

**CITY OF SOUTH PADRE ISLAND
ECONOMIC DEVELOPMENT CORPORATION
NOTICE OF REGULAR MEETING**

Note: One or more members of the South Padre Island City Council may attend this meeting. If so, this statement satisfies the requirements of the Open Meetings Act

Notice is hereby given that the Economic Development Corporation Board of Directors of the City of South Padre Island, Texas, will hold its **Regular Meeting Tuesday, December 13th, 2016 at 9:00 a.m. at the South Padre Island Birding and Nature Center 2nd floor Meeting Room, 6801 Padre Blvd.,** South Padre Island, Texas. Following is the agenda on which action may be taken:

1. **Call to order**
2. **Pledge of Allegiance**
3. **Public Comments and Announcements**
This is an opportunity for citizens to speak to the Board relating to agenda or non-agenda items. Speakers are required to give their name before addressing their concerns. (Note: State law will not permit the Board to discuss, debate, or consider items that are not on the agenda. Citizen comments may be referred to staff or may be placed on the agenda of a future Board meeting)
4. **Presentation by Angela R. Burton, District Director with the U.S. Small Business Administration regarding programs and services offered**
5. **Discussion and possible action regarding the approval of a Strategic Alliance Memorandum between the United States Small Business Administration and the South Padre Island Economic Development Corporation**
6. **Approve the Consent Agenda:**
 - 6a. **Approve the Minutes from the Regular Meeting of November 15th, 2016**
 - 6b. **Financial Reports for EDC- November 2016**
 - 6c. **Activity Report from the Birding and Nature Center-November 2016**
 - 6d. **Approve the Financial Reports for the Birding & Nature Center-November 2016**
 - 6e. **Approve excused absences for Irv Downing and Sally Scaman from the November 15th, 2016 meeting**
7. **Discussion and possible action to approve the Memorandum of Understanding between the EDC, Sea Turtle Inc., and the South Padre Island Birding and Nature Center (draft v.5) and to forward the document to the Sea Turtle Inc. Board of Directors for their consideration**

8. **Discussion and possible action to approve the draft Easement Agreement between SPIEDC and Sea Turtle, Inc. and to forward to the Sea Turtle Inc. Board of Directors for their consideration**
9. **Public Hearing regarding an EDC Project for the 2016-17 fiscal year- Artificial Reef-Friends of RGV Reef deployment , funding a portion of the seagoing transport of materials**
10. **Discussion and possible action regarding the Artificial Reef-Friends of RGV Reef deployment, funding a portion of the seagoing transport of materials**
11. **Discussion and action to approve the invoices from Shepard Walton King Insurance for the property and liability policies in the amount of \$39,814.95 for the term 12/21/16 through 12/20/17**
12. **Executive Director's Activity Report**
13. **Adjournment**

We reserve the right to go into Executive Session regarding any of the items posted on this agenda, pursuant to Sections 551-071, Consultation with Attorney; 551.072, Deliberations about Real Property; 551.073, Deliberations about Gifts & Donations; 551-074, Personnel Matters; 551-076, Deliberations about Security Devices; and/or 551.086, Discuss (A) Commercial or Financial Information Received from a Business Prospect with which the Economic Development Corporation is Conducting Negotiations, or (B) Financial or Other Incentives to the Business Project.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Directors of the City of South Padre Island Economic Development Corporation is a true and correct copy of said Notice and that I posted a true and correct copy of said notice on the bulletin board at City Hall which will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Dated this the 7th day of December, 2016

SEAL



Darla Lapeyre, Executive Director

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact Jay Mitchim, ADA-designated responsible party, at (956)761-1025.

5.



Strategic Alliance Memorandum

with the

United States Small Business Administration

and the

South Padre Island Economic Development Corporation

I. PURPOSE

The United States Small Business Administration (SBA) and the **South Padre Island Economic Development Corporation (SPI EDC)** (each a “Party” or, collectively the “Parties”) are joined by a common mission; **helping start, maintain, and expand small businesses**. The Parties will work together in the spirit of cooperation and open communications, consistent with law, with the primary goal of meeting the needs of the small business community.

The mission of the South Padre Island Economic Development Corporation is to improve the economy by developing educational and quality of life projects that enhance wealth and are consistent with the vision of the community.

The mission of the SBA is to aid, counsel, assist and protect the interests of small business by providing financial, contractual and business development assistance and advocating on their behalf within the government. SBA district offices deliver SBA programs and services to the public. Each Party has separate services and resources which, when delivered in coordination with each other, will provide maximum benefits to the small business communities served.

The purpose of this Strategic Alliance Memorandum (SAM) is to develop and foster mutual understanding and a working relationship between the SBA and the **SPI EDC** in order to strengthen and expand small business development in the local area. The Parties acknowledge that specific joint training and outreach activities contemplated under this SAM require further negotiations and a separate signed agreement developed pursuant to SBA’s cosponsorship authority. Nothing in this SAM permits **SPI EDC** to use the SBA logo or seal. The “U.S. Small Business Administration” name shall be used only in a factual manner, consistent with applicable law, and shall not promote or endorse any products or services of any entity including but not limited to **SPI EDC**.

In order to further their common goals, the Parties agree to the following:

II. SCOPE AND RESPONSIBILITIES

SBA Undertakings:

Within the limits of its available and/or appropriated resources, the SBA through its **Lower Rio Grande Valley District Office** will:

- Provide **SPI EDC** with up-to-date information about SBA’s programs and services.
- Make available, upon request, information regarding SBA’s resource partners, including but not limited to, the Small Business Development Centers (SBDCs), SCORE, Women’s Business Centers (WBCs) and the Veteran Business Outreach Centers (VBOCs) (collectively “SBA’s Resource Partners”)

- Make available, upon request and subject to their availability, SBA pamphlets, brochures, and other publications.
- Advise **SPI EDC** of events that may impact its mission.
- Provide speakers, consistent with SBA rules and policy, to participate in **SPI EDC** workshops, conferences, seminars and other activities to discuss SBA financing, government contracting and other business topics.
- Invite **SPI EDC's** clients/members to attend local SBA-sponsored events and offer SBA-sponsored training at **SPI EDC's** location when appropriate.
- Provide a text-only hyperlink from SBA's website to **SPI EDC's** website pursuant to SBA's linking policies.
- Provide information to **SPI EDC's** staff on SBA programs and services available to local small businesses.
- Assign a local point of contact to serve as liaison between SBA and **SPI EDC**.

SPI EDC Undertakings:

Within the limits of its available resources, **SPI EDC** will:

- Cooperate with SBA's Resource Partners to provide information to its clients/members about business development services to small businesses when appropriate.
- Keep abreast of and disseminate up-to-date information provided by SBA when appropriate.
- Make available to its clients/members SBA pamphlets, brochures, and other publications.
- Inform **SPI EDC's** small business clients/members of SBA's programs and services including referrals to SBA's Resource Partners when appropriate.
- Upon request, provide speakers for SBA-sponsored events when appropriate.
- Provide a text-only hyperlink from **SPI EDC's** website to SBA's website.
- Assign a local point of contact to serve as liaison between **SPI EDC** and SBA.

III. TERM

Cooperation under this SAM will commence upon signing by both Parties and will continue for a period of two years from date of signature unless otherwise terminated by one or both Parties as per paragraph V below.

IV. AMENDMENT

The Parties agree to consult each other on any amendment, modification or clarification to the provisions of this SAM. This SAM may only be amended or modified in writing and shall be consistent with applicable laws, regulations and SBA policy.

V. TERMINATION

Either Party may discontinue its participation under this SAM at any time, with or without cause, upon thirty (30) days written notice to the other Party.

VI. RELATIONSHIP

This SAM does not authorize the expenditure of any funds. Accordingly, this SAM shall not be interpreted as creating any binding legal obligations between the Parties nor shall it limit either Party from participating in similar activities or arrangements with other entities. Nothing contained herein shall be construed to create any association, partnership, joint venture or relation of principal or agent or employer and employee with respect to **SOUTH PADRE ISLAND EDC** and SBA.

VII. RESPONSIBLE OFFICIALS

The responsible officials and points of contact for administrative matters pertaining to this SAM are:

South Padre Island Economic Development Corporation:

Darla Lapeyre
Executive Director
6801 Padre Blvd.
South Padre Island, Texas 78597
(956) 761-6805

U.S. Small Business Administration:

Reynaldo Vasquez
Economic Development Specialist
2422 E. Tyler Street, Suite E.
Harlingen, Texas 78550
(956) 427-8533 x300

VIII. SIGNATURES

The signatories below represent that they have the authority to make such commitments on behalf of their respective organizations:

U.S. Small Business Administration:

Mina Wales, Deputy Assistant Administrator
Office of Communications and Public Liaison

Date

Angela R. Burton, District Director
Lower Rio Grande Valley District Office

Date

South Padre Island Economic Development Corporation:

Darla Lapeyre, Executive Director

Date

6.

DRAFT

**CITY OF SOUTH PADRE ISLAND
ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS**

MINUTES
Regular Meeting
November 15th, 2016

1. CALL TO ORDER

A regular meeting of the Board of Directors of the City of South Padre Island Economic Development Corporation was held on Tuesday, November 15th, 2016, at the Municipal Complex 2nd floor Joyce Adams Conference Room, 4601 Padre Blvd., South Padre Island, Texas. President Joanne Williams called the meeting to order at 9:00 a.m. Other Board members present were Vice-President Dan Stanton, Secretary/Treasurer Ron Pitcock, and Directors Bob Friedman, and Beth Vance. Directors Irv Downing and Sally Scaman were absent. Also present were Executive Director Darla Lapeyre, SPI Birding and Nature Center Board President Lynne Tate, SPI Birding and Nature Center Manager Cristin Howard, City Manager Susan Guthrie, and City Councilman Dennis Stahl.

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS AND ANNOUNCEMENTS

Lynne Tate, President of the South Padre Island Birding and Nature Center announced their Board of Directors has gone to a seven member Board with Alita Bagley and Dr. Elizabeth Heise joining. Councilman Dennis Stahl commented the EDC Board packet was not uploaded on the i-legislate website.

4. APPROVE THE CONSENT AGENDA

- 4a. Approve the Minutes from Regular Meeting of October 18th 2016**
- 4b. Financial Report for EDC-October 2016**
- 4c. Activity Report from the Birding and Nature Center-October 2016**
- 4d. Approve the Financial Reports for the Birding and Nature Center – October 2016**

Upon a motion from Ron Pitcock and a second by Beth Vance the consent agenda was unanimously approved as presented.

5. DISCUSSION AND POSSIBLE ACTION TO APPROVE THE REVISIONS TO THE FAÇADE IMPROVEMENT GRANT PROGRAM GUIDELINES

Upon a motion from Ron Pitcock and a second by Bob Friedman the Board unanimously approved the guidelines with the change recommended by Ron Pitcock to remove the 3rd sentence under DESIGN CRITERIA "The Façade Improvement Grant Program has the following preferred architects to assist: "

6. EXECUTIVE DIRECTOR'S ACTIVITY REPORT

Ms. Lapeyre presented the most recent economic indicators to the Board and provided an analysis of the Sales Tax. The sales tax was down 5.33% for September 2016 from September 2015. The sales tax was down 2.5% calendar year to date 2016 vs. 2015. September 2016 was up 4.8% from the 5 year average for September (\$234,160). Other items discussed were an Active Plan workshop in Brownsville, sponsoring the SPI Board of Realtors installation dinner, sales tax training seminar in Austin on December 9th, the next Chamber quarterly luncheon with Senator Lucio and Representative Oliveira on December 16th, and changing the December Board meeting date from the 20th to the 13th to ensure a quorum.

7. PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 551.074, PERSONNEL MATTERS: AN EXECUTIVE SESSION WILL BE HELD TO DISCUSS THE EXECUTIVE DIRECTOR'S PERFORMANCE IMPROVEMENT PLAN

The Board convened into Executive Session at 9:25 a.m. and came out into the public session at 10:00 a.m.

8. DISCUSSION AND ACTION REGARDING THE EXECUTIVE DIRECTOR'S PERFORMANCE IMPROVEMENT PLAN

The EDC Board has determined that the Executive Director has met the primary objectives of her Performance Improvement Plan at an acceptable level of performance. However, there continues to be opportunities for improvement and development. The EDC Board deemed it necessary in January to put together a committee of EDC and non-EDC members to improve and evaluate strategic objectives, roles, functions and goals for the EDC Board and the Executive Director.

9. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:05 a.m.

SEAL

Darla Lapeyre
Executive Director

APPROVED:

Joanne Williams
President

BNC EDC Manager Report December 2016

Winter Texan Volunteers have arrived and now we have daily nature walks 7 days a week. I have attached the schedule for you.

The 3rd Annual Spoonbill Mini Golf Tournament will be Saturday, February 18th 3pm – 6pm. Sponsorships for \$100.00, \$250.00, \$500.00 and \$1,000.00. Teams will be \$25.00 per player and it will be teams of 2 this year. Awards ceremony will be at 6:30 upstairs at Louie's. Each Sponsorship team will receive a meal ticket. Last year we raised over \$4,000.00 and this year I would like to raise \$6,000.00 that will go towards our education programs and increasing habitat for the birds and butterflies.

Javier has been working on contacting vendors for WOVE. We have 2 vendors signed up thus far. WOVE dates January 24 -28 and Jonathon Wood to be here on Friday & Saturday. We have been asking for sponsorships to help pay for the \$3,000.00 fee for Jonathon and we have \$300.00 from the Rotary Club in Port Isabel , \$100.00 from Norris Fletcher. I will be requesting \$500.00 from the Texas Master Naturalist at the Board of Directors meeting Tuesday, December 6 meeting. I put in a proposal to HEB back in April and we are under consideration for \$1,500.00 sponsorship. They called last week to ask a few more questions and I should hear from them next week.

I sold \$10.00 parking for the Lantern Fest and we sold 57 parking spots.

Lynne and Myself will be working on tickets to sell for the Richard Moore Event January 21st. We will be showing his latest documentary, The Best of South Texas Wildlife. This event will have an auction and one of the auction items will be a trip to Green Island with Richard Moore.

I requested the Parking concession for the UME concert at Claytons March 15 -18. I am waiting to hear back from Susan, the City Manager.

Javier is signed up for the next Texas Master Naturalist class that will be starting in January. Lynne has sponsored the \$150.00 fee.

Respectfully Submitted,

Cristin Howard

The 22nd Annual **W.O.W.E.**

Winter Outdoor & Wildlife Expo



January 24 - 28, 2017

at the
South Padre Island
World Birding & Nature Center



Special Events & Programs Each Day

TUE - Nature of the Valley

WED - Laguna Madre &
the Gulf of Mexico

THU - Impact of Native Plants

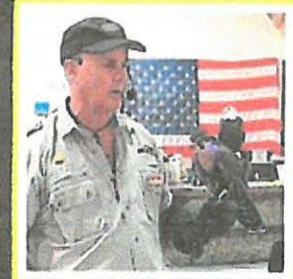
FRI - Birds of the RGV

SAT - Family Fun Day



Fun for the whole family!

and Featuring
Jonathan Wood's Raptor Project



**Three Shows Daily on Both
Friday and Saturday**

There's nothing like it in South Texas in the Winter



For Program Info:
spibirding.com
or call
956-761-6801



November 2015

November 2016

Number of Visitors	2,485	Number of Visitors	2,599
Admissions & Passes	\$13,410.70	Admission & Passes	14,356.00
Special Events	2,750.00		
Donations	\$3,006.00	Donations	\$3,650.00
Donation Jar	\$296.00	Donation Jar	\$467.00
Outside Donation Box	\$127.00	Outside Donation Box	\$68.00
Parking	\$0.00	Parking	\$0.00
Facility Rental	\$0.00	Facility Rental	\$0.00
Gift Shop Sales	\$8,185.58	Gift Shop Sales	\$5,563.22
Total Income	\$27,775.28	Total Income	\$24,104.22

3:44 PM
12/04/16
Accrual Basis

SOUTH PADRE ISLAND BIRDING & NATURE CENTER
Balance Sheet
As of November 30, 2016

	<u>Nov 30, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
\$\$BNC Operating 38458	8,636.38
Cash on Hand	
Cash Box	300.00
Kiosk Cash	1,600.00
Register Drawer	500.00
Total Cash on Hand	2,400.00
SPI BNC Donation 38545	8,360.93
SPI BNC Loan 38415	4,425.40
Total Checking/Savings	23,822.71
Other Current Assets	
Inventory Asset	46,967.13
Total Other Current Assets	46,967.13
Total Current Assets	70,789.84
Fixed Assets	
Accumulated Depreciation	-21,413.00
Boardwalk	40,750.00
Building Improvement	19,562.01
Furniture and Equipment	10,600.00
Landscape and Grounds	9,000.00
Total Fixed Assets	58,499.01
TOTAL ASSETS	129,288.85
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	8,294.46
Total Accounts Payable	8,294.46
Other Current Liabilities	
Payroll Liabilities	
FIT and FICA-Medicare	4,285.30
Total Payroll Liabilities	4,285.30
Sales Tax Payable	827.04
Total Other Current Liabilities	5,112.34
Total Current Liabilities	13,406.80
Long Term Liabilities	
EDC Loan 270101	53,565.96
Total Long Term Liabilities	53,565.96
Total Liabilities	66,972.76
Equity	
Fund Balances	
Board Designated	8,000.00
Total Fund Balances	8,000.00
Unrestricted	60,800.06
Net Income	-6,483.97

3:44 PM
12/04/16
Accrual Basis

SOUTH PADRE ISLAND BIRDING & NATURE CENTER
Balance Sheet
As of November 30, 2016

	Nov 30, 16
TOTAL LIABILITIES & EQUITY	<u>129,288.85</u>

SOUTH PADRE ISLAND BIRDING & NATURE CENTER
Profit & Loss Budget vs. Actual
 October through November 2016

	<u>Oct - Nov 16</u>	<u>Budget</u>	<u>\$ Over Bu...</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
ADMISSIONS INCOME				
DISCOUNT ADMISSIONS	6.00	2,000.00	-1,994.00	0.3%
EXTENDED PASS ADMISSIONS	1,812.50	9,000.00	-7,187.50	20.1%
GENERAL ADMISSIONS	25,796.10	175,000.00	-149,203.90	14.7%
GROUP ADMISSIONS	93.00	8,500.00	-8,407.00	1.1%
Total ADMISSIONS INCOME	<u>27,707.60</u>	<u>194,500.00</u>	<u>-166,792.40</u>	<u>14.2%</u>
BUILDING RENTAL INCOME	200.00	20,000.00	-19,800.00	1.0%
CONTRIBUTIONS				
DESIGNATED				
JOJO	175.33			
Total DESIGNATED	<u>175.33</u>			
DONATIONS				
HALLOWEEN	0.00	1,000.00	-1,000.00	0.0%
LETTERS	0.00	30,000.00	-30,000.00	0.0%
SPECIAL EVENTS	0.00	5,000.00	-5,000.00	0.0%
SPOONBILL MINI GOLF TOURNAMENT	0.00	5,500.00	-5,500.00	0.0%
W O W E	1,500.00	12,300.00	-10,800.00	12.2%
DONATIONS - Other	3,710.00			
Total DONATIONS	<u>5,210.00</u>	<u>53,800.00</u>	<u>-48,590.00</u>	<u>9.7%</u>
Total CONTRIBUTIONS	<u>5,385.33</u>	<u>53,800.00</u>	<u>-48,414.67</u>	<u>10.0%</u>
GIFT SHOP INCOME				
CONSIGNMENT SALES	536.20	5,000.00	-4,463.80	10.7%
GIFT SHOP SALES	22,115.92	125,000.00	-102,884.08	17.7%
VENDING INCOME	23.64	1,000.00	-976.36	2.4%
Total GIFT SHOP INCOME	<u>22,675.76</u>	<u>131,000.00</u>	<u>-108,324.24</u>	<u>17.3%</u>
Gift Shop Sales				
40201 - Gift Shop Sales	0.00			
Total Gift Shop Sales	<u>0.00</u>			
Total Income	<u>55,968.69</u>	<u>399,300.00</u>	<u>-343,331.31</u>	<u>14.0%</u>
Cost of Goods Sold				
COST OF GOODS SOLD				
COST OF GOODS CONSIGNMENT	574.40	3,600.00	-3,025.60	16.0%
COST OF GOODS GIFT SHOP	10,193.89	62,500.00	-52,306.11	16.3%
Total COST OF GOODS SOLD	<u>10,768.29</u>	<u>66,100.00</u>	<u>-55,331.71</u>	<u>16.3%</u>
Total COGS	<u>10,768.29</u>	<u>66,100.00</u>	<u>-55,331.71</u>	<u>16.3%</u>
Gross Profit	<u>45,200.40</u>	<u>333,200.00</u>	<u>-287,999.60</u>	<u>13.6%</u>
Expense				
OPERATIONS EXPENSES				
ADVERTISING & PROMOTION				
BOOTH RENT	0.00	650.00	-650.00	0.0%
GUIDES & DIRECTORIES	1,704.00	2,200.00	-496.00	77.5%
PHOTOGRAPHY & VIDEO	0.00	3,800.00	-3,800.00	0.0%
PRINT	335.00	3,600.00	-3,265.00	9.3%
Total ADVERTISING & PROMOTION	<u>2,039.00</u>	<u>10,250.00</u>	<u>-8,211.00</u>	<u>19.9%</u>
BANK SERVICE CHARGES	0.00			
CREDIT CARD FEES	2,312.86	10,120.00	-7,807.14	22.9%
DUES & SUBSCRIPTIONS	80.00	670.00	-590.00	11.9%
FUNDRAISING & EVENTS				
DESIGNATED REIMBURSEMENTS	0.00	500.00	-500.00	0.0%
HALLOWEEN	0.00	750.00	-750.00	0.0%

