of this Lease, Lessee will be deemed to be occupying the Premises on the basis of a month-to-month tenancy subject to all of the terms and conditions of this Lease, except that as liquidated damages by reason of such holding over, the amounts payable by Lessee under this Lease shall be increased such that the Consideration payable under Section 4.01 of this

Lease and any other sums payable hereunder shall be two hundred percent (200%) of the amount payable to the State by Lessee for the applicable period immediately preceding the first day of the holdover period. Lessee acknowledges that in the event it holds over, the State's actual damages will be difficult, if not impossible, to ascertain, and the liquidated damages herein agreed to be paid are reasonable in amount and are payable in lieu of actual damages and are not a penalty. Lessee further acknowledges that acceptance of hold over Consideration does not imply State consent to hold over.

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

10.03. The Consideration due after notice of termination has been given is to be calculated according to Section 10.01 hereinabove on a pro rata basis. If upon notice of termination by the State, Lessee pays Consideration in excess of the amount due and payable and the State accepts such payment, the acceptance of such payment will not operate as a waiver by the State of the notice of termination unless such waiver is in writing and signed by the State. Any such excess amounts paid by Lessee and accepted by the State shall be promptly refunded by the State after deducting therefrom any amounts owed to the State.

#### ARTICLE XI. NOTICE AND REQUEST

11.01. Any notice or request which may or shall be given under the terms of this Lease shall be in writing and shall be either delivered by hand, by facsimile, or sent by United States first class mail, adequate postage prepaid, if for the State to Deputy Commissioner, Asset Inspection, addressed to his attention, 1700 North Congress Avenue, Austin, Texas 78701-1495, FAX: (512) 463-5304, and if for Lessee, to Alcoa, Inc., P.O. Box 101, Bldg. 505, Point Comfort, TX 77978-0101. Any party's address may be changed from time to time by such party by giving notice as provided above, except that the Premises may not be used by Lessee as the sole notice address. No change of address of either party shall be binding on the other party until notice of such change of address is given as herein provided.

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

#### ARTICLE XII. INFORMATIONAL REQUIREMENTS

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

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

#### ARTICLE XIII. MISCELLANEOUS PROVISIONS

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

13.02. The titles of the Articles in this Lease shall have no effect and shall neither limit nor amplify the provisions of the Lease itself. This Lease shall be binding upon and shall accrue to the benefit of the State, its successors and assigns, Lessee, Lessee's successors and assigns (or heirs, executors, administrators and assigns, as the case may be); however, this clause does not constitute a consent by the State to any assignment by Lessee, but instead refers only to

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

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

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

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

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

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

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

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

#### ARTICLE XIV. FILING

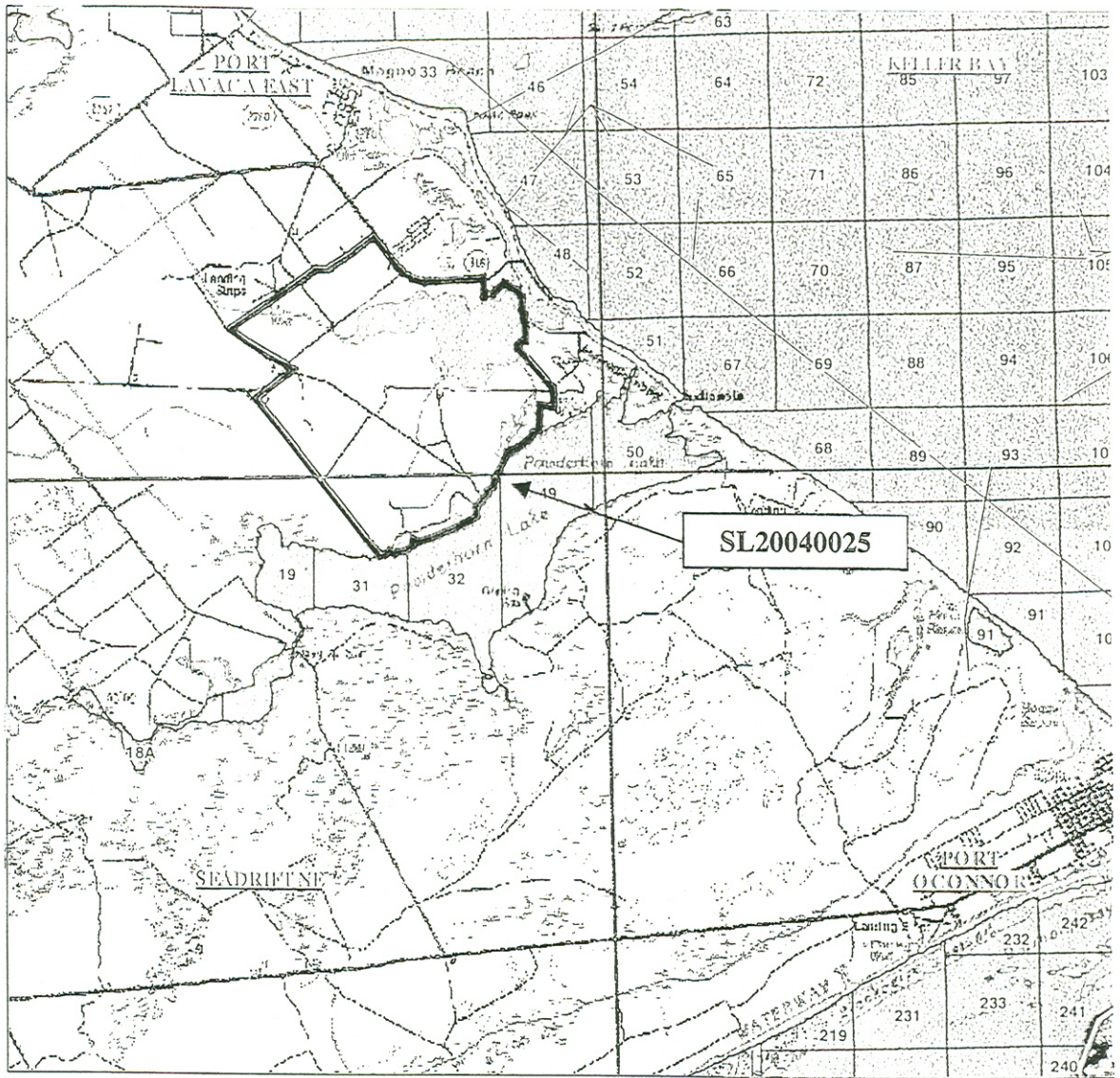
14.01. Lessee shall, at its sole cost and expense, record this Lease in the Calhoun County, Texas, Real Property Records and provide a file marked copy to the State within 60 days after this Lease is executed by all parties.



