TEXAS GENERAL LAND OFFICE
JERRY PATTERSON, COMMISSIONER

June 21, 2011

Mr. Douglas Peter
Texas Parks and Wildlife Department
4200 Smith School Road
Austin, TX 78744-3291

RE: Surface Lease No. SL20070057
Gulf Of Mexico, Brazoria, Matagorda County, Texas

Dear Mr. Douglas Peter:

Enclosed is a fully executed original surface lease for the referenced project. A duplicate original has been retained for the General Land Office files. If you should sell or otherwise transfer your interest in the adjacent littoral property, please notify the GLO immediately in order that the appropriate transfer documents may be executed.

As required in Article XIV of the contract, this instrument must be recorded with the county clerk of Brazoria, Matagorda County, Texas, within 60 days from the date of this letter, and proof of recording provided to this office.

If you have any questions, please call me at (512) 463-5027.

Sincerely,

Steve Rodriguez
Lease Manager
Enclosure

The State of Texas

Austin, Texas

AMENDMENT TO

SURFACE LEASE NO. SL20070057

STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF BRAZORIA, MATAGORDA §

WHEREAS, by Surface Lease No. SL20070057, effective 01/01/2009, (the "Lease"), the State of Texas, ("Lessor"), acting by and through the Commissioner of the General Land Office, on behalf of the Permanent School Fund, authorized Texas Parks and Wildlife Department, ("Lessee"), to use certain real property located in Brazoria, Matagorda County, Texas (the "Premises"), which property is more particularly described on Exhibits to the Lease; and

WHEREAS, Lessor and Lessee desire to amend the Lease;

NOW, THEREFORE, in consideration of the Lessee's continued use of the Leased Premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE II. PREMISES

2.01. The Leased Premises that are two individual Reef Sites are described below and further described or depicted on Exhibits A, B-1, B-2, C-1, C-2, and D attached hereto and collectively incorporated by reference for all purposes:

State Tract No. 336-L, NE/4, Brazoria County, TX
State Tract No. 439-L, SW/4, Matagorda County, TX

ARTICLE IV. CONSIDERATION

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

ARTICLE V. USE OF THE PREMISES

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 acknowledges that the tract containing the Leased Premises and adjacent state-owned tracts may be leased for mineral and/or wind energy development and that cooperation and possible

accommodations may be required to facilitate research, exploration, and development authorized by Lessor under other leases. Lessee will coordinate with such other lessees to plan their respective activities in a manner that will minimize impacts on natural resources and interference on each other. Lessee, as the state agency with primary responsibility for protecting the state's fish and wildlife resources, may provide recommendations that will protect fish and wildlife resources, as authorized by Parks and Wildlife Code §12.0011(b)(2) to the U.S. Army Corps of Engineers or other such regulatory agencies that may be processing and application for a permit for the development of minerals or wind energy on the referenced tracts.

2. Lessee shall not place any material that has not been pre-approved by the General Land Office on the Leased Premises without the prior approval of Lessor. Pre-approved materials are reefing materials that meet national and state guidelines for durable, stable, and complex reef materials and are agreed to in advance by Texas Parks and Wildlife Department (TPWD) and the General Land Office. The initial agreed List of Approved Reefing Materials is attached hereto as Exhibit B and made a part of this agreement by this reference. Materials can be added to the list of pre-approved materials by mutual written agreement between the TPWD and the General Land Office. No less than thirty (30) days prior to placement of any habitat-building structure material on the Leased Premises, Lessee shall provide Lessor with advance notification of the proposed materials to be placed if they are not listed as pre-approved materials. Lessor will review the proposal to determine whether there will be any unacceptable impacts to mineral or wind energy research, exploration, or development and within thirty (30) days provide written comments or approval or denial of the proposed placement. **Lessor will not approve the placement of material containing human remains.**

3. The General Land Office accepts and reserves the right to the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes, except those granted herein to Lessee, together with a reservation of the rights of ingress and egress and use of said lands by the General Land Office and its mineral and renewable energy lessees for purposes of exploring for and producing the minerals and renewable energy.