SOUTH PADRE ISLAND BIRDING & NATURE CENTER

Profit & Loss Budget vs. Actual

October through November 2016

12/04/16
Accrual Basis

	Oct - Nov 16	Budget	\$ Over Bu...	% of Budget
JOJO	578.88	3,000.00	-2,421.12	19.3%
LETTERS & BROCHURES	56.16	1,000.00	-943.84	5.6%
PHOTOGRAPHY WORKSHOP	0.00	250.00	-250.00	0.0%
PLAQUES & BRICKS	183.50	900.00	-716.50	20.4%
SPECIAL EVENTS	96.64	350.00	-253.36	27.6%
SPOONBILL MINI GOLF TOURNAMENT	0.00	500.00	-500.00	0.0%
SUMMER CAMP	0.00	300.00	-300.00	0.0%
W O W E	195.00	5,500.00	-5,305.00	3.5%
Total FUNDRAISING & EVENTS	1,110.18	13,050.00	-11,939.82	8.5%
GIFT SHOP SUPPLIES	75.01	300.00	-224.99	25.0%
INSURANCE	653.00	6,000.00	-5,347.00	10.9%
LEGAL & PROFESSIONAL	662.50	8,400.00	-7,737.50	7.9%
LOAN EXPENSE	370.81	2,810.00	-2,439.19	13.2%
LOCAL MEETINGS				
MEALS & ENTERTAINMENT	75.95	200.00	-124.05	38.0%
VOLUNTEER APPRECIATION	0.00	600.00	-600.00	0.0%
Total LOCAL MEETINGS	75.95	800.00	-724.05	9.5%
MAINTENANCE & REPAIRS	1,179.95	5,000.00	-3,820.05	23.6%
OFFICE & PRINTING	72.04	1,200.00	-1,127.96	6.0%
PAYROLL SERVICE	117.26	700.00	-582.74	16.8%
POSTAGE & FREIGHT	196.62	500.00	-303.38	39.3%
SOFTWARE	278.21	500.00	-221.79	55.6%
SUPPLIES	477.81	4,000.00	-3,522.19	11.9%
TOOLS & EQUIPMENT	0.00	3,000.00	-3,000.00	0.0%
TRAINING	0.00	300.00	-300.00	0.0%
TRAVEL	693.90	2,000.00	-1,306.10	34.7%
Total OPERATIONS EXPENSES	10,395.10	69,600.00	-59,204.90	14.9%
POS Inventory Adjustments	0.00			
RENT	10.00			
SALARIES AND BENEFITS				
GIFT SHOP ATTENDANTS	4,091.46	32,760.00	-28,668.54	12.5%
JANITOR	2,176.00	13,000.00	-10,824.00	16.7%
MAINTENANCE	4,000.00	26,000.00	-22,000.00	15.4%
MANAGER	6,938.91	45,000.00	-38,061.09	15.4%
NATURALIST	4,923.08	32,000.00	-27,076.92	15.4%
PAYROLL TAXES	1,692.91	11,400.00	-9,707.09	14.9%
Total SALARIES AND BENEFITS	23,822.36	160,160.00	-136,337.64	14.9%
SERVICE CONTRACTS				
AIR CONDITIONING	930.00	3,900.00	-2,970.00	23.8%
BACKGROUND CHECKS	0.00	110.00	-110.00	0.0%
CLEANING SUPPLIES	299.33	2,800.00	-2,500.67	10.7%
COMPUTER COPIER I.T.	3,861.05	19,500.00	-15,638.95	19.8%
DRINKING WATER	113.92	600.00	-486.08	19.0%
EBIRD TRAIL TRACKER	0.00	650.00	-650.00	0.0%
KIOSK LEASE	1,729.60	6,920.00	-5,190.40	25.0%
PEST CONTROL	156.00	940.00	-784.00	16.6%
SECURITY	532.81	2,470.00	-1,937.19	21.6%
TELEPHONE & INTERNET				
ATT EMERGENCY LINES	466.62	2,690.00	-2,223.38	17.3%
ATT INTERNET	1,757.04	10,080.00	-8,322.96	17.4%
TELEPHONE SYSTEM	746.42	4,480.00	-3,733.58	16.7%
Total TELEPHONE & INTERNET	2,970.08	17,250.00	-14,279.92	17.2%
WEBMASTER	0.00	1,000.00	-1,000.00	0.0%
Total SERVICE CONTRACTS	10,592.79	56,140.00	-45,547.21	18.9%
UTILITIES				
ELECTRICITY	4,363.36	26,400.00	-22,036.64	16.5%
TRASH	189.84	1,400.00	-1,210.16	13.6%

SOUTH PADRE ISLAND BIRDING & NATURE CENTER
Profit & Loss Budget vs. Actual
October through November 2016

	<u>Oct - Nov 16</u>	<u>Budget</u>	<u>\$ Over Bu...</u>	<u>% of Budget</u>
WATER / SEWER	<u>2,312.03</u>	<u>19,500.00</u>	<u>-17,187.97</u>	<u>11.9%</u>
Total UTILITIES	<u>6,865.23</u>	<u>47,300.00</u>	<u>-40,434.77</u>	<u>14.5%</u>
Total Expense	<u>51,685.48</u>	<u>333,200.00</u>	<u>-281,514.52</u>	<u>15.5%</u>
Net Ordinary Income	<u>-6,485.08</u>	<u>0.00</u>	<u>-6,485.08</u>	<u>100.0%</u>
Other Income/Expense				
Other Income				
INTEREST INCOME	<u>1.11</u>			
Total Other Income	<u>1.11</u>			
Other Expense				
Balancing Adjustments	<u>0.00</u>			
Total Other Expense	<u>0.00</u>			
Net Other Income	<u>1.11</u>			
Net Income	<u><u>-6,483.97</u></u>	<u><u>0.00</u></u>	<u><u>-6,483.97</u></u>	<u><u>100.0%</u></u>

SOUTH PADRE ISLAND BIRDING & NATURE CENTER
Profit & Loss Prev Year Comparison
October through November 2016

12/04/16

Accrual Basis

	Oct - Nov 16	Oct - Nov 15	\$ Change	% Change
Ordinary Income/Expense				
Income				
ADMISSIONS INCOME				
DISCOUNT ADMISSIONS	6.00	299.30	-293.30	-98.0%
EXTENDED PASS ADMISSIONS	1,812.50	1,761.00	51.50	2.9%
GENERAL ADMISSIONS	25,796.10	22,426.70	3,369.40	15.0%
GROUP ADMISSIONS	93.00	543.00	-450.00	-82.9%
Total ADMISSIONS INCOME	27,707.60	25,030.00	2,677.60	10.7%
BUILDING RENTAL INCOME	200.00	7,418.00	-7,218.00	-97.3%
CONTRIBUTIONS				
DESIGNATED				
JOJO	175.33	0.00	175.33	100.0%
Total DESIGNATED	175.33	0.00	175.33	100.0%
DONATIONS				
HALLOWEEN	0.00	800.00	-800.00	-100.0%
SPECIAL EVENTS	0.00	1,423.00	-1,423.00	-100.0%
W O W E	1,500.00	3,500.00	-2,000.00	-57.1%
DONATIONS - Other	3,710.00	5,963.00	-2,253.00	-37.8%
Total DONATIONS	5,210.00	11,686.00	-6,476.00	-55.4%
Total CONTRIBUTIONS	5,385.33	11,686.00	-6,300.67	-53.9%
GIFT SHOP INCOME				
CONSIGNMENT SALES	536.20	1,207.00	-670.80	-55.6%
GIFT SHOP SALES	22,115.92	16,882.19	5,233.73	31.0%
VENDING INCOME	23.64	69.24	-45.60	-65.9%
Total GIFT SHOP INCOME	22,675.76	18,158.43	4,517.33	24.9%
Gift Shop Sales				
40201 - Gift Shop Sales	0.00	0.00	0.00	0.0%
Total Gift Shop Sales	0.00	0.00	0.00	0.0%
Service Sales	0.00	0.00	0.00	0.0%
Total Income	55,968.69	62,292.43	-6,323.74	-10.2%
Cost of Goods Sold				
COST OF GOODS SOLD				
COST OF GOODS CONSIGNMENT	574.40	1,629.40	-1,055.00	-64.8%
COST OF GOODS GIFT SHOP	10,193.89	13,180.38	-2,986.49	-22.7%
Total COST OF GOODS SOLD	10,768.29	14,809.78	-4,041.49	-27.3%
Total COGS	10,768.29	14,809.78	-4,041.49	-27.3%
Gross Profit	45,200.40	47,482.65	-2,282.25	-4.8%
Expense				
OPERATIONS EXPENSES				
ADVERTISING & PROMOTION				
BOOTH RENT	0.00	500.00	-500.00	-100.0%
GUIDES & DIRECTORIES	1,704.00	1,704.00	0.00	0.0%
PHOTOGRAPHY & VIDEO	0.00	200.00	-200.00	-100.0%
PRINT	335.00	510.00	-175.00	-34.3%
Total ADVERTISING & PROMOTION	2,039.00	2,914.00	-875.00	-30.0%
BANK SERVICE CHARGES	0.00	0.00	0.00	0.0%
CREDIT CARD FEES	2,312.86	1,666.19	646.67	38.8%
DUES & SUBSCRIPTIONS	80.00	270.00	-190.00	-70.4%
FUNDRAISING & EVENTS				
HALLOWEEN	0.00	19.00	-19.00	-100.0%
JOJO	578.88	0.00	578.88	100.0%
LETTERS & BROCHURES	56.16	454.15	-397.99	-87.6%

SOUTH PADRE ISLAND BIRDING & NATURE CENTER
Profit & Loss Prev Year Comparison
October through November 2016

12/04/16

Accrual Basis

	Oct - Nov 16	Oct - Nov 15	\$ Change	% Change
PHOTOGRAPHY WORKSHOP	0.00	120.00	-120.00	-100.0%
PLAQUES & BRICKS	183.50	144.00	39.50	27.4%
SPECIAL EVENTS	96.64	899.25	-802.61	-89.3%
W O W E	195.00	0.00	195.00	100.0%
Total FUNDRAISING & EVENTS	1,110.18	1,636.40	-526.22	-32.2%
GIFT SHOP SUPPLIES	75.01	0.00	75.01	100.0%
INSURANCE	653.00	2,468.00	-1,815.00	-73.5%
LEGAL & PROFESSIONAL	662.50	1,300.00	-637.50	-49.0%
LOAN EXPENSE	370.81	221.23	149.58	67.6%
LOCAL MEETINGS				
MEALS & ENTERTAINMENT	75.95	138.44	-62.49	-45.1%
Total LOCAL MEETINGS	75.95	138.44	-62.49	-45.1%
MAINTENANCE & REPAIRS	1,179.95	1,564.63	-384.68	-24.6%
OFFICE & PRINTING	72.04	100.01	-27.97	-28.0%
PAYROLL SERVICE	117.26	115.13	2.13	1.9%
POSTAGE & FREIGHT	196.62	98.00	98.62	100.6%
SOFTWARE	278.21	269.53	8.68	3.2%
SUPPLIES	477.81	395.58	82.23	20.8%
TOOLS & EQUIPMENT	0.00	836.69	-836.69	-100.0%
TRAVEL	693.90	425.99	267.91	62.9%
Total OPERATIONS EXPENSES	10,395.10	14,419.82	-4,024.72	-27.9%
POS Inventory Adjustments	0.00	0.00	0.00	0.0%
RENT	10.00	0.00	10.00	100.0%
SALARIES AND BENEFITS				
GIFT SHOP ATTENDANTS	4,091.46	5,613.62	-1,522.16	-27.1%
JANITOR	2,176.00	3,827.73	-1,651.73	-43.2%
MAINTENANCE	4,000.00	3,082.75	917.25	29.8%
MANAGER	6,938.91	7,769.22	-830.31	-10.7%
NATURALIST	4,923.08	0.00	4,923.08	100.0%
PAYROLL TAXES	1,692.91	1,552.42	140.49	9.1%
Total SALARIES AND BENEFITS	23,822.36	21,845.74	1,976.62	9.1%
SERVICE CONTRACTS				
AIR CONDITIONING	930.00	718.29	211.71	29.5%
CLEANING SUPPLIES	299.33	489.59	-190.26	-38.9%
COMPUTER COPIER I.T.	3,861.05	3,214.22	646.83	20.1%
DRINKING WATER	113.92	124.50	-10.58	-8.5%
KIOSK LEASE	1,729.60	1,729.60	0.00	0.0%
LAWN & GROUNDS	0.00	2,370.44	-2,370.44	-100.0%
PEST CONTROL	156.00	156.00	0.00	0.0%
SECURITY	532.81	520.96	11.85	2.3%
TELEPHONE & INTERNET				
ATT EMERGENCY LINES	466.62	223.30	243.32	109.0%
ATT INTERNET	1,757.04	2,474.80	-717.76	-29.0%
TELEPHONE SYSTEM	746.42	1,120.10	-373.68	-33.4%
Total TELEPHONE & INTERNET	2,970.08	3,818.20	-848.12	-22.2%
Total SERVICE CONTRACTS	10,592.79	13,141.80	-2,549.01	-19.4%
UTILITIES				
ELECTRICITY	4,363.36	4,210.47	152.89	3.6%
TRASH	189.84	175.84	14.00	8.0%
WATER / SEWER	2,312.03	1,831.55	480.48	26.2%
Total UTILITIES	6,865.23	6,217.86	647.37	10.4%
Total Expense	51,685.48	55,625.22	-3,939.74	-7.1%
Net Ordinary Income	-6,485.08	-8,142.57	1,657.49	20.4%
Other Income/Expense				
Other Income				