ARTICLE XV. ENTIRE AGREEMENT

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





Title: Alcoa, Inc. SL20040025

Date of Inspection: May 13, 2004

Company: General Land Office

Creator: Steve Buschang

Scale: 1: 60,000

Exhibit A

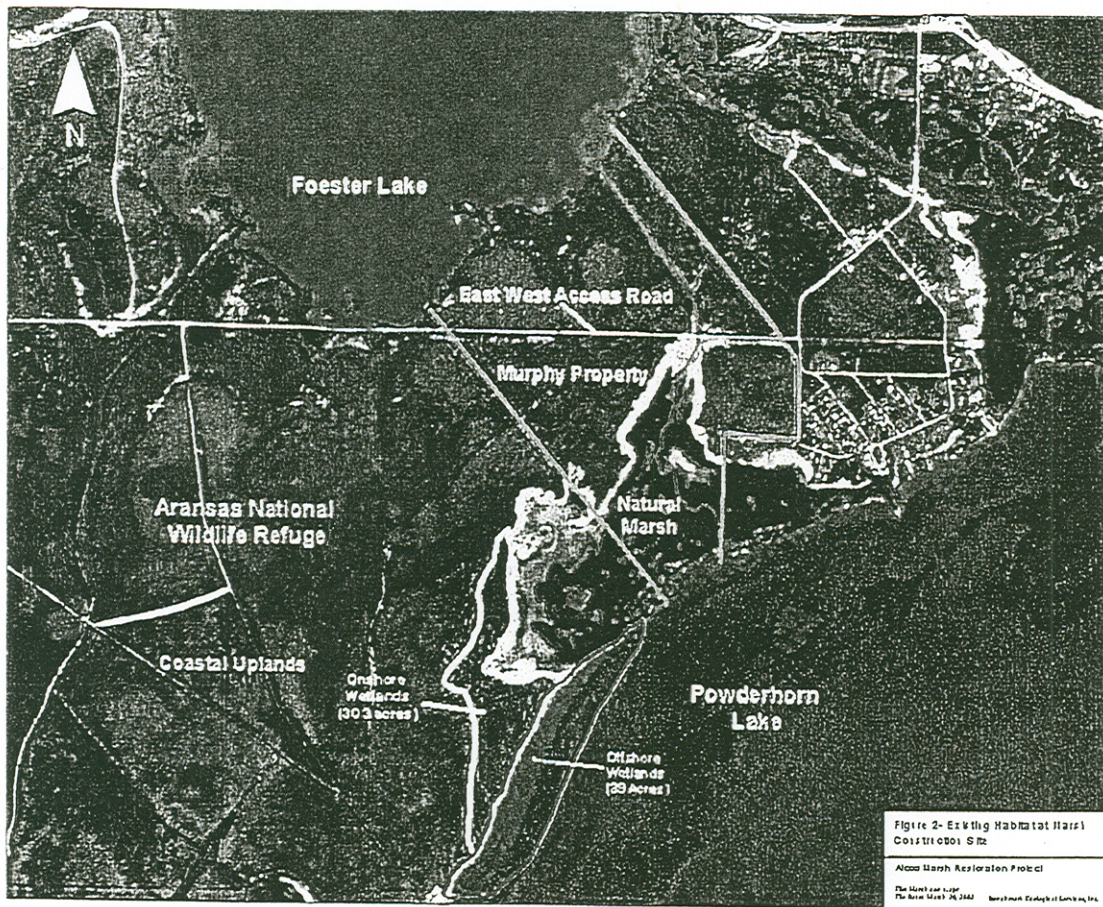