EXCEPT as set forth herein, all of the terms and provision of the Lease shall remain in full force and effect.

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

Grantee shall, at its sole cost and expense, record this amendment in the Brazoria, Matagorda County(ies) Real Property Records and provide a file marked copy to the Grantor within 60 days after the recorded original of this amendment is returned by the county clerk responsible for such records.

EXECUTED in multiple counterparts, each of which shall have the effect of an original.

THIS AMENDMENT FOR SURFACE LEASE NO. SL20070057 IS EFFECTIVE THE 1ST DAY OF APRIL, 2011.

THE UNDERSIGNED, as Lessor in the above-described Lease (SL20070057) subject to the conditions stated herein, does hereby consent to the amendment of the said instrument as specified above.

LESSOR:
THE STATE OF TEXAS

By: Jerry E. Patterson
JERRY E. PATTERSON
Commissioner, General Land Office
Chairman, School Land Board

Date: 6-20-11

LESSEE:
Texas Parks and Wildlife Department

By: Carter Smith
(Lessee Signature)

Carter Smith
(Printed Name)

executive director
(Title)

Date: 3 June 2011

APPROVED:
Contents: MF
Legal: DWL
Deputy: RDT
Executive: J

ACKNOWLEDGMENT (Lessee's Signature)

STATE OF Texas §
§
COUNTY OF Travis §

This instrument was acknowledged before me on the 3rd day of June, 2011,

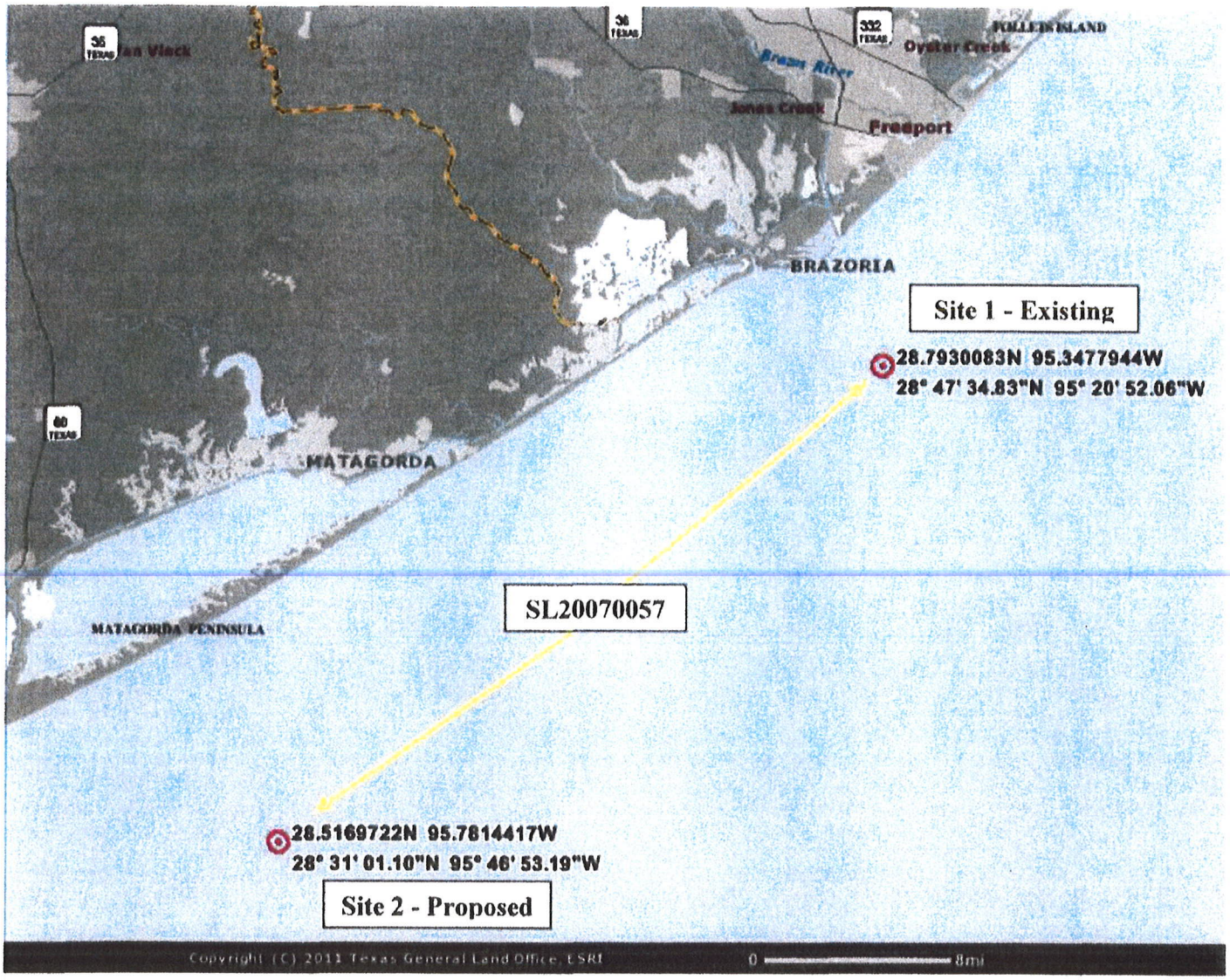
by Carter Smith.
(Lessee representative signing this document)