3:42 PM

12/04/16

Accrual Basis

SOUTH PADRE ISLAND BIRDING & NATURE CENTER
Profit & Loss Prev Year Comparison
October through November 2016

	<u>Oct - Nov 16</u>	<u>Oct - Nov 15</u>	<u>\$ Change</u>	<u>% Change</u>
EDC ADVANCE	0.00	9,100.00	-9,100.00	-100.0%
INTEREST INCOME	1.11	1.11	0.00	0.0%
Total Other Income	1.11	9,101.11	-9,100.00	-100.0%
Other Expense				
Balancing Adjustments	0.00	0.00	0.00	0.0%
Total Other Expense	0.00	0.00	0.00	0.0%
Net Other Income	1.11	9,101.11	-9,100.00	-100.0%
Net Income	<u>-6,483.97</u>	<u>958.54</u>	<u>-7,442.51</u>	<u>-776.4%</u>

7.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and entered into this ___ day of _____, 2016, by and between the South Padre Island Economic Development Corporation, owner of the underlying land of the Birding Center Facilities, (hereinafter "SPIEDC"), South Padre Island Birding and Nature Center, owner of the Birding Center Facilities, (hereinafter, "BNC"), and Sea Turtle, Inc. (hereinafter "TURTLE") regarding granting BNC an easement over and across TURTLE's land, identified as Tract II, and, in exchange, BNC and SPIEDC will allow a connecting driveway between BNC/SPIEDC's existing property and TURTLE's property to allow mutual ingress and egress to and from the Birding Center facilities and the Sea Turtle facilities.

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. A. Scope of Driveway Access.

a) TURTLE will provide to BNC and SPIEDC appropriate proposed site plans for the driveway that will allow for mutual ingress and egress for patrons between the two facilities. The proposed access (driveway) entry will be located on the southern boundary line of BNC/SPIEDC property that abuts TURTLE'S Tract II, which is described as 5.08 more or less, out of the west one-half of Tracts Sixteen (16) and Seventeen (17), Padre Beach Estates Subdivision in the City of South Padre Island, Cameron County Texas, according to the Map recorded in Volume 14, Page 61, Map Records of Cameron County, Texas, as depicted in Exhibit A, attached hereto and fully incorporated by reference.

b) TURTLE's construction plans must include at least the following:

- i. cement curbs and driveway to match BNC parking lot;
- ii. maximum twelve foot (12') access cut into the existing BNC fence;
- iii. lockable gate at BNC fence line to close off access when required; and
- iv. driveway leading to fence cut must be concrete and match BNC's existing parking area.

c) Before TURTLE may begin the construction of the proposed connecting driveway, which will be partially on SPIEDC property, BNC and SPIEDC will review the plans and advise TURTLE in writing if those plans are approved.

d) During construction, TURTLE shall conserve and protect all BNC landscaping, and should any damage occur, TURTLE will restore the same to the original condition at their sole cost.

B. Scope of BNC Easement. TURTLE grants BNC an easement over and across TURTLE's Tract II for BNC to access their 3.80 acre Tract (described in vol. 15706, pg.

313). This Easement shall be twenty-five (25) feet wide extending north and south across TURTLE'S Tract II to BNC's 3.08 acre property between BNC bird blinds number one (1) and number two (2).

2. Terms of Agreement.

A. For Driveway Access.

a) BNC or SPIEDC has the option to close off TURTLE access by locking the gate if BNC or SPIEDC has given notice to TURTLE of the reason the gate is being closed by phone (956-761- 4511) and/or email to jeff.george@seaturtle ___. Reasons for closing the gate include, but are not limited to, the following: (i) BNC/SPIEDC anticipates that the parking spaces in the BNC lot will be needed to accommodate BNC patrons; (ii) BNC is charging for use of the parking spaces for events or after hours parking; (iii) future development on BNC/SPIEDC site requires all BNC parking spaces; (iv) TURTLE patrons are disrupting BNC operations; (v) Turtle patrons are not parking in the designated spaces located on eastern portion of BNC parking lot.

b) TURTLE has the option to close the gate if they have given BNC and SPIEDC notice of the reason that the gate is being closed by phone 956-761-6801 and/or email to choward@spibirding.com

c) This agreement to grant TURTLE access to BNC parking lot spaces shall continue until one year following the opening of TURTLE's 2017 expansion, at which point this agreement for TURTLE access shall terminate unless the parties mutually agree otherwise.

B. For BNC Easement. In perpetuity. TURTLE agrees to execute any and all documents necessary to document such easement. Failure to execute such documents is grounds for termination of this license to access and permanent closure of the gate.

3. Performance.

A. If BNC and SPIEDC mutually approve the proposed site plans for the connecting driveway that will be partially on SPIEDC property, then TURTLE is fully responsible for all costs associated with the planning, construction, repair, maintenance, and any other matters related to that driveway connecting the BNC/SPIEDC and TURTLE facilities.

B. BNC and SPIEDC may improve such easement described herein, by erecting a raised boardwalk or some other structure over and across TURTLE's Tract II to provide access to their land described in paragraph 1.B. herein. Said structure will be elevated and will have associated pilings to support the same. TURTLE will advise BNC/SPIEDC of the location of any (current or future) buried pipes, lines, or utilities that may cross this easement.

5. **Assignability.** Neither this MOU nor any portion shall be assigned by TURTLE without prior written consent of BNC and SPIEDC.

6. **Indemnification.**

a) TURTLE shall defend, indemnify and hold harmless BNC and SPIEDC, its officers, employees and agents, against any claim, loss, expense (to include attorney's fees) or liability arising out of or resulting in any way from work performed under this MOU due to the willful or negligent acts (active or passive) or omissions by TURTLE'S officers, employees or agents. The acceptance of said site plans and diagrams by BNC and SPIEDC shall not operate as a waiver of such right of indemnification.

b) TURTLE shall defend, indemnify and hold harmless BNC and SPIEDC, its officers, employees and agents, against any claim, loss, expense (including attorney's fees) or liability arising out of or resulting in any way from the use of or license to use BNC parking lot under this MOU due to the willful or negligent acts (active or passive) or omissions by TURTLE'S patrons, invitees, guests, officers, employees or agents. Nothing in this agreement shall operate as a waiver of such right of indemnification.

c) TURTLE shall list BNC and SPIEDC as additional insured, and shall provide to BNC/SPIEDC proof of insurance (general liability) annually.

d) The indemnifications contained herein shall survive beyond the terms of this agreement.

7. **Governing Law.** BNC, SPIEDC and TURTLE agree that the law governing this MOU shall be that of the State of Texas, County of Cameron.

8. **Notices.** All notices and other communications required or permitted to be given under this MOU shall be in writing and shall be personally served or mailed, postage prepaid and returned receipt requested, addressed to the respective parties as follows:

FOR SPIEDC:

South Padre Island Economic Development Center
6801 Padre Blvd.
South Padre Island, TX 78597
Corporation

FOR BNC:

South Padre Island Birding and Nature Center
6801 Padre Blvd.
South Padre Island, TX 78597

FOR TURTLE:

Sea Turtle, Inc.
P.O. Box 3987
South Padre Island, TX 78597

9. **Modification.** This MOU constitutes the entire MOU between the parties and supersedes any previous agreements, oral or written. This MOU may be modified on provisions waived only by subsequent mutual written agreement executed by BNC, SPIEDC and TURTLE.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed the day and year first hereinabove written.

SOUTH PADRE ISLAND
ECONOMIC DEVELOPMENT
CORPORATION, a Texas non-profit

SEA TURTLE, INC.,
a Texas non-profit

By: _____
Joanne Williams, President

By: _____
Shane Wilson, Chairman of the Board

SOUTH PADRE ISLAND
BIRDING AND NATURE CENTER,
A Texas non-profit

By: _____
Lynne Tate, President

8.

EASEMENT AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF CAMERON §

KNOW ALL MEN BY THESE PRESENTS:

Date:

Grantor: Sea Turtle, Inc.

Grantor's Address: P.O. Box 3987 South Padre Island, Texas 78597

Grantees: South Padre Island Economic Development Corporation and South Padre Island Birding and Nature Center

Grantees' Address: 6801 Padre Blvd., South Padre Island, Texas 78597

Easement Purpose: This Easement is granted for the purpose of the construction of public boardwalk(s) (to include but not limited to pilings, signs, blinds) by Grantee upon the real property of Grantor. The boardwalk(s) will be constructed by Grantee as an amenity of the South Padre Island Birding and Nature Center. The boardwalk will be a public boardwalk(s) similar to those presently existing adjacent to the South Padre Island Birding and Nature Center. The boardwalk will contain photographic blinds and interpretive signs. Grantor wishes to grant, and Grantee wishes to accept, an Easement to allow Grantee to construct, maintain and repair and replace the boardwalk(s) on the property of Grantor.

Property upon which easement is granted: Generally 5.08 acres, identified as Tract II, Padre Beach Estates, South Padre Island, Cameron County, Texas, more particularly described in the attached and incorporated Exhibit "A".

Consideration: The sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Grantor.

Grant of Easement: Grantor, for the Consideration and subject to the terms and conditions of this Agreement, grants, sells, and conveys to Grantee and Grantee's successors and assigns a perpetual Easement over, on, and across the said Property for the Easement Purpose.

Terms and Conditions: The following terms and conditions apply to the Easement granted by this agreement:

1. *Character of Easement.* This instrument grants an Easement to Grantee for the purposes herein expressed. This Easement is intended specifically for the purposes herein expressed and Grantee shall have no additional rights to encroach upon the property of Grantor.

2. *Duration of Easement.* The Easement granted herein shall be perpetual.

3. *Location and Maintenance of Boardwalks.*

(a) Grantor grants Grantee an easement over and across Grantor's Tract II for Grantee (and it's guests, invitees, employees and invitees) to access Grantee's 3.80 acre Tract (depicted in Exhibit "B" and described in vol. 15706, pg. 313). This Easement shall be twenty-five (25) feet wide extending north and south across Grantor's Tract II to Grantee's 3.08 acre property between South Padre Island Birding and Nature Center bird blinds number one (1) and number two (2).

(b) Grantee or its agents or assigns shall have the right to enter upon the property of Grantor for the purpose of installing, constructing, erecting, maintaining and repairing the boardwalks (which includes but is not limited to the structure, pilings, blinds) and removing trash from the boardwalks and the area adjacent thereto. Grantee may also remove unwanted vegetation from around the boardwalks, including but not limited to cattails.