Exhibit B

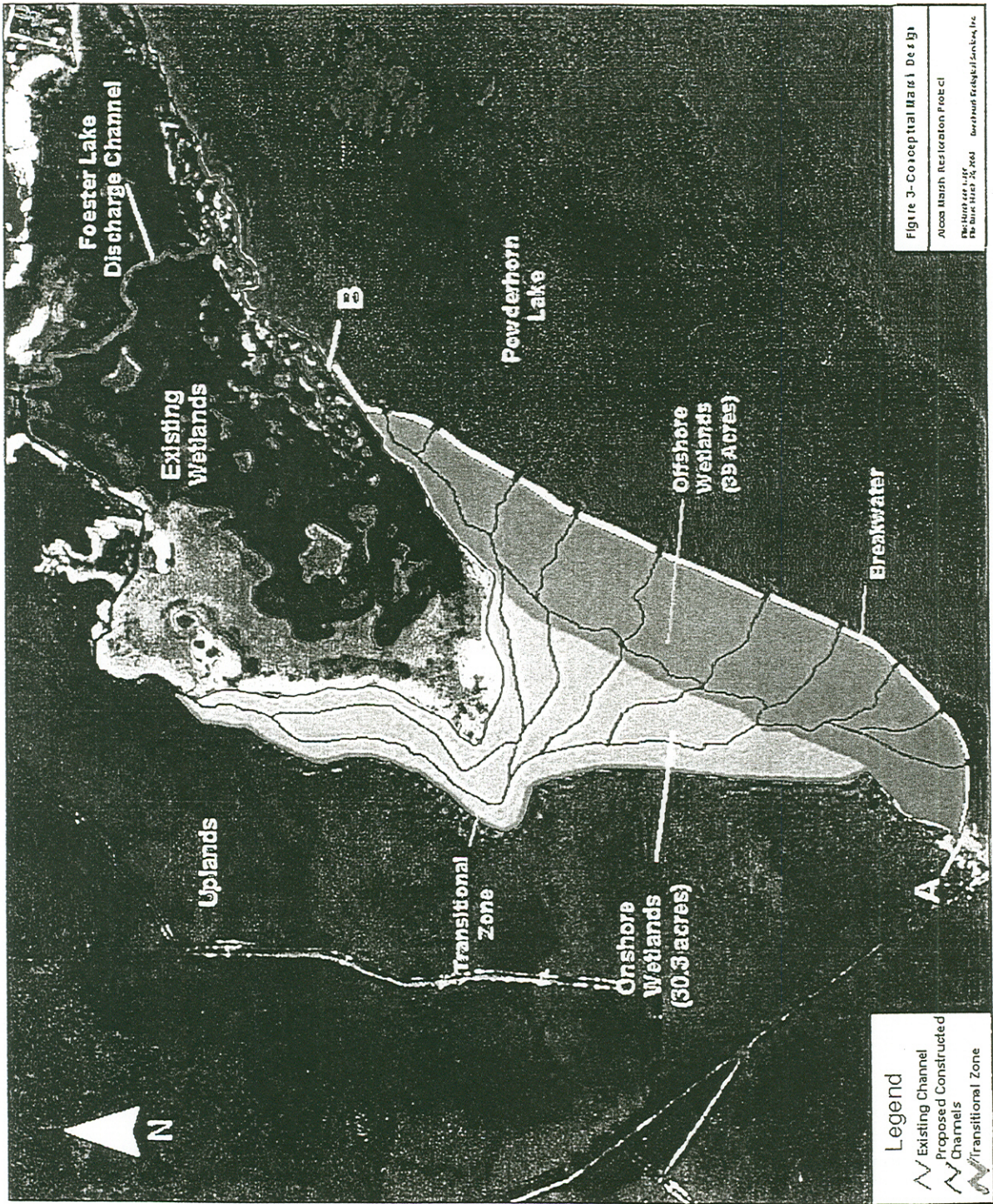
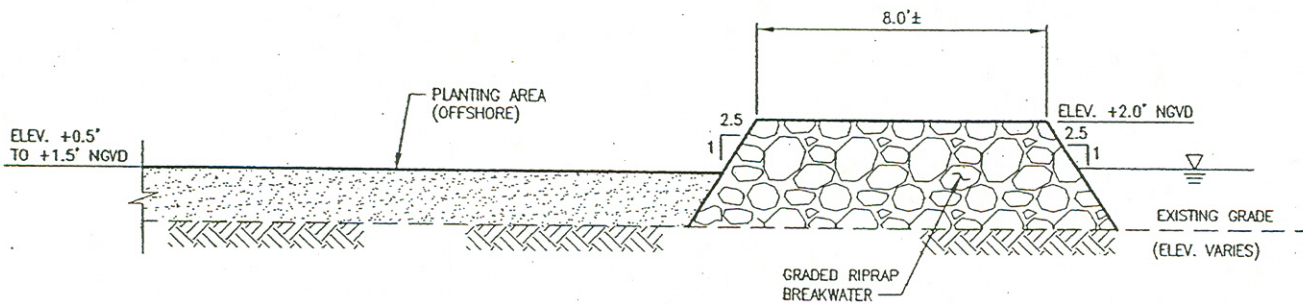


Exhibit C.1



**TYPICAL SECTION – ROCK BREAKWATER**

SCALE: N.T.S.

J:\SMA\CAD\Projects\2021\20224\dwg\00\EXHIBITS\20224\F1.dwg 3/19/2023 9:00:51 AM CST