Michelle Klaus
(Notary Signature)

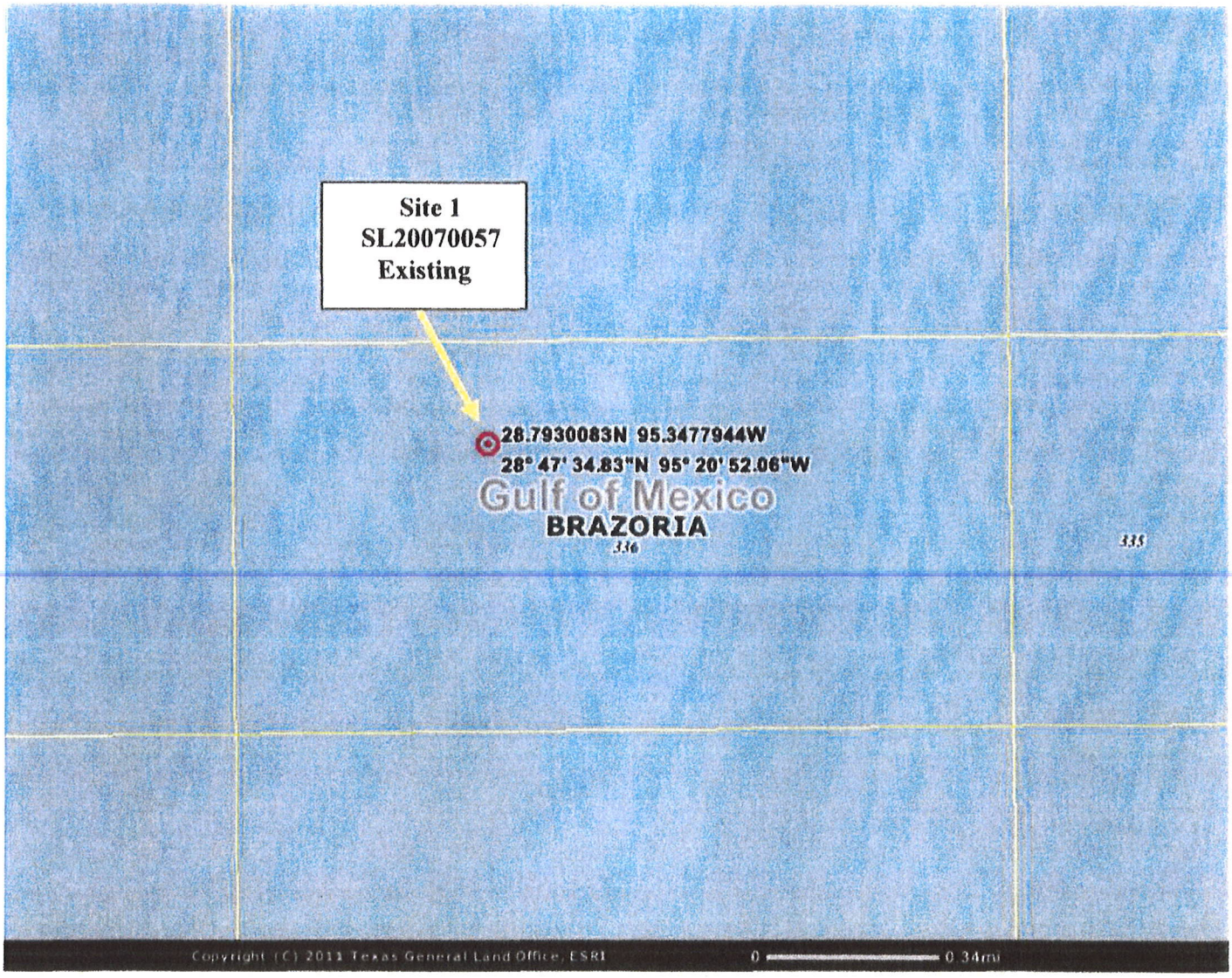
MICHELLE KLAUS
Notary Public, State of Texas
My Commission Expires
March 18, 2014