(c) Grantor shall inform Grantee of any pipe, utility, or lines that cross or may cross this easement.

4. *Binding Effect.* This agreement binds and inures to the benefit of the parties and their respective successors and permitted assigns.

5. *Counterparts.* This agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

6. *Integration.* This agreement contains the complete agreement of the parties and cannot be varied except by written agreement of the parties. The parties agree that there are no oral agreements, representations, or warranties that are not expressly set forth in this agreement.

7. *Notices.* Any notice required or permitted under this agreement must be in writing. Any notice required by this agreement will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this agreement. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

8. *Recourse of Grantor.* This easement is granted for the purpose provided in this Agreement. If Grantee fails to and/or does not use the easement solely for this intended purpose at any time, Grantor shall have the right to terminate this easement and require the boardwalk(s) constructed by Grantee to be removed by Grantee. If Grantee fails to remove the boardwalk(s) within thirty (30) days after requested by Grantor, Grantor shall have the right to remove the boardwalks at Grantee's expense.

When the context requires, singular nouns and pronouns include the plural.

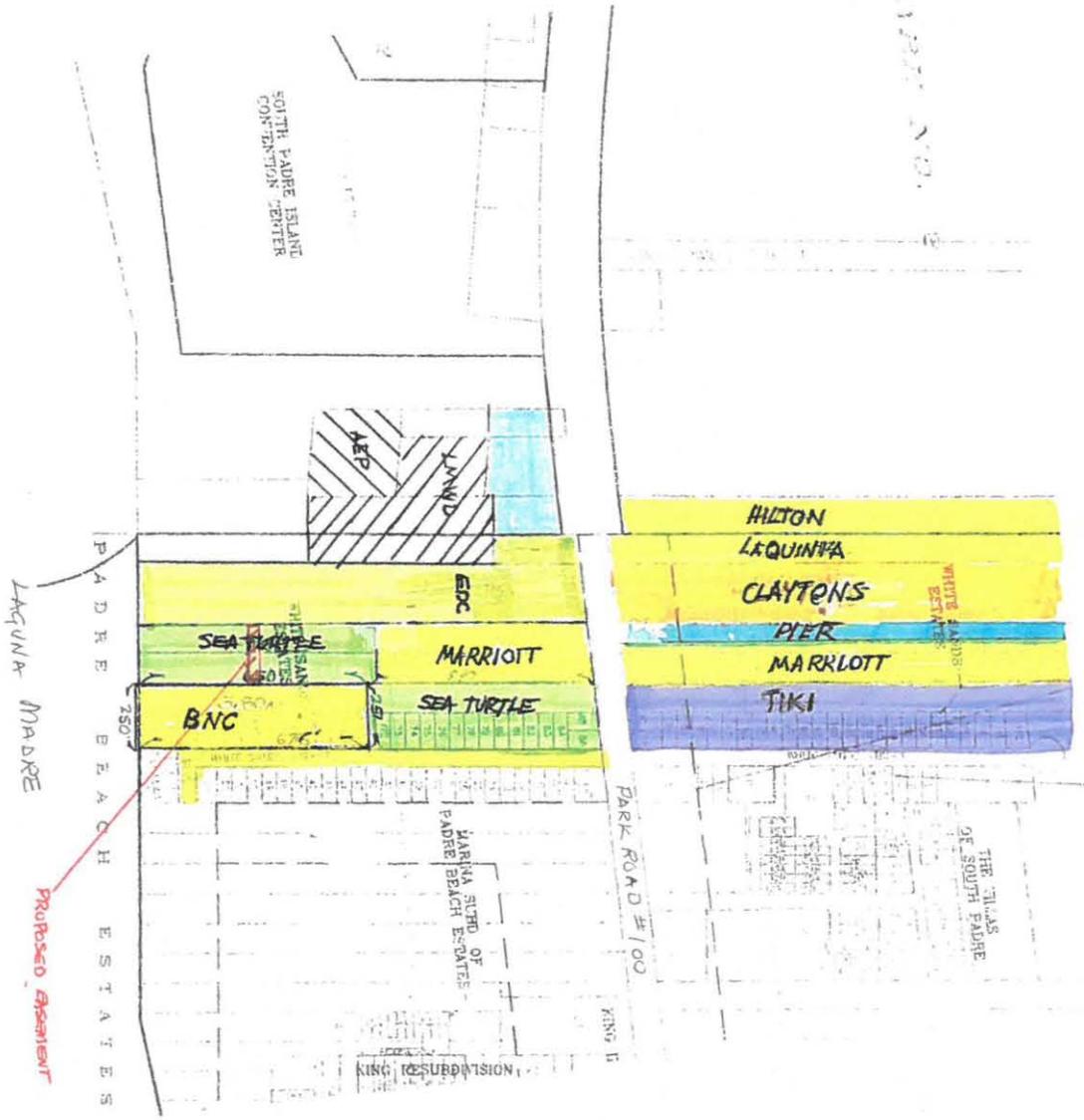
SEA TURTLE, INC.,
Grantor

By: _____
Chairman of the Board: _____

THE STATE OF TEXAS §
COUNTY OF CAMERON §

This instrument was acknowledged before me by _____, Chairman of the Board of Directors of Sea Turtle, Inc., a non-profit, on behalf of said entity, this _____ day of _____, 2016.

Notary Public, State of Texas



9.

**SOUTH PADRE ISLAND ECONOMIC
DEVELOPMENT CORPORATION**

PUBLIC HEARING

MEETING DATE: December 13th, 2016

PUBLIC HEARING:

AGENDA ITEM:

Conduct a Public Hearing to discuss the Artificial Reef-Friends of RGV Reef deployment, funding a portion of the seagoing transport of materials

PROCEDURE:

1. The President opens the Public Hearing by reading the caption from the agenda.
2. The President asks if anyone is present to speak **in favor of**.
3. Once everyone in favor has spoken, the President asks if anyone is present to speak **in opposition to**.
4. Once everyone in opposition has had an opportunity to speak, the President will then close the Public Hearing.

Please keep in mind that the Board will normally have discussion and action during the next item on the agenda. The Public Hearing is for the purpose of receiving comments from the public. It is not necessary for the Board members to respond to the public at this time. If a member of the public raises a question, the members of the Board should make note of it to address during the next discussion and action item after the Public Hearing has been closed.

11.

SHEPARD WALTON KING

INSURANCE GROUP

SPI Birding & Nature Center

2016-17	Expiring	Renewal
PROPERTY	Westchester	Axis Specialty
Building	\$ 2,750,000	\$ 4,320,000
Business Personal Property	\$ 1,300,000	Included
Income/Extra Expense/Rental Value	\$ 270,000	ALS
Valuation	Replacement Cost	Replacement Cost
All Other Ded	\$ 5,000	\$ 5,000
Named Windstorm	3%	3%
All Other Wind	\$ 25,000	\$ 25,000
Coinsurance	100%	80%
Premium	\$ 28,500.00	\$ 25,388.00
Surplus Lines Taxes and Fees	\$ 2,081.27	\$ 2,214.40
PROPERTY Deductible Buyback	Ace Westchester	Ace Westchester
Limit of Liability	\$ 104,600	\$ 104,600
Premium	\$ 7,414.00	\$ 7,414.00
Surplus Lines Taxes and Fees	\$ 468.94	\$ 475.70
GENERAL LIABILITY	Nautilus Ins. Co.	Nautilus Ins. Co.
General Aggregate	\$ 2,000,000	\$ 2,000,000
Products/Completed Operations Aggregate	\$ 2,000,000	\$ 2,000,000
Personal & Advertising Injury	\$ 1,000,000	\$ 1,000,000
Per Occurrence	\$ 1,000,000	\$ 1,000,000
Medical Expenses	\$ 5,000	\$ 5,000
Damage to Premises Rented to you Limit	\$ 100,000	\$ 100,000
Premium	\$ 3,817.00	\$ 3,817.00
Surplus Lines Taxes and Fees	\$ 401.96	\$ 505.85
WORKERS COMPENSATION	Texas Mutual Ins. Co.	Texas Mutual Ins. Co.
Bodily Injury by Accident (each)	\$1,000,000	\$1,000,000
Bodily Injury by Disease (policy limit)	\$1,000,000	\$1,000,000
Bodily Injury by Disease (each employee)	\$1,000,000	\$1,000,000
Premium	2,815.00	1,942.00
TOTAL PREMIUM 2016-17 TERM	\$ 45,504.93	\$ 41,756.95

BNC
Direct
Bill
← Not
EDC

This proposal represents only a summary of proposed policies and is not a contract. This summary is provided to help you understand the insurance program proposed. Please refer to or request copies of specimen policies that would be issued to you for specific terms, conditions, limitations and exclusions that apply in the case of a loss event. Higher limits, alternate deductibles and additional coverage may be available to you and can be requested by contacting our office.

Total is
\$39,814.95
Budgeted
\$55,000
Last yr. \$42,783

Shepard Walton King Ins Group*
1906B E. Tyler

Harlingen, TX 78550
Phone: 956-423-8755 Fax: 956-428-0730

INVOICE NO. 57298

Page 1

ACCOUNT NO.	CSR	DATE
SPIBI-1	TM	12/06/2016

PRODUCER

Christopher Graham, CIC

BALANCE DUE ON

12/21/2016

SPI Birding & Nature Center

Darla Lapeyre
6801 Padre Blvd
South Padre Island, TX 78597

Itn #	Eff Date	Trn	Type	Description	Amount
433925	12/21/16	REN	LIAB	Liability Ren 16-17	\$3,817.00
433926	12/21/16	CFE	LIAB	Policy Fee	\$300.00
433927	12/21/16	SLT	LIAB	Surplus Lines Tax	\$199.67
433928	12/21/16	SLT	LIAB	Stamping Fee	\$6.18
Invoice Balance:					\$4,322.85

We Wish You a Merry Christmas and a Happy New Year!!

*** PLEASE RETURN ONE COPY WITH YOUR REMITTANCE ***

Shepard Walton King Ins Group*
1906B E. Tyler

Harlingen, TX 78550
Phone: 956-423-8755 Fax: 956-428-0730

INVOICE NO. 57299

Page 1

ACCOUNT NO.	CSR	DATE
SPIBI-1	TM	12/06/2016
PRODUCER		
Christopher Graham, CIC		
BALANCE DUE ON		
12/21/2016		

SPI Birding & Nature Center

Darla Lapeyre
6801 Padre Blvd
South Padre Island, TX 78597

Itm #	Eff Date	Trn	Type	Description	Amount
433929	12/21/16	REN	PROP	Prop Ded BuyBack	\$7,414.00
433930	12/21/16	CFE	PROP	Company fee	\$100.00
433931	12/21/16	SLT	PROP	Surplus Lines Tax	\$364.43
433932	12/21/16	SLT	PROP	Stamping Fee	\$11.27
Invoice Balance:					\$7,889.70

We Wish You a Merry Christmas and a Happy New Year!!

*** PLEASE RETURN ONE COPY WITH YOUR REMITTANCE ***

Shepard Walton King Ins Group*
1906B E. Tyler

Harlingen, TX 78550
Phone: 956-423-8755 Fax: 956-428-0730

INVOICE NO. 57300		Page 1
ACCOUNT NO.	CSR	DATE
SPIBI-1	TM	12/06/2016
PRODUCER		
Christopher Graham, CIC		
BALANCE DUE ON		
12/21/2016		

SPI Birding & Nature Center
Darla Lapeyre
6801 Padre Blvd
South Padre Island, TX 78597

Itn #	Eff Date	Trn	Type	Description	Amount
433951	12/21/16	REN	PROP	Property Ren 16-17	\$25,388.00
433952	12/21/16	CFE	PROP	Policy Fee	\$650.00
433953	12/21/16	CFE	PROP	Carrier Inspection Fee	\$250.00
433954	12/21/16	SLT	PROP	Surplus Lines Tax	\$1,274.97
433955	12/21/16	SLT	PROP	Stamp Fee	\$39.43
Invoice Balance:					\$27,602.40

We Wish You a Merry Christmas and a Happy New Year!!