SHINER MOSELEY AND ASSOCIATES, INC.  
ENGINEERS & CONSULTANTS

555 North Carancahua Street, Suite 1650  
Corpus Christi, Texas 78478

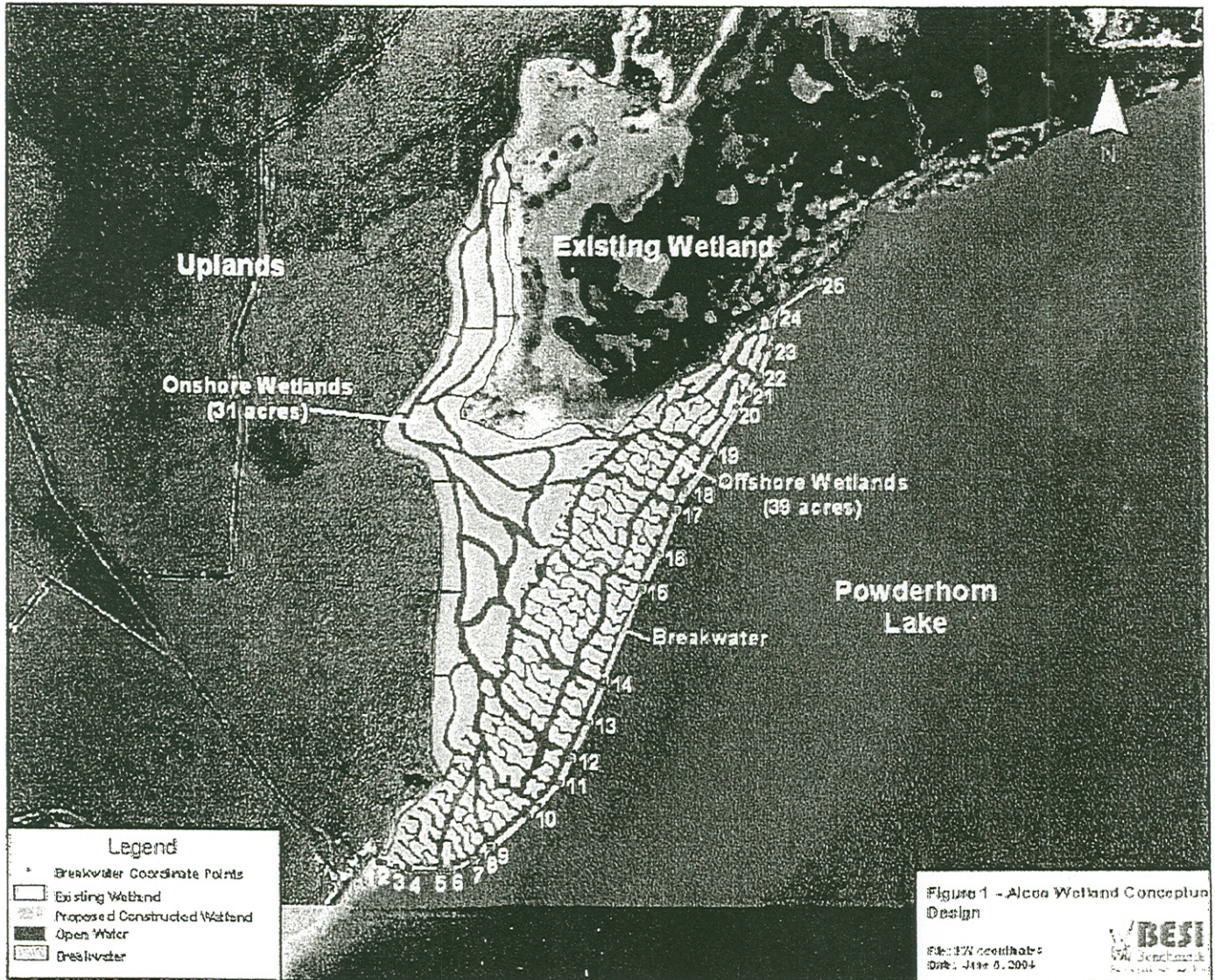
SMA JOB NO.: 20224

ALCOA

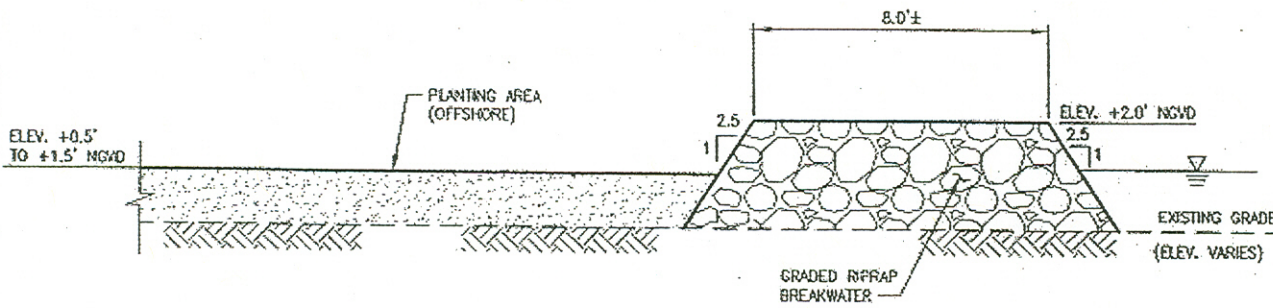
MARSH RESTORATION PROJECT

TYPICAL SECTION –  
ROCK BREAKWATER

FIGURE 4



**EXHIBIT C-3**  
 Alcoa, Inc. SL20040025  
 May 15, 2004 --- Steve Buschang



TYPICAL SECTION – ROCK BREAKWATER

SCALE: N.T.S.

**EXHIBIT C-4**

**Alcoa, Inc. SL20040025**

**May 15, 2004 --- Steve Buschang**



SHINER MOSELEY AND ASSOCIATES, INC.  
ENGINEERS & CONSULTANTS  
555 North Caracalhan Street, Suite 1650  
Corpus Christi, TEXAS 78478

SMA JOB NO.: 20224

ALCOA

MARSH RESTORATION PROJECT

TYPICAL SECTION –  
ROCK BREAKWATER

**FIGURE 4**



**Exhibit 8**

**TGLO Coastal Surface Lease (for Oyster Reef Project Implementation)**

# The State of Texas



Austin, Texas

## COASTAL SURFACE LEASE NO. SL20030026

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CALHOUN

§

§

This Coastal Surface Lease SL20030026, ("Lease"), is granted by virtue of the authority granted in Section 51.121, et seq., TEX. NAT. RES. CODE ANN. 31 TEX. ADMIN. CODE, Chapter 13, Land Resources, and all other applicable statutes and rules, as the same may be amended from time to time, and is subject to all applicable regulations promulgated from time to time.

### ARTICLE I. PARTIES

1.01. In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the STATE OF TEXAS, acting by and through the Commissioner of the General Land Office, on behalf of the Permanent School Fund of the State of Texas (the "State"), hereby grants to Alcoa, Inc., whose address is P.O. Box 101, Bldg. 505, Point Comfort, TX, 77978-0101, ("Lessee"), the right to use the surface estate of certain Permanent School Fund land (the "Leased Premises") for the purposes identified in Article V below.

### ARTICLE II. PREMISES

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

Being an approximately 479,162 square-foot portion of State Tracts Nos. 61 and 57, Keller Bay and Lavaca Bay, Calhoun County, Texas (the "Premises").