Notary Public, State of Texas

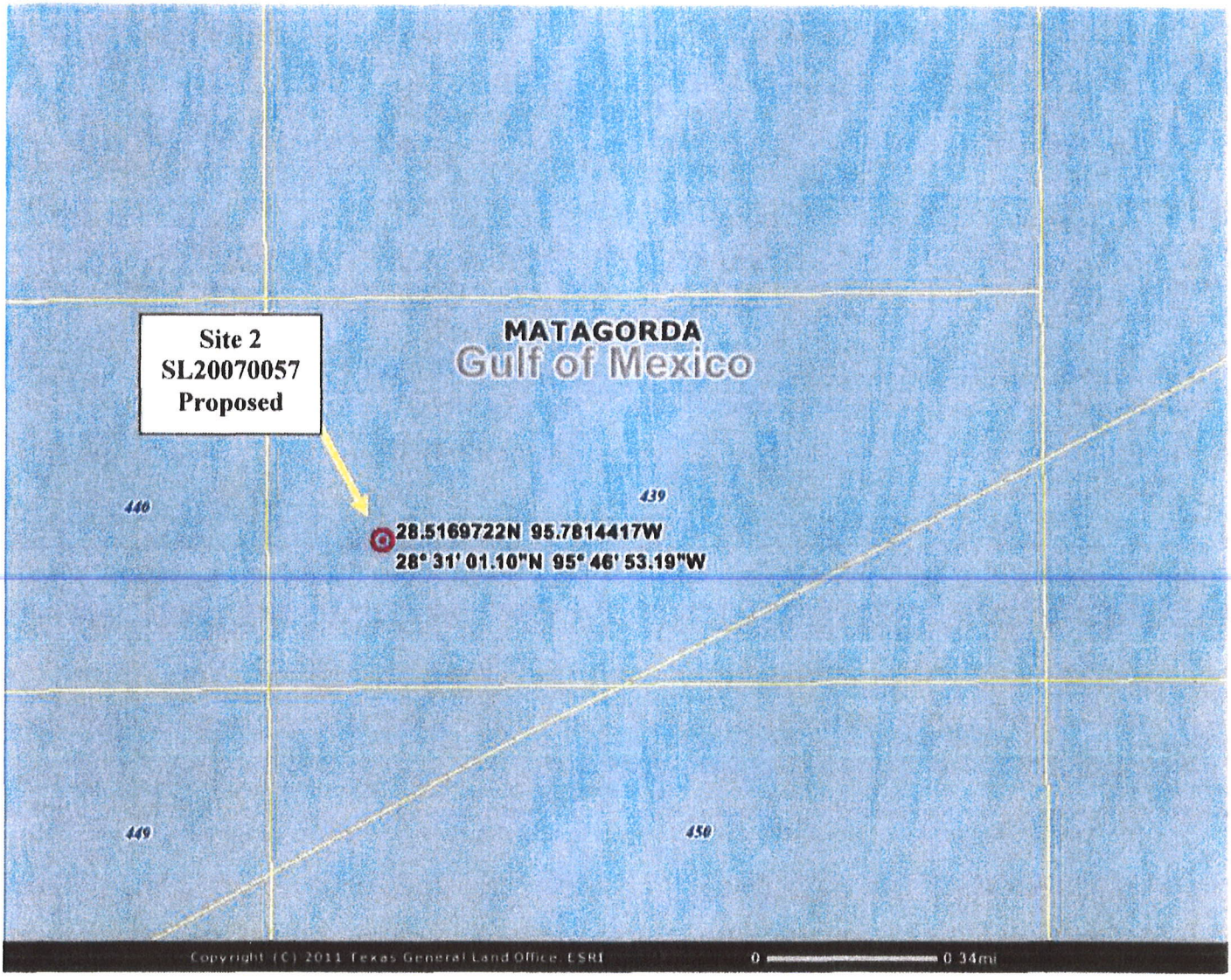
My commission expires: 3-18-14



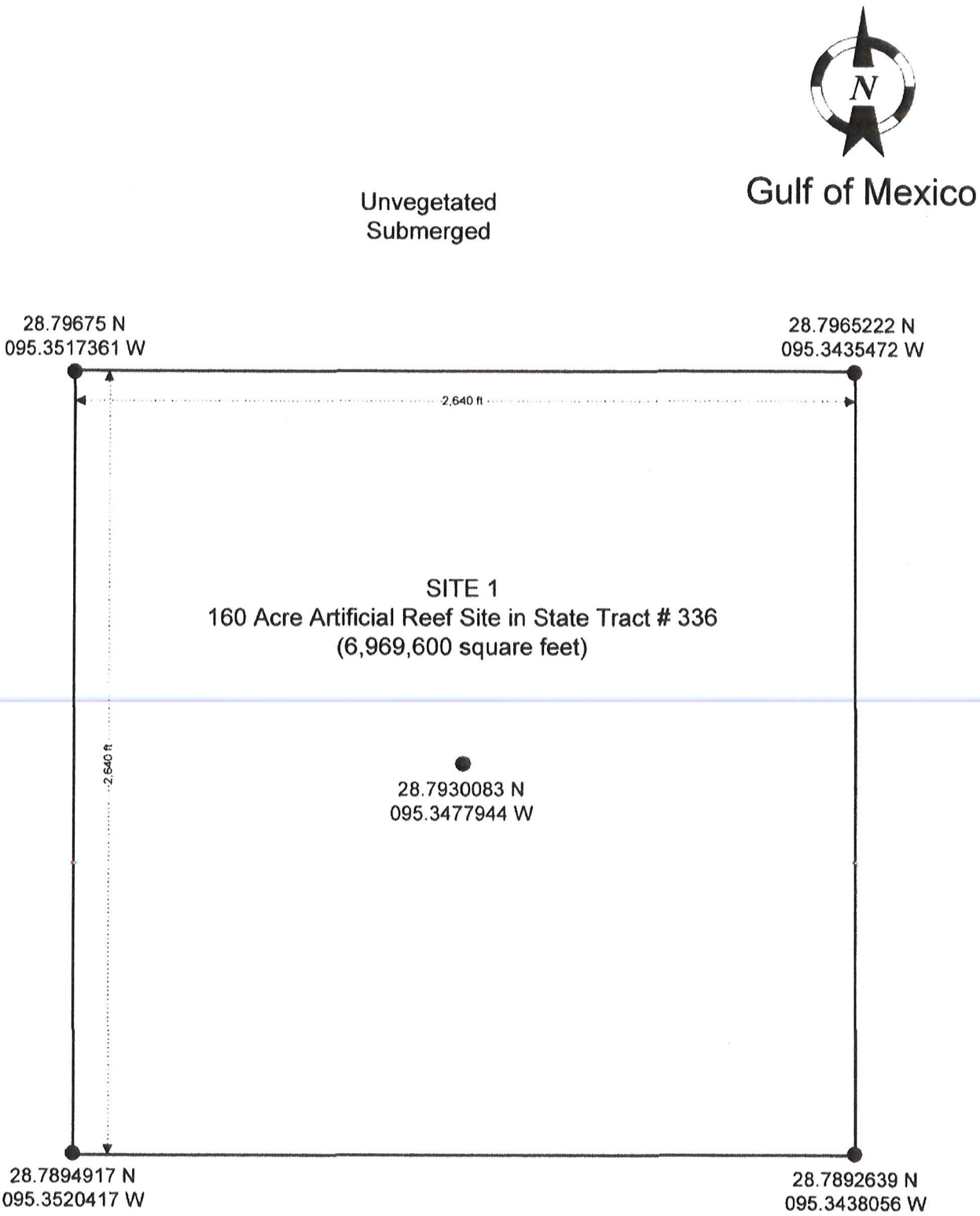
Title: Texas Parks and Wildlife Department / SL20070057	Date of Inspection: March 17, 2011
Company: General Land Office	Creator: Jason Zeplin
Scale: Not to Scale	Exhibit A