*** PLEASE RETURN ONE COPY WITH YOUR REMITTANCE ***



Drew Zadow
12700 Park Central Dr - Ste 1250
Dallas, TX 75251
Phone: 972-850-1891
DZADOW@allrisks.com

Insurance Proposal

Premium Summary

Property Premium	\$25,388.00
Taxes and Fees	
Carrier Inspection Fee	\$250.00
Policy Fee	\$650.00
TX Surplus Lines Tax	\$1,274.97
TX Stamp Fee	\$39.43
Total Policy Taxes and Fees	\$2,214.40
Grand Total	\$27,602.40

Agent Commission: 10%



Property Quotation

Issued 11/16/2016 Valid through 12/16/2016

Date:	12/5/2016
Broker:	DREW ZADOW ALL RISKS LTD [DALLAS] 12700 PARK CENTRAL DRIVE, SUITE 1250 DALLAS, TX 75251
Re:	Property Quotation
Quote No:	ALL037584-1
Insuring Company:	AXIS Surplus Insurance Company
Insured:	South Padre Island Economic Development Corp 6801 Padre Blvd South Padre Island, TX 78597
Coverage Date:	12/21/2016 - 12/21/2017
Policy Limits:	\$4,320,000 per Occurrence Per Schedule, not blanket
Sub Limits:	
Pollutant Cleanup and Removal	\$10,000 Annual Aggregate
Building Ordinance A	included
Building Ordinance B & C combined per occ	\$100,000
	All are per Occurrence and are part of, not in addition to, the policy limits.
Primary Deductibles:	
All Coverages and Perils:	\$5,000
<i>Except:</i>	
Windstorm:	
Named Windstorm	3% of the Real and Personal Property, Personal Property of Others and Business Interruption total insured values at the time of loss or damage at the locations where the physical damage occurred subject to a minimum of \$25,000 in any one occurrence.
AOW	\$25,000 per occ
	All Deductibles are per Occurrence unless otherwise noted above or in the Policy Form.
Valuation:	Replacement Cost ALS- BI



Property Quotation

Issued 11/16/2016 Valid through 12/16/2016

Coinsurance:	
Business Interruption	80%
Information	Nil- PD

Coverages:	Real & Personal Property Business Income including Extra Expense
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Perils:	All Risk Excluding Flood and Earthquake
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Forms:	Applicable ISO Forms Pre-existing Damage Exclusion Protective Safeguards Endt warranting Operable Sprinkler System, Operable Central Station Fire and Burglar alarms Excludes coverage for Animals, Birds, etc. and BI as a result of loss of or damage to the same.
---------------	---

Exclusions:	Asbestos, Mold/Fungus, Terrorism, Cyber, Pollution, Nuclear, Biological, Chemical As more fully described in policy
--------------------	--

Additional Terms:	Subject to 100% BI values reported.
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Total Insured Value:	\$4,320,000.00
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Cancellation/Non-Renewal Clause:	Thirty (30) days notice of cancellation/non-renewal, except ten (10) days for non-payment of premium.
---	---

Terrorism:	This proposal includes coverage afforded by the Terrorism Risk Insurance Act, as amended (the "Act"). Our proposal includes a premium charge for this coverage from the effective date of our proposed policy through the end of the policy period. If you accept our proposal for coverage afforded by the Act, Endorsement Number AXIS TRIA 01 15 will apply. If you reject our proposal for coverage afforded by the Act, Endorsement Number AXIS TERROR EXCLUSION 01 06 will apply.
-------------------	---

Premium:	
Policy Premium	\$25,388 35.00% Minimum Earned Premium at inception of coverage. Hurricane MEP applies
TRIA Premium	\$1,300
Risk Engineering Fees	\$250



Property Quotation

Issued 11/16/2016 Valid through 12/16/2016

**Financial Information - AXIS
Capital Holdings:**

"A+ XV" Rating by A.M. Best
"A+" Rating by Standard & Poor's
\$5.6 Billion in Shareholders' Equity as of June 30, 2013

Premium Payment:

Please consider this your invoice for accounting purposes. Premium is due 30 days from the effective date of the policy.

Additional Comments:

NON-ADMITTED PAPER - AXIS Surplus Insurance Company is non-admitted paper and the Broker is responsible for handling all Surplus Lines filings and fees.

As a surplus lines broker, it is your responsibility to arrange for the payment of the appropriate surplus lines tax as well as the filings of any applicable tax affidavit.

Please review the quote carefully as there are terms and conditions different from your submission.

The quote is valid until 12/16/2016



Property Quotation

Issued 11/16/2016 Valid through 12/16/2016

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended (the "Act"), that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If, as a part of your policy, you also elect to purchase this terrorism coverage from us, you will be charged an additional premium of **\$1,300**.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED ABOVE AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

NOTICE TO BROKER MANDATORY POLICYHOLDER DISCLOSURE RE: TERRORISM INSURANCE COVERAGE

We are required by the Terrorism Risk Insurance Act, as amended (the "Act"), to provide policyholders with clear and conspicuous disclosures. This notice must be provided at the time of offer and renewal of the policy.

We have provided you with a notice that meets the Act's requirements. You are instructed to deliver a copy of this notice to our prospective insured when you forward our quote.



Drew Zadow
 12700 Park Central Dr - Ste 1250
 Dallas, TX 75251
 Phone: 972-850-1891
 DZADOW@allrisks.com

Insurance Proposal

Property Coverages	Limit	Deductible	Premium
Wind Deductible Buy Back	\$104,600	\$25,000.00 Per Occurrence	\$7,414.00

Peril Insured:	Windstorm and Hail Deductible Buy Back Named Storm
Property Of Interest:	Real Property and Business Interruption and/or Loss of Rents
Overlying Insurer Name:	Ace Westchester
Overlying Insurer Policy #:	
Limit of Liability :	\$104,600
Insured Retention:	\$25,000 per Occurrence

Property SubTotals		
Property Premium		\$7,414.00
Taxes and Fees		
Policy Fee		\$100.00
TX Surplus Lines Tax		\$364.43
TX Stamp Fee		\$11.27
Tax and Fee Total		\$475.70
Property Grand Total		\$7,889.70

Agent Commission: 10%

A 100% Minimum Earned Premium is effective at inception, unless otherwise indicated in the Conditions section.

Optional coverage for Acts of Terrorism is available for an additional charge plus any applicable taxes and fees.



Drew Zadow
12700 Park Central Dr - Ste 1250
Dallas, TX 75251
Phone: 972-850-1891
DZADOW@allrisks.com

Insurance Proposal

Subjectivities

- Signed and completed Acord Application or equivalent. The application &/or combination of the application and SOV must match all terms and conditions that we are binding.
- A written request to bind coverage is required prior to binding.
- Subjectivities: Subject to Confirmation of Overlying Policy # and the Carrier on the Overlying Policy.

The Subjectivities outlined above are required prior to binding. Please forward all requested information with your bind request. No coverage is considered bound until confirmed in writing from All Risks, Ltd. and all subjectivities have been addressed.

Conditions

- **CONDITION OF COVERAGE:** Coverage under this quote/binder shall be subject to all of the terms, conditions and limitations of the overlying carrier's policy form (quote/binder). It is a condition of this coverage that the overlying carrier's policy be maintained in full force and effect. This Deductible Buyback Coverage will automatically terminate if the Overlying Policy is cancelled or terminated for any reason.
- This quote is valid until 12/21/16 or until the expiration date if an All Risks renewal.

Note that if we do not receive the required information as outlined above, we will be unable to issue a binder if requested.

Remarks

- **Remarks:** Premium is 100% Earned. This is a buy down from a 3% NS Deductible to a \$25,000 Deductible, not to exceed \$104,600 per occurrence. We will exclude any active weather system prior to inception. Also, underwriters will reserve the right to withdraw their terms in the event of a developed or developing weather system that may or may not give rise to a claim prior to inception.



Drew Zadow
12700 Park Central Dr - Ste 1250
Dallas, TX 75251
Phone: 972-850-1891
DZADOW@allrisks.com

Insurance Proposal

Forms List

Common Forms

TX Complaint Notice

Property Forms

Lloyd's Certificate

Deductible Buy-Back Stevens 09

Radioactive Contamination Exclusion Clause

War & Civil Exclusion Clause

Terrorism Exclusion Endorsement

Biological of Chemical Materials Exclusion

Service of Suit Clause

Cancellation Clause

Seepage and/or Pollution and/or Contamination Exclusion

Land, Water, and Air Exclusion Clause

Electronic Data Endorsement A

Electronic Date Recognition Exclusion

Mold Exclusion

Asbestos Endorsement

Lloyd's Privacy Policy Statement

Several Liability Notice

U.S. Treasury Department's Office of Foreign Assets Control (OFAC)

U.S. Terrorism Risk Insurance Program Reauthorization Act of 2007 Not
Purchased Clause

Pre-Existing Damage Endorsement

TX Complaint Notice

SLC-3 NMA 2868 08 00

LSW1658

NMA 1191 05 59

NMA 464 01 38

NMA 2920 08 01

NMA 2962 06 03

LMA 5020 09 05

NMA 1331 04 61

NMA 2342 11 88

NMA 2341 11 88

NMA 2915 01 01

NMA 2802 12 97

LMA 5018 09 05

LMA 5019 09 05

LSW 1135B 06 03

LSW 1001 08 94

IL P 001 01 04

LMA 5219 01 15

GSC-CP-012 (09/08)



SCU
SOUTH CENTRAL UNDERWRITERS
 A Division of CBC Insurance Services, Inc.

Quote Date: 11/28/2016
 South Padre Island ...

QUOTE - COMMERCIAL GENERAL LIABILITY

Limits of Insurance

General Liability

General Aggregate	\$2,000,000
Products / Completed Operations Aggregate	\$2,000,000
Personal & Advertising Injury (any one person or organization)	\$1,000,000
Each Occurrence	\$1,000,000
Damage to Premises Rented to You (any one premises)	\$100,000
Medical Expenses (any one person)	\$5,000

Deductible

\$500 BI/PD Combined Per Claim

General Liability Location Schedule

Loc #	Details / Address
1	6801 Padre South Padre Island, TX 78597

<u>Code</u>	<u>Classification Description</u>	<u>Premium Basis</u>	<u>Exposure</u>	<u>Prem/Ops</u>	<u>Prod/Comp Ops</u>	<u>Premium</u>
49902	Zoos - OTNFP	m+	148,000	2.550	Incl.	\$377 Incl.
13506	Gift shops - OTNFP	s	91,000	6.246	0.418	\$568 \$38
49451	Vacant land-Rural - Per Acre - First 500 Acres - OTNFP	t+	4	3.865	Incl.	\$15 Incl.

Dagger or Plus Sign (+): Products/Completed Operations included within the General Aggregate Limit unless specifically excluded.

<u>Code</u>	<u>Classification Description</u>	<u>Limit</u>	<u>Deductible</u>	<u>Premium</u>
90795	First Party Cyber Cov-Med Hazard-Med Exposure	25k/25k	\$1,000	\$317

Liability Premium Summary

Liability: \$3,817.00

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SCU
 SOUTH PACIFIC CROSS ASSURANCE
 A Division of CAC Insurance Services, Inc.