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

### ARTICLE III. TERM

3.01. This Coastal Surface Lease No. SL20030026 is for a term of five (5) years, commencing on September 1, 2004, and terminating on August 31, 2009, unless earlier terminated as provided herein. The State reserves the right to review, amend, cancel or otherwise modify this agreement at any time during its term upon 30-day written notice to Lessee in accordance with the procedures set forth in ARTICLE XI of this Lease. Renewal of this agreement is at the sole discretion of the State, and no right to renew is implied or provided for herein.

### ARTICLE IV. CONSIDERATION

4.01. A. As consideration ("Consideration") for the granting of this Lease, Lessee shall pay rent ("Rent") to the State (payable to the Commissioner of the General Land Office at Austin, Texas) the sum of **Five Thousand, Five Hundred and 00/100 Dollars (\$5,500.00)**.

B. Consideration for this Lease shall be payable in five(5) annual installments, in advance, of **One Thousand, One Hundred and 00/100 Dollars (\$1,100.00)**. The first annual installment shall be made upon the execution hereof and subsequent annual installments are to be made on or before each anniversary of the effective date hereof.

C. Upon proper early termination of this Lease in accordance with Section 9.01, the Consideration required in Section 4.01 shall be reduced by One Thousand, One Hundred and 00/100 Dollars (\$1,100.00) for each year that would have been remaining under Article III if this Lease had not been terminated early.

Past due Rent and other past due payments shall bear interest from maturity at the rate of ten percent (10%) per annum from the date when due until actually paid, as provided in Section 51.301, TEX. NAT. RES. CODE ANN. Failure of Lessee to make a payment on or before the date the same becomes due shall, at the State's option, make all payments due and payable immediately.

### ARTICLE V. USE OF THE PREMISES

5.01. The Leased Premises may be used by Lessee solely for a **oyster reef construction and implementation project** and for no other purpose. All work authorized under this Lease shall be performed in accordance with the Consent Decree for Natural Resource Damages in the case of *United States of America and State of Texas v. Alcoa Inc. and Alcoa World Alumina L.L.C* ("NRD Consent Decree"), to be entered by the United States District Court for the Southern District of Texas, and the Oyster Reef Implementation Plan (incorporated into the NRD Consent Decree by reference), including any modifications thereto made in accordance with the terms of the NRD Consent Decree. Upon entry of the NRD Consent Decree, a copy of such Decree shall be filed in the General Land Office records. Lessee is specifically prohibited from modifying the premises in any manner not authorized herein, and from using, or allowing the use by others of, the Leased Premises for any other purpose.

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

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

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

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

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

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

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

1. Lessee shall notify the General Land Office Corpus Christi Field Office in writing at least two (2) weeks prior to commencing dredging operations and within one (1) week following completion of the work.
2. Upon request, the Lessee shall provide to the General Land Office Corpus Christi Field Office a copy of any data, information, report, or notice relating to the Oyster Reef Implementation Plan required to be submitted to the Lead Administrative Trustee under the NRDA Consent Decree.
3. No later than the thirtieth (30<sup>th</sup>) day following the Lead Administrative Trustee's issuance of the Certification of Construction Completion of the Oyster Reef Restoration Project, as provided under the Oyster Reef Implementation Plan and Paragraph 47 of the NRD Consent Decree, Lessee shall submit to the GLO Corpus Christi Field Office an "as built" survey of the Leased Premises.
4. No later than the thirtieth (30<sup>th</sup>) day following the Lead Administrative Trustee's issuance of a Certificate of Project Completion for the Oyster Reef Restoration Project as provided under the Oyster Reef Implementation Plan and Paragraph 50 of the NRD Consent Decree, Lessee shall give written notice of such Certification to the General Land Office Corpus Christi Field Office.
5. In the event of any conflict between the requirements of this Lease and the terms of the NRD Consent Decree with respect to the work authorized under this Lease, the terms of the NRD Consent Decree shall control.
6. The General Land Office reserves the right to approve all work prior to releasing Grantee from any and all contractual conditions.
7. Permanent markers/pilings and navigation aids as required by U.S. Coast Guard specifications and guidelines shall be installed and maintained during and upon the completion of construction of the oyster reef and during the term of the Lease.

#### ARTICLE VI. ASSIGNMENTS AND SUBLEASES

6.01. Lessee shall not assign the Premises or the rights granted herein, or sublease any portion of the Premises, in whole or part, to any third party for any purpose without the prior written consent of the State, which may be granted or denied in the State's sole discretion. Any unauthorized assignment shall be void and of no effect and such assignment shall not relieve Lessee of any liability for any obligation, covenant, or condition of this Lease. This provision, and the prohibition against assignment contained herein, shall survive expiration or earlier termination of

this Lease. For purposes of this Lease, an assignment is any transfer, including by operation of law, to another of all or part of the property, interest or rights herein granted.

#### ARTICLE VII. PROTECTION OF NATURAL AND HISTORICAL RESOURCES

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

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

#### ARTICLE VIII. INDEMNITY

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

#### ARTICLE IX. DEFAULT, TERMINATION AND EXPIRATION

9.01 The Lessee shall have the right to request termination of this Lease prior to the expiration of the Term set forth in ARTICLE III upon the Lead Administrative Trustee's issuance of the Certification of Project Completion of the Oyster Reef Restoration Project, as provided under the Oyster Reef Implementation Plan and Paragraph 50 of the NRD Consent Decree. After the issuance of such certification, the Lessee may submit a written request for early termination of this Lease to the State. Pursuant to such written request, the State shall have the right to terminate this Lease and all rights inuring to Lessee herein prior to the expiration of the Term by sending written notice of such termination to Lessee in accordance with ARTICLE XI of this Lease. Upon sending by the State of such written notice of termination to Lessee, this Lease shall automatically terminate and all rights granted herein to Lessee shall revert to the State. Such termination shall not prejudice the rights of the State to collect any money due or to seek recovery on any claim arising hereunder. The exercise of the State's right of early termination shall not be unreasonably delayed or withheld.