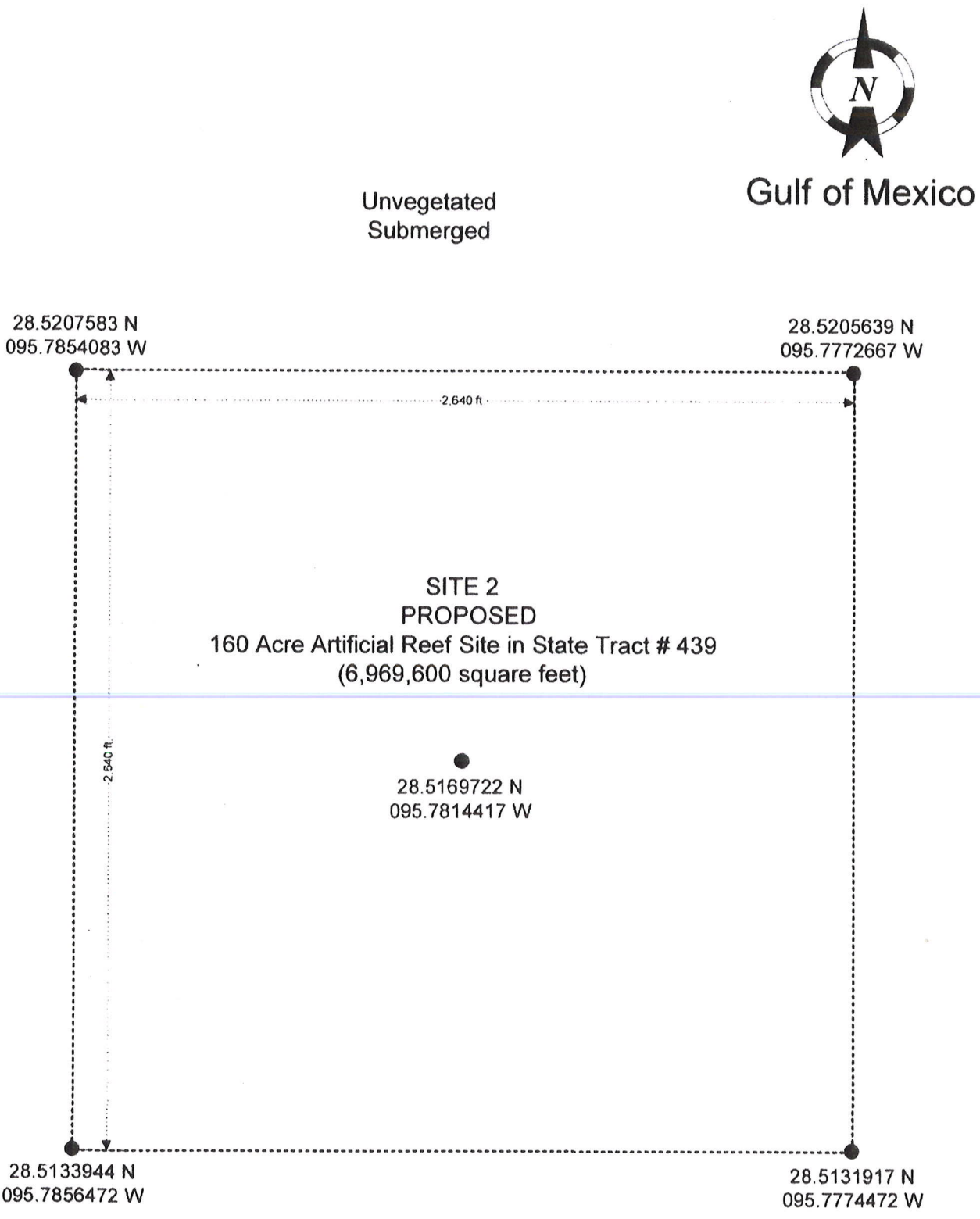
Title: Texas Parks and Wildlife Department / SL20070057	Date of Inspection: March 17, 2011
Company: General Land Office	Creator: Jason Zeplin
Scale: Not to Scale	Exhibit B-1