Quote Date: 11/28/2016
 South Padre Island ...

FORMS AND ENDORSEMENTS

Form Number	Edition Date	Title	Required by Class Code
<u>CG0001</u>	(04/13)	Commercial General Liability Coverage Form (Occurrence Version)	
<u>CG0103</u>	(06/06)	Texas Changes	
<u>CG2107</u>	(05/14)	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - Limited Bodily Injury Exception Not Included	
<u>CG2109</u>	(06/15)	Exclusion - Unmanned Aircraft	
<u>CG2146</u>	(07/98)	Abuse or Molestation Exclusion	
<u>CG2147</u>	(12/07)	Employment-Related Practices Exclusion	
<u>CG2173</u>	(01/15)	Exclusion of Certified Acts of Terrorism	
<u>CG2196</u>	(03/05)	Silica or Silica-Related Dust Exclusion	
<u>E001</u>	* (02/14)	Nautilus Insurance Company Common Policy Declarations	
<u>E001J</u>	(02/14)	Nautilus Insurance Company Commercial Lines Policy Jacket	
<u>E906</u>	(01/16)	Service Of Suit	
<u>E907TX</u>	(04/16)	Important Notice (Texas)	
<u>E915</u>	(07/13)	U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders	
<u>IL0017</u>	(11/98)	Common Policy Conditions	
<u>IL0021</u>	(09/08)	Nuclear Energy Liability Exclusion Endorsement (Broad Form)	
<u>IL0168</u>	(03/12)	Texas Changes - Duties	
<u>L216</u>	(04/16)	Amendment of Definitions - Insured Contract (Limited Form)	
<u>L223</u>	(06/07)	Exclusion - Total Pollution	
<u>L226</u>	(06/06)	Exclusion - Contagious, Infectious or Transmissible Disease	
<u>L228</u>	(07/16)	Exclusion - Communicable Disease	
<u>L238</u>	(06/07)	Exclusion - Toxic Metals	
<u>L241</u>	(07/09)	Exclusion - Microorganisms, Biological Organisms, Bioaerosols or Organic Contaminants	
<u>L408</u>	(03/12)	Changes - Civil Union Or Domestic Partnership	
<u>L411</u>	* (02/16)	Privacy Breach Coverage Coverage A Limit: \$25,000 \$1,000 deductible Coverage B Limit: \$25,000 Aggregate Limit: \$25,000	
<u>L601</u>	* (12/09)	Amendment of Conditions - Premium Audit	
<u>L850</u>	* (05/09)	Deductible Liability Insurance (Including Allocated Loss Adjustment Expense)	

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South Coast Underwriters
 A Division of CBC Insurance Services, Inc.

Quote Date: 11/28/2016
 South Padre Island ...

\$500 BI/PD Combined PER CLAIM

<u>S013</u>	*	(07/09)	Minimum Earned Premium Endorsement 25%	
<u>S038</u>		(04/16)	Amendment of Liquor Liability Exclusion	
<u>S150</u>	*	(07/09)	Commercial General Liability Coverage Part Declarations	
<u>S261</u>		(07/09)	Exclusion - Asbestos	
<u>S902</u>	*	(07/09)	Schedule of Forms and Endorsements	
<u>L282</u>		(07/10)	Exclusion - Contractors and Subcontractors	49451
<u>L293</u>		(07/10)	Exclusion - All Construction Operations	49451

*Form requires data entry

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SCU
 SOUTH PADRE ISLAND INSURANCE SERVICES
 A Division of CFC Insurance Services, Inc.

Quote Date: 11/28/2016
 South Padre Island ...

**POLICYHOLDER DISCLOSURE
 NOTICE OF TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, (the "Act"), you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Coverage under your policy may be affected as follows:

IF YOU ARE PURCHASING COMMERCIAL PROPERTY COVERAGE IN THE STATES OF CALIFORNIA, GEORGIA, HAWAII, ILLINOIS, IOWA, MAINE, MISSOURI, NEW JERSEY, NEW YORK, NORTH CAROLINA, OREGON, RHODE ISLAND, WASHINGTON, WISCONSIN OR WEST VIRGINIA; AND/OR PURCHASING COMMERCIAL INLAND MARINE COVERAGE IN THE STATES OF CALIFORNIA, MAINE, MISSOURI, OREGON OR WISCONSIN THERE ARE STATE STATUTORY EXCEPTIONS COVERING CERTAIN FIRE LOSSES IF YOU DECLINE COVERAGE FOR "ACTS OF TERRORISM" DEFINED UNDER THE ACT. IF AN "ACT OF TERRORISM" CERTIFIED UNDER THE ACT RESULTS IN FIRE, WE ARE REQUIRED TO PAY FOR THE LOSS OR DAMAGE CAUSED BY THAT FIRE. SUCH COVERAGE FOR FIRE APPLIES ONLY TO DIRECT LOSS OR DAMAGE BY FIRE TO COVERED PROPERTY AND IS SUBJECT TO ANY LIMITATIONS OF ANY TERRORISM EXCLUSION, OR INAPPLICABILITY OR OMISSION OF A TERRORISM EXCLUSION. THIS NOTICE DOES NOT SERVE TO CREATE COVERAGE FOR ANY LOSS WHICH WOULD OTHERWISE BE EXCLUDED UNDER YOUR POLICY.

THE PORTION OF YOUR PREMIUM THAT IS ATTRIBUTABLE TO COVERAGE FOR DIRECT LOSS OR DAMAGE THAT IS CAUSED BY AN "ACT OF TERRORISM" CERTIFIED UNDER THE ACT AND WHERE FIRE ENSUES IS \$25, AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSSES COVERED BY THE UNITED STATES GOVERNMENT UNDER THE ACT. NOTE - THIS PREMIUM IS APPLIED TO YOUR POLICY REGARDLESS IF YOU ACCEPT OR DECLINE COVERAGE FOR "ACTS OF TERRORISM" BELOW.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE ACT, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

CONFIDENTIALITY NOTICE: The transmitted documents contain private, privileged and confidential information belonging to the sender. The information therein is solely for the use of the addressee. If your receipt of this transmission has occurred as the result of an error, please immediately notify us so we can arrange for the return of the original documents. In such circumstances, you are advised that you may not disclose, copy, distribute or take any other action in reliance on the information transmitted.



South Central Underwriters
A Division of CAC Insurance Services, Inc.

Quote Date: 11/28/2016
South Padre Island ...

Acceptance or Rejection of Terrorism Insurance Coverage

<input type="checkbox"/>	I hereby elect to purchase coverage, subject to the limitations of the Act, for acts of terrorism as defined in the Act, for a prospective premium of <u>\$125.00</u> , plus the following taxes and fees:
	Terrorism Total of Premium, taxes and fees is <u>\$125.00</u>
<input checked="" type="checkbox"/>	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature

Print Name

Date

Nautilus Insurance Company

Insurance Company

Policy Number

South Padre Island Birding and Nature Center; Economic Development Corp.

Named Insured

E903 (01/15) Includes copyrighted material of National Association of Insurance Commissioners, with its permission.

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NAUTILUS insuranceSM

 a W. R. Berkley Company

THANK YOU FOR ALLOWING NAUTILUS TO QUOTE YOUR BUSINESS.

NAUTILUS PRIVACY BREACH COVERAGE

Data privacy breaches can happen to any business, of any size, and your customers rely on you to keep their sensitive data secure. Many states require businesses to take action or they face the possibility of civil litigation or other penalties. Before the unthinkable happens, you need the tools and information to confidently assess the situation and manage the crisis. Successful incident response requires decisive, efficient action to contain the damage and comply with state-by-state notification laws in a timely manner.

NAUTILUS PRIVACY BREACH COVERAGE ENDORSEMENT FEATURES:

FIRST PARTY COVERAGE

This coverage is an extension to the commercial General Liability policy.

MULTIPLE LIMITS AVAILABLE

■ \$25,000/\$25,000 ■ \$100,000/\$100,000 ■ \$300,000/\$300,000

NOTIFICATION COSTS

Customer or employee notification and remediation, breach victim notification management, breach victim call handling.

BREACH COUNSELING & CRISIS MANAGEMENT

Experienced examiners assess the impact of a data breach, notifying the breached individuals and/or notifying the states' attorneys general or federal regulatory agencies.

PRIVACY BREACH INVESTIGATION EXPENSES

Fees and expenses charge by a vendor designated to investigate the unauthorized access or unauthorized use of the named insured's computer system from which protected information has been accessed in order to determine whether the named insured has an obligation to provide notice under privacy law.

MEDIA RELATIONS COUNSELING

Internal and external communications, public relations and media management.

WHY NAUTILUS PRIVACY BREACH COVERAGE?

Nautilus Insurance Group is a member company of W.R. Berkley Corporation, the 3rd largest surplus line insurance group in the U.S., and a Fortune 500 company. Nautilus has consistently been a financially strong E&S market since 1985 and holds an A.M. Best A+XV rating. Our Privacy Breach Coverage is competitively priced and offers coverage solutions for over 1,100 classes of business.

Please refer to the formal quote to verify coverage offered on this specific risk. This document is provided for informational purposes only. It does not amend, extend or alter the coverage offered within the attached quote.

General Liability | Property | Commercial Excess & Umbrella | Personal Umbrella
Miscellaneous Professional Liability | Liquor Liability | Crime | Inland Marine | Equipment Breakdown

Products and services described above are provided through various surplus lines insurance company subsidiaries of W. R. Berkley Corporation and offered through licensed surplus lines brokers. Not all products and services may be available in all jurisdictions, and the coverage provided by any insurer is subject to the actual terms and conditions of the policies issued. Surplus lines insurance carriers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.

12.

EXECUTIVE DIRECTOR'S ACTIVITY REPORT

DECEMBER 2016

A recap of highlights from the weekly reports are included in this report. Please refer to the weekly reports for more detail.