9.02 If, following thirty (30) days prior written notice from the State specifying a default or breach, Lessee fails to pay any money due hereunder or is in breach of any term or condition of this Lease, the State shall have the right, at its option and its sole discretion, to terminate this Lease and all rights inuring to Lessee herein by sending written notice of such termination to Lessee in accordance with the procedures set forth in ARTICLE XI of this Lease. Upon sending of such written notice, this Lease shall automatically terminate and all rights granted herein to Lessee shall

revert to the State. Such termination shall not prejudice the rights of the State to collect any money due or to seek recovery on any claim arising hereunder.

9.03 Unless the State has granted Lessee's request to waive the requirements of this paragraph under Section 9.04, Lessee shall, within one hundred twenty (120) days from the expiration or termination date, remove all personal property, structures, and improvements from the Premises and restore the Premises (and all other property affected by the Lessee's removal activities) to the same condition that existed prior to the placement, construction, or installation thereof on the Premises, provided that Lessee shall not be required to remove any structures or improvements from the Premises following the Lessee's full performance of its obligation to implement the Oyster Reef Restoration Project in accordance with the terms of the NRD Consent Decree. Lessee's activities shall be conducted in accordance with General Land Office guidelines in effect at the time of such activity, including, without limitation, specific techniques required for protection of natural resources and mitigation, or payment in lieu of mitigation, for damages resulting from removal activity. Upon such expiration or termination Lessee shall notify the State in writing within ten (10) days following completion of Lessee's removal and restoration activity. If Lessee fails to remove its personal property from the Leased Premises within the time specified in Section 9.02 above, or if Lessee fails to remove improvements placed or constructed on the Leased Premises by or behalf of Lessee pursuant to a notice by the State to do so pursuant to Section 9.02, the State may, at its sole option, remove and dispose of such property (with no obligation to sell or otherwise maintain such property in accordance with the Uniform Commercial Code), at Lessee's sole cost and expense, or the State may elect to own such property by filing a notice of such election pursuant to Section 51.302(g) of the Texas Natural Resources Code. If the State elects to remove Lessee's property and dispose of it pursuant to this section, then in such an event Lessee shall be obligated to reimburse the State for the reasonable costs of such removal and disposal within ten (10) days of State's demand for reimbursement. **THE TERMS OF THIS SECTION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

9.04 The Lessee shall have the right to request waiver of the removal requirement of Section 9.03 with respect to structures on and improvements to the Premises. Prior to termination of this Lease, the Lessee may submit a written request for waiver of the removal requirement to the State. Pursuant to such written request, the State shall have the right, at its option and its sole discretion, to waive the removal requirement by sending written notice of such waiver to Lessee in accordance with ARTICLE XI of this Lease. Upon sending by the State of such written notice of waiver to Lessee, the obligation of the Lessee to remove structures and improvements shall automatically terminate and all property rights in such structures and improvements shall revert to the State. Such waiver shall not prejudice the rights of the State to collect any money due or to seek recovery on any claim arising hereunder. The exercise of the State's right to waive the removal requirement of Section 9.03 shall not be unreasonably withheld.

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

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

#### ARTICLE X. HOLDOVER

10.01. If Lessee holds over and continues in possession of the Premises after expiration or earlier termination of this Lease, Lessee will be deemed to be occupying the Premises on the basis of a month-to-month tenancy subject to all of the terms and conditions of this Lease, except that as liquidated damages by reason of such holding over, the amounts payable by Lessee under this Lease shall be increased such that the Consideration payable under Section 4.01 of this

Lease and any other sums payable hereunder shall be two hundred percent (200%) of the amount payable to the State by Lessee for the applicable period immediately preceding the first day of the holdover period. Lessee acknowledges that in the event it holds over, the State's actual damages will be difficult, if not impossible, to ascertain, and the liquidated damages herein agreed to be paid are reasonable in amount and are payable in lieu of actual damages and are not a penalty. Lessee further acknowledges that acceptance of hold over Consideration does not imply State consent to hold over.

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

10.03. The Consideration due after notice of termination has been given is to be calculated according to Section 10.01 hereinabove on a pro rata basis. If upon notice of termination by the State, Lessee pays Consideration in excess of the amount due and payable and the State accepts such payment, the acceptance of such payment will not operate as a waiver by the State of the notice of termination unless such waiver is in writing and signed by the State. Any such excess amounts paid by Lessee and accepted by the State shall be promptly refunded by the State after deducting therefrom any amounts owed to the State.

#### ARTICLE XI. NOTICE AND REQUEST

11.01. Any notice or request which may or shall be given under the terms of this Lease shall be in writing and shall be either delivered by hand, by facsimile, or sent by United States first class mail, adequate postage prepaid, if for the State to Deputy Commissioner, Asset Inspection, addressed to his attention, 1700 North Congress Avenue, Austin, Texas 78701-1495, FAX: (512) 463-5304, and if for Lessee, to Alcoa, Inc., P.O. Box 101, Bldg. 505, Point Comfort, TX 77978-0101. Any party's address may be changed from time to time by such party by giving notice as provided above, except that the Premises may not be used by Lessee as the sole notice address. No change of address of either party shall be binding on the other party until notice of such change of address is given as herein provided.

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

#### ARTICLE XII. INFORMATIONAL REQUIREMENTS

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

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

#### ARTICLE XIII. MISCELLANEOUS PROVISIONS

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

13.02. The titles of the Articles in this Lease shall have no effect and shall neither limit nor amplify the provisions of the Lease itself. This Lease shall be binding upon and shall accrue to the benefit of the State, its successors and assigns, Lessee, Lessee's successors and assigns (or heirs, executors, administrators and assigns, as the case may be); however, this clause does not constitute a consent by the State to any assignment by Lessee, but instead refers only to

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

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

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

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

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

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

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

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

#### ARTICLE XIV. FILING

14.01. Lessee shall, at its sole cost and expense, record this Lease in the Calhoun County, Texas, Real Property Records and provide a file marked copy to the State within 60 days after this Lease is executed by all parties.