Title: Texas Parks and Wildlife Department / SL20070057	Date of Inspection: March 17, 2011
Company: General Land Office	Creator: Jason Zeplin
Scale: Not to Scale	Exhibit B-2



TITLE: Texas Parks and Wildlife Department / SL20070057	DATE OF INSPECTION: March 17, 2011
COMPANY: Texas General Land Office	CREATOR: Jason Zeplin
DRAWING SCALE: Not to Scale	**EXHIBIT C-1**



TITLE: Texas Parks and Wildlife Department / SL20070057 DATE OF INSPECTION: March 17, 2011

COMPANY: Texas General Land Office CREATOR: Jason Zeplin

DRAWING SCALE: Not to Scale

EXHIBIT C-2

Exhibit D

List of Materials for Use in Construction of Artificial Reefs in Texas State Waters of the Gulf of Mexico

Pre-Approved by Texas General Land Office and Texas Parks and Wildlife Department

June 2009

The following materials are suitable for use in creating or enhancing Artificial Reefs in Texas state waters of the Gulf of Mexico. This list is based on *Guidelines For Marine Artificial Reef Materials*, 2nd Edition, Gulf States Marine Fisheries Commission, Number 121, January 2004.

The strategy in using these materials involves their complexity for marine habitat, stability, and durability. All materials must meet the clearance requirements. Materials are modified and placed in a reef site so that this requirement is not exceeded. Specific clearance requirements and distance from shipping lanes, safety fairways, and anchorages is established by the US Army Corps of Engineers and US Coast Guard as set in each individual reef site permit.

Pre-approved materials include:

I. FRABRICATED MATERIAL
- Designed structures composed of concrete and/or steel (with exception of Eternal Reefs)
- Concrete rubble of various sizes but with a combined minimum weight of 500 lbs
- Concrete culverts
- Concrete bridge spans, bents, columns
- Steel pipe and steel structures of various sizes

II. NATURAL ROCK
- Quarry block (typically over 1 ton in size)

III. OIL AND GAS STRUCTURES
- Petroleum platform legs (jackets)

IV. VESSELS
- Steel-hulled vessels (environmentally cleaned to standards as set in National *Guidance: Best Management Practices for Preparing Vessels Intended to Create Artificial Reefs*, US Environmental Protection Agency and US Maritime Commission, May 2006)