- Held a meeting with Sea Turtle to discuss the issues they have with the Memorandum of Understanding to allow them access to our parking lot and for them to allow access to the Birding Center property located behind their facility. Those in attendance were myself and Bob Friedman from the EDC; Lynne Tate, Richard Franke and Cristin Howard from the BNC; our attorney Kathy Cunningham, and Jeff George and Shane Wilson with Sea Turtle. It was a productive meeting and all parties discussed changes to the document that were agreed upon. Kathy Cunningham will incorporate the items that were discussed and revise the MOU and draft the easement. Richard Franke and I will work on the conservation easement piece. My idea was to approach Sea Turtle again and see if they would be willing to put the conservation easement in the name of the Birding Center. Richard Franke is contacting Dennis Sanchez to see if Sea Turtle is willing. I will be following up.
- Attended a meeting with the City Manager Susan Guthrie, Darla Jones, Roxanne Guenzel, and representatives from the RGV Partnership to talk about the upcoming Legislative Tour on January 26th-29th. The host hotel will be the Pearl. 20-25 legislators are expected with chiefs of staffs and spouses for a total of 50-60 people. Our position to the RGV Partnership folks was we would be willing to host a reception at the Convention Centre (the Birding Center was the original idea but is booked for WOVE). The last time this event was held in the lower Rio Grande Valley, the City hosted a dinner at Sea Ranch at a cost of \$14,000 and this is not an option. Our idea was to highlight some local businesses with food and beverages and to have at sunset before they attend their dinner at Sea Ranch. They are still having dinner at Sea Ranch but have found another sponsor to host the dinner part. Darla Jones took the representatives of the RGV Partnership over to tour the Convention Centre. I followed up with Susan Guthrie last week and she said there has been no reply so she sent the m another email. Still no reply. The sponsorship levels they are requesting are \$500, \$1500, \$2500, and up to \$20,000. We discussed with Clint Smith and amongst ourselves and decided perhaps EDC could do a small sponsorship (either the \$500 or \$1500 option) and the City pay for the reception. The Chamber cannot contribute financially but would help with support staff, etc. I would like to hear input from the Board.
- Attended a meeting about the Active Transportation Plan in Brownsville. Brownsville City Commissioner Rose Gowen was there and set up the roundtable discussion with representatives from the economic consulting group, Texas Tropical Trail, the National Parks Foundation, Palo Alto Battlefield, the Laguna Atascosa Wildlife Refuge, UTRGV Irv Downing and Linda Ufland, the Brownsville CVB Executive Director, Brownsville City Planner, the Greater Brownsville incentive Corporation (GBIC) and myself. It was a brainstorming session to discuss ways to merge the Active Plan with natural, cultural, and heritage groups. It was emphasized the day before ten cities came together to sign a pledge to implement the Active Plan which is a huge accomplishment. Two critical pieces of the plan are the TIGER grant for the bike lane on the Queen Isabella Memorial Causeway and the trail to bike and kayak connecting the Bahia Grande with the Palo Alto National Park. Commissioner Gowen told us TXDOT is trying to get out of building

the bike lane now! Looking at a shared identity for marketing the area is an important initiative, research and case studies are being merged to support the numbers, the groups present need to highlight and connect resources to promote the region, fertile ground for small businesses, economic impact, pair the plan with small businesses by conducting charrettes (one with Port Isabel and the Island) to begin to show the RMA and TXDOT the community support for the connection, implement an ambassador program to cross market, put together FAM tours and packages, research the Oregon example "I Speak" where the employees in the businesses would wear buttons that say "I speak Birds", "I speak Kiteboarding", "I speak kayaking" so the visitors can ask them for suggestions of sites to visit. There were so many good ideas discussed. I would like to meet with Keith Arnold since he was not there and work on a few of these as projects in the New Year.

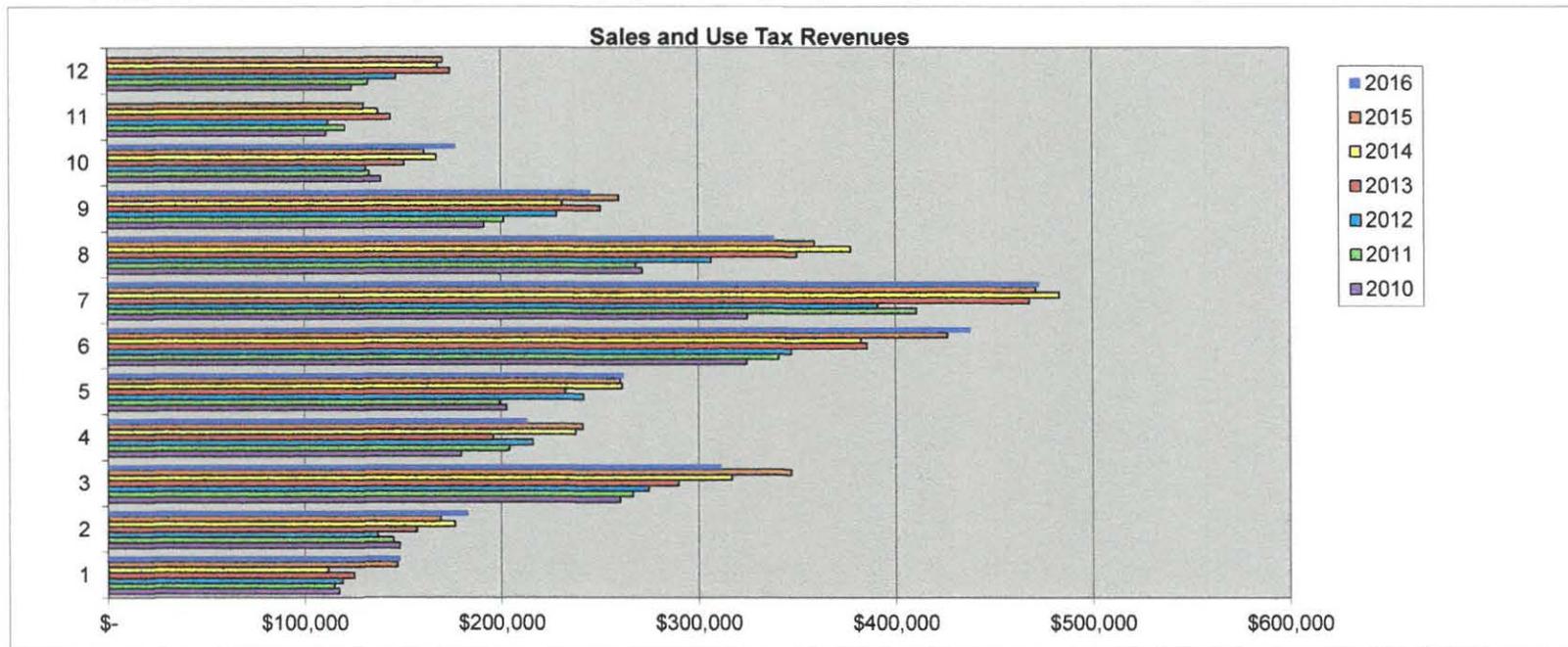
- Met with Alice Donahue, realtor and Mike Stuart about a major undertaking regarding a technology initiative to market the region. I was asked to put a core group together of individuals they have met one on one and see how the project can be further developed. Dr. Stuart asked me to invite Irv, Dennis Franke, Barry Patel, Steve Atkins, Keith Arnold and Jason Hilts from the Brownsville Economic Development Council I invited all to a meeting on December 12th at 10 a.m. It is unclear the role the EDC will play at this time. As I learn more I will let the Board know. A similar project was launched in Port Aransas with much success according to Dr. Stuart and Alice.
- Reviewed the Sand Dollars for Success Program schedule. The deadline to submit the written business plans is January 17th, the oral presentations of the business plans is on January 31st, and the awards ceremony is February 21st. The EDC Board will be the judges for the events so please put these dates on your calendars.

Respectfully submitted,

Darla Lapeyre

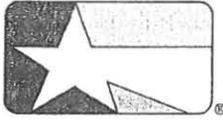
South Padre Island Sales and Use Tax Revenues								
	2010	2011	2012	2013	2014	2015	2016	
								%
January	\$ 117,419	\$ 114,865	\$ 119,092	\$ 124,955	\$ 111,837	\$ 147,033	\$ 148,673	1.12
February	148,170	145,004	137,090	156,927	176,331	168,939	183,246	8.47
March	260,182	266,620	274,677	289,849	316,834	346,948	311,867	(10.11)
April	179,469	203,962	215,913	195,868	237,624	241,179	213,305	(11.56)
May	202,552	199,176	241,670	232,586	261,170	260,265	262,341	0.80
June	324,527	340,811	347,206	385,570	382,481	426,572	438,459	2.79
July	324,886	410,556	390,920	467,989	483,156	471,196	473,223	0.43
August	271,602	268,233	306,588	350,038	377,267	359,029	339,074	(5.56)
September	191,347	201,328	228,185	250,437	231,042	259,809	245,959	(5.33)
October	138,942	133,115	131,407	150,816	167,179	161,032	177,265	10.08
November	111,285	120,696	112,229	143,930	137,595	130,352		
December	124,089	132,467	146,595	174,214	167,830	170,488		
Total	\$ 2,394,470	\$ 2,536,833	\$ 2,651,572	\$ 2,923,179	\$ 3,050,346	\$ 3,142,842		

NOTE: Percentages of change March vs. April each year are principally the result of the month in which Easter falls. Amounts reported in January are based on January sales, for example, even though reported by the State and received by South Padre Island in March.



South Padre Island Building Permit Valuations

	2010	2011	2012	2013	2014	2015	Commercial	Residential	2016
January	\$ 6,275,239	\$ 243,630	\$ 552,718	\$ 703,791	\$ 434,335	\$ 4,490,817	\$ 319,434	\$ 2,301,454	\$ 2,620,888
February	5,473,877	423,259	1,968,904	330,425	2,117,014	1,887,739	232,253	1,443,602	1,675,855
March	456,675	627,539	449,800	1,016,164	271,651	2,319,135	889,608	2,950,613	3,840,221
April	444,700	12,105,395	268,337	554,688	412,515	8,676,090	640,967	175,856	816,823
May	3,977,138	1,009,344	915,996	295,625	1,052,261	1,143,022	427,394	800,152	1,227,546
June	1,504,846	1,821,047	1,243,528	177,150	1,717,942	842,403	24,000	571,320	595,320
July	52,590,819	5,411,225	412,100	145,069	160,664	1,439,706	195,000	1,041,569	1,236,569
August	975,263	899,292	459,314	2,525,727	500,475	1,799,928	92,349	1,881,612	1,973,961
September	2,436,837	192,228	373,975	692,401	894,061	1,205,667	14,500	3,118,369	3,132,869
October	1,295,900	280,511	950,100	885,901	2,322,681	792,963	381,739	581,696	963,435
November	414,111	8,549,789	2,022,260	1,103,873	1,975,292	2,008,807	715,700	312,528	1,028,228
December	1,408,183	1,093,434	773,540	162,116	1,894,849	2,855,683			
Total	\$ 77,253,588	\$ 32,656,693	\$ 10,390,572	\$ 8,592,930	\$ 13,753,740	\$ 29,461,960			



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Date 11/30/16 Page 1
Primary Account XXXXXXXXXXXX2005
Enclosures 1

*****AUTO**SCH 5-DIGIT 78559
3461 0.7968 AV 0.376 11 1 164

SOUTH PADRE ISLAND ECONOMIC DEVELOPMENT
CORPORATION
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If you have overdrawn your account, be advised we have other less expensive methods to handle NSF item payments. Presenting transactions against NSFs is an expensive practice. To discuss other alternatives, call us at 1(800)580-0322 ext. 2440.

CHECKING ACCOUNTS

If you have overdrawn your account, please be advised that we have other less expensive methods to handle the payment of non-sufficient funds items. Presenting transactions and other items against non-sufficient funds is an expensive practice. If you would like to discuss alternatives which include account transfers or if you have other financial needs, please call us at 1(800)580-0322 ext. 2440.

NOW Checking Commercial		Number of Enclosures	1
Account Number	XXXXXXXXXXXX2005	Statement Dates	11/01/16 thru 11/30/16
Previous Balance	91,785.57	Days in the statement period	30
1 Deposits/Credits	1,064.59	Average Ledger	92,353.28
1 Checks/Debits	2.00	Average Collected	92,324.46
Service Charge	.00		
Interest Paid	18.97		
Current Balance	92,867.13	2016 Interest Paid	201.61

Deposits and Additions

Date	Description	Amount
11/15	Over The Counter Deposit	1,064.59
11/30	Interest Deposit	18.97

Debits and Other Withdrawals

Date	Description	Amount
11/30	Paper Statement Fee	2.00-



Date 11/30/16 Page 2
Primary Account XXXXXXXXXXXXX2005
Enclosures 1

NOW Checking Commercial XXXXXXXXXXXXX2005 (Continued)

Daily Balance Information

Date	Balance	Date	Balance	Date	Balance
11/01	91,785.57	11/15	92,850.16	11/30	92,867.13