ARTICLE XV. ENTIRE AGREEMENT

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

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

LESSOR:  
THE STATE OF TEXAS

LESSEE:  
Alcoa, Inc.

By:

Jerry E. Patterson  
JERRY E. PATTERSON  
Commissioner, General Land Office

By:

Ronald W Weddell  
Ronald W Weddell  
(Printed Name & Title)

Date:

10/13/04

Date:

8-26-04

APPROVED:

Contents:

WVC TW

Legal:

[Signature]

Deputy:

[Signature]

Executive:

[Signature]



ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF CALHOUN

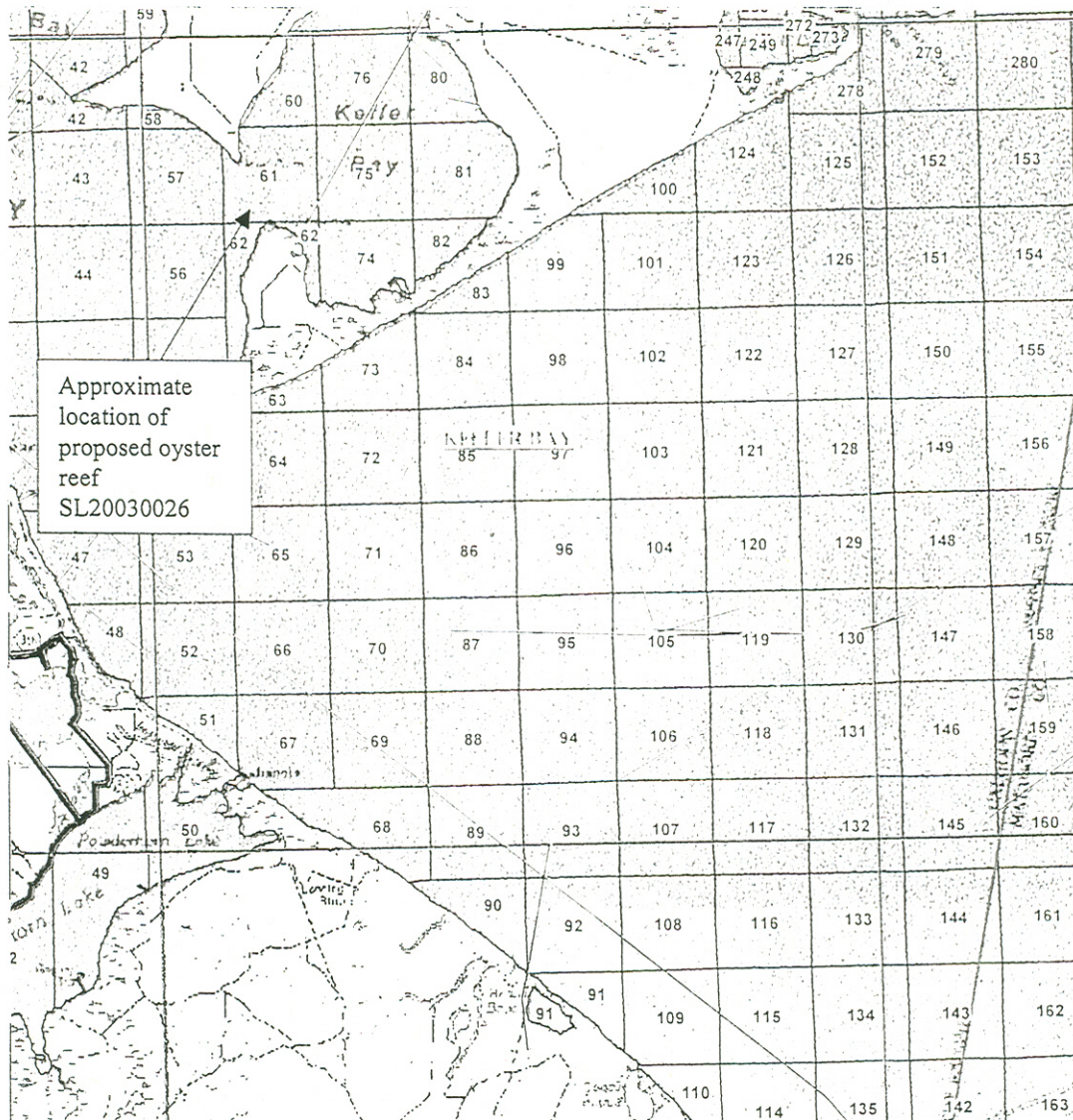
§  
§  
§

This instrument was acknowledged before me on the 26<sup>th</sup> day of AUGUST, 2004, by RONALD W WEDDELL.

Marilyn K. Valentine

Notary Public, State of Texas

My commission expires: 11-12-06



**Title:** Alcoa, Inc. SL20030026

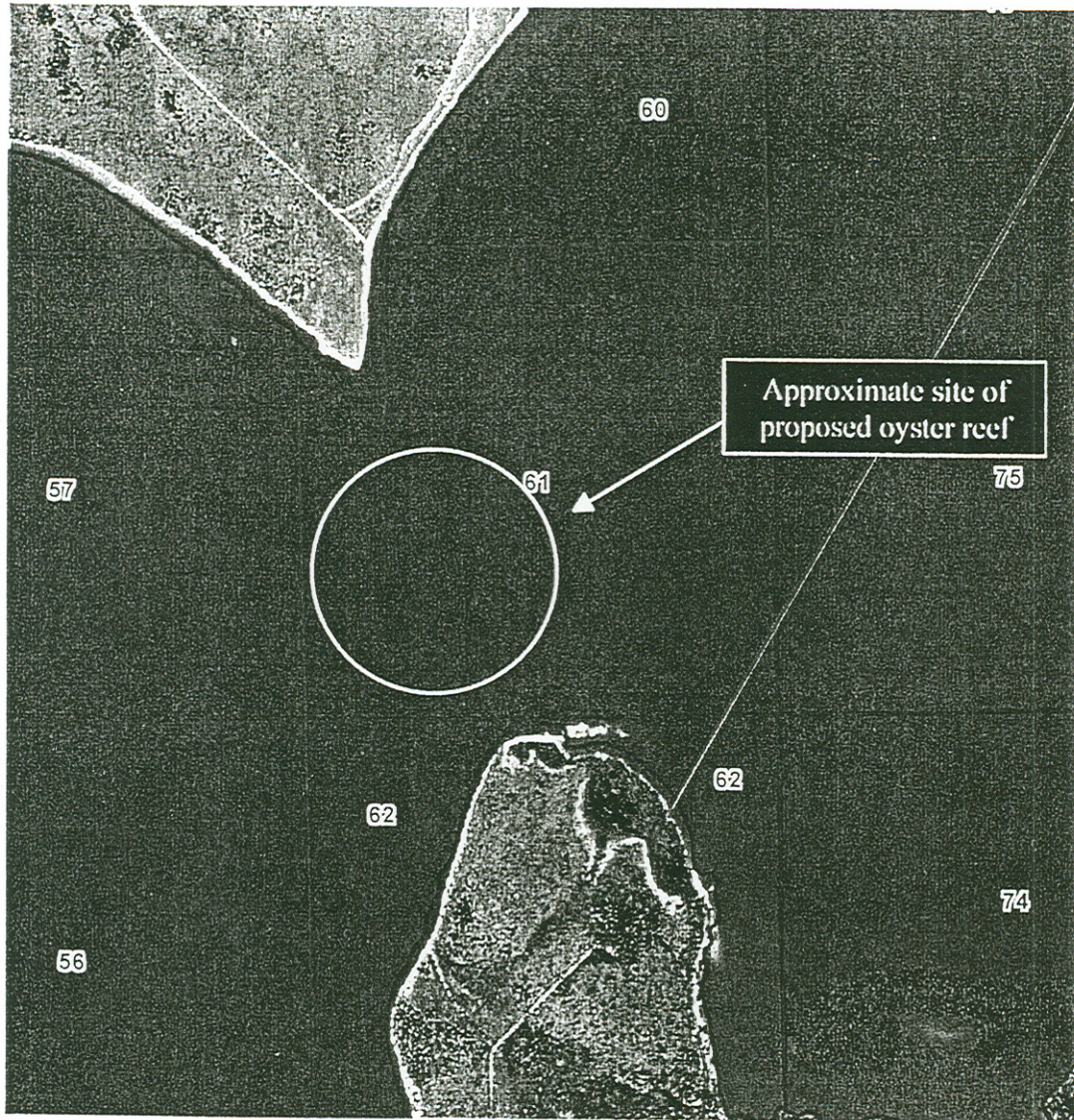
**Date of Inspection:** April 30, 2003

**Company:** General Land Office

**Creator:** Steve Buschang

**Scale:** 1: 60,000

**Exhibit A**



**Title:** Alcoa, Inc. SL20030026

**Date of Inspection:** April 30, 2003

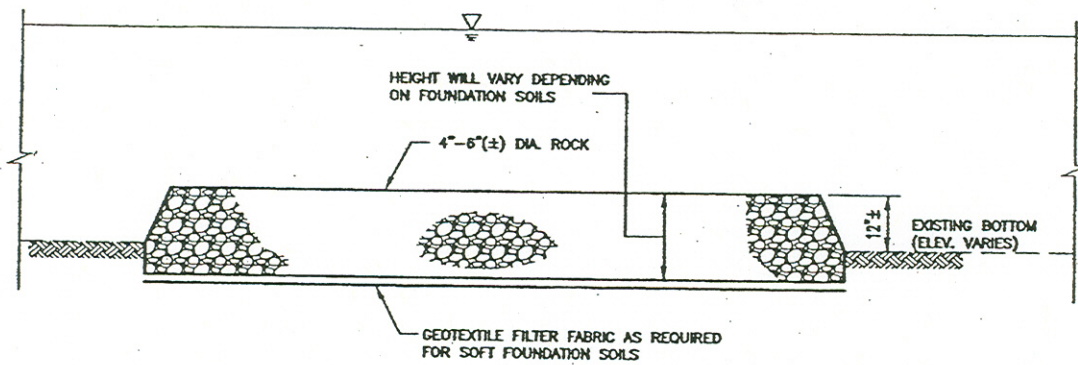
**Company:** General Land Office

**Creator:** Steve Buschang

**Scale:** 1: 3000

**Exhibit B**

TGLD Permit No.: \_\_\_\_\_  
 Applicant: **ALCOA INC.**  
 Date: \_\_\_\_\_ Sheet \_\_\_\_ of \_\_\_\_



**TYPICAL SECTION OYSTER REEF**  
 N.T.S.

NOTES:  
 1. VERTICAL DATUM= NGVD '29

**SHINER MOSELEY AND ASSOCIATES, INC.**  
 ENGINEERS & CONSULTANTS  
 5th Caranacabas Street, Suite 1630 Corpus Christi, Texas 78478

DESCRIPTION/ACTIVITIES: RESTORATION OF MARSH AND OYSTER REEF HABITAT, AND ENHANCEMENT OF RECREATIONAL FISHING OPPORTUNITIES  
 JOB NO.: 20289 DATE: 4/23/03

**SHEET 3**

<b>Title:</b> Alcoa, Inc. SL20030026	<b>Date of Inspection:</b> April 30, 2003
<b>Company:</b> General Land Office	<b>Creator:</b> Steve Buschang
<b>Scale:</b> N/A	<b>Exhibit C</b